

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

In the Matter of Missouri-American)	
Water Company's Request for Authority)	
to Implement a General Rate Increase)	Case No. WR-2010-0131
for Water and Sewer Service Provided)	SR-2010-0135
in Missouri Service Areas)	

STATEMENT OF POSITION OF INTERVENOR CITY OF RIVERSIDE

COMES NOW Intervenor City of Riverside ("Riverside") to submit this Statement of Position ("Statement") as directed by the Commission's Order Adopting Procedural Schedule dated the 13th day of January 2010, as amended by Order of the Commission issued on May 12, 2010.

To the extent an issue from the Joint List of Issues filed on May 12, 2010, is not addressed herein, Riverside reserves the right to take a position and to cross-examine any witness at hearing on any issue. Riverside further reserves the right to modify its positions, and this Statement should not be construed as a waiver of its right to take a position with regard to any other issue or evidence raised at the hearing or in post-hearing briefs.

Residential Fire Sprinkler Service: Are the current tariff provisions and company policies appropriate for adequate residential fire sprinkler service?

Riverside opposes Missouri-American Water Company's ("MAWC") proposed tariff that includes the possible requirement of a second service line for residential fire suppression when not required by fire code.

Sufficiency of Fire flow, related infrastructure maintenance, improvements and quality of service:

(A) Is the water service provided by MAWC in the Riverside District safe and adequate?

No, and the rate charged by MAWC in the Parkville District, in which Riverside is located, should be reduced as a result of such inadequate service. Examples of MAWC's inadequate service include but are not limited to: (a) low water pressure and low gallons per minute produced by Riverside's fire hydrants; (b) the charging of a monthly "hydrant fee" and a monthly "standby fee" for certain fire hydrants and sprinkler systems by MAWC, rather than including the cost of placement and maintenance of such fire hydrants in MAWC's cost basis in determining a fair and reasonable rate to be charged for water as required under Missouri law; (c) MAWC's inadequate performance of annual maintenance of fire hydrants and water flow tests; (d) MAWC's possible requirement of a second service line for residential fire suppression when not required by fire code; (e) fire hydrants not being color coded for flows per National Fire Protection Association standards (multiple colors are used for fire hydrants and some have not been painted and are rusting); (f) fire hydrants not being painted with reflective paint per National Fire Protection Association standards; and (g) the inadequate service provided by MAWC when fire hydrants are out-of-service (MAWC has been slow to respond or has not covered the hydrants per National Fire Protection Association standards to show they are out of service, and the Fire Department has had to cover the fire hydrants several days after reporting them out-of-service).

(B) How should contributions made by the City of Riverside to MAWC for water system improvements/expansion be treated for ratemaking purposes?

Riverside believes MAWC's requested revenue contribution from the Parkville District should be reduced to reflect an adequate share in the investment in the safety and adequacy of MAWC's service to the taxpayers located in the Parkville District.

Return on Common Equity: What return on common equity should be used for determining MAWC's rate of return?

Riverside believes that the revenue requirement should be limited to an amount commensurate with the level of the quality, safety and adequacy of the service provided to the Parkville District's customers by MAWC, so that such a rate and such a return is in all respects just and reasonable given the monopoly status of the company.

Main Extensions:

(A) Are the existing tariff provisions and company policies appropriate for customer charges, contributions and refunds for main extensions?

(B) Are the existing tariff provisions and company policies appropriate for developer charges, contributions and refunds for main extensions?

(C) How should the construction of main extensions beyond that necessary for service in a new development or projects be apportioned?

Riverside opposes the tariff revisions proposed by MAWC. As included in Michael Duffy's direct testimony in this case, due to MAWC's failure to provide safe and adequate water service, Riverside has approved a capital budget line item of \$500,000 for the consecutive five years beginning in 2008 to replace insufficient water mains and install new water mains within the city. Since Riverside's infrastructure investment will result in additional customers for

MAWC and will benefit the company for years to come, Riverside believes that MAWC should share in the cost of this infrastructure investment in a way that is not recognized by the existing or proposed tariffs. The tariffs should not be a disincentive to improvement in infrastructure and economic development of the area served by MAWC.

Inter-District Support or Revenue Contribution:

Riverside believes that the support attributed by MAWC to the Parkville District, as referenced in MAWC's direct testimony filings, should be continued.

Rates:


Riverside believes that each rate element should be adjusted on an equal percentage basis in the Parkville District to reflect the district-specific revenue requirement. The rates should be uniform across all classes in the Parkville District. Meter charges should be consistent across all customer classes within the Parkville District, according to the size of the meter. MAWC has proposed to maintain a uniform declining block rate structure for the Parkville District. Riverside believes that maintaining this rate structure reasonably reflects cost and minimizes the impact on its citizens.

If costs are to be allocated among customer classes, the usage characteristics of the customers within each class must be homogeneous, and that determination should be made based on actual local usage data within the Parkville District, which is not presently the case.

Riverside did not file testimony on the other issues and reserves the right to cross-examine witnesses, file post-hearing briefs on any issue in this case, and the right to base a final position based upon the totality of evidence admitted in this case.

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 the PSC's electronic filing system (EFIS) service list for this case, on this 13th day of May, 2010, and specifically upon the following:

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