

# Missouri American Water Files Rate Case

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December 2011

## CSC & Employee Facts

**Rate case and service comment cards from the Missouri Public Service Commission( PSC) are going to Missouri American Water customers' homes this week.** Because we have a total of 28 tariffs, there are 28 different versions of the cards, based on the customer's tariff and location. The cards are designed to:

- Provide information about Missouri American Water's upcoming rate request. The cards outline the projected rate impact to the average residential customer's bill, based on single tariff pricing and uniform statewide pricing.
- Communicate the dates of our upcoming public hearings.
- Give customers an opportunity to comment on the quality of the service that we provide. Cards are set up so the comments go back to the PSC.

A Missouri American Water website update is underway. The PSC will hold 11 public hearings across the state, outlined in the schedule below.

### **Why does Missouri American Water need this rate increase?**

Missouri American Water's ongoing investment in water and wastewater system improvements and the increasing costs of delivering high-quality, reliable service to customers are the main drivers behind our rate request.

Statewide, we are investing about \$115 million in water system improvements from May 1, 2010 to December 31, 2011 that are not reflected in the current water rates. Additionally, many expenses associated with providing high-quality, reliable water and wastewater service, such as fuel and power costs, have increased.

### **Water service in Missouri is a good value – at about a penny per gallon**

#### **What is uniform statewide pricing?**

Missouri American Water's rate filing includes a request to consolidate rates across our operations.

Uniform statewide pricing is a unified rate structure for multiple water systems that are owned and operated by a single utility. The premise behind consolidated pricing is that all water customers in the same rate class receive the same service and should pay the same rates. Consolidated rates are common among natural gas and electric utilities.

We believe this structure provides essential fairness and equity, with all Missouri American Water customers paying comparable prices for comparable services from one company. The policy recognizes the value of water service. Any one of the Company's customers, regardless of where that customer is located, receives essentially the same service as the customers in any other district.

Uniform pricing tends to create economies of scale and maintain more stable, understandable and affordable rates for customers by spreading costs over the entire base of customers.

For additional information, contact External Affairs Managers Ann Dettmer or Christie Barnhart or Internal Communications Manager Ruth Barber.

Under our current district specific pricing structure, Missouri American Water must maintain 28 distinct sets of prices, defined geographically.

**When will new rates become effective?**

The PSC approval process normally takes about 11 months to complete. **Spring 2012 would likely be the earliest that customers would see a change on their bills.**

All our customers have an opportunity to provide input into our rate-making process by returning the customer comment cards, contacting the MOPSC or the Office of Public Counsel, submitting a comment to the PSC electronically or attending a public hearing. This regulatory oversight ensures that all customers have an opportunity to be heard.

**The public hearing dates are as follows:**

<p><b>Wednesday, December 14, 2011, 11:30 a.m.</b> Branson City Hall, City Council Chambers 110 W. Maddux Street Branson, MO 65616</p>	<p><b>Wednesday, December 14, 2011, 5:30 p.m.</b> Cornell Auditorium in the Missouri Southern State University Robert W. Plaster Free Enterprise Center 3950 E. Newman Road Joplin, MO 64801</p>
<p><b>Thursday, December 15, 2011, 11:30 a.m.</b> Warsaw Community Building (City Hall), Harbor Room 181 W. Harrison Street</p>	<p><b>Thursday, December 15, 2011, 5:30 p.m.</b> Municipal Building, City Council Chambers 200 S. Osage Street Sedalia, MO 65301</p>
<p><b>Thursday, January 5, 2012, 11:30 a.m.</b> City Council Chambers 2950 NW Vivion Road Riverside, MO 64150</p>	<p><b>Thursday, January 5, 2012, 5:30 p.m.</b> Leah Spratt Hall, Room 201 Missouri Western State University 4525 Downs Drive St. Joseph, MO 64507</p>
<p><b>Monday, January 9, 2012, 11:30 a.m.</b> St. Louis County Library Thornhill Branch Auditorium 12863 Willowick Drive St. Louis, MO 63146</p>	<p><b>Monday, January 9, 2012, 5:30 p.m.</b> University of Missouri – St. Louis, North Campus JC Penney Building Conference Center, Summit Room One University Boulevard St. Louis, MO 63121</p>
<p><b>Thursday, January 12, 2012, 11:30 a.m.</b> Courthouse, Community Room 101 N. Jefferson Street Mexico, MO 65265</p>	<p><b>Thursday, January 12, 2012, 5:30 p.m.</b> Public Service Commission’s Office, Room 310 200 Madison Street Jefferson City, MO 65102</p>
<p><b>Tuesday, January 17, 2012, 5:30 p.m.</b> Knights of Columbus Hall 124 E. Broadway Brunswick, MO 65236</p>	

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Which company districts are affected?

Rate adjustments are being requested in all company operating districts. This year Missouri American Water acquired several small systems previously owned by Aqua Missouri. If approved as requested, the typical residential customer in these districts will see different impacts on their bills, as outlined in the table below.

Missouri District Rate Case Facts - former Aqua Missouri systems are noted in yellow

Rates Requested – June 30, 2011 Filing

District	Avg. Residential Requested \$ increase per billing cycle (monthly/quarterly)	Increase/Decrease	Billing cycle	Average gallons usage/residential customer	Average residential customer bill – based on requested rate
Brunswick	\$ 32.07	Decrease	monthly	3,500	\$ 29.69
Jefferson City	\$ 4.16	Increase	monthly	4,000	\$ 31.53
Joplin	\$ 0.64	Decrease	monthly	5,000	\$ 35.21
Mexico	\$ 2.01	Decrease	monthly	4,000	\$ 31.53
Platte County Water	\$ 15.24	Decrease	monthly	6,500	\$ 40.73
St. Charles County*	\$ 8.23	Increase	monthly	7,000	\$ 42.57
Roark WWater (Sched A)	\$ 27.95	Increase	monthly	3,000	\$ 60.00
Roark WWater (Sched B)	\$ 31.17	Increase	monthly	3,500	\$ 60.00
Roark Water (Sched A)	\$ 11.17	Increase	monthly	3,500	\$ 29.69
Roark Water (Sched B)	\$ 16.65	Increase	monthly	3,500	\$ 29.69
St. Joseph	\$ 4.89	Increase	monthly	4,500	\$ 33.37
St. Louis County*	\$ 17.84	Increase	quarterly	22,500	\$ 113.74
Warrensburg	\$ 7.13	Increase	monthly	4,000	\$ 31.53
Warren County Water	\$ 23.06	Decrease	monthly	5,000	\$ 35.21
Warren County Sewer	\$ 6.26	Increase	monthly	flat rate	\$ 60.00
Cedar Hill Sewer	\$ 14.36	Increase	monthly	flat rate	\$ 60.00
Platte County Sewer	\$ 5.22	Decrease	monthly	flat rate	\$ 60.00
Loma Linda	\$ 19.80	Increase	monthly	7,000	\$ 42.57
Maplewood Water	\$ 14.34	Increase	monthly	4,000	\$ 31.53
Lake Carmel Water	\$ 14.34	Increase	monthly	4,000	\$ 31.53
Jefferson City Wastewater	\$ 6.78	Increase	monthly	flat rate	\$ 60.00
Riverside Est. Water	\$ 2.32	Increase	monthly	5,000	\$ 35.21
Rankin Acres Water	\$ 18.55	Decrease	monthly	flat to meter**	\$ 31.53
Spring Valley Water	\$ 19.29	Decrease	monthly	3,500	\$ 29.69
Ozark Mountain Water	\$ 9.58	Decrease	monthly	3,000	\$ 27.85
Lakewood Manor Water	\$ 20.90	Decrease	monthly	3,500	\$ 29.69
Lake Taneycomo Water	\$ 11.21	Decrease	monthly	5,000	\$ 35.21
Ozark Meadow Wastewater	\$ 3.44	Increase	monthly	3,000	\$ 60.00
Maplewood Wastewater	\$ 45.44	Increase	monthly	3,000	\$ 60.00
Maplewood Wastewater (flat rate)	\$ 41.95	Increase	monthly	flat	\$ 60.00
White Branch (full time)	\$ 21.00	Decrease	monthly	flat	\$ 32.00
White Branch (part time)	\$ 26.40	Decrease	monthly	flat	\$ 16.00

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***\*Note: The typical monthly rate excludes municipal taxes and franchise fees, which vary by community.***  
***\*Note: these customers are currently paying a flat rate for water service. The Missouri Public Service Commission is requiring that meters be installed and they will transition to a metered rate.***