

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 28th
day of May, 2014.

In the Matter of the Petition of)	
Missouri-American Water Company for)	<u>File No. WO-2014-0237</u>
Approval to Change its Infrastructure System)	Tracking No. YW-2014-0472
Replacement Surcharge (ISRS).)	YW-2014-0329

**ORDER APPROVING ADJUSTED ISRS RATES, STIPULATION AND
AGREEMENT AND GRANTING MOTION FOR EXPEDITED TREATMENT**

Issue Date: May 28, 2014

Effective Date: May 30, 2014

On February 25, 2014, Missouri-American Water Company (“MAWC”) filed a petition with the Missouri Public Service Commission under Sections 393.1000 to 393.1006¹ and Commission Rule 4 CSR 240-3.650, to approve a change to its Infrastructure System Replacement Surcharge (“ISRS”). MAWC’s request to change its ISRS rates was accompanied by a tariff sheet (Tracking No. YW-2014-0329). MAWC’s petition sought an adjustment to ISRS rates and charges for eligible infrastructure system replacements and relocations made by MAWC between October 1, 2013 and March 31, 2014. MAWC’s last general rate case was decided by the Commission on March 7, 2012 (File No. WR-2011-0337). The Commission last approved a change to MAWC’s ISRS in an order issued on December 4, 2013 (File No. WO-2014-0055).

¹ Unless otherwise indicated, all statutory references are to RSMo Cum. Supp. 2013.

On April 22, 2014, the Staff of the Missouri Public Service Commission filed its recommendation. Based on its examinations and calculations, Staff recommended the Commission approve an incremental ISRS in the amount of \$3,630,370. Staff's recommendation considered accumulated depreciation and deferred taxes up through the month of the effective date of the rate, June 2014. Staff points out that in MAWC's last ISRS case (File No. WO-2014-0055), the accumulated depreciation and deferred taxes for ISRS-10 were improperly excluded. By including the accumulated depreciation and deferred taxes from April 2013 forward, this exclusion can be remedied.

On April 29, 2014, MAWC filed its *Response to Staff's Recommendation*, indicating it agrees with Staff's Recommendation, subject to a clarification on depreciation amounts. On May 22, 2014, MAWC filed a revised tariff sheet (Tracking No. YW-2014-0472). MAWC and Staff jointly filed a Stipulation and Agreement, indicating they had resolved all issues in the proceeding and were in agreement with the terms of the revised tariff sheet filed by MAWC. MAWC and Staff stated that while not a signatory to the agreement, the Office of the Public Counsel indicated it did not oppose the Stipulation and Agreement.

MAWC submitted a request for expedited treatment so the revised tariff sheet may go into effect by May 30, 2014. MAWC states that Staff and the Office of the Public Counsel do not oppose MAWC's request. On May 22, 2014, the Commission issued an order setting a deadline of May 23, 2014 for any interested party to file an objection to MAWC's revised tariff sheet or the request for expedited treatment. No objections were received.

MAWC's Petition is in compliance with the requirements of Sections 393.1000 to 393.1006. Based on MAWC's petition, Staff's recommendation, and the Stipulation and Agreement, the Commission concludes that MAWC should be permitted to adjust its ISRS rates. MAWC's tariff implementing those rates, as substituted on May 22, 2014, will be approved.

No parties objected to the request for expedited treatment. The Commission further finds that good cause exists for MAWC to be excused from the 30-day effective date requirements of Section 393.140(11)² in order for the tariff to go into effect on May 30, 2014.

THE COMMISSION ORDERS THAT:

1. The Stipulation and Agreement, filed on May 22, 2014, is approved. The signatories are ordered to comply with the terms of the general provisions.

2. Missouri-American Water Company is authorized to amend its Infrastructure System Replacement Surcharge sufficient to recover incremental ISRS revenues as specified in the Stipulation and Agreement.

3. Missouri-American Water Company's request for expedited treatment is granted.

4. The tariff sheet, filed by Missouri-American Water Company on February 25, 2014, assigned Tracking No. YW-2014-0329, is rejected.

5. The tariff sheet, filed by Missouri-American Water Company, on May 22, 2014, and assigned Tracking No. YW-2014-0472 is approved effective May 30, 2014.

The tariff sheet approved is:

² RSMo. 2000.

P.S.C. MO NO. 13

4TH Revised Sheet No. RT 10, Canceling 3rd Revised Sheet No. RT 10

6. This order shall become effective on May 30, 2014.
7. This file shall be closed on June 2, 2014.

BY THE COMMISSION



Morris L. Woodruff

Morris L. Woodruff
Secretary

R. Kenney, Chm., Stoll, W. Kenney,
Hall, and Rupp, CC., concur.

Burton, Regulatory Law Judge