

**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) Case No. WR-2017-0285
Increase for Water and Sewer Service Provided in)
Missouri Service Areas.)

REPORT CONCERNING ARAM ACCOUNTING

COMES NOW Missouri-American Water Company and, as its report concerning its ability to utilize the Average Rate Assumption Method (“ARAM”), states as follows to the Missouri Public Service Commission (“Commission”):

1. The Stipulation and Agreement filed in this case on March 1, 2018, and approved by the Commission’s Order Approving Stipulations and Agreements, issued May 2, 2018, stated, among other things, as follows:

a. After the Company’s Accumulated Deferred Income Tax (“ADIT”) re-measurement is completed, the normalization of excess “protected” ADIT will be calculated over the appropriate time period and consistent with the tax normalization rules and as represented to the IRS. The Company is in the early stages of evaluating the cost and ability to achieve a data plan that would allow it to use Average Rate Assumption Method (“ARAM”) as a method for computing and normalizing excess protected ADIT. If not cost prohibitive, and if the records can be established to do so, it is currently MAWC’s and the Internal Revenue Code’s preference to use ARAM, and MAWC will act as expediently as possible to establish ARAM as its method of accounting for purposes of normalizing excess protected ADIT.

b. By no later than February 28, 2019, MAWC agrees to file a report with the Commission regarding the Company’s ability to comply with ARAM accounting. The Company will identify whether it will begin using ARAM accounting, and if it indicates it will not be able to adopt ARAM accounting, explain in detail each reason why it is not able to comply with ARAM accounting.

2. MAWC hereby reports to the Commission that it has determined that it will be able to use ARAM as a method of accounting.

WHEREFORE, MAWC respectfully requests that the Commission consider this report to comply with that portion of the Stipulation and Agreement cited above.

Respectfully submitted,



William R. England, III #23975
Dean L. Cooper #36592
Diana C. Carter #50527
BRYDON, SWEARENGEN & ENGLAND P.C.
P.O. Box 456
Jefferson City, MO 65012
(573) 635-7166 telephone
dcooper@brydonlaw.com

Timothy W. Luft, Mo Bar 40506
MISSOURI-AMERICAN WATER COMPANY
727 Craig Road
St. Louis, MO 63141
(314) 996-2279
Timothy.Luft@amwater.com

ATTORNEYS FOR MISSOURI-AMERICAN WATER
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that the foregoing document was filed in EFIS on this 21st day of February, 2019, with notification of the same sent to all counsel of record.


