

**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.)

APPLICATION FOR REHEARING BY THE CONSUMERS COUNCIL OF MISSOURI

COMES NOW the Consumers Council of Missouri ("Consumers Council"), pursuant to Commission rule 20 CSR 4240-2.160, and for its Application for Rehearing states that the Commission's decision issued by its May 7, 2025 Report and Order in the above-styled rate case is unlawful, unjust, and unreasonable with regard to the its denial of Missouri-American Water Company's ("Company's") Universal Affordability Tariff ("UAT"), because the wording of the Commission's decision misunderstands and misapplies the relevant legal standard, because the decision fails to provide adequate findings of fact and statements of law, and because its denial of the UAT is contrary to the overwhelming weight of the evidence in the record of this rate case, as explained herein.

According to the testimony of Company witness Rea¹, and in the testimony of Consumers Council witness Roger Colton², the distinction among residential customers that would be made under the Company's UAT program would indeed be cost based, due to the significant water usage differences apparent in the data regarding the relationship of that usage to household income. According to witness Rea, **"lower income customers are actually subsidizing higher income customers under the**

Company's current rate design.³ The evidence supporting this cost-based distinction was overwhelming and *undisputed*. In fact, there not even one iota of evidence in the record of this rate case to the contrary.

Commission decisions must be support by "competent and substantial evidence". But by denying the UAT proposal, the Commission is ignoring the factual record, and literally ordering low-income customers to subsidize higher income customers through Company's water rates. This Reverse Robin-Hood result is manifestly unjust and unreasonable, arbitrary, capricious, and completely unsupported by *any* evidence in the record, much less "competent and substantial evidence".⁴

The Report and Order ignores the clear and convincing record in this proceeding in such a blatant way as to illegally discriminate against low-income water customers, violating Sections 393.130.2 and 393.130.3 RSMo. On a cost basis, the Report and Order decision on the UAT is "unjustly discriminatory" against low-income customers, and approves water rates that are "unduly preferential" to higher income customers in violation of those statutes.

In its briefing on this issue, the Consumers Council has repeated invited the Commission to modify the proposed UAT to include caps or other limitations, as the Commission felt were necessary. In its Report and Order, the Commission claimed that it was denying the UAT proposal due to perceived lack of constraints regarding the program's time length, participant size, and budget. However, despite the Commission's

¹ Ex. 22, Rea Direct, pp. 30-38.

² Ex. 450, pp. 18-68.

³ Ex., p. 37.

⁴ Sections 386.510 and 536.140.2 RSMo.

ability to easily cure such perceived concerns, the Report and Order failed to order any such modifications to the program.

Consumers Council also hereby incorporates into this application all of the specific grounds for rehearing made by the Office of the Public Counsel's in its "Motion for Reconsideration or, in the Alternative, Application for Rehearing", filed on May 16, 2025.

WHEREFORE, the Consumers Council requests that the Commission rehear its May 7, 2025 Report and Order, with regard to the UAT rate design issue.

Respectfully Submitted,

/s/ John B. Coffman

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May 16, 2025

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all parties listed on the official service list on this 16th day of May, 2025.

/s/ John B. Coffman