

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

In the Matter of Missouri-American)
Water Company's Request for Authority to) **Case No. WR-2010-0131**
Implement a General Rate Increase for)
Water Service Provided in Missouri) Tracking No. YW-2010-0310
Service Areas)

**ST. JOSEPH'S OBJECTIONS AND SUGGESTIONS
REGARDING CUSTOMER NOTICES**

COMES NOW the City of St. Joseph, Missouri (hereinafter referred to as "St. Joseph"), by and through counsel, pursuant to the *Order Regarding Customer Notices* issued by the Public Service Commission in this case on January 21, 2010, and respectfully objects to the text of the notice to customers included in Ordered Paragraph 2 of that *Order*, as explained below. St. Joseph also suggests amendments to the notice language, as discussed below.

St. Joseph objects to a customer notice that states the extent of the proposed rate increase simply as 22.5%. In fact, the proposed rate increase for the St. Joseph District of Missouri-American Water Company (MAWC) is 26.19% overall, and various rate classifications within the St. Joseph District would see increases ranging from 18.64% (commercial class) to 29.81% (residential class). Thus, the 22.5% figure is not entirely accurate and may, in fact, be misleading.

The First Supplements to Direct Testimony filed by MAWC on December 17, 2009 made the following changes to the percentage increases proposed by MAWC in this case for the St. Joseph District.

	<u>As Filed</u>	<u>Revised To</u>
Overall District	26.21%	26.19%
Residential	28.36%	29.81%
Commercial	12.92%	18.64%

Industrial	36.46%	24.60%
Other Public Authority	17.63%	21.88%
Other Water Utilities	25.19%	25.91%
Fire Protection	29.15%	29.15%

Therefore, the language of the Customer Notice in the Commission’s *Order* of January 21, 2010 is entirely inadequate to convey to MAWC’s customers in the St. Joseph District the level of the rate increase proposed by MAWC for those customers.

Other Districts of MAWC also would receive either more or less than a 22.5% rate increase under the Company’s proposal in this case. For example, MAWC water customers in Brunswick (26.14%), Mexico (26.12%), Parkville (26.20%) and Warren County (26.27%) would also receive a rate increase in excess of 22.5% under the Company’s proposed tariffs. Other MAWC Districts would see their rates increased by *less* than 22.5% under the Company’s proposed tariffs. (Jefferson City, 9.04%; Joplin, 19.25%; Warrensburg, 11.65%.) Only St. Louis County would receive virtually the 22.5% rate increase of which the proposed customer notice refers (22.52%).¹ Therefore, the proposed notice to customers is not adequate to inform MAWC customers of the potential significance of the Company’s proposals in this case. Customer notice should be given on a District-by-District basis.

Also, the title of the notice should be “Notice of Proposed Rate Increase and Public Hearings” and not “Notice of *Possible* Rate Increase and Public Hearings” as stated in Paragraph 2 of the January 21, 2010 *Order*. Rate increases do not simply *happen* under some cosmic law of possibility. Rate increases are proposed by the utility company, in this case MAWC, and then are evaluated by the Commission in contested hearings. The purpose of the public

¹ Petry Direct Testimony, Revenue Deficiency, etc., *Appendix A, Minimum Filing Requirements*, Item 1 (2 pages), filed October 30, 2009.

notice under discussion here is to inform customers of rate increases that have been specifically *proposed* by MAWC in this rate case.

Suggested Amendments to Notice Language:

1. St. Joseph requests that the Commission require MAWC to provide its customers with District-specific information in its customer notices in this case, rather than the generic notice provided in the Commission’s *Order* of January 21, 2010. Each notice should be entitled: “Notice of Proposed Rate Increase and Public Hearings” and should include the specific rate increases proposed for the particular District and for each class of customers in that District.

2. The customer notice for the St. Joseph District should be entitled, “Notice of Proposed Rate Increase and Public Hearings.” In addition to the information included in Paragraph 2 of the January 21, 2010 *Order*, the Commission should require MAWC to include (after the gross annual revenues information of \$48,558,667 and 22.5%) the following additional information:

In the St. Joseph District, MAWC’s proposed rate increases would be as follows:

Overall District	26.19%
Residential	29.81%
Commercial	18.64%
Industrial	24.60%
Other Public Authority	21.88%
Other Water Utilities	25.91%
Fire Protection	29.15%

WHEREFORE, the City of St. Joseph objects to the Notice to Customers directed in Paragraph 2 of the Commission's *Order Regarding Customer Notices* of January 21, 2010. St. Joseph respectfully requests that the Commission require Missouri-American Water Company to provide customer notice in the St. Joseph District in the manner set out above.

Respectfully submitted,

/s/ William D. Steinmeier

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CERTIFICATE OF SERVICE

I hereby certify that the undersigned has caused a complete copy of the attached document to be electronically filed and served on the Commission's Office of General Counsel (at gencounsel@psc.mo.gov), the Office of Public Counsel (at opcservice@ded.mo.gov), counsel for Missouri-American, and all counsel of record on this 29th day of January 2010.

/s/ William D. Steinmeier