

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

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

**REPLY BRIEF**

**COMES NOW** the Staff of the Missouri Public Service Commission ("Staff"),  
by and through counsel, and files its Reply Brief:

**Rate Design**

In its Initial Brief, the Missouri Energy Consumers Group ("MECG") addresses a number of concerns with Staff's position on rate design. This Reply Brief will address two of those concerns.

1. The Commission relies on its technical Staff.

MECG accurately states that ..."the Commission relies on its technical staff to audit, evaluate, and provide substantive assessment on the costs that utilities incur to provide service."<sup>1</sup> Because Commission Staff has additional resources compared to some parties in large rate cases, MECG concludes that Staff's lack of a new CCOS study in this rate case is unreasonable. Without completely restating the argument, Staff still finds its approach to rate design in this case to be just and reasonable. While Staff will continue to attempt to develop a new CCOS for most large cases, a lack of a new CCOS every two years does not inherently mean that Staff's position is unreasonable. Settlements that do not rely on a Staff CCOS are routinely presented to the Commission. This does not

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<sup>1</sup> MECG Initial Brief, p. 7.

make the Commission's decision to approve such a settlement inherently flawed. Additionally, the work that Commission Staff puts into a large rate case cannot be measured or assessed by the approach taken to address a single issue. While MEGC may not agree with Staff's approach to this issue, extensive work went into this case by Staff: from pre-filed testimony to technical and settlement conferences to hearing preparations, Staff worked diligently to provide its recommendations on all issues to the Commission.

2. Staff's position relies on a flawed CCOS study.

MEGC claims that Staff's CCOS study in Case No. WR-2022-0303 was "deeply flawed" and unreliable."<sup>2</sup> However, when questioned during the evidentiary hearing, MEGC witness Jessica York, confirmed that Staff had made corrections to its CCOS study in Case No. WR-2022-0303, but that she was "not able to verify whether those were acceptable or...justified, reasonable, correct..."<sup>3</sup> MEGC's issues with the CCOS study to which Staff is recommending an equal percent increase be applied, stem more from MEGC's disagreement with Staff's position than from actual errors. Parties frequently correct and update their positions as a case progresses and mistakes and changes are discovered that need to be remedied. In addition, CCOS studies presented by various parties to a case often have significantly different results based upon the methodology and goals of the parties. If using a different methodology than MEGC makes all other CCOS "deeply flawed" and "unreliable", it would mean that the Commission should forgo

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<sup>2</sup> MEGC Initial Brief, p. 8.

<sup>3</sup> Transcript Vol. 10, p. 177, l. 16-22.

consideration of a CCOS study presented by utilities, Staff, or any other party. This is not a reasonable position.

For the reason stated above, and in its *Initial Brief*, Staff continues to support the position that an equal percent increase to rates across classes will result in just and reasonable rates for MAWC customers.

**WHEREFORE,** Staff submits this Reply Brief for the Commission's consideration and information.

Respectfully Submitted,

**/s/ Casi Aslin**

Casi Aslin  
Deputy Counsel  
Missouri Bar No. 67934  
P.O. Box 360  
Jefferson City, Mo 65102  
(573) 751-8517  
casi.aslin@psc.mo.gov

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand delivered, transmitted by facsimile or electronically mailed to all counsel of record this 18<sup>th</sup> day of April, 2025.

**/s/ Casi Aslin**