

# 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 ) **File No. WR-2024-0104**  
Increase for Water and Wastewater Service )  
Provided in its Missouri Service Areas )

## ORDER DIRECTING RESPONSE TO COMMISSION QUESTIONS

Issue Date: December 20, 2024

Effective Date: December 20, 2024

On December 6, 2024, the parties submitted a stipulation and agreement (Agreement) as a complete resolution of this water rate case. The Commission has examined the Agreement and has some questions for the parties to answer prior to considering the Agreement as a resolution of this rate case.

### Questions for the parties

1. The Agreement proposes phase-in rates for Bolivar over four years. Section 393.155 RSMo, sets out express adjustments to be included in any order approving phase-in rates and recovery for electric corporations. The Commission is unaware of any similar statute for water corporations. Is any additional legal support for water phase-in rates beyond a Commission determination that such rates would be just and reasonable required? If so, what is that legal support?

2. The Bolivar Regulatory Asset (\$2,371,079)

a. Is the Bolivar regulatory asset the total amount that the parties agree that Liberty will be short of its revenue requirement for Bolivar?

b. Does the regulatory asset include accrued carrying costs on the asset balance?

i. If not, is there any agreement among the parties as to whether carrying costs should accrue on the unrecovered asset balance until that asset is included in rate base in Liberty's next rate case?

ii. Are the parties in disagreement and intend this issue to be addressed in Liberty's next rate case?

3. On page two of the Agreement there is a chart that represents the percentage increase for each commodity. Does the total percentage increase for water and sewer equal 256%? Please explain how each percentage was calculated.

a. Is the percentage increase for each commodity a percent of the total dollar increase of \$6,211,853 as agreed to by the parties?

4. The table below represents for each Commodity the Overall Revenue Increase Needed (Cell D13 of the Income Statement) in the A1 and A2 billing determinants spreadsheet and the table on page two of the Stipulation and Agreement:

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>
<b>Commodity</b>	<b>Overall revenue increase needed as shown in cell D13 of each income statement for each year in Schedule A of the Agreement</b>	<b>Stipulation dollar increase as shown on page two of the Agreement</b>	<b>Difference</b>
Water - Non Bolivar	<b>\$4,706,118</b>	<b>\$4,370,665</b>	<b>\$(355,453)</b>
Water – Bolivar year 1	\$309,386	\$395,180	\$85,794
Water – Bolivar year 2	\$255,639	\$395,180	\$139,541
Water – Bolivar year 3	\$309,386	\$395,180	\$85,794
Water – Bolivar year 4	\$309,389	\$395,180	\$85,794
<b>Water – Bolivar Total</b>	<b>\$1,183,797</b>	<b>\$1,580,720</b>	<b>\$396,923</b>
Sewer - Non Bolivar	<b>\$268,193</b>	<b>\$260,469</b>	<b>\$(7,724)</b>
Sewer – Bolivar	\$ -	\$ -	\$ -
<b>Total Liberty Water and Sewer</b>	<b>\$6,158,108</b>	<b>\$6,211,854</b>	<b>\$53,746</b>

a. Should the revenue increase shown in Column 2 equal the revenue increase shown in Column 3?

i. If not, why not?

- b. If Column 2 is correct, would Water-Bolivar have a revenue short-fall at the end of year four?
  - i. If yes, would this result in a 'loss' or would Liberty request recovery of the revenue short-fall in a future rate case?
  - ii. If Liberty requests recovery of the revenue short-fall in a future rate case, what carrying cost would apply, if any?
- c. Provide any further explanation to reconcile the A1 and A2 spreadsheets with the amounts that appear in the Agreement.

5. The following questions are based on the Bolivar Billing Determinates spreadsheet A1.

- a. The year one income statement reflects a total cost of service of \$2,169,143. Should this instead reflect a Total Cost of Service of \$2,222,890 as reflected in tab Revenues-Proposed Rates, cell I36 for year one?
- b. The year one income statement reflects a cost to recover in rates of \$2,122,413. Should this instead reflect a cost to recover in rates of \$2,176,160 as reflected in tab Revenues-Proposed Rates, cell I34 for year one?
- c. The year one income statement reflects an allocation between Customer Charge and Commodity Charge totaling 103%. Should this instead reflect an allocation between Customer Charge and Commodity Charge totaling 100%?
  - i. If yes, what should the percentage be for each component of the rate?
  - ii. Should the percentage for each component be the same of each year?
- d. 4. Please explain why the total Customer Equivalents change from Year 1 (5,347) to Year 2 (5,326) to Year 3 (5,316) as shown on tab Rate Design cell G46.
- e. The formula for the percent increase in the Billing Comparison tab appears to be incorrect, please verify that the current rate should be the denominator in the formula.

**THE COMMISSION ORDERS THAT:**

- 1. The parties must provide a response the Commission's questions contained in the body of this order no later than 5:00 p.m. on December 23, 2024.

2. This order is effective when issued.

**BY THE COMMISSION**



*Nancy Dippell*

Nancy Dippell  
Secretary

John T. Clark, Senior Regulatory Law Judge,  
by delegation of authority pursuant to  
Section 386.240, RSMo 2016.

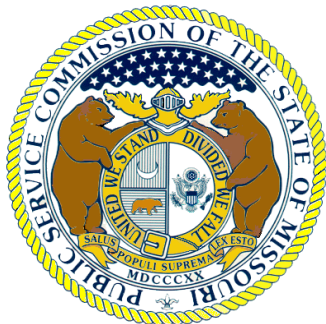
Dated at Jefferson City, Missouri,  
on this 20th day of December, 2024.

**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 20<sup>th</sup> day of December 2024.**



*Nancy Dippell*  
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**Nancy Dippell**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**December 20, 2024**

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

**MO PSC Staff**

Staff Counsel Department  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
staffcounsel@psc.mo.gov

**Office of the Public Counsel (OPC)**

Marc Poston  
200 Madison Street, Suite 650  
P.O. Box 2230  
Jefferson City, MO 65102  
opc@opc.mo.gov

**City of Bolivar, Missouri**

Donald Brown  
103 E Broadway  
Bolivar, MO 65613  
donald@dhhlawfirm.com

**City of Bolivar, Missouri**

Terry Jarrett  
306 Monroe St.  
Jefferson City, MO 65101  
terry@healylawoffices.com

**City of Bolivar, Missouri**

Peggy Whipple  
3010 East Battlefield, Suite A,  
Springfield, MO 65804  
Springfield, MO 65804  
peggy@healylawoffices.com

**Holiday Inn Club Vacation, Inc.**

Dane McKaughan  
98 San Jacinto Blvd., Suite 1900  
Austin, TX 78701  
danemckaughan@mckaughanlaw.com

**Holiday Inn Club Vacation, Inc.**

Tim Opitz  
308 E. High Street, Suite B101  
Jefferson City, MO 65101  
tim.opitz@opitzlawfirm.com

**Liberty (MO Water)**

Diana Carter  
428 E. Capitol Avenue, Suite 303  
Jefferson City, MO 65101  
diana.carter@libertyutilities.com

**Liberty (MO Water)**

Dean Cooper  
312 East Capitol  
P.O. Box 456  
Jefferson City, MO 65102  
dcooper@brydonlaw.com

**MO PSC Staff**

Casi Aslin  
200 Madison Street  
Jefferson City, MO 65101  
casi.aslin@psc.mo.gov

**Office of the Public Counsel (OPC)**

Anna Martin  
200 Madison Street, Suite 650  
P.O. Box 2230  
Jefferson City, MO 65102  
anna.martin@opc.mo.gov

**Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).**

*Sincerely,*



**Nancy Dippell  
Secretary**

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Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.