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March 8, 2002

FILED
MAR 08 2002
Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Missouri-American Water Company - Case No. WO-2002-273

Dear Mr. Roberts:

Enclosed for filing in the above-referenced proceeding please find an original and eight copies of MAWC's Objection to Application for Intervention of the Utility Workers Union of America Local 335, AFL-CIO. Please stamp the enclosed extra copy "filed" and return same to me.

If you have any questions concerning this matter, then please do not hesitate to contact me.
Thank you for your attention to this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:



Dean L. Cooper

DLC/rhg
Enclosures

cc: Mr. Keith Krueger, PSC
Ms. Ruth O'Neill, OPC
Mr. Stuart Conrad
Mr. Jeremiah Finnegan
Mr. James Deutsch
Ms. Jan Bond

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

MAR 08 2002

Missouri Public
Service Commission

In the Matter of the Joint Application)
of Missouri-American Water Company,)
St. Louis County Water Company d/b/a)
Missouri-American Water Company and)
Jefferson City Water Works Company)
d/b/a Missouri-American Water Company)
for an accounting authority order relating)
to security costs.)

Case No. WO-2002-273

**MAWC'S OBJECTION TO APPLICATION FOR INTERVENTION
OF THE UTILITY WORKERS UNION OF AMERICA LOCAL 335, AFL-CIO**

COMES NOW Missouri-American Water Company ("MAWC" or the "Company")¹,
and, as its objection to the Application for Intervention of the Utility Workers Union of
America Local 335, AFL-CIO ("Local 335"), states the following to the Missouri Public
Service Commission ("Commission"):

SUMMARY

MAWC opposes Local 335's Application to Intervene because Local 335's stated
interest cannot be adversely affected by a final order arising from this case.

BACKGROUND

1. MAWC initiated this case with the filing of its application on December 10,
2001. Applications to intervene were submitted to the Commission on December 17, 2001
and December 26, 2001. A prehearing conference was held on December 17, 2001 and

¹ This case was initially filed by Missouri-American Water Company, St.
Louis County Water Company d/b/a Missouri-American Water Company and Jefferson
City Water Works Company d/b/a Missouri-American Water Company. Effective
December 31, 2001, St. Louis County Water Company and Jefferson City Water Works
Company were merged into Missouri-American Water Company. Thus, Missouri-
American Water Company is the remaining applicant.

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a procedural schedule adopted by Commission order issued on January 18, 2002. MAWC filed its direct testimony on January 31, 2002.

2. On or about February 28, 2002, Local 335 filed its Application to Intervene with the Commission (the "Application").

3. Commission Rule 4 CSR 240-2.075(4) states, in part, that:

The commission may on application permit any person to intervene on a showing that –

(A) The proposed intervenor has an interest which is different from that of the general public and which may be adversely affected by a final order arising from the case; or

(B) Granting the proposed intervention would serve the public interest.

Neither condition is satisfied in this instance. The Application should be denied.

LOCAL 335 APPLICATION

4. In paragraph 8 of the Application, Local 335 describes its interest as follows:

Local 335, as the exclusive collective bargaining representative of certain of SLCWC's non-managerial, non-professional employees, is vitally interested in protecting the interests of those employees. The methods by which security issues are handled and funded could significantly affect the terms and conditions of employment of the SLCWC employees represented by Local 335. Thus, the manner in which this matter is decided could affect the employees represented by Local 335.

5. This statement of interest represents a fundamental misunderstanding of the decisions the Commission is being asked to make in this accounting authority order case. An accounting authority order allows a utility to remove "the issue of whether the item is

extraordinary from the next rate case. All other issues would remain, including, but not limited to, the prudence of any expenditures, the amount of recovery, if any, whether carrying costs should be recovered, and if there are any off sets to recovery." *In the matter of Missouri Public Service*, 129 P.U.R.4th 381, 1 Mo.P.S.C.3d 200 (1991).

6. Local 335 seems to indicate that there will be some sort of decision in this case related to the sufficiency of the security measures already implemented by MAWC, what security measures should be implemented by MAWC in the future and the actual funding and implementation of such expenditures. No such issues are before the Commission in this matter. This case addresses pure financial and accounting recording matters. That is, shall MAWC be allowed to book its security costs in the manner requested, or in some other manner, until such time as these costs can be considered in a rate case? The Commission's resulting Report and Order in this case *will not* directly assess, change or fund MAWC's security efforts.

7. Local 335 further attempts to set its interest apart from that of the general public by stating:

As the exclusive collective bargaining representative of certain of SLCWC's non-managerial, non-professional employees, Local 335 and the employees it represents have interests in this proceeding which are clearly different from those of the general public. Where the public's interests in the proposed transaction are concentrated in the dependable delivery of clean, untainted water at a reasonable cost, Local 335 and the employees it represents are additionally concerned with issues of security on the job, heightened risks, subcontracting of bargaining unit work, and other terms and conditions of

employment. All of these separate interests could be adversely affected by a final order arising from this case.

8. As stated above, Commission Rule 4 CSR 240-2.075(4)(A) states in part that intervention may be granted where a "proposed intervenor has an interest which is different from that of the general public *and which may be adversely affected by a final order arising from the case.*" (Emphasis added).

9. In spite of its allegation to the contrary, none of the interests cited by Local 335 – "security on the job, heightened risks, subcontracting of bargaining unit work, and other terms and conditions of employment" – can be adversely affected by an order in this case. Again, this case is to determine whether or not MAWC shall be allowed to book its security costs in the manner requested, or some other manner, until such time as these costs can be considered in a rate case. The Commission's resulting Report and Order in this case *will not* directly change MAWC's security methods, heightened risks, subcontracting, or not, of work or the terms and conditions of employment.

10. Additionally, Local 335 does not allege any "public interest" associated with its intervention. Thus, Commission Rule 4 CSR 240-2.075(4)(B) is not relevant to this inquiry.

11. In fact, because of the security information which is the subject of this matter, allowing Local 335's intervention, or the intervention of any other party without a legitimate interest in these proceedings, will only serve to harm the public interest. Allowing a party to intervene when that party cannot be either positively or negatively affected by the Commission's order would allow for "free" discovery of sensitive security information with no consequences.

12. The proposed intervention of Local 335 should be denied by the Commission. Local 335 does not have an interest in the proceeding that can be affected by a Commission order in this case.

WHEREFORE, MAWC respectfully requests that the Commission:

- (a) deny Local 335's Application to Intervene; and,
- (b) grant such further relief as the Commission deems appropriate.

Respectfully submitted,


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MISSOURI-AMERICAN WATER COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand delivered, on this 8th day of March, 2002, to the following:

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