

Bond Case Briefs

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Missouri-American Water Company's Request for Authority to Implement a General Rate Increase for Water and Sewer Service Provided in Missouri Service Areas v. Office of Public Counsel

Missouri Court of Appeals, Western District - May 30, 2017 - S.W.3d - 2017 WL 2333056

Office of Public Counsel (OPC) sought judicial review of Public Service Commission's (PSC) report and order adopting PSC staff's proposed plan, consolidating water corporation's systems into three districts for purpose of setting rates.

The Court of Appeals held that:

- Consolidation of water systems into three districts for setting rates did not grant an undue or unreasonable preference or advantage to one locality over another;
- Evidence supported PSC's finding that proposed consolidation into three districts grouped systems that shared similar sources for their water;
- PSC's finding, that annual cost to serve a residential customer was fairly consistent across eight water districts existing at time rate case, was found to be reasonable;
- PSC's finding, that fragmentation of water systems created affordability problems that could have been resolved by consolidated tariff pricing, was reasonable; and
- PSC's finding, that federal and state regulations imposed a heavy burden on small water systems, was reasonable.