

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

In the Matter of the Request of Liberty )  
Utilities (Missouri Water) LLC d/b/a )  
Liberty for Authority to Implement a )  
General Rate Increase for Water and )  
Wastewater Service Provided in its )  
Missouri Service Areas )

**Case No. WR-2024-0104**

**CORRECTED POSITION STATEMENT**

**COMES NOW** the Staff of the Missouri Public Service Commission, and for its

*Corrected Position Statement* states as follows:

**10. Rate Case Expense:**

- a. Should rate case expense be subject to a 50/50 sharing mechanism?
- ii. What amount should be excluded from revenue requirement for rate case expense?

Staff is recommending to exclude \$56,153, which is the amount of hours billed by Liberty Water’s consultant, Thomas O’Neill with FTI Consulting, Inc., on the Class Cost of Service study. Marek Direct, p. 2-3, Marek Rebuttal, p. 5-6, and Marek Surrebuttal, p. 4-8.

The amount to be excluded for cost sharing is \$128,099. Staff is recommending to exclude a 50% share of Staff’s normalized rate case expense. Allowing a utility to recover all, or almost all of its rate case expense creates an inherent disincentive for the utility to control rate case expenses. This 50/50 sharing mechanism is consistent with the Commission’s most recent decision concerning rate case expense in the Spire Missouri Case Nos. GR-2017-0215 and GR-2017-0216. Sarver Direct, p. 4-6.

- iii. What amount of the Depreciation Study costs should be included in the revenue requirement?

Staff recommends to allow 100% of the depreciation study cost of \$44,275 over a five-year period. Lesmes Surrebuttal pp. 2- 5 and Updated Since Surrebuttal Filing.

**18. Excess Accumulated Deferred Income Taxes:** What is the appropriate amount of net operating loss to apply to the federal and state excess accumulated income tax for return to customers?

Staff believes the EADIT balances, created by the Federal Tax Cuts and Jobs Act and the State Corporate Tax Reform, net of an appropriate NOL balance as of January 1, 2018 should be returned to customers using the remaining life of those assets at the time the tax rate change went into effect. Niemeier Direct p. 17.

**24. Customer First:** Should the Commission order that the Company earn no return on the Customer First asset until such time that the Company fixes the billing and customer service issues?

No. Staff included Customer First assets in plant in service. Sarver Surrebuttal Accounting Schedule 3.

**WHEREFORE**, Staff respectfully submits this *Corrected Position Statement* for the Commission's information and consideration.

Respectfully submitted,

**/s/ Casi Aslin**

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all parties and or counsel of record on this 15<sup>th</sup> day of November, 2024.

**/s/ Casi Aslin**