

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

In the Matter of Missouri-American Water)
Company's Request for Authority to Implement) **File Nos. WR-2024-0320, et al**
General Rate Increase for Water and Sewer)
Service Provided in Missouri Service Areas.)

**CONSUMERS COUNCIL OF MISSOURI'S
POSITION STATEMENTS**

The Consumers Council of Missouri ("Consumers Council") hereby offers its position statements with regard to the List of Issues submitted on February 14, 2025, in this matter. Consumers Council reserves the right to address any other issue that arises during the hearing process.

Issue 1: Overview and Regulatory Policy

- a. Production Cost Tracker (if not RSM): Should MAWC be allowed to implement a production cost tracker?**

Consumers Council's Position: No, a cost tracker would remove the cost control incentive from ratemaking. MAWC already earns sufficient return on its investments to compensate it for the risk of increasing production costs. MAWC has not provided any evidence to show that it could not earn its authorized ROE without a production cost tracker.

3. Class Cost of Service (CCOS)/Rate Design

a. CCOS

Consumers Council's Position: Develop distribution multipliers based on the usage characteristics of a larger and 20 more verifiably representative number of Rate J and B customers—ideally all 21 customers in each class, respectively.

(Caroline Palmer Direct Testimony)

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?

Consumers Council's Position: Increase the 5/8 and 3/4 inch monthly fixed charges by \$1.00 and correspondingly increase the volumetric rate in order to achieve the necessary revenue requirement increase.

Track lead service line replacement costs separately from other service costs and 4 collect them volumetrically through a dedicated line item on customer bills, rather 5 than include them in the unit costs that inform the monthly customer charge.

(Caroline Palmer Direct Testimony)

d. Single Tariff Pricing: Should the Commission consolidate Rate Class A across St. Louis County and non-St. Louis County customers?

Consumers Council's Position: No.

e. Universal Affordability Tariff: Should MAWC's proposed Universal Affordability Tariff be approved by the Commission for water and wastewater service?

Consumers Council's Position: Yes.

(Roger Colton Direct, pp. 18-68)

- ii. **If so, what accounting treatment should be ordered for the cost?**

Consumers Council's Position: The costs should not be recovered through the RSM because statute limits the RSM to revenue variation resulting from increases or decreases in usage, and does not include variations in revenues due to tariffed discounts. Moreover, the RSM itself actually aggravates affordability for low-income customers, in that the RSM results in a transfer of costs from higher income customers to lower income customers.

(Roger Colton Direct, p. 70)

- iii. **If so, should the Commission order stakeholders to meet quarterly to address implantation of the tariff?**

Consumers Council's Position: Yes.

Issue 9: ROE/Capital Structure/Cost of Debt

- a. **What is the appropriate return on equity to be used to determine the rate of return?**

Consumers Council's Position: The Commission should use an allowed return on equity of 9.25% for determining MAWC's rate of return.

Issue 12: Miscellaneous Service Charges: Should the Commission order any increase or decrease to the miscellaneous service charges in MAWC's tariff?

Consumers Council's Position: No.

Issue 21: Paperless Billing Program: Should MAWC's proposed tariff sheets associated with its Paperless Billing Program be approved by the Commission?

Consumers Council's Position: No.

Issue 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?**

Consumers Council's Position: Yes, per OPC recommendation.

Issue 30: Income Eligible Programs: Should MAWC begin holding quarterly meetings with Staff, OPC, and any other interested interveners on its current income eligible programs?

Consumers Council's Position: Yes.

Issue 31: RSM: Should the Commission approve a RSM for MAWC?

Consumers Council's Position: Absolutely not.

Respectfully Submitted,

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