

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

In the Matter of Missouri-American Water                    )  
Company's Request for Authority to Implement            )            Case No. WR-2020-0344  
General Rate Increase for Water and Sewer            )  
Service Provided in Missouri Service Areas.            )

**MAWC MOTION TO ESTABLISH PROCEDURAL SCHEDULE**

**COMES NOW** Missouri-American Water Company (MAWC, Missouri-American, or Company), and, states as follows to the Missouri Public Service Commission (Commission):

1.       On August 3, 2020, the Commission issued its *Order Directing Filing of Procedural Schedule and Notice of the Grant of Intervention Requests*, which, among other things, directed that “[n]o later than August 13, 2020, the parties shall jointly, or separately, file a proposed procedural schedule.” MAWC moves the Commission to adopt the procedural schedule proposed herein.

**SUMMARY**

2.       As indicated in the Direct Testimony of Deborah Dewey,<sup>1</sup> MAWC has in the past sought to shorten and focus the testimony filings in Missouri general rate cases. MAWC asks that the Commission utilize this case as a pilot to test the feasibility of a simplified testimony schedule, as proposed herein by the Company. MAWC’s proposed schedule does not attempt to shorten the overall rate case timeline, but instead focuses on a more limited number of rounds of testimony – direct (which has already been filed), rebuttal, and surrebuttal.

3.       This schedule would allow for a more focused and meaningful comparison of recommendations, thereby increasing efficiency. Parties may respond to the utility’s case-in-chief and propose their own adjustments, using the same test year. This approach will also allow for

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<sup>1</sup> Dewey Dir., pp. 7-8.

testimony that combines revenue requirements and rate design, thereby further improving efficiency of testimony review.

### **MOTION**

4. Missouri-American filed comments on the proposed ratemaking process changes in Case No. AW-2019-0127 (Workshop Case to Explore the Ratemaking Process) and attended a workshop with representatives of other utilities regulated by the Missouri Public Service Commission. Missouri-American recognizes that it is difficult to identify and implement process improvement actions that impact such a large and diverse group of stakeholders. To support the Commission's interest in improving the ratemaking process, Missouri American has proposed process changes in this case that would support the Commission's improvement goals and serve as a pilot before deciding on or implementing changes that may apply to all ratemaking proceedings.

5. MAWC has the burden of proof/persuasion as to the rates to be set in this general rate case. As proposed, the schedule will allow for MAWC to file direct testimony, followed by rebuttal testimony from the non-moving parties, and concluding with surrebuttal testimony. Commission Rule 20 CSR 4240-2.130(7) contemplates and supports such a schedule:

(C) Where only the moving party files direct testimony, rebuttal testimony shall include all testimony which explains why a party rejects, disagrees or proposes an alternative to the moving party's direct case.

6. Over the years, the Commission's general rate cases have more commonly included company direct testimony, followed by Staff (and non-Company parties') direct testimony, followed by rebuttal testimony, followed by surrebuttal testimony. In other years, non-company direct testimony and rebuttal testimony have been split into separate filing days for revenue requirement and rate design, resulting in six (6) different testimony filing dates prior to the evidentiary hearing. MAWC's objective is to create a simpler schedule. Among other things, numerous rounds of

testimony result in greater expense and usage of resources for the parties and, ultimately, the customers.

7. Accordingly, MAWC proposes the following schedule that will both limit testimony to direct, rebuttal and surrebuttal and consolidate the revenue requirement and rate design rebuttal testimonies into a single filing date:

<b>Item</b>	<b>Est. Date</b>
Initial Tariff Filing, Company Direct Testimony and MFR	06/30/20
First MAWC Data Update (through June 30)	09/11/20
Rebuttal Testimony - All Topics, Non-Company Parties	11/27/20
Rev Req & Rate Design Technical Conference	12/07/20
List of Issues (among Parties only)	12/17/20
Start of Public Hearings	01/04/21
End of Public Hearings	01/14/21
Surrebuttal Testimony to All Parties Rebuttal	01/22/21
True-Up Data Provided to All Parties	02/01/21 <sup>2</sup>
Parties Provide Valuation of Positions to Staff for Reconciliation	02/11/21
Last Day to Request Main Case Discovery Reconciliation	02/11/21
Reconciliation	02/12/21
List and Order of Witnesses, Order of Opening, and Order of Cross	02/12/21
Settlement Conference	02/15/21
Last Day to Object to Discovery	02/16/21
Statement of Positions	02/18/21
Evidentiary Hearing (Two Weeks)	02/23/21
True-Up Direct	03/11/21
True-Up Rebuttal	03/18/21
Initial Briefs	03/26/21
Last Day to Request True-Up Case Discovery	03/26/21
True-Up Hearing	04/02/21
Reply and True-Up Briefs	04/09/21
Operation of Law Date	05/27/21

8. This schedule will result in a single case-in-chief filed by Missouri-American, which

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<sup>2</sup> See **Appendix A** for proposed true-up items.

will be reviewable by all stakeholders. The Commission Staff and other parties will have the opportunity to respond, rather than develop a separate rate recommendation or case-in-chief. The past process of developing a case that is independent of the utility filing has resulted in added workloads, lengthier schedules, and often confusion. This change will allow for the combination of Commission Staff's and Intervenors' direct and rebuttal testimony into one filing. In so doing, it will allow for a comparison of recommendations to be focused and meaningful, thereby reducing inefficiency. Parties may then respond to the utility's case-in-chief and propose their own adjustments, using the same test year. This approach will allow for a combination of the testimony on revenue requirements, cost of service, and rate design, which can also improve efficiency of review and rebuttal. This approach is the norm for Public Utility Commissions across American Water's footprint.

9. The result of using the traditional schedule format is that the Company does not see the other parties' responsive positions until approximately mid-January (six and one-half months later) after the filing of the Company's direct testimony. MAWC is at the same time providing rebuttal testimony at the six and one-half month point to the Staff's "direct" case. After waiting six and one-half months for the other parties' positions, the Company must then provide its surrebuttal within only a few weeks, as do other parties in regard to MAWC's response to the Staff's "direct" case.

10. The result of all this is that in a series of rebuttal and surrebuttal testimony, the parties end up "talking past" one another (some addressing MAWC's direct case and some addressing the Staff's direct case) and not coalescing around issues in a way that would provide the Commission with defined issues to address in the hearing. On the other hand, if at the first non-Company filing parties were required to include their responsive positions, the Company's full response to all issues

could be provided in rebuttal testimony and there would be an opportunity to define issues at a much earlier stage of the case. Such a process should provide for more meaningful conversations between the parties, testimony that focuses on the issues in dispute, and, where necessary, a cleaner hearing record for all parties.

11. This proposed schedule is exclusively for the purpose of addressing issues related to multiple testimony filings. It does not attempt to shorten the period of time the Commission has for its review.

12. For the reasons stated herein, the Commission should approve the schedule proposed by MAWC as a pilot. Doing so would supplement the efforts of the Workshop Case to Explore the Ratemaking Process (Case No. AW-2019-0127). The approach of piloting proposed process changes in individual proceedings before ruling on process changes that apply to all cases would provide the Commission, Commission Staff, and Intervenors with the opportunity to evaluate benefits and provide feedback before ruling on a widescale change. Through the existing Workshop case, all stakeholders could have the opportunity to review and observe process change impact, provide feedback on the pilot, and apply lessons learned to development of the ratemaking process changes.

**WHEREFORE**, MAWC respectfully requests the Commission issue its order adopting the

procedural schedule proposed herein.

Respectfully submitted,



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Dean L. Cooper, MBE #36592  
**BRYDON, SWEARENGEN & ENGLAND  
P.C.**  
312 E. Capitol Avenue  
P.O. Box 456  
Jefferson City, MO 65012  
(573) 635-7166 telephone  
[dcooper@brydonlaw.com](mailto:dcooper@brydonlaw.com)

Timothy W. Luft, Mo Bar 40506  
MISSOURI-AMERICAN WATER  
COMPANY  
727 Craig Road  
St. Louis, MO 63141  
(314) 996-2279  
(314) 997-2451 (telefax)  
[Timothy.Luft@amwater.com](mailto:Timothy.Luft@amwater.com)

**ATTORNEYS FOR MISSOURI-AMERICAN WATER COMPANY**

**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on August 13, 2020, to the following:

Mark Johnson  
[Mark.johnson@psc.mo.gov](mailto:Mark.johnson@psc.mo.gov)  
[staffcounsel@psc.mo.gov](mailto:staffcounsel@psc.mo.gov)

Caleb Hall  
[caleb.hall@opc.mo.gov](mailto:caleb.hall@opc.mo.gov)  
[opcservice@opc.mo.gov](mailto:opcservice@opc.mo.gov)

David Woodsmall  
[david.woodsmall@woodsmalllaw.com](mailto:david.woodsmall@woodsmalllaw.com)

John Coffman  
[john@johncoffman.net](mailto:john@johncoffman.net)

William Steinmeier  
[wds@wdspc.com](mailto:wds@wdspc.com)

Joseph Bednar  
[jbednar@spencerfane.com](mailto:jbednar@spencerfane.com)

Diana Carter  
[Diana.Carter@LibertyUtilities.com](mailto:Diana.Carter@LibertyUtilities.com)

Diana Plescia  
[dplescia@chgolaw.com](mailto:dplescia@chgolaw.com)

Matthew Turner  
[mturner@atllp.com](mailto:mturner@atllp.com)

James Fischer  
[jfischerpc@aol.com](mailto:jfischerpc@aol.com)

Stephanie Bell  
[sbell@ellingerlaw.com](mailto:sbell@ellingerlaw.com)

Joshua Harden  
[jharden@collinsjones.com](mailto:jharden@collinsjones.com)



## APPENDIX A

### **Rate Base**

Plant-in-Service  
Depreciation Reserve  
Contributions in Aid of Construction (CIAC)  
CIAC Reserve  
Accumulated Deferred Income Taxes  
Customer Advances  
Materials and Supplies  
Prepayments  
Discontinuance of Tank Painting Tracker - Inclusion of Remaining  
Unamortized Balance  
Pension Tracker Balance  
OPEB Tracker Balance  
Other Deferred Regulatory Assets and Liabilities  
Rate Base for Newly Acquired Systems  
Cash Working Capital

### **Cost of Capital**

Capital Structure  
Cost of Debt  
Cost of Preferred Stock

### **Revenues and Expenses**

Customer and meter counts  
Chemical Expense  
Purchased Water Expense  
Fuel and Power  
Waste Disposal  
Support Services  
Transportation Fuel and Maintenance  
Payroll & Benefits  
Rate Case Expense  
Uncollectibles Expense  
Depreciation and Amortization  
Tank Painting Expense  
Pension and OPEB Expense  
Injuries and Damages  
Property Tax Expense  
Revenues and Expense for Newly Acquired Systems  
Income Taxes