BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of the Commission's Proposed Rule 20 CSR 4240-10.185 Relating to Petitions for Water and Sewer Infrastructure Rate Adjustment

File No. OX-2025-0118

STAFF COMMENTS

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and states as follows:

1. Staff supports the proposed rule of 20 CSR 4240-10.185, published in the Missouri Register dated November 15, 2024. This rule sets forth the filing requirements and processes for water or sewer corporations filing a petition and proposed rate schedule with the commission pertaining to Water and Sewer Infrastructure Rate Adjustments ("WSIRA") in accordance with Sections 393.1500 to 393.1509, of the Revised Statutes of Missouri ("RSMo").

2. The proposed rule is in response to the Missouri Water and Sewer Infrastructure Act (WSIRA), Sections 393.1500 to 393.1509, RSMo. WSIRA became effective on August 28, 2021, and since its implementation, Commission Staff have found it necessary to request information from the applicant seeking a WSIRA, which was not covered in sufficient detail in the statute. This proposed rule ensures that the applicant and Commission Staff are correctly implementing WSIRA with the establishment of minimum requirements in the proposed rule. Establishing minimum requirements also improves process efficiency which also reduces regulatory lag.

3. Staff's reasoning and position on the proposed rule are set forth more fully in the attached Staff Comments, which is incorporated by reference herein.

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WHEREFORE, Staff respectfully submits Staff's Comments for the Commission's

consideration and supports the proposed rule of 20 CSR 4240-10.185.

Respectfully submitted,

/s/ J. Scott Stacey

J. Scott Stacey Deputy Counsel Missouri Bar No. 59027 Missouri Public Service Commission P.O. Box 360 Jefferson City, MO 65102 573-522-6279 573-751-9285 (Fax) scott.stacey@psc.mo.gov

ATTORNEY FOR STAFF OF THE PUBLIC SERVICE COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 13th day of December, 2024.

/s/ J. Scott Stacey

Missouri Public Service Commission Staff Comments on the Proposed Rule 20 CSR 4240-10.185 Petitions for Water and Sewer Infrastructure Rate Adjustments

<u>Summary:</u> Staff supports the proposed Commission Rule 20 CSR 4240-10.185. The proposed rule provides clarity to statutory requirements found in Section 393.1500 to 393.1509 for water and sewer utilities (eligible utilities) seeking to file a rate adjustment for water and/or sewer infrastructure improvements.

<u>Discussion:</u> On August 28, 2021, the Missouri Water and Sewer Infrastructure Act in Sections 393.1500 to 393.1509, RSMo., became effective helping to accelerate the replacement of aging pipes and other critical components of water and sewer systems allowing for more timely recovery of investments. Since the effective date of the act, the Commission has received seven (7) petitions for Water and Sewer Infrastructure Rate Adjustments (WSIRA).

Staff assigned to managing the WSIRA proceedings have determined that regulatory clarity to the statutory requirements are needed to provide more efficient and timely case management. The proposed rule establishes clear requirements in accordance to Sections 393.1500 to 393.1509, RSMo, and timeframes for both eligible utilities and Staff regarding processing the matter and presenting to the Commission.

Based on the information above Staff support the proposed rule 20 CSR 4240-10.185.