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

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In the Matter of Missouri-American Water Company's Request for Authority to Implement General Rate Increase for Water and Sewer Service Provided in Missouri Service Areas.

File No. WR-2017-0285, et al.

# ORDER DIRECTING FILING

Issue Date: February 9, 2018 Effective Date: February 9, 2018

In the Commission's May 26, 2016 Report and Order ("Report and Order") issued in Missouri-American Water Company's last general rate case, File No. WR-2015-0301, the Commission specifically found that rates using an inclining block rate (where customer pay more for water as they increase their usage) would be designed to encourage water conservation by discouraging discretionary water usage.<sup>1</sup> Stating that conservation of water is important for more than just a need to conserve water, the Commission further found that the promotion of water efficiency leads to the promotion of energy efficiency and that the establishment of inclining block rates would further promote efficiency. Realizing that inclining blocks rates are difficult to design in a way that ensures MAWC recovers its approved requirement, the Commission noted that the data to properly design inclining block rates is not available in this case.<sup>2</sup>

In the Report and Order, the Commission asked that in the next rate case, the parties file information on inclining block rates so the Commission could consider the information in setting just and reasonable rates in that case.<sup>3</sup> In his rebuttal testimony,

<sup>&</sup>lt;sup>1</sup>May 26, 2016, Report and Order, File No. WR-2015-0301,¶13, p. 34.

<sup>&</sup>lt;sup>2</sup> *Id.* at ¶ 14-16. Internal citations omitted. <sup>3</sup> *Id.* at P. 41.

Missouri Department of Economic Development – Division of Energy ("DE") witness Mark Hyman expressed concern that as far as the Commission's request for information on inclining block rates in this case, "[n]o party has provided the requisite information to allow the Commission to make such a consideration."<sup>4</sup>

To allow the Commission an opportunity to review information prior to the evidentiary hearing, the Commission will direct MAWC to file the following data on residential water customer usage for the period of January 1, 2016, through December 31, 2017:

- For each month or quarter (depending on the available data) the total number of residential water customers and the number of residential water customers with usage of over 5,000 gallons if billed monthly/15,000 gallons if billed quarterly. A description should be provided for the length of the billing cycle.
- For each month or quarter (depending on the available data) the total number of residential water customers and the number of residential water customers with usage of over 10,000 gallons if billed monthly/30,000 gallons if billed quarterly. A description should be provided for the length of the billing cycle.
- 3. For each month or quarter (depending on the available data) the total number of residential water customers and the number of residential water customers with usage of over 20,000 gallons if billed monthly/60,000 gallons if billed quarterly. A description should be provided for the length of the billing cycle.
- 4. For each month or quarter (depending on the available data) the total number of residential water customers and the number of residential water customers with usage of over 30,000 gallons if billed monthly/90,000 gallons if billed quarterly. A description should be provided for the length of the billing cycle.

<sup>&</sup>lt;sup>4</sup> Mark Hyman Rebuttal, p 10, 5-9.

# THE COMMISSION ORDERS THAT:

1. No later than February 16, 2018, Missouri-American Water Company shall either provide the Commission with the information described in the body of this order or an explanation of why this information cannot be calculated.

2. This order shall be effective when issued.



# BY THE COMMISSION

Porris I Woodruff

Morris L. Woodruff Secretary

Kim S. Burton, Senior Regulatory Law Judge by delegation of authority pursuant to Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri, on this 9<sup>th</sup> day of February, 2018.

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 9<sup>th</sup> day of February 2018.



Morris L. Woodruff Secretary

# MISSOURI PUBLIC SERVICE COMMISSION

## February 9, 2018

### File/Case No. WR-2017-0285

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Union Electric Company Wendy Tatro 1901 Chouteau Avenue St. Louis. MO 63103-6149 AmerenMOService@ameren.com Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

Jorris Z Woodruff

Morris L. Woodruff Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.