

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

In the Matter of Missouri-American Water)
Company's Request for Authority to)
Implement a General Rate Increase for) **File No. WR-2024-0320**
Water and Sewer Service Provided in)
Missouri Service Areas)

**LIST OF ISSUES, ORDER OF OPENING STATEMENTS,
ORDER OF CROSS-EXAMINATION AND ORDER OF WITNESSES**

COMES NOW The Staff of the Missouri Public Service Commission¹ submits this list of issues, order of opening statements, order of cross-examination and order of witnesses:

I. List of Issues

1. Overview and Regulatory Policy
 - a. Production Cost Tracker (if not RSM): Should MAWC be allowed to implement a production cost tracker?
 - b. Rate Case Test Year—Discrete Adjustments: What, if any, discrete adjustments should the Commission make related to matters that will be known and measurable prior to the operation of law date in this case?
 - c. Regulatory Deferrals:
 - i. Should MAWC be allowed to defer depreciation expense as soon as new plant investment is placed into service?
 - ii. Should MAWC be allowed to capitalize post-in-service carrying costs?
2. Labor & Related:
 - a. Incentive/Performance Compensation: Should incentive/performance compensation be included in MAWC's cost of service?
 - b. Payroll: What is appropriate amount of payroll expense to be included in MAWC's cost of service?
 - c. Payroll Taxes: What amount of payroll tax should be included in MAWC's cost of service?

¹While this filing has been circulated to and discussed with all parties to the case, not all parties have stated affirmative agreed with everything contained within. All parties with witnesses have agreed to the hearing schedule.

- d. Employee Benefits (Other than Pensions and OPEBs):
 - i. What is the appropriate amount of pensions and OPEBs to include in MAWC's cost of service?
 - ii. Should the pensions and OPEBs tracker be continued?
 - e. O&M for Labor/Capitalization: What is the appropriate amount of O&M for labor/capitalization to include in MAWC's cost of service?
 - f. Employee Benefits (Group Insurance, 401k, etc.): What amount should be included in MAWC's cost of service for employee benefits other than pensions/OPEB?
3. Class Cost of Service (CCOS)/Rate Design
- a. CCOS
 - i. What allocation factors should be used for allocating the revenue requirement among rate classes?
 - ii. What is the appropriate allocation of revenue requirement among the rate classes? Should the Commission utilize the Class Cost of Service Studies filed in this case to determine the appropriate allocation of the revenue requirement to each class? How should the revenues associated with special contracts be treated in developing the class cost of service?
 - i. How should source of supply costs be allocated to the Public Fire protection class?
 - ii. How should Water treatment costs be allocated to the Public Fire Protection class?
 - iii. How should purchased power expenses be allocated?
 - iv. Rate J distribution multiplier
 - 1) For All other Missouri Water district what Rate J distribution multiplier should be used?
 - 2) Should MAWC study the length of distribution mains serving Rate J customers both inside and outside of St. Louis County?
 - 3) For St. Louis County, what Rate J distribution multiplier should be used?
 - v. For both districts, should system load factors be reduced to reflect peak demand that the water systems were designed to serve?
 - b. Rate Design: What are the appropriate rate structures and rate designs for MAWC customers? What are the appropriate customer charges? What are the appropriate commodity rates?
 - c. Meter Consolidation; Should the Commission grant MAWC's proposal to consolidate the fixed monthly charge for 5/8-inch and 3/4-inch meters to a proposed fixed charge?
 - d. Single Tariff Pricing: Should the Commission consolidate Rate Class A across St. Louis County and non-St. Louis County customers?
 - e. Universal Affordability Tariff: Should MAWC's proposed Universal Affordability Tariff be approved by the Commission for water and wastewater service?

- i. If so, should it be designated as a pilot program and should any changes to the proposed tariff be ordered?
 - ii. If so, what accounting treatment should be ordered for the cost?
 - iii. If so, should the Commission order stakeholders to meet quarterly to address implantation of the tariff?
 - f. Billing Determinants - Normalized Residential Customer Usage: What is the appropriate methodology to calculate normalized residential customer usage?
4. Rate Base
- a. CWC
 - i. What are the appropriate expense lag days for support services, current federal income tax, and current state income tax?
 - ii. What are the appropriate billing lag days for CWC?
 - iii. What is the appropriate CWC to be included in the cost of service?
 - b. Contributions in Aid of Construction (CIAC)/Amortization of CIAC: What is the appropriate amount of CIAC and amortized CIAC to include in MAWC's cost of service?
 - c. Other Rate Base
 - i. What is the appropriate amount of materials and supplies to include in MAWC's cost of service?
 - ii. What is the appropriate amount of customer advances to include in MAWC's cost of service?
 - iii. What is the appropriate amount of prepayments to include in MAWC's cost of service?
 - iv. What is the appropriate amount of prepaid pension asset to include in cost of service?
 - d. AFUDC: How should AFUDC be calculated going forward?
5. Production Costs & Other Expense Items
- a. Chemicals: What is the appropriate amount of chemical expenses to include in MAWC's cost of service?
 - b. Fuel and Power Expense: What is the appropriate amount of fuel and power expense to include in MAWC's cost of service?
 - c. Purchased Water: What is the appropriate amount of purchased water expense to include in MAWC's cost of service?
 - d. Waste Disposal: What is the appropriate amount of waste disposal expense to include in MAWC's cost of service?
 - e. Water Loss Adjustment: What, if any, water loss percentage should be applied to system delivery to calculate chemical, fuel, and power expense?
 - f. Transportation Expense and Fuel Expense: What is the appropriate amount of transportation expense and fuel expense to include in MAWC's cost of service?

- g. Rate Case Expense: Should rate case expense be shared between ratepayers and shareholders and, if so, how?
 - i. What is the appropriate accounting treatment of rate case expense?
 - ii. Should MAWC recover expenses attributable to MAWC's lead/lag study?
 - iii. Should MAWC recover the unamortized rate case expense attributable to Case No. WR-2022-0303?
 - h. Office Supplies and Services Expense: What is the appropriate amount of office supply and services expense to be included in MAWC's cost of service?
 - i. Leases (Rents): What is the appropriate amount of transportation lease expense to include in MAWC's cost of service?
 - j. PSC Assessment: What is the appropriate amount of the PSC assessment to include in MAWC's cost of service?
6. Miscellaneous Expense
- a. Promotional Items: What is the appropriate amount of promotional items expense to include in MAWC's cost of service?
 - b. Advertising: What is the appropriate amount of advertising expense to include in MAWC's cost of service?
 - c. Dues and Donations: What is the appropriate amount of dues and donations expense to include in MAWC's cost of service?
 - d. Charitable Contributions: What is the appropriate amount of charitable contributions to include in MAWC's cost of service?
 - e. Lobbying: Has MAWC approved all lobbying expense from its cost of service?
 - f. Postage, Printing & Stationary Expense: What is the appropriate amount of postage, printing and stationary expense to include in MAWC's cost of service?
 - g. Bad Debt Expense: What is the appropriate amount of bad debt expense to include in MAWC's cost of service?
 - h. Amortization of Regulatory Assets:
 - i. What is the appropriate accounting treatment of the section of Emerald Pointe pipeline owned by the City of Hollister?
 - ii. What amount should be included in Amortization of Regulatory Asset for expense?
 - iii. Should MAWC receive a return on the total unamortized balance associated with lead service lines?
 - i. Expiring Amortization Mechanism: Should the Commission approve the Expiring Amortization Mechanism proposed by MAWC?
7. Maintenance Expense
- a. Tank Painting/Engineered Coating: Should tank painting costs be treated as an expense or be capitalized?
 - i. If expensed, what is the appropriate amount of tank painting expense to include in MAWC's cost of service?

- ii. If expensed, should a tracker be continued?
 - iii. If capitalized, what is the appropriate amount of tank painting expense to remove from MAWC's cost of service?
 - b. Building Maintenance and Services: What is the appropriate amount of building maintenance expense to include in MAWC's cost of service?
 - c. Hydrant Painting: What is the appropriate amount of hydrant painting to include in MAWC's cost of service?
 - d. Main Break Expense: What is the appropriate amount of main break expense to include in cost of service?
 - e. Maintenance Supplies and Services: What is the appropriate amount of maintenance supplies and services expense, other than main break, hydrant paint, and tank painting expense, to include in MAWC's cost of service?
8. Income Taxes
- a. Excess ADIT (Amortization and Tracker): What is the correct amount association with the excess ADIT?
 - i. Should a NOL or a NOL remeasurement be recognized in excess ADIT?
 - b. Income Taxes: Should income tax expense be included in MAWC's cost of service?
 - i. If so, what is the appropriate amount of income tax expense?
 - ii. Should MAWC's income tax expense be subject to a tax gross-up?
 - c. Accumulated Deferred Income Taxes (ADIT): What amount should be included in accumulated deferred income taxes?
9. ROE/Capital Structure/Cost of Debt:
- a. What is the appropriate return on equity to be used to determine the rate of return?
 - b. What capital structure should be used to determine the rate of return?
 - c. What is the appropriate cost of debt to use to determine the rate of return?
10. Property Taxes: What is the appropriate amount of property tax to include in MAWC's cost of service?
11. Credit Card Fees: what is the appropriate amount of credit card and e-check fees to include in MAWC's cost of service?
12. Miscellaneous Service Charges: Should the Commission order any increase or decrease to the miscellaneous service charges in MAWC's tariff?
13. Special Contracts
- a. Should Liberty/Empire be placed on Rate J?
 - b. Should Chariton County PWSD #2 be placed on Rate B?
 - c. Does the special services contract between MAWC and Triumph Foods, LLC continue to be in the public interest?

- d. Should the contract between MAWC and Triumph Foods, LLC continue to be approved by the Commission?
- 14. Acquisitions/Divestitures: Which recently completed or anticipated acquisitions and/or divestitures should be reflected in the revenue requirement?
- 15. Injuries and Damages: What is the appropriate amount to include in MAWC's cost of service for injuries and damages?
- 16. Insurance (Other than group): What is the appropriate amount of insurance expense to include in MAWC's cost of service?
- 17. Telecommunications Expense: What is the appropriate amount of telecommunications expense to include in MAWC's cost of service?
- 18. Contract Services (Outside Services—Accounting, Legal, Missouri One Call, etc.): What is the appropriate amount of outside services to include in MAWC's cost of service?
- 19. Corporate Allocations—Tariff Groups: What is the appropriate allocation of corporate costs to the tariff districts?
- 20. Support Services (Service Company): What is the appropriate amount of Service Company costs to include in MAWC's cost of service?
- 21. Paperless Billing Program: Should MAWC's proposed tariff sheets associated with its Paperless Billing Program be approved by the Commission?
 - a. If so, what, if any, modifications should the Commission order?
- 22. MyWater Software: Is MAWC providing customers accurate and reliable information through the use of its existing customer facing software (MyWater account)?
 - a. Should the Commission order a cost disallowance of the return on MAWC's in-service meter account?
- 23. Service Area Map Revisions: Should MAWC revise its service area maps and legal descriptions? If yes, how so?
- 24. Depreciation
 - a. Depreciation Rates: Should the Commission Modify MAWC's currently ordered depreciation rates?
 - i. Should the Commission order MAWC to file a depreciation study with the filing of the Company's next general rate increase request?
 - b. Depreciation Expense: What is the appropriate amount of depreciation expense to include in MAWC's cost of service?

- c. Depreciation Reserve: What is the appropriate amount of depreciation reserve expense to be included in MAWC's cost of service?
 - d. Capitalized Depreciation: What is the appropriate amount of capitalized depreciation to include in MAWC's cost of service?
25. Plant in Service; What is the appropriate balance of plant in service to include in MAWC's cost of service?
26. Customer Accounting: What is the appropriate amount of customer accounting expenses to include in MAWC's cost of service?
27. Employee Expenses: What is the appropriate amount of employee expense to be included in MAWC's cost of service?
28. Revenues: What is the appropriate number of residential meters to use for calculating the minimum charge to include in revenues? What is the appropriate amount of Other Operating, Miscellaneous, and Unbilled revenues?
29. Miscellaneous tariff changes: What if any of the proposed tariff changes included in the direct/rebuttal testimony of Staff witness David A. Spratt should the Commission order?
30. Income Eligible Programs: Should MAWC begin holding quarterly meetings with Staff, OPC, and any other interested interveners on its current income eligible programs?
- a. Should MAWC's tariffs be adjusted to allow for fungibility between its income eligible programs?
31. RSM: Should the Commission approve a RSM for MAWC? If so, how should the RSM be structured in terms of:
- i. Authorized revenues for purpose of the RSM,
 - ii. included customer classes and the treatment of each class,
 - iii. the calculation of surcharge credits or surcharges,
 - iv. the return of over-collections to customers,
 - v. the inclusion of production costs, if any,
 - vi. impact upon low-income customers,
 - vii. or other factors?
32. Drought Resiliency
- i. Should the Commission require MAWC to develop a drought resiliency plan for service areas not currently covered by existing MAWC drought resiliency plans?
 - ii. Should the Commission require MAWC to update the plans if MAWC deems it to be necessary and file plans in subsequent rate cases?

II. Order of Opening Statements/Order of Witnesses

MAWC
Staff
Consumers Council of Missouri (CCM)/AARP
City of Riverside
City of St. Joseph
Liberty (Empire)
MECG
MIEC
Public Water Supply District Nos. 1 and 2 of Andrew County
Triumph Food, LLC
OPC

Parties may present mini-openings on individual issues.

III. Order of Cross-Examination

MAWC Witnesses: Staff, OPC, CCM/AARP, Riverside, St. Joseph, Liberty (Empire),
MECG, MIEC, Public Water Supply Districts, Triumph

Staff Witnesses: MAWC, OPC, CCM/AARP, Riverside, St. Joseph, Liberty (Empire),
MECG, MIEC, Public Water Supply Districts, Triumph

OPC Witnesses: CCM/AARP, Riverside, St. Joseph, Liberty (Empire), MECG, MIEC,
Public Water Supply Districts, Triumph, Staff, MAWC

CCM Witnesses: Riverside, St. Joseph, Liberty (Empire), MECG, MIEC, Public Water
Supply Districts, Triumph, OPC, Staff, MAWC

MECG Witnesses: CCM/AARP, Riverside, St. Joseph, Liberty (Empire), MIEC, Public
Water Supply Districts, Triumph, OPC, Staff, MAWC

MIEC Witnesses: CCM/AARP, Riverside, St. Joseph, Liberty (Empire), MECG, Public
Water Supply Districts, Triumph, OPC, Staff, MAWC

Triumph Witnesses: CCM, AARP, Riverside, St. Joseph, Liberty (Empire), MECG, MIEC,
Public Water Supply Districts, OPC, Staff, MAWC

IV. Hearing Schedule

Thursday, February 27

Opening Statements

Overview and Regulatory Policy

Richard Svindland—MAWC

Brian LaGrand--MAWC

Kim Bolin—Staff

Amanda McMellen--Staff

John Robinett—OPC

Dr. Geoff Marke—OPC

Drought Resiliency

Matthew Lueders—MAWC

Jody Carlson--MAWC

Michael Abbott—Staff

Dr. Geoff Marke--OPC

Friday, February 28

Miscellaneous Service Charges

Jody Carlson--MAWC

Melanie Marek—Staff

Special Contracts

Brian LaGrand--MAWC

Melanie Marek--Staff

Acquisitions/Divestitures

Brian LaGrand--MAWC

Amanda McMellen—Staff

Monday, March 3

Rate Base²

Harold Walker—MAWC

Brian LaGrand—MAWC

Jennifer Grisham--MAWC

Angela Niemeier—Staff

Sherrye Lesmes—Staff

John Riley—OPC

² Due to External Witness Travel/Availability, we will start Monday, March 3, with this issue.

Labor & Related

Robert Mustich—MAWC
Jody Carlson—MAWC
Manuel Cifuentes--MAWC
Alexis Branson—Staff
Sherrye Lesmes—Staff
Angela Schaben--OPC

Production Costs & Other Expense Issues

Brian LaGrand—MAWC
Jennifer Grisham—MAWC
Manuel Cifuentes--MAWC
Angela Niemeier—Staff
Ashely Sarver—Staff
John Riley—OPC

Tuesday, March 4

Universal Affordability Tariff

Charles Rea--MAWC
Scott Glasgow—Staff
Roger Colton—CCM
Dr. Geoff Marke--OPC

RSM

Charles Rea--MAWC
Michael Abbott—Staff
Roger Colton—CCM
Jessica York—MECG
Lena Mantle--OPC

CCOS/Rate Design

Jody Carlson—MAWC
Max McClellan--MAWC
Melanie Marek—Staff
Jarrod Robertson—Staff
Caroline Palmer—CCM
Jessica York—MECG
Dr. Geoff Marke—OPC
Lena Mantle--OPC

Revenues

Max McClellan--MAWC
Ashley Sarver—Staff
Lena Mantle—OPC

Wednesday, March 5

ROE/Capital Structure³

Ann E. Buckley—MAWC

Nicholas Furia-MAWC

Kelli Malki—Staff

David Murray—OPC

Support Services

Ashely Sarver—Staff

Angela Schaben--OPC

Thursday, March 6

Miscellaneous Expense

Brian LaGrand—MAWC

Jennifer Grisham—MAWC

Manuel Cifuentes--MAWC

Sherrye Lesmes—Staff

Alexis Branson—Staff

Angela Niemeier—Staff

Maintenance Expense

Matthew Lueders—MAWC

Manuel Cifuentes—MAWC

Jennifer Grisham--MAWC

Alexis Branson—Staff

Angela Schaben--OPC

Friday, March 7

Injuries and Damages

Manuel Cifuentes-MAWC

Angela Niemeier—Staff

Insurance (other than group)

Manuel Cifuentes--MAWC

Angela Niemeier—Staff

Telecommunications Expense

Jennifer Grisham--MAWC

Angela Niemeier—Staff

³ Due to External Witness Travel/Availability, we will start Wednesday, March 5, with this issue.

Contract Services

Manuel Cifuentes--MAWC
Angela Niemeier—Staff
Angela Schaben--OPC

Corporate Allocations

Brian LaGrand--MAWC
Ashley Sarver—Staff
Angela Schaben--OPC

Monday, March 10

Income Taxes⁴

Linda Schlessman--MAWC
Ashley Sarver—Staff
John Riley--OPC

Property Taxes

Brian LaGrand--MAWC
Christ Boronda—Staff

Credit Card Fees

Jennifer Grisham--MAWC
Chris Boronda—Staff

Tuesday, March 11

Paperless Billing

Jody Carlson—MAWC
Derek Tarcza--MAWC
Tyrone Thomason—Staff
Manzell Payne—OPC

Customer Service

Derek Tarcza--MAWC
Tyrone Thomason—Staff
Manzell Payne—OPC
Dr. Geoff Marke—OPC

MyWater Software

Derek Tarcza--MAWC
Dr. Geoff Marke--OPC

Depreciation

Jennifer Grisham--MAWC
Malachi Bowman—Staff
John Robinett—OPC

⁴ Due to External Witness Travel/Availability, we will start Thursday, March 6, with this issue.

Plant in Service

Jennifer Grisham-MAWC
Alexis Branson—Staff
John Robinett--OPC

Wednesday, March 12

Service Area Map Revisions

Jody Carlson—MAWC
Daronn Williams--Staff

Customer Accounting

Jennifer Grisham--MAWC
Sherrye Lesmes—Staff

Employee Expense

Jennifer Grisham--MAWC
Angela Niemeier—Staff

Miscellaneous Tariff Changes

Brian LaGrand—MAWC
Jody Carlson-MAWC
David Spratt—Staff
Manzell Payne—OPC

Income Eligible Programs

Dr. Geoff Marke--OPC

WHEREFORE, Staff respectfully submits this list of issues, order of opening statements, order of cross-examination and order of witnesses 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 14th day of February, 2025.

/s/ Casi Aslin