

**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-2011-0337  
A General Rate Increase for Water and Sewer    )  
Service Provided in Missouri Service Areas.    )

**METROPOLITAN ST. LOUIS SEWER DISTRICT'S  
STATEMENT OF POSITION**

COMES NOW Metropolitan St. Louis Sewer District (MSD), and for its Statement of Position in connection with the above-referenced case, states as follows:

Revenue/MSD Contract Issue:

1.     On July 16, 2007, in conjunction with an application for a general rate increase filed by Missouri-American Water Company ("MAWC") in Commission Case Nos. WR-200700216 and SR-2007-0217, MSD and MAWC filed a Stipulation and Agreement as to MSD Rate Design Between MAWC and MSD, whereby both parties agreed that MAWC would provide water usage meter reading data and customer billing information to MSD and, in return, MSD would pay MAWC \$29,166 per month (\$350,000 annually) for such information (the "Stipulation").
2.     On September 20, 2007, the Commission issued an Order approving the Stipulation, and, in accordance with the Stipulation, MSD and MAWC entered into a Water Usage Data Agreement (the "Agreement) specifying their respective rights, interests and obligations with respect to the provision of the water usage and billing data on November 29, 2007.
3.     Since that date, MAWC has provided the water usage and billing data in accordance with the Agreement and MSD has paid the monthly amount required by the Agreement.

4. In further accordance with the Stipulation and Agreement, MAWC filed a proprietary report with the Commission on March 28, 2008 entitled "Analysis of Cost for Water Usage Data Services Provided to MSD Twelve Months Ending December 31, 2007."

4. No change in the Agreement was proposed or ordered in MAWC's next rate case, Case No. WR-2008-0312.

5. In MAWC's next rate case, Case No. WR-2010-0131, no change in the Agreement was proposed by MAWC, MSD or Staff, although the Office of Public Counsel ("OPC") filed testimony proposing that the payment authorized by the Commission in the Agreement should be changed to the "fully distributed, non-incremental or negotiated" actual cost to provide the data. Before the issue could be heard, the case was settled with OPC withdrawing its objection to the Agreement on condition that MSD became a signatory to the Settlement Agreement.

6. In the tariffs filed with the Commission to initiate the instant rate case, no change in the tariff authorizing the Agreement was proposed by MAWC and no testimony was filed by MAWC with respect to the Agreement.

7. In testimony filed by Office of Public Counsel ("OPC") witness, Ted Robertson and Barbara Meisenheimer, OPC again proposes that the payment authorized by the Commission in the Agreement should be changed to the "fully distributed, non-incremental or negotiated" actual cost to provide the data.

8. MAWC and MSD witnesses have filed rebuttal testimony opposing such a change in the amount paid by MSD for the data under the Agreement.

9. There are three reasons which MSD believes require the Commission to approve the tariff authorizing the amount paid by MSD pursuant to the Agreement.

These are:

a. There is a significant and unresolved legal question whether, under Section 249.645 RSMo, MSD, as a sewer district, is required to pay MAWC any amount for the water usage and billing data which it receives from MAWC;

b. Assuming MSD is required to pay some amount to MAWC for the water usage and billing data received, the amount to be paid, under accepted ratemaking principles, should be the incremental cost to MAWC to provide such data, which is far less than the amount currently paid under the Agreement;

c. OPC is not legally entitled to challenge, in this proceeding, the agreed upon amount paid by MSD for the data which has been previously authorized by this Commission.

10. As a result, the Commission should continue its approval of the tariff authorizing the Agreement.

Other Issues:

MSD has filed testimony solely with respect to the MSD Contract Issue. It takes no position with respect to the remaining issues contained in the List of Issues.

However, MSD reserves the right to take any position on such issues at the hearing, or thereafter, based upon the evidence presented.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served via email and/or pursuant to the PSC's electronic filing system (EFIS), on this 15<sup>th</sup> day of February, 2012, upon all individuals, parties and intervenors and/or their counsel who have entered their appearances in this case on EFIS, and specifically upon the following:

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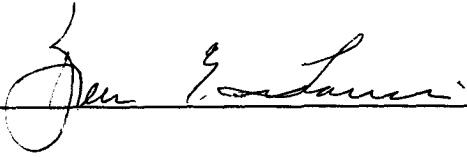
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