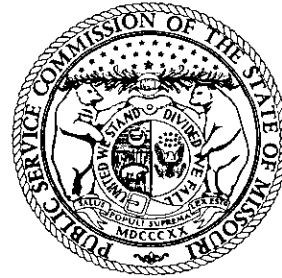


Notice of *Ex Parte* Contact

TO: Records Department: All Parties in Case No. **WR-2000-281**
All Commissioners

FROM: Chair Sheila Lumpe *SL*
Vice-Chair M. Dianne Drainer *MD*
Commissioner Harold Crumpton *HC*
Commissioner Connie Murray *CM*
Commissioner Robert Schemenauer *RS*



DATE: November 30, 1999

On November 24, 1999, each of us received a letter from **Representative Gary Burton** regarding American Water Company. The Commission is currently considering the same issues as to those set out in this document in Case No. **WR-2000-281**. The Commission is bound by the same *ex parte* rule as a court of law.

Pursuant to 4 CSR 240-4.020(4) it is improper for any person to attempt to sway the judgement of the Commission by undertaking, directly or indirectly, outside the hearing process, to bring pressure or influence to bear upon the Commission, or the Regulatory Law Judge assigned to the proceeding.

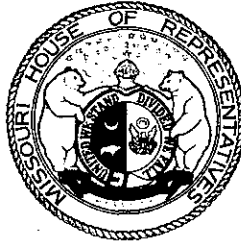
Whenever such contact might occur 4 CSR 240-4.020(a) states: as *ex parte* communications (either oral or written) may occur inadvertently, any member of the Commission or Regulatory Law Judge who received the communication shall immediately prepare a written report concerning the communication and submit it to the Chair and each member of the Commission. The report shall identify the person(s) who participated in the *ex parte* communication, the circumstances which resulted in the communication, the substance of the communication, and the relationship of the communication to a particular matter at issue before the Commission.

Therefore, out of an abundance of caution, I think it appropriate to submit this notice of *ex parte* contact pursuant to the standards set out in the rules cited above. This will ensure that any party to this case will have notice of the attached information and a full and fair opportunity to respond to the comments contained therein.

cc: Executive Director
Secretary/Chief Regulatory Law Judge
General Counsel

GARY L. BURTON
STATE REPRESENTATIVE
DISTRICT 128

State Capitol - Room 201-G
201 West Capitol Avenue
Jefferson City, MO 65101-6806
Tele: 573-751-7082



DISTRICT ADDRESS

1101-D South Willard
Joplin, MO 64801
Office: 417-623-6400
Home: 417-782-6821
FAX: 417-623-6607

**MISSOURI
HOUSE OF REPRESENTATIVES**

November 22, 1999

Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

Dear Commissioner Lumpe:

A year ago, Southwest Missouri citizens were invited to a hearing held at Missouri Southern State College to voice our concerns regarding a combined rate for all American Water Company customers. At that hearing I testified that if the PSC proceeded with this plan, all customers in Southwest Missouri would end up paying a rate increase for improvements being planned in other parts of the state. Even though I, and the Missouri Public Counsel which represent rate payers, testified as to potential negative results of this plan, the Missouri Public Service Commission has decided to allow the American Water Company to file for a rate that will allow them to recover expenses made in other parts of their system by all customers.

The first of those rate cases is now before the Missouri Public Service Commission. Missouri-American has proposed the rate hike to recover \$96 million that it spent on capital improvements to its system. Most of that money - \$74.6 million - was spent in St. Joseph for work on a water system that was heavily damaged by flooding in 1993. My understanding was that only \$1 million was spent in the Southwest Missouri area for improvements to the local system. This hike will result in more than a 50% increase for all American Water Company customers, while only a small amount of the investment was for improvements to the Southwest Missouri system. Simply put, a Joplin water bill of \$17.67 would increase to \$26.70, an increase of 51%.

Only a few years ago, Southwest Missouri consumers footed the bill for our own local improvements without the help of consumers from other parts of the state. Why should we be asked to pay for other area's plant improvements?

I offer the following suggestion - consider a regional rate for all customers instead of an across the board increase. This would allow us to pay for our system as we have in the past and if and when we need upgrading then we can and should be willing to pay our way. I ask that you, as a Commissioner, give this injustice your utmost regard. Should you have any questions or require additional information, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Gary L. Burton".

Gary L. Burton
State Representative