

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 23rd day
of January, 2018.

In the Matter of the Application of)
Missouri-American Water Company for an)
Accounting Authority Order Related to Property)
Taxes in St. Louis County and Platte County)

File No. WU-2017-0351

ORDER DENYING APPLICATION FOR REHEARING

Issue Date: January 23, 2018

Effective Date: January 23, 2018

On December 20, 2017, the Commission issued its Report and Order for this case. On December 29, 2017, the Commission received an application for rehearing from Missouri-American Water Company ("MAWC" or the "Company").

Absent a commission authorized deferred accounting mechanism, such as an AAO or a tracker, the filed rate doctrine does not permit the recoupment by a regulated utility of increased costs nor the refunding of over-recovery to ratepayers outside of a general rate case. The Commission may consider prior over or under recovery of a Commission-authorized rate of return when establishing new rates, but such over-recovery cannot be used to refund previously collected funds appropriately collected through a valid tariff.

MAWC's application for rehearing references the recently enacted Tax Cuts and Jobs Act of 2017, which, beginning in 2018, lowers MAWC's corporate income tax rate from the 35% rate calculated into the company's current rates to 21%. MAWC argues that the Company's increased property taxes at issue in this case are analogous to the impact of the lowered income tax rate through the Tax Cuts and Jobs Act of 2017. The Commission

need not address this argument, but notes that absent a deferred accounting mechanism, the company will continue to collect the amount authorized in its current rates until new tariff sheets go into effect.

Section 386.500.1, RSMo 2016, states that the Commission shall grant an application for rehearing if “in its judgment sufficient reason therefor be made to appear.” In the judgment of the Commission, the application does not demonstrate sufficient reason to rehear the matter. The Commission will deny the application.

THE COMMISSION ORDERS THAT:

1. The application for rehearing filed by Missouri-American Water Company is denied.
2. This order shall be effective when issued.

BY THE COMMISSION



A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Hall, Chm., Coleman and Silvey, CC., concur ;
Kenney and Rupp, CC., dissent.

Burton, Senior Regulatory Law Judge

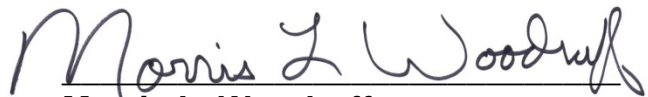
STATE OF MISSOURI

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 23rd day of January 2018.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

January 23, 2018

File/Case No. WU-2017-0351

**Missouri Public Service
Commission**

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**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.