

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

In the Matter of the Compliance of Certain)
Missouri Water Corporations with the) **Case No. WO-2019-0043**
Requirements of SB 705 and Related Matters)

STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by
and through counsel, and for this *Status Report* and states as follows:

Procedural History

1. Upon its passage and signing, § 393.358 RSMo. Supp. 2018,¹ required regulated water corporations of more than 1,000 customers to file notice with the Commission that they had established a qualification process for competitive bidding (Bidding Process) of planned infrastructure projects on distribution systems, among other requirements. The statute required affected utilities² to file notice of this Bidding Process within thirty days of August 28, 2018.

2. On August 16, 2018, Staff filed a *Motion to Open Docket*. The *Motion to Open Docket* intended to serve as both notice for certain requirements for § 393.358 RSMo, a repository for the Bidding Process notices as required by § 393.358.3, and further as a repository for relevant information regarding the types of projects affected by the statute.

¹ All references are to the 2016 Revised Statutes of Missouri, supplemented as of 2018.

² The affected utilities as identified by Staff are Missouri-American Water Company; The Empire District Electric Company; Liberty Utilities (Missouri Water) LLC; Raytown Water Company; RDE Water Company; and Terre Du Lac Utilities Corporation.

3. On August 28, 2018, the Commission issued its *Order Opening a Case and Directing Filings (Order)*. The *Order* granted Staff's motion, provided notice to the six water and sewer utilities affected by § 393.358 RSMo, and directed the utilities file their respective statements confirming they had a Bidding Process in place by September 27, 2018. The *Order* also directed the affected utilities to track work orders before and after August 28, 2018 to assess the impact of § 393.358 RSMo, and provide that information to the Commission's Staff.

4. On September 27, 2018, Missouri-American Water Company, The Empire District Electric Company, Liberty Utilities (Missouri Water), LLC; and Terre Du Lac Utilities Corporation filed their Bidding Process notices. All replies except for Missouri-American Water Company asked for guidance from Staff for tracking work orders.

5. On October 23, 2018, Raytown Water Company late-filed its response relaying that it had a Bidding Process in place that met the requirements of the statute.

6. As of the filing of this Status Report, RDE Water Company has not filed a notice that it has established a Bidding Process.

Staff Recommendations

7. On October 12, 2018, the Commission issued an *Order Directing Staff to File a Status Report* that specifically directed Staff to report upon "the compliance of the water corporations with the statutory requirements, including Staff's recommendation on how the Commission should proceed regarding any such water corporations that have not complied with those requirements."

8. Staff hereby reports that the water corporations that have filed notices are compliant with the statutory requirements of § 393.358.3 RSMo, and the related August 28, 2018 Commission Order.

9. Staff further states that it will work with those water corporations seeking guidance on tracking work orders to ensure that they have a process that is meaningful for the purposes of the statutory 2020 reporting deadline, as well as efficient and practicable for the utility.

10. Finally, in regards to an affected utility that did not file notice of a Bidding Process, Staff recommends that the Commission open a new docket and issue to the non-filing utility a *Show Cause Order*. Staff recommends that the *Show Cause Order* direct the recipient utility to show cause why the utility should not be considered in violation of both the requirements § 393.358.3 RSMo and the Commission's August 28, 2018, *Order*. Staff recommends that the *Show Cause Order* identify to the utility that failure to satisfy the directive of such order would make the recipient utility subject to whichever sanction or penalty the Commission deems appropriate as authorized by statute. Pursuant to § 393.358.3 RSMo, which authorizes the Commission "to verify the statements to ensure compliance" with the statute, Staff recommends that the recipient utility be required to provide to the Commission a copy of its established Bidding Process, in confidential format, for purposes of satisfying any such show cause order.

WHEREFORE, Staff respectfully submits this *Status Report* and recommendations.

Respectfully submitted,

/s/ Jacob T. Westen

Jacob T. Westen
Deputy Counsel
Missouri Bar No. 65265
Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
573-751-5472 (Voice)
573-751-9285 (Fax)
jacob.westen@psc.mo.gov
Attorney for the Staff of the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or electronically mailed to all parties and or counsel of record on this 31st day of October, 2018.

/s/ Jacob T. Westen