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July 7, 2000

Mr. Dale H. Roberts
Secretary/Chief Regulatory Law Judge
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED²
JUL 07 2000
Missouri Public
Service Commission

**RE: Missouri-American Water Company
Case No. WR-2000-281, et al.**

Dear Mr. Roberts:

Enclosed for filing in the above-referenced case please find the original and eight copies of the **Office of the Public Counsel's Motion to Open Investigation Regarding Water Quality**. Please "file" stamp the extra enclosed copy and return it to this office.

Thank you for your attention to this matter.

Sincerely,

Shannon E. Cook
Assistant Public Counsel

Enclosure

cc: Parties of Record

FILED²

JUL 07 2000

Missouri Public
Service Commission

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

In the Matter of Missouri-American Water)
Company's Tariff Sheets Designed to Implement)
General Rate Increases for Water and Sewer) Case No. WR-2000-281, et al.
Service Provided to Customers in the Missouri)
Service Area of the Company.)

**OFFICE OF THE PUBLIC COUNSEL'S MOTION TO OPEN INVESTIGATION
REGARDING WATER QUALITY**

COMES NOW the Office of the Public Counsel ("Public Counsel" or "OPC")
and, for its Motion to Open Investigation Regarding Water Quality, states as follows:

1. On October 15, 1999, Missouri-American Water Company ("Company" or "MAWC") filed the above-referenced case requesting an increase in its rates for water and sewer service in each of its seven Missouri operating districts. The evidentiary hearing in this matter took place on the following dates: June 5-9, June 14-16 and June 26-27, 2000.
2. The primary controversy in this case is MAWC's request for additional revenue related to the new groundwater source and treatment plant which the Company constructed for the purpose of serving its customers in the St. Joseph District. The Company has reported that the new water treatment plant was brought online by approximately April 30, 2000 and that the "old" river water treatment plant was taken out of service at that time.
3. The Commission held local public hearings in five of MAWC's operating districts prior to conducting the evidentiary hearing. A local public hearing was held in St. Joseph on May 31, 2000. At that hearing, many customers expressed dissatisfaction with the water quality being provided by the Company's new treatment facility. A

review of the transcript of the St. Joseph local public hearing (Volume 8), which is part of the evidentiary record in this case, reveals the following water quality complaints:

- a) The water from the new treatment plant creates an oily film or scum on coffee and tea (pp. 11, 13, 19, 68, 76, 79, 92, 103, 113, 123, 130, 148, 154).
- b) The water creates a film on dishes and tableware (pp. 11, 99, 103, 123, 130, 176).
- c) The water has an offensive taste, including “greasy,” “oily,” or chemical-like (pp. 68, 76, 80, 93, 117, 120, 123, 132, 154, 158, 161, 164).
- d) The water is not clear (has a strange color) or contains floating particles (pp. 80, 113-114, 123, 132).
- e) The water has an offensive odor (pp. 68, 76, 98, 132).
- f) The water leaves a white residue, “crud”, “crust” or “grit” on ice cubes, appliances, bathtubs, dishes or tableware (pp. 79, 103, 123, 156, 178).
- g) The water leaves a residue on freshly-washed clothing (p. 99).
- h) The customer has had to purchase water filters or filtering pitchers, or water softeners in order to make the water palatable (pp. 79, 81, 120, 130, 135, 154, 161).
- i) The customer feels “oily” after having taken a bath or shower (pp. 76, 82).
- j) The customer believes he or she has become physically ill as a result of drinking the water (pp. 80, 83, 117, 164).

- k) The customer is afraid that the water will make him or her physically ill (pp. 67, 96, 113, 124, 130, 138, 144, 152, 156).
- l) The customer is afraid that the water will make his or her pets ill, or the pets will not drink the new water (pp. 130, 154).
- m) The new water has killed the customers' pet goldfish (p. 93).
- n) The customer believes that the water will hurt or has killed his or her plants (p. 152).
- o) The customer is no longer able to sterilize necessary medical supplies with the new water, even after it has been boiled (p. 156).
- p) The customer has had to resort to purchasing bottled water for everyday use (pp. 77, 81, 93, 117, 128, 148, 161, 164).
- q) The water is generally "bad" or is of lower quality than the water distributed before the new plant went online (pp. 101, 103, 123, 128, 130, 132, 140, 147, 150, 161, 173, 175).

4. Throughout the course of the instant rate case, Public Counsel has received numerous telephone calls, letters, faxes and electronic messages from customers in the Company's St. Joseph District who are unhappy with the quality of the water currently being provided by the new treatment plant. On June 6, 2000, Public Counsel submitted to the Secretary of the Commission voluminous correspondence it has received from MAWC customers, requesting by letter that the correspondence be added to the case file for Case No. WR-2000-281.

5. Public Counsel has continued to receive letters from MAWC customers in the St. Joseph District both during and after the evidentiary hearing, many of which

specifically address the poor quality of the water being distributed from the new treatment plant.

6. At the evidentiary hearing in the instant case, Public Counsel introduced into evidence intra-company e-mail messages (Exhibit 93) which demonstrate that the Company acknowledges problems with the quality of water being distributed from the new treatment plant. Additionally, Mr. Robert Amman, MAWC's district manager for the St. Joseph operating district, testified at the hearing that he has personally observed the "oily film" on coffee at his home (Transcript, Volume 14, p. 1448).

7. Public Counsel notes that the Commission issued an Order similar to the one requested herein on November 25, 1997, in which it required this same Company to address water quality issues its Warrensburg operating district. That Order established Case No. WO-98-203 "for the purpose of receiving and evaluating the results of the investigation made by MAWC into the hardness, odor, and taste of the water supply in the City of Warrensburg."

8. Despite Mr. Amman's contention under cross-examination by Public Counsel that the Commission should not open a similar case to "investigate those [water quality] issues and possible solutions" in St. Joseph, Public Counsel believes that such an investigation would be highly appropriate, if not essential. (Transcript, Volume 14, p. 1453).

WHEREFORE, Public Counsel respectfully requests that the Commission issue its Order establishing a separate case for the purpose of investigating the quality of water being provided to MAWC's customers in its St. Joseph operating district, and for such other and further relief as the Commission deems necessary under the circumstances.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL



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CERTIFICATE OF SERVICE

I hereby certify that true copies of the foregoing document have been faxed, mailed, or hand-delivered to all counsel of record as shown on the attached service list this 7 day of July, 2000.



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Case No. WR-2000-281
July 7, 2000**

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