

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

In the Matter of the Establishment of                    )  
Working Case for the Review and                        )  
Consideration of a Rewriting and Writing of        ) File No.    AW-2018-0394  
Existing and New Affiliate Transaction                )  
Rules and HVAC Affiliate Transaction Rules         )

**MISSOURI-AMERICAN WATER COMPANY’S  
COMMENTS ON PROPOSED RULE**

Comes now Missouri-American Water Company (“MAWC” or “Company) and files its Response to the Commission’s Order Requesting Estimated Cost of Compliance (“Order”) and in support states as follows:

1. On July 19, 2023. Staff filed its Status Report and Request for Comments on Estimated Cost Impacts Regarding Draft Affiliate Transactions and HVAC Rules indicating that the fourth draft of its proposed rules are ready for the Commission to begin the formal rulemaking process and requested that the Commission ask for additional comments regarding cost of compliance with Staff’s most recent draft.
2. On August 11, 2023, the Commission issued its Order giving any stakeholder who wished to provide comments regarding the costs that may be incurred to comply with the Staff’s draft rule shall do so no later than September 11, 2023.
3. MAWC filed comments on this proposed rule in August 2018 and December 2019 noting that the Company’s affiliate transactions have been scrutinized in its rate cases and affiliated transactions rules are not necessary for water and sewer corporations in the same way they may apply to electric and gas corporations. MAWC asserted that it was not an

efficient use of the Commission's resources, nor the Company's resources and that such a rule does not offer any additional protections to MAWC's customers.

4. In the Company's most recent rate case, WR-2023-0303, MAWC also advocated that there is no reason to promulgate affiliate transaction rules for the water and sewer industries in Missouri. MAWC has provided a Cost Allocation Manual (CAM) since the Commission approved a Stipulation and Agreement in Case No. WR-2003-0500 (April 6, 2004). The CAM contains criteria, guidelines and procedures for the Service Company cost allocations to MAWC and its affiliates.
5. MAWC's position remains the same, however, MAWC provides this cost estimate in response to the Commission's Order in this case. MAWC believes that compliance with the proposed rule as written would require a one-time cost for programming of data systems and information collection processes. On an ongoing basis, it is anticipated that MAWC would need two additional full time equivalent employees to address the administrative tasks associated with compiling and filing the required reports, as well as significant employee training. Any upfront programming costs have not yet been estimated, and ongoing costs are estimated to be \$0.5 million annually.
6. MAWC anticipates additional comments on the substantive portion at the appropriate time in the process, as it will be the first time water and sewer utilities will be included and required to comply with this Commission Rule.

Wherefore MAWC asks the Commission to accept these Comments and any such relief the Commission deems appropriate.

Respectfully submitted,

MISSOURI-AMERICAN WATER COMPANY

/s/ Rachel L. Niemeier

Rachel Niemeier, #56073  
Corporate Counsel  
Missouri-American Water Company  
727 Craig Road  
St. Louis, MO 63141  
(314) 996-2390 (telephone)  
rachel.niemeier@amwater.com

**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail or U.S. Mail on September 11, 2023 to the following:

Office of the Staff Counsel  
Governor Office Building  
Jefferson City, MO 65101  
[staffcounsel@psc.mo.gov](mailto:staffcounsel@psc.mo.gov)

Office of the Public Counsel  
Governor Office Building  
Jefferson City, MO 65101  
[opc@psc.mo.gov](mailto:opc@psc.mo.gov)