

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 15<sup>th</sup> day of  
September, 2021.

In the Matter of the Petition of	)	
Missouri-American Water Company for	)	<b><u>File No. WO-2021-0343</u></b>
Approval to Establish an Infrastructure	)	Tariff No. JW-2021-0261
System Replacement Surcharge (ISRS)	)	

**ORDER APPROVING INFRASTRUCTURE SYSTEM REPLACEMENT  
SURCHARGE AND REJECTING TARIFF**

Issue Date: September 15, 2021

Effective Date: September 25, 2021

On June 28, 2021,<sup>1</sup> Missouri-American Water Company (“MAWC”) filed a Petition to Establish an Infrastructure System Replacement Surcharge<sup>2</sup> (“ISRS”) applicable to its St. Louis County, Missouri, service area. On June 30, the Commission issued its Order Directing Notice, Setting Intervention Deadline, Directing Filing, and Suspending Tariff. The order suspended the effective date of tariff sheet JW-2021-0261 until October 26.

MAWC estimated in its Petition that it was entitled to ISRS revenues in this case of \$9,585,414, or an increase of approximately 2.8% based on the base revenue level approved by the Commission in its most recent rate case, File No. WR-2020-0344. The Petition also stated that “the ISRS proposal includes an adjustment of \$2,477,981, to reflect an under collection from previous ISRS surcharges.” Subsequently, MAWC submitted updated work papers to the Commission’s Staff which contained actual costs for June and July of 2021 in place of the estimates where the adjustment for under

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<sup>1</sup> All date references will be to 2021 unless otherwise indicated.

<sup>2</sup> Hereinafter, referred to as the Petition.

collection from ISRS reconciliation was updated to \$875,282, resulting in an updated ISRS revenue requirement of \$7,524,237.

On August 27, the Commission's Staff (Staff) filed a recommendation advising the Commission to approve an ISRS of \$7,524,173. On September 7, MAWC filed its Response to Staff Recommendation stating it had no objection to the recommendation.<sup>3</sup> Neither the Office of the Public Counsel, nor the only other party, Midwest Energy Consumers' Group, has responded to Staff's recommendation. No party has requested a hearing.<sup>4</sup>

After reviewing the verified Petition and Staff's verified recommendation, to which MAWC has expressly agreed and to which no other party has objected, the Commission finds and concludes that Staff's recommendation is a reasonable resolution of the issues.

In its petition, MAWC filed to recover ISRS-eligible infrastructure systems replacements and relocations made during the period January 1, 2021, to May 31, 2021, with estimated ISRS costs through July 31, 2021. Commission rule 20 CSR 4240-3.650(2) states that "an eligible water utility may file a petition with the commission to establish or change ISRS rate schedules that will allow for the adjustment of its rates and charges to provide for the recovery of costs eligible for infrastructure system replacements; provided that an ISRS, on an annualized basis, must produce ISRS revenues of at least one (1) million dollars, but not in excess of ten (10%) of the subject

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<sup>3</sup> MAWC calculated the updated ISRS revenue requirement to be \$7,524,237. Staff calculated and recommended \$7,524,173, to which MAWC has not objected.

<sup>4</sup> The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence. *State ex rel. Rex Deffenderfer enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App. 1989).

utility's base revenue level approved by the Commission in the utility's most recent general rate proceeding."

Based on Staff's recommendation, the Commission finds that an ISRS revenue amount of \$7,524,173 reflects the actual ISRS eligible investment placed in service from January 1, 2021, through July 31, 2021. This amount represents an increase of 2.2% based on the revenue level approved by the Commission in its recently completed general rate proceeding. The Commission finds that the ISRS surcharge revenues herein approved meet the rule 20 CSR 4240-3.650(2) criteria. The Commission will approve Staff's recommendation and approve incremental ISRS surcharge revenues in the amount of \$7,524,173.

To effectuate the terms of the resolution, the Commission will (1) reject the tariff sheets JW-2021-0261 filed on June 28; (2) approve Staff's recommended ISRS surcharge revenues in the incremental pre-tax revenue amount of \$7,524,173; and (3) order MAWC to file a revised tariff that reflects Staff's calculated ISRS rate. So that this matter can be resolved in time to allow MAWC to file a compliance tariff, this order will be made effective in ten days.

**THE COMMISSION ORDERS THAT:**

1. The Commission approves ISRS surcharge revenues in the incremental pre-tax revenue amount of \$7,524,173.
2. The tariff sheets filed on June 28, 2021, by MAWC, Tariff Revision JW-2021-0261, are rejected.
3. MAWC shall file compliance tariff sheets conforming with Staff's calculated ISRS rate established in this order.

4. This order shall be effective on September 25, 2021.



**BY THE COMMISSION**

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff  
Secretary

Silvey, Chm., Rupp, Coleman, Holsman, and  
Kolkmeier CC., concur.

Graham, 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 15<sup>th</sup> day of September, 2021.



  
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**Morris L. Woodruff**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**September 15, 2021**

**File/Case No. WO-2021-0343**

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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**

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