BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of the Petition of Missouri-American Water Company for Approval to Change its Infrastructure System Replacement Surcharge (ISRS)

File No. WO-2019-0389

MAWC'S RESPONSE TO STAFF RECOMMENDATION

COMES NOW Missouri-American Water Company ("MAWC"), by and through counsel, and, as its Response to Staff Recommendation, states as follows to the Missouri Public Service Commission ("Commission"):

1. MAWC filed its ISRS petition on August 26, 2019, requesting a change in its ISRS revenues for ISRS-eligible infrastructure system replacements and relocations made during the period of April 1, 2019, through September 30, 2019.

2. The Staff Recommendation concerning MAWC's petition was filed on October 25, 2019. The Staff Recommendation requests that the Commission approve Staff's recommended ISRS surcharge revenues in the incremental pre-tax amount of \$6,112,222, as shown in Attachments 1 and 2 to the Staff Memorandum (Appendix A).

3. Previously, on October 22, 2019, the Staff and MAWC (with the Office of the Public Counsel affirmatively stating its non-objection, such that it may be treated as unanimous in accordance with Commission Rule 20 CSR 4240-2.115) filed a Partial Stipulation and Agreement addressing the Deferred Tax Asset (Net Operating Loss (NOL)) issue that was also present in Commission Files No. WO-2018-0373 and WO-2019-0184. This Partial Stipulation and Agreement is referenced by the Staff Recommendation in footnote 2 on page 4 of the Staff Memorandum.

4. Having reviewed the October 25, 2019 Staff Recommendation, hereby notifies the

Commission that it has no objection to Staff's recommended increase in ISRS revenues, assuming the Partial Stipulation and Agreement is also approved by the Commission.

WHEREFORE, MAWC respectfully submits this Response to Staff Recommendation and requests that the Commission issue an order approving the change to MAWC's ISRS referenced by the Staff Recommendation.

Respectfully submitted,

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ATTORNEYS FOR MISSOURI-AMERICAN WATER COMPANY

CERTIFICATE OF SERVICE

l hereby certify that a copy of the above and foregoing document was sent via electronic mail on this 4th day of November, 2019, to:

Alexandra Klaus Staff Counsel's Office <u>lexi.klaus@psc.mo.gov</u> Lera Shemwell Office of the Public Counsel lera.shemwell@opc.mo.gov

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