

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 5th day
of December, 2018.

In the Matter of the Proposed Missouri-)
American Water Company 2nd Revised) **File No. WT-2019-0054**
Tariff Sheet No. R 65) Tracking No. JW-2019-0019

NOTICE THAT TARIFF WILL BE ALLOWED TO GO INTO EFFECT

Issue Date: December 5, 2018

On August 21, 2018, Missouri-American Water Company (“MAWC”) filed P.S.C. Mo. No. 13, 2nd Revised Tariff Sheet No. R. 65 to replace the 1st Revised Tariff Sheet No. R. 65. The tariff had an effective date of September 20, 2018. The tariff sheet changes how MAWC accounts for income taxes that accrue from Contributions in Aid of Construction (“CIAC”). The tariff proposes:

Any Federal, State or Local income tax incurred by the Company due to the receipt of taxable Advances or Contributions in Aid of Construction, as defined by the Internal Revenue Service, the State of Missouri, or other taxing authority, and not otherwise paid by a third party, will be paid by the Company. Such income taxes shall be segregated in a deferred account for inclusion in rate base in the Company’s next general rate proceeding.

On August 24, 2018, the Commission’s Staff (“Staff”) filed a motion to suspend the tariff and conduct proceedings to determine whether to adopt or reject the proposed tariff. The Commission suspended the tariff until December 7. On October 29, the Commission granted intervention to the Homebuilders Association of St. Louis and Eastern Missouri and Avondale Custom Homes, LLC. Staff filed a recommendation on

November 5, arguing the deferral of CIAC income tax impacts, as contemplated in the tariff, should only be authorized to continue until such time as new rates go into effect from MAWC's next general rate case proceeding. At a procedural conference held November 21, the intervening parties indicated they were not opposed to the tariffs being effective until MAWC's next general rate proceeding. Staff indicated it would not be requesting further suspension of the tariff.

Given Staff's recommendation and no opposition to the tariff taking effect, the Commission will allow MAWC's tariff to take effect by operation of law on December 7, 2018.

BY THE COMMISSION



Morris L. Woodruff

Morris L. Woodruff
Secretary

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

Clark, 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 5th day of December 2018.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

December 5, 2018

File/Case No. WT-2019-0054

**Missouri Public Service
Commission**

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**Missouri-American Water
Company**

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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.