

**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)
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 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.

6. In testimony filed by Office of Public Counsel ("OPC") witness, Ted Robertson, Mr. Robertson 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.

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

8. 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.

9. 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,



Byron E. Francis MBE#23982
ARMSTRONG TEASDALE LLP
One Metropolitan Square, Suite 2600
St. Louis, MO 63102-2740
(314) 621-5070
(314) 621-5065 (facsimile)
bfrancis@armstrongteasdale.com

ATTORNEYS FOR METROPOLITAN
ST. LOUIS SEWER DISTRICT

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 12th day of May, 2010, to:

General Counsel Office
Missouri Public Service Commission
GenCounsel@psc.mo.gov

Marc H. Ellinger
City of Joplin, Missouri
mellinger@blitzbardgett.com

Shelly Brueggemann
General Counsel's Office
Shelly.brueggemann@psc.mo.gov

Thomas R. Schwarz
City of Joplin, Missouri
tschwarz@blitzbardgett.com

Lewis Mills
Office of the Public Counsel
opcservice@ded.mo.gov

Joseph P. Bednar
City of Riverside, Missouri
jbednar@spencerfane.com

Christina Baker
Office of the Public Counsel
Christina.baker@ded.mo.gov

Eric Steinle
City of Riverside, Missouri
esteinle@spencerfane.com

Jennifer Hernandez
Missouri Public Service Commission
Jennifer.hernandez@psc.mo.gov

William D. Steinmeier
City of St. Joseph, Missouri
wds@wdspc.com

David Woodsmall
AG Processing, Inc.
dwoodsmall@fcplaw.com

Leland Curtis
City of Warrensburg, Missouri
lcurtis@lawfirmemail.com

Jeremiah Finnegan
Finnegan, Conrad & Peterson
jfinnegan@fcplaw.com

Kent J. Lowry
Metropolitan St. Louis Sewer District
klowry@armstrongteasdale.com

Stuart Conrad
AG Processing, Inc.
stucon@fcplaw.com

Lisa C. Langeneckert
Missouri Energy Group
llangeneckert@sandbergphoenix.com

Mark W. Comley
City of Jefferson, Missouri
comleym@ncrpc.com

Diana M. Vuylsteke
Missouri Industrial Energy Consumers
dmvuylsteke@bryancave.com

Stephanie S. Bell
City of Joplin, Missouri
sbell@blitzbardgett.com

Dean L. Cooper
Missouri-American Water Co.
dcooper@brydonlaw.com

W. R. England
Missouri-American Water Co.
trip@brydonlaw.com

John J. Reichart
Missouri-American Water Co.
John.reichart@amwater.com

Larry W. Dority
Public Water Supply District
No. 1 of Andrew County
lwdority@sprintmail.com

James M. Fischer
Public Water Supply District
No. 1 of DeKalb County
jfischerpc@aol.com

Terry C. Allen
St. Louis Fire Sprinkler Assoc.
terry@tcallenlawoffices.com

Lisa A. Gilbreath
Triumph Foods, LLC
lgilbreath@sonnenschein.com

Karl Zobrist
Triumph Foods, LLC
kzobrist@sonnenschein.com

Roger W. Steiner
Triumph Foods, LLC
rsteiner@sonnenschein.com

Sherrie A. Schroder
Utility Workers Union of America
Local 335
saschroder@hammondshinners.com

Michael A. Evans
Utility Workers Union of America
Local 335
mevans@hammondshinners.com


