

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Missouri-American Water)
Company's Request for Authority to Implement) **Case No. WR-2010-0131**
a General Rate Increase for Water and Sewer)
Services Provided in Missouri Service Areas)

NOTICE REGARDING EXTERNAL COMMUNICATION

Issue Date: November 23, 2009

On November 23, 2009, we received the attached letter from Chad Fulton, President of the Midland Empire Homebuilders Association, regarding the Missouri-American Water Company rate hikes 2009.

Respectfully Submitted,



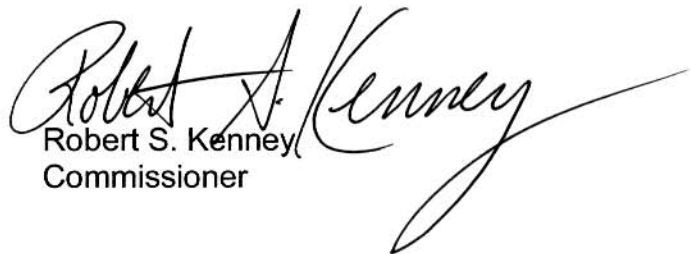
Robert M. Clayton, III
Chairman



Jeff Davis
Commissioner



Kevin Gunn
Commissioner



Robert S. Kenney
Commissioner

Dated at Jefferson City, Missouri,
on this 23rd day of November, 2009.

Midland Empire Home Builders Association

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November 17, 2009

Kevin Gunn, Commissioner
Public Service Commission
Governor Office Building
200 Madison Street
PO Box 360
Jefferson City, MO 65102-0360

RE: Missouri American Water Company rate hikes 2009

Dear Sir:

I am writing on behalf of the Midland Empire Homebuilders Association located in St. Joseph, Missouri. The association is comprised of a core group of builders and developers, tradesmen, and those who support the homebuilding industry such as vendors, lending institutions, title companies, REALTORS®, and advertisers.

The MEHBA became aware that Missouri American Water Company (MOAWC) has filed an application for a 28.3% increase in water rates for the St. Joseph area. The Missouri American Water Company cites the need for improvements to infrastructure as the primary reason for the rate increase. Additionally, MEHBA has discovered that MOAWC has filed similar applications for rate increases in Joplin, Missouri, and Jefferson City, Missouri. If the PSC grants the MOAWC's rate increases, at least in St. Joseph, the average water bill for a single residence will increase \$8.38 a month.

While we acknowledge that \$8.38 a month is not going to prevent persons from buying houses or likely deter spending on goods and services, we wish to remind the PSC that two years ago MOAWC increased rates by 30% or \$6.78 per month in the St. Joseph area. Last year, rates were reduced by 2%. Currently, consumers are experiencing great increases in their costs of living across the board.

The MEHBA believes that rate increases (for all goods and services), but especially rate increases approaching 30%, do nothing but stymie economic activity, which is vital to the homebuilding industry. MEHBA believes that vigorous economic activity is the key to economic recovery. These rate increases come at a time when all industries, not only the homebuilding industry, are attempting to generate economic activity.

On behalf of the Midland Empire Home Builders Association, I implore the members of the Public Service Commission to use good judgment and a broader perspective with regard to MOAWC's application for an increase in the water rates in St. Joseph and all areas of the state. We believe that tempering MOAWC's request for severe rate hikes now will do more for the economic recovery than MOAWC's need for infrastructure.

Thank you.

Sincerely,

Midland Empire Homebuilders Association

A handwritten signature in black ink, appearing to read "Chad Fulton".

Chad Fulton, President

Cc: Robert Clayton, III, Chairman
Jeff Davis, Commissioner
Terry M. Jarrett, Commissioner
Robert S. Kenny, Commissioner