

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Missouri-American Water)
Company's Request for Authority to)
Implement General Rate Increase for) Case No. WR-2017-0285
Water and Sewer Service Provided in)
Missouri Service Areas)

**REPLY BRIEF OF THE
MISSOURI DIVISION OF ENERGY**

The Missouri Department of Economic Development - Division of Energy (“DE”) respectfully offers this reply brief.

Residential Customer Charge for Water Service

In its Initial Brief, the Missouri American Water Company (“MAWC” or “Company”) addresses the Commission’s directive to the Company to submit additional calculations using an \$8.00 and \$9.00 customer charge. Regarding this request, MAWC states, “While the Company has no objection to either of these proposals, it would prefer the \$9.00 charge as it shifts less cost recovery responsibility to the volumetric rates.”¹

If the Commission determines to adopt either an \$8.00 or \$9.00 customer charge, DE encourages the Commission to order an \$8.00 customer charge because: (1) it would better adopt the concept of equity, fairness, and gradualism by approving an incrementally smaller increase to the quarterly fixed charge (i.e., an amount the customer pays regardless of usage);² (2) it would better promote energy efficiency by providing the customer with a greater price signal to reduce usage

¹ MAWC Initial Brief, EFIS No. 429, p. 39.

² Exhibit 602, Martin R. Hyman Direct, p. 8.

through a higher volumetric rate;³ and, (3) MAWC stated in its Initial Brief that it “has no objection” to an \$8.00 customer charge.⁴

Lead Service Line Replacement Program

In its Initial Brief, MAWC addresses an issue raised by the Office of the Public Counsel regarding “whether and how customers are notified that they have a lead service line.”⁵ MAWC quotes from the testimony of Mr. Bruce W. Aiton, MAWC’s Director of Engineering, and states that a customer is notified that they have a lead service lines in two instances: (1) In advance of a lead service line replacement; and, (2) “If a customer calls to inquire.”⁶ When a customer calls to inquire, MAWC advises the customer whether the company’s “tap card indicates they have a lead service line” and further advises the customer “to contact a plumber to confirm whether the record is accurate.”⁷ MAWC also states that it “welcomes input on how to make the location of lead service lines more accessible to customers while maintaining appropriate control of the information as required for proper system operation.”⁸

DE encourages MAWC to take a more proactive attempt to notify customers where the company’s tap card records indicate the customer has a lead service line. Mr. Aiton’s rebuttal testimony states that MAWC has already “reviewed all available and legible tap cards and pulled those that list lead as the material for the service line.”⁹ The pulled tap cards could be used to proactively notify customers. Such customers should also be properly educated on lead service lines, and provided assistance in contacting a qualified plumber to confirm whether the line is made of lead.

³ *Id.*, p. 6.

⁴ MAWC Initial Brief, EFIS No. 429, p. 39.

⁵ *Id.*, p. 12.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ Exhibit 2, Bruce Aiton Rebuttal, Schedule BWA 2, p. 2.

DE recognizes that not all systems acquired by MAWC have available tap cards,¹⁰ but the lack of a complete record of all customers should not act to prevent the company from making use of the available tap cards to proactively notify customers. Educating customers that they have a lead service line would allow the customer, should they choose to do so, to take steps to help reduce their potential exposure to lead poisoning, such as periodic testing of their water, the use of water filters, or the complete replacement of their lead service line.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 9th day of April 2018.

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¹⁰ *Id.*