

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 8<sup>th</sup> day of  
January, 2025.

In the Matter of the Petition of Missouri- )  
American Water Company for Approval to )  
Change a Water and Sewer Infrastructure )  
Rate Adjustment (WSIRA) )

**File No. WR-2025-0009**  
Tracking Nos. JW-2025-0026  
JS-2025-0027

**ORDER APPROVING WATER AND SEWER  
INFRASTRUCTURE RATE ADJUSTMENTS**

Issue Date: January 8, 2025

Effective Date: February 7, 2025

On September 3, 2024, Missouri-American Water Company (MAWC) filed a petition to change water and sewer infrastructure rate adjustments (WSIRAs) under Sections 393.1500-1509, RSMo.<sup>1</sup> MAWC also requested that the Commission approve its proposed customer notices and filed tariff sheets to implement the WSIRAs. The tariff sheets, Tracking Nos. JW-2025-0026 and JS-2025-0027, were suspended by the Commission until March 2, 2025.<sup>1</sup>

The Commission issued notice of the petition, directed the Staff of the Commission (Staff) to file a recommendation, and set deadlines for filing requests to intervene, any other objections or requests for hearing, and responses to those pleadings. No requests for intervention were received.

Staff conducted an examination and investigation of MAWC's petition and its attachments, work orders, and answers to various data requests. Staff filed a memorandum and recommendation on December 2, 2024.

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<sup>1</sup> Files No. WR-2025-0009 and SR-2025-0010 were consolidated, with File No. WR-2025-0009 being the lead case.

Staff agreed with MAWC's methodology to calculate the WSIRA revenue requirement. Staff replaced the estimated costs filed in the Petition and updated the balances with the actual cost for that period. Staff recommended MAWC's WSIRA revenue requirement should be \$12,585,444 from St. Louis County water customers, \$3,047,411 from all other water customers, \$9,783 from Arnold sewer customers, and \$194,719 from all other sewer customers, for a total of \$15,837,357 for this WSIRA filing.

MAWC responded to Staff's recommendation on December 9, 2024, agreeing with Staff's recommendation. MAWC's response included exemplar tariffs. No other responses were received.

The Commission has reviewed the amended verified petition, the proposed customer notices, Staff's responses, and the exemplar tariff sheets. The Commission finds that Sections 393.1500 to 393.1509, RSMo, authorize eligible water and sewer corporations to recover eligible infrastructure system project costs outside of a formal rate case by establishing a WSIRA surcharge.

The Commission also finds that MAWC is a water and sewer corporation that provides water service to more than 8,000 customer connections and provides sewer service to more than 8,000 customer connections. Therefore, MAWC is eligible to establish both water and sewer WSIRAs "that will provide for the recovery of the appropriate pretax revenues associated with the eligible infrastructure system projects, less the appropriate pretax revenues associated with any retired utility plant that is being replaced by the eligible infrastructure system projects."<sup>2</sup>

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<sup>2</sup> Subsection 393.1506.1, RSMo.

After reviewing the petition and Staff's recommendations, the Commission determines that the included projects are eligible infrastructure system projects, less the appropriate pretax revenues associated with any retired utility plant that is being replaced by the eligible infrastructure system projects. The Commission has determined that the proposed WSIRA rates in the exemplar tariff sheets, after deducting the WSIRA revenues attributable to the replacement of customer-owned lead service lines, will not produce revenues in excess of 15% of MAWC's base revenue requirement approved by the Commission in MAWC's most recent completed general rate proceeding, File No. WR-2022-0303.<sup>3</sup> The Commission further determines that the WSIRA as proposed in the exemplar tariff sheets is calculated and will be implemented in accordance with the provisions of Sections 393.1500 to 393.1509, RSMo, and the WSIRA revenues will be subject to recovery or credit of differences after reconciliation and prudence reviews as provided in Subsections 393.1509.5 and .8, RSMo.

Therefore, the Commission approves the establishment of a WSIRA for both water and sewer service with rates designed to recover annual WSIRA revenues of \$12,585,444 from St. Louis County water customers, \$3,047,411 from all other water customers, \$9,783 from Arnold sewer customers, and \$194,719 from all other sewer customers, for a total of \$15,837,357 for this WSIRA filing.

The Commission will reject MAWC's proposed WSIRA tariff sheets, Tracking Nos. JW-2025-0026 and JS-2025-0027, and authorize MAWC to file tariff sheets to recover WSIRA revenues and rates as set out in the exemplar tariff sheets attached to

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<sup>3</sup> Subsections 393.1506.1 and .2, RSMo.

MAWC's December 9, 2024 response. The Commission also approves the proposed customer notices, to be updated to reflect the WSIRA approved by this order.

The Commission will also delegate its authority under Section 386.240 RSMo. to the Regulatory Law Judge to approve any compliance tariff sheets requiring expedited treatment.

**THE COMMISSION ORDERS THAT:**

1. The tariff sheets filed by MAWC on September 3, 2024, and assigned Tracking Nos. JW-2025-0026 and JS-2025-0027, are rejected.

2. MAWC is authorized to establish WSIRAs for water and sewer service and to file tariff sheets to recover WSIRA revenues and rates as set out in the exemplar tariff sheets attached to its December 9, 2024, response to Staff's recommendation.

3. MAWC shall file compliance tariff sheets as set out in the exemplar sheets attached to its December 9, 2024 response to Staff's recommendation.

4. The Commission delegates its authority to the Regulatory Law Judge to approve any compliance tariff sheets requesting expedited treatment.

5. The customer notices contained with MAWC's application are approved.

6. This order shall be effective on February 7, 2025.



**BY THE COMMISSION**

*Nancy Dippell*

Nancy Dippell  
Secretary

Hahn, Ch., Coleman, Holsman  
Kolkmeier, and Mitchell CC., concur.

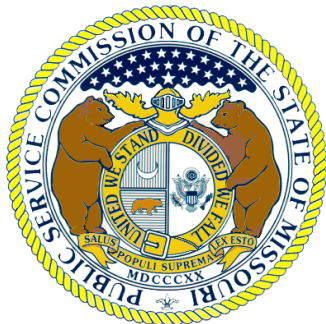
Clark, Senior Regulatory Law Judge

**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 8<sup>th</sup> day of January 2025.**



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

**MISSOURI PUBLIC SERVICE COMMISSION**

**January 8, 2025**

**File/Case No. WR-2025-0009**

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**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.