

Wastewater Rate Change Proceeding - 2019

**BEFORE THE RATE COMMISSION OF THE  
METROPOLITAN ST. LOUIS SEWER DISTRICT**

For Consideration of a Wastewater )  
Rate Change Proposal by the Rate Commission )  
of the Metropolitan St. Louis Sewer District )

**THIRD DISCOVERY REQUEST OF THE  
MISSOURI INDUSTRIAL ENERGY CONSUMERS  
TO THE METROPOLITAN ST. LOUIS SEWER DISTRICT**

Pursuant to §§ 7.280 and 7.290 of the Charter Plan of the Metropolitan St. Louis Sewer District (the “Charter Plan”), Operational Rule 3(5) and Procedural Schedule §§ 1, 17 and 18 of the Rate Commission of the Metropolitan St. Louis Sewer District (“Rate Commission”), Intervenor Missouri Industrial Energy Consumers (“MIEC”) requests additional information and answers from the Metropolitan St. Louis Sewer District (“MSD” or “District”) regarding the Rate Change Proposal dated March 4, 2019 (the “Rate Change Proposal”).

The District is requested to amend or supplement the responses to this Discovery Request, if the District obtains information upon the basis of which (a) the District knows that a response was incorrect when made, or (b) the District knows that the response, though correct when made, is no longer correct.

The following Discovery Requests are deemed continuing so as to require the District to serve timely supplemental answers if the District obtains further information pertinent thereto between the time the answers are served and the time of the Prehearing Conference.

**REQUEST NO. 18:** Please refer to Exhibit MSD 56B, Appendix 7.2.2 Detailed WW CIRP Project List. In addition to the Financial Year, please update the exhibit to include the dates for the Bid Year and Achievement of Full Operation as required by the Consent Decree or any of its amendments.

**RESPONSE NO. 18:**

**REQUEST NO. 19:** Please refer to Exhibit MSD 56C, Appendix 7.2.3 Detailed WW CIRP Project List - Not Regulatory or CD. In addition to the Financial Year, please update the exhibit to include the date MSD is required to complete each of the non-Consent Decree or regulatory related projects based on State, Federal and local regulatory obligations.

**RESPONSE NO. 19:**

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**REQUEST NO. 20:** Please refer to Exhibit MSD 56D - Appendix 7.2.4 Detailed WW CIRP Project List - Regulatory but not CD. In addition to the Financial Year, please update the exhibit to include the date MSD is required to complete each regulatory project and all other timing related milestones required by federal, state or local regulatory requirements.

### **RESPONSE NO. 20:**

**REQUEST NO. 21:** Concerning the District's financial model, on the tab "CIRP," the source of new revenue bond issuances, please provide the following along with calculations on electronic spreadsheet with formulas intact:

- a. Please provide an explanation and support for the estimated amount of the line "Revenue Bond Proceeds – Premium" used to estimate the source of additional funds received from selling new bonds.
- b. Please estimate the net interest cost to MSD using the "Revenue Bond Proceeds – Par Amount" and "Revenue Bond Proceeds – Premium" amount assumptions in its financial model for issuing new revenue bonds at a coupon rate of 5%, and issue cost rate of 1%.
- c. Please estimate the change in amounts of Revenue Bond Proceeds – Premium from selling new bonds, if the net interest cost to MSD of new revenue bond issues, reflecting a 5% coupon and 1% issue cost, would be 3.5%. That is, assume the MSD's 5% coupon rate and 1% issue cost, then how much of Revenue Bond Proceeds – Premium would be generated if the net cost of a new bond issue was 3.5%?
- d. Please make the same estimate requested in c. above, but assume the net interest cost to MSD would be 4%.

### **RESPONSE NO. 21:**

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Respectfully submitted,

BRYAN CAVE LLP

By       /s/ Brandon W. Neuschafer      

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ATTORNEYS FOR THE MIEC

Dated: May 16, 2019

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**CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of the foregoing was sent by electronic transmission to the following on this 16th day of May, 2019.

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/s/ Brandon W. Neuschafer