

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

In the Matter of the General Rate Increase	)	
for Water and Sewer Service Provided	)	Case No. WR-2003-0500
by Missouri-American Water Company.	)	
	)	
Staff of the Missouri Public Service Commission,	)	
Complainant,	)	
	)	
v.	)	Case No. WC-2004-0168
	)	
Missouri-American Water Co., Respondent.	)	

**STIPULATION AND AGREEMENT AS TO RATE DESIGN**

Come now Missouri-American Water Company (the "Company"), the Office of the Public Counsel ("OPC"), Barnes-Jewish Hospital, Emerson Electric Company, SSM Health Care and St. John's Mercy Health Care ("Missouri Energy Group" or "MEG"), The Boeing Company, Daimler Chrysler Corporation, Ford Motor Company, Hussman Refrigeration, Mallincredit, Inc. and Monsanto Company ("Missouri Industrial Energy Consumers" or "MIEC"), Public Water Supply Districts No. 1 and 2 of Andrew County, and Public Water Supply District No. 1 of DeKalb County ("Water Districts"), The Empire District Electric Company ("Empire"), City of Joplin ("Joplin"), Ag Processing, Inc. ("AGP"), St. Joseph Water Rate Coalition ("Coalition"), City of Riverside ("Riverside"), City of Warrensburg ("Warrensburg"), and City of Jefferson City ("Jefferson City"), and respectfully state to the Missouri Public Service Commission ("Commission") that as a result of negotiations, the undersigned parties ("Parties") have reached the following stipulations and agreements concerning Rate Design issues:

1. Revenue - Neutral Adjustments to Volumetric Rates. The Parties agree that existing volumetric rates should be adjusted first on a revenue-neutral basis for the following districts: Brunswick, Joplin, Mexico, Platte County/Parkville, St. Joseph and Warrensburg. The actual revenue-neutral adjustments and resulting volumetric rates for each district are set forth on Attachments 1.A. (Brunswick), 1.B. (Joplin), 1.C. (Mexico), 1.D. (Platte County/Parkville), 1.E. (St. Joseph), and 1.F. (Warrensburg), attached hereto and incorporated herein by reference. The Parties agree that no revenue-neutral adjustment is necessary to the existing rate schedules in the Jefferson City, St. Charles and St. Louis County Districts.

(a) Brunswick District. The Parties agree that for purposes of this case only the Brunswick District will receive a \$213,000 revenue contribution from the Rate A customers in the St. Louis County District. The Parties agree that this is a one-time revenue contribution for the purposes of settling the Rate Design issues in the instant case, and that no Party to this Stipulation shall be deemed to have approved or acquiesced in any ratemaking principle, or any method of cost of service determination or cost allocation as it relates to this revenue contribution issue. After taking into consideration this one-time revenue contribution, the Parties propose that the existing rate for Sale for Resale customers be reduced by 5% with an offsetting revenue-neutral increase in Residential and Commercial rates of 3.78%. Industrial and Other Public Authority rates will remain unchanged.

(b) Joplin District. Existing rates for Sale for Resale customers will be reduced by 10%, with an offsetting revenue-neutral increase in Residential and Commercial rates of 1.38%. Industrial and Other Public Authority rates will remain unchanged.

(c) Mexico District. Existing rates for Sale for Resale customers will be reduced by 10%, with an offsetting revenue-neutral increase in the Residential and Commercial rates of 2.64%.

Industrial and Other Public Authority rates will remain unchanged.

(d) Platte County/Parkville District. A single, declining block rate structure will be implemented which will result in a reduction in the existing rates for Sale for Resale customers of 26.5% and a reduction in Other Public Authority rates of 8.22%, with offsetting revenue-neutral increases in existing Residential rates of 2.96%, Commercial rates of 4.45%, and Industrial rates of 48.09%.

(e) St. Joseph District. Existing rates for Sale for Resale customers will be reduced by 14.57%, and existing rates for Industrial customers will be reduced on average by 11.22%, with offsetting revenue-neutral increases in Residential and Commercial rates of 7.7% and 5.7%, respectively. The Other Public Authority rates will remain unchanged. In addition, the existing property tax surcharge will remain unchanged.

(f) Warrensburg District. Existing rates for Sale for Resale customers will be reduced by 10%, with an offsetting revenue-neutral increase in Residential and Commercial rates of 1.77%. Industrial and Other Public Authority rates will remain unchanged.

2. Revenue Requirement Adjustment. After the revenue-neutral adjustments are implemented pursuant to Section 1, above, and after the Commission has determined district-specific revenue requirements, equal percentage increases or decreases reflecting such revenue requirement determinations shall be collected, first, by calculating such equal percentage change to each revenue classification for each customer class, and, second, by applying a uniform change to each volumetric rate component for each revenue classification and to any private fire charge within each district. There will be no change to any customer's Monthly Minimum Charge, Service Charge or Minimum Customer Charge.

3. Inter-District Revenue Contribution. Except as provided in Section 1(a), above, there shall be no other inter-district revenue contributions.

4. Public Fire Hydrant Charges. No public fire hydrant charge shall be created in any district where such a rate is not currently being charged. The existing public fire hydrant charge in the St. Louis County District will remain unchanged.

5. Customer Class Definition Study. Before the Company's next general rate case, the Company will collect data sufficient to allow a study to evaluate current customer class definitions and will share the results with the Parties for their review and comment.

6. Bill Consolidation. Before the Company's next general rate case, the Company will perform a study to determine the reasonableness of bill consolidation for contiguous, owner occupied properties, and will share the results with the Parties for their review and comment. This study will include an evaluation of the impact on all customer classes.

7. Interruptible Rate. The Company may implement an interruptible rate tariff in its Joplin District where there exists a concern for future adequacy of water supply. The rates, terms and conditions of such a tariff are contained in Attachment 2, attached hereto and incorporated herein by reference.

8. Elimination of Minimum Usage Amount. The Company will eliminate the minimum usage amount presently contained in the Service Charge in the Jefferson City District. This revenue impact will be reflected in an adjustment to the volumetric rate in the first usage block.

9. Connection Fees for New Service. The Parties agree that the Company may implement the changes to the connection fees for new service that it proposed in its initial filing in this case.

10. This Stipulation and Agreement for Rate Design represents a negotiated settlement for

the sole purpose of disposing of the rate design issues in Commission Case Nos. WR-2003-0500 and WC-2004-0168. None of the parties of this Stipulation and Agreement shall be prejudiced or bound by the terms of this Stipulation and Agreement in any future proceeding or in this proceeding, in the event that the Commission does not approve this Stipulation and Agreement in its entirety.

11. None of the Parties to this Stipulation and Agreement shall be deemed to have approved of or acquiesced in any ratemaking principle, or any method of cost of service determination or cost allocation, except as specifically provided herein. Additionally, none of the Parties to this Stipulation and Agreement have acquiesced in or agreed to the approval of any particular relief or to taking any particular position in future Commission cases, except as specifically provided herein.

12. Utility Workers Union of America Local 335 ("Local 335") and the Staff of the Commission ("Staff") do not join in this Stipulation and Agreement. However, both Local 335 and Staff have represented to the Parties that they will not oppose the Stipulation and Agreement and will waive their right to request a hearing on the issues addressed by this Stipulation and Agreement.

13. In the event the Commission accepts all of the specific terms of this Stipulation and Agreement as to Rate Design, the Parties waive their right to present oral argument and written briefs on the settled issues pursuant to §536.010(1), and their rights pertaining to the reading of the transcript by the Commission pursuant to §536.080(3) on the settled issues.

14. This Stipulation and Agreement as to Rate Design has resulted from extensive negotiations among the signatory Parties and the terms hereof are interdependent. In the event the Commission does not approve and adopt this Stipulation and Agreement as to Rate Design in its entirety, under those circumstances the Parties agree that this Stipulation and Agreement shall be void and no Party shall be bound by any of the agreements or provisions hereof.

WHEREFORE, the undersigned Parties respectfully request that the Commission issue its  
Order:

- a) Approving all of the specific terms and conditions of this Stipulation and Agreement as to Rate Design; and,
- b) Granting such further relief as the Commission should find just and reasonable.

Respectfully submitted,

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Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand-delivered on this 7th day of January, 2004, to all parties of record.

/s/ John B. Coffman



**BRUNSWICK**

		Sales	Current Rate	Current Revenue	Current Customer Charge Revenues	Final Revenue Neutral Rate	Proposed Revenue Neutral Revenues	Volumetric Percent Change	Percent Change to Total Class Revenue
<b>Residential</b>	Block 1	17,777	\$ 3.7333	\$ 66,366.87		\$ 3.8744	\$ 68,874.66	3.78%	
	Block 2	42	\$ 2.0914	\$ 87.84		\$ 2.1704	\$ 91.16	3.78%	
	Block 3	-	\$ 1.6140	\$ -		\$ 1.6750	\$ -		
	Block 4	-	\$ 1.0869	\$ -		\$ 1.1280	\$ -		
	Total			\$ 66,454.71	\$34,023		\$ 68,965.82	3.78%	2.50%
						Net Change	\$ 2,511.11		
<b>Commercial</b>	Block 1	4,885	\$ 3.4466	\$ 16,836.64		\$ 3.5768	\$ 17,472.84	3.78%	
	Block 2	394	\$ 1.9308	\$ 760.74		\$ 2.0038	\$ 789.48	3.78%	
	Block 3	-	\$ 1.4901	\$ -		\$ 1.5464	\$ -		
	Block 4	-	\$ 1.0034	\$ -		\$ 1.0413	\$ -		
	Total			\$ 17,597.38	\$10,340		\$ 18,262.32	3.78%	2.38%
						Net Change	\$ 664.95		
<b>Other Public Authority</b>									
	Block 1	674	\$ 4.0402	\$ 2,723.09		\$ 4.0402	\$ 2,723.09	0.00%	
	Block 2	-	\$ 2.2633	\$ -		\$ 2.2633	\$ -		
	Block 3	-	\$ 1.7467	\$ -		\$ 1.7467	\$ -		
	Block 4	-	\$ 1.1762	\$ -		\$ 1.1762	\$ -		
	Total			\$ 2,723.09	\$830		\$ 2,723.09	0.00%	0.00%
						Net Change	\$ -		
<b>Sale for Resale</b>									
	Block 1	1,200	\$ 6.7558	\$ 8,106.96		\$ 6.4180	\$ 7,701.61	-5.00%	
	Block 2	14,642	\$ 3.7846	\$ 55,414.11		\$ 3.5954	\$ 52,643.41	-5.00%	
	Block 3	-	\$ 2.9207	\$ -		\$ 2.7747	\$ -		
	Block 4	-	\$ 1.9668	\$ -		\$ 1.8685	\$ -		
	Total			\$ 63,521.07	\$1,453		\$ 60,345.02	-5.00%	-4.89%
						Net Change	\$ (3,176.05)		
						New Rate Revenues	Old Rate Revenues		
						\$ 96,772.21	\$ 94,033.57		
						\$ 53,524.05	\$ 56,262.69		
						\$ -	\$ -		
						\$ -	\$ -		
						Revenue Check	\$ 150,296.26	\$ 150,296.26	

5% reduction to Sale for Resale, no change to OPA.

Recovery from Residential and Commercial at equal percent increase to each block.

## JOPLIN

		Sales	Current Rate	Current Revenue	Current Customer Charge Revenues	Final Revenue Neutral Rate	Proposed Revenue Neutral Revenues	Volumetric Percent Change	Percent Change to Total Class Revenue
Residential	Block 1	1,359,643	\$ 1.7029	\$2,315,336.06	\$1,790,679	\$ 1.7264	\$2,347,315.13	1.38%	0.78%
	Block 2	25,528	\$ 0.9540	\$ 24,353.71		\$ 0.9672	\$ 24,690.08	1.38%	
	Block 3	12,268	\$ 0.7363	\$ 9,032.93		\$ 0.7465	\$ 9,157.69	1.38%	
	Block 4	9,393	\$ 0.4957	\$ 4,656.11		\$ 0.5025	\$ 4,720.42	1.38%	
Total				\$2,353,378.82			\$2,385,883.32	1.38%	
						Net Change	\$ 32,504.50		
Commercial	Block 1	483,157	\$ 1.6931	\$ 818,033.12	\$398,326	\$ 1.7165	\$ 829,331.66	1.38%	1.05%
	Block 2	390,068	\$ 0.9485	\$ 369,979.50		\$ 0.9616	\$ 375,089.60	1.38%	
	Block 3	45,410	\$ 0.7320	\$ 33,240.12		\$ 0.7421	\$ 33,699.23	1.38%	
	Block 4	56,834	\$ 0.4929	\$ 28,013.48		\$ 0.4997	\$ 28,400.40	1.38%	
Total				\$1,249,266.21			\$1,266,520.88	1.38%	
						Net Change	\$ 17,254.67		
Other Public Authority									
	Block 1	45,806	\$ 1.8663	\$ 85,487.74	\$51,502	\$ 1.8663	\$ 85,487.74	0.00%	0.00%
	Block 2	64,368	\$ 1.0455	\$ 67,296.74		\$ 1.0455	\$ 67,296.74	0.00%	
	Block 3	3,036	\$ 0.8068	\$ 2,449.44		\$ 0.8068	\$ 2,449.44	0.00%	
	Block 4	819	\$ 0.5433	\$ 444.96		\$ 0.5433	\$ 444.96	0.00%	
Total				\$ 155,678.89			\$ 155,678.89	0.00%	
						Net Change	\$ -		
Sale for Resale									
	Block 1	17,694	\$ 2.6169	\$ 46,303.43	\$16,009	\$ 2.3552	\$ 41,673.09	-10.00%	-9.69%
	Block 2	165,578	\$ 1.4660	\$ 242,737.35		\$ 1.3194	\$ 218,463.61	-10.00%	
	Block 3	121,419	\$ 1.1313	\$ 137,361.31		\$ 1.0182	\$ 123,625.18	-10.00%	
	Block 4	93,437	\$ 0.7619	\$ 71,189.65		\$ 0.6857	\$ 64,070.69	-10.00%	
Total				\$ 497,591.74			\$ 447,832.57	-10.00%	
						Net Change	\$ (49,759.17)		

10% reduction to Sale for Resale, no change to OPA.

Recovery from Residential and Commercial at equal percent increase to each block.

New Rate Revenues	Old Rate Revenues
3,303,807.61	\$3,265,160.35
685,540.04	\$ 704,367.30
168,931.55	\$ 182,083.81
97,636.46	\$ 104,304.20

Revenue Check 4,255,915.66 \$4,255,915.66

**MEXICO**

		Sales	Current Rate	Current Revenue	Current Customer Charge Revenues	Final Revenue Neutral Rate	Proposed Revenue Neutral Revenues	Volumetric Percent Change	Percent Change to Total Class Revenue
<b>Residential</b>	Block 1	226,773	\$ 3.5671	\$ 808,921.97		\$ 3.6611	\$ 830,248.14	2.64%	
	Block 2	3,773	\$ 1.9830	\$ 7,481.86		\$ 2.0353	\$ 7,679.11	2.64%	
	Block 3	5,947	\$ 1.5421	\$ 9,170.87		\$ 1.5828	\$ 9,412.65	2.64%	
	Block 4	4,952	\$ 1.0385	\$ 5,142.65		\$ 1.0659	\$ 5,278.23	2.64%	
	Total			\$ 830,717.35	\$366,654		\$ 852,618.12	2.64%	1.83%
						Net Change	\$ 21,900.77		
<b>Commercial</b>	Block 1	77,884	\$ 3.1385	\$ 244,438.93		\$ 3.2212	\$ 250,883.25	2.64%	
	Block 2	25,001	\$ 1.7583	\$ 43,959.26		\$ 1.8047	\$ 45,118.19	2.64%	
	Block 3	12	\$ 1.3568	\$ 16.28		\$ 1.3926	\$ 16.71	2.64%	
	Block 4	-	\$ 0.9137	\$ -		\$ 0.9378	\$ -		
	Total			\$ 288,414.47	\$60,344		\$ 296,018.14	2.64%	2.18%
						Net Change	\$ 7,603.67		
<b>Other Public Authority</b>									
	Block 1	32,830	\$ 3.3880	\$ 111,228.04		\$ 3.3880	\$ 111,228.04	0.00%	
	Block 2	30,198	\$ 1.8980	\$ 57,315.80		\$ 1.8980	\$ 57,315.80	0.00%	
	Block 3	-	\$ 1.4647	\$ -		\$ 1.4647	\$ -		
	Block 4	-	\$ 0.9864	\$ -		\$ 0.9864	\$ -		
	Total			\$ 168,543.84	\$24,208		\$ 168,543.84	0.00%	0.00%
						Net Change	\$ -		
<b>Sale for Resale</b>									
	Block 1	1,945	\$ 5.8143	\$ 11,308.81		\$ 5.2329	\$ 10,177.93	-10.00%	
	Block 2	36,768	\$ 3.2572	\$ 119,760.73		\$ 2.9315	\$ 107,784.66	-10.00%	
	Block 3	46,405	\$ 2.5136	\$ 116,643.61		\$ 2.2622	\$ 104,979.25	-10.00%	
	Block 4	27,962	\$ 1.6927	\$ 47,331.28		\$ 1.5234	\$ 42,598.15	-10.00%	
	Total			\$ 295,044.43	\$3,064		\$ 265,539.99	-10.00%	-9.90%
						Net Change	\$ (29,504.44)		
						New Rate Revenues	Old Rate Revenues		
						1,202,537.35	\$1,175,897.76		
						217,897.76	\$ 228,517.65		
						114,408.60	\$ 125,830.76		
						47,876.38	\$ 52,473.93		
						Revenue Check	1,582,720.09	\$1,582,720.09	

10% reduction to Sale for Resale, no change to OPA.

Recovery from Residential and Commercial at equal percent increase to each block.

Parkville									
Revenue Neutral Adjustment		Sales		Current Block Revenue	Proposed Uniform Block Rate	Proposed Uniform Block Revenue	Impact	Class % Revenue Neutral Change (Volumetric)	Customer Charge Revenues
Aggregate	Block 1	515,872		\$ 1,798,973.56	\$3.5580	\$ 1,835,473	Residential	2.96%	\$416,203
	Block 2	134,869		\$ 313,540.54	2.1834	\$ 294,473	Commercial	4.45%	\$59,357
	Block 3	43,354		\$ 90,738.97	1.6849	\$ 73,047	Industrial	48.09%	\$2,345
	Block 4	22,030		\$ 24,375.53	1.1346	\$ 24,995	Other Public Authority	-8.22%	\$15,229
							Sales for Resale	-26.50%	\$3,347
				\$ 2,227,628.60		\$ 2,227,988			
		Sales	Current Rate	Current Revenue	Proposed Rate	Proposed Revenue	Volumetric Revenue Change	Change In Revenues	Percent Change to Total Class Revenue
Residential	Block 1	437,889	\$ 3.4685	\$ 1,518,818.00	\$3.5580	\$ 1,558,009.06	2.6%		
	Block 2	22,879	\$ 1.9430	\$ 44,453.90	\$2.1834	\$ 49,954.01	12.4%		
	Block 3	2,780	\$ 1.4995	\$ 4,168.61	\$1.6849	\$ 4,684.02	12.4%		
	Block 4	12,282	\$ 1.0098	\$ 12,402.36	\$1.1346	\$ 13,935.16	12.4%		
				\$ 1,579,842.87		\$ 1,626,582.25		\$ 46,739.38	2.34%
Commercial	Block 1	60,794	\$ 3.5187	\$ 213,915.85	\$3.5580	\$ 216,305.05	1.1%		
	Block 2	48,067	\$ 1.9712	\$ 94,749.67	\$2.1834	\$ 104,949.49	10.8%		
	Block 3	7,882	\$ 1.5212	\$ 11,990.10	\$1.6849	\$ 13,280.38	10.8%		
	Block 4	5,865	\$ 1.0244	\$ 6,008.11	\$1.1346	\$ 6,654.43	10.8%		
				\$ 326,663.72		\$ 341,189.35	4%	\$ 14,525.63	0.00%
Industrial	Block 1	3,940	\$ 2.4544	\$ 9,670.34	\$3.5580	\$ 14,018.52	45.0%		
	Block 2	2,050	\$ 1.3749	\$ 2,818.55	\$2.1834	\$ 4,475.97	58.8%		
	Block 3		\$ 1.0611	\$ -	\$1.6849	\$ -			
	Block 4		\$ 0.7145	\$ -	\$1.1346	\$ -			
				\$ 12,488.88		\$ 18,494.49		\$ 6,005.61	40.49%
Commercial/Industrial Combined				\$ 339,152.60		\$ 359,683.84	6.1%	\$ 20,531.24	5.12%
Other Public Authority	Block 1	10,849	\$ 4.0469	\$ 43,904.82	\$3.5580	\$ 38,600.74	-12.1%		
	Block 2	16,523	\$ 2.2671	\$ 37,459.29	\$2.1834	\$ 36,076.32	-3.7%		
	Block 3	0	\$ 1.7495	\$ -	\$1.6849	\$ -			
	Block 4	0	\$ 1.1782	\$ -	\$1.1346	\$ -			
				\$ 81,364.11		\$ 74,677.06	-8%	\$ (6,687.05)	-6.92%
	Block 1	2,400	\$ 5.2769	\$ 12,664.56	\$3.5580	\$ 8,539.20	-32.6%		
	Block 2	45,350	\$ 2.9561	\$ 134,059.14	\$2.1834	\$ 99,017.19	-26.1%		
	Block 3	32,692	\$ 2.2813	\$ 74,580.26	\$1.6849	\$ 55,082.75	-26.1%		
	Block 4	3,883	\$ 1.5362	\$ 5,965.06	\$1.1346	\$ 4,405.65	-26.1%		
				\$ 227,269.02		\$ 167,044.79	-26%	\$ (60,224.23)	-26.11%
Revenue Check				\$ 2,227,628.60		\$ 2,227,987.94			

## ST. JOSEPH

		Sales	Current Rate	Current Revenue	Current Customer Charge Revenues	Final Revenue Neutral Rate	Proposed Revenue Neutral Revenues	Volumetric Percent Change	Percent Change to Total Class Revenue
<b>Residential</b>	Block 1	1,617,496	\$ 2.8793	\$ 4,657,258.23		\$ 3.1010	\$ 5,015,864.96	7.70%	
	Block 2	26,274	\$ 1.6131	\$ 42,382.59		\$ 1.7373	\$ 45,646.05	7.70%	
	Block 3	19,005	\$ 1.2448	\$ 23,657.42		\$ 1.3406	\$ 25,479.05	7.70%	
	Block 4	63,287	\$ 0.8383	\$ 53,053.49		\$ 0.9028	\$ 57,138.61	7.70%	
	<b>Total</b>			\$ 4,776,349.74	\$2,443,391		\$ 5,144,128.67	7.70%	5.09%
						Net Change	\$ 367,778.93		
<b>Commercial</b>	Block 1	532,373	\$ 3.3757	\$ 1,797,131.54		\$ 3.5681	\$ 1,899,568.03	5.70%	
	Block 2	380,268	\$ 1.8911	\$ 719,124.81		\$ 1.9989	\$ 760,114.93	5.70%	
	Block 3	54,931	\$ 1.4595	\$ 80,171.79		\$ 1.5427	\$ 84,741.59	5.70%	
	Block 4	8,145	\$ 0.9828	\$ 8,004.91		\$ 1.0388	\$ 8,461.19	5.70%	
	<b>Total</b>			\$ 2,604,433.05	\$398,246		\$ 2,752,885.74	5.70%	4.94%
						Net Change	\$ 148,452.68		
<b>Other Public Authority</b>	Block 1	63,331	\$ 3.9599	\$ 250,784.43		\$ 3.9599	\$ 250,784.43	0.00%	
	Block 2	94,711	\$ 2.2148	\$ 209,765.92		\$ 2.2148	\$ 209,765.92	0.00%	
	Block 3	43,743	\$ 1.7120	\$ 74,888.02		\$ 1.7120	\$ 74,888.02	0.00%	
	Block 4	32,898	\$ 1.1528	\$ 37,924.81		\$ 1.1528	\$ 37,924.81	0.00%	
	<b>Total</b>			\$ 573,363.18	\$55,977		\$ 573,363.18	0.00%	0.00%
						Net Change	\$ -		
<b>Sale for Resale</b>	Block 1	10,416	\$ 6.6267	\$ 69,023.71		\$ 5.6592	\$ 58,946.25	-14.60%	
	Block 2	171,110	\$ 3.7123	\$ 635,211.65		\$ 3.1703	\$ 542,470.75	-14.60%	
	Block 3	237,448	\$ 2.8649	\$ 680,264.78		\$ 2.4466	\$ 580,946.12	-14.60%	
	Block 4	285,585	\$ 1.9292	\$ 550,950.58		\$ 1.6495	\$ 471,062.75	-14.50%	
	<b>Total</b>			\$ 1,935,450.72	\$20,978		\$ 1,653,425.86	-14.57%	-14.42%
						Net Change	\$ (282,024.85)		
<b>Industrial</b>	Block 1	48,478	\$ 5.4203	\$ 262,765.30		\$ 5.0756	\$ 246,053.43	-6.36%	
	Block 2	283,094	\$ 3.0364	\$ 859,586.62		\$ 2.8433	\$ 804,916.91	-6.36%	
	Block 3	149,176	\$ 2.3433	\$ 349,564.12		\$ 1.7150	\$ 255,836.84	-26.81%	
	Block 4	389,890	\$ 1.5780	\$ 615,246.42		\$ 1.4010	\$ 546,235.89	-11.22%	
	<b>Total</b>			\$ 2,087,162.47	\$66,788		\$ 1,853,043.07	-11.22%	-10.87%
						Net Change	\$ (234,119.39)		
							\$ (516,144.25)		

Revenue Check \$11,976,759.15 \$11,976,846.52

10% reduction to Sale for Resale, no change to OPA.  
Recovery from Residential and Commercial at equal percent increase to each block.

Proposed Tariff Rates, Terms and Conditions  
for an Interruptible Service

1. Interruptible service will be only available in the Joplin District.
2. Customer must agree to contract for service for a minimum of fifteen (15) years.
3. Customer must agree to a minimum take or pay annual revenue level of no less than \$500,000.
4. Customer must provide proof that it has a viable alternative supply or a combination of supply and storage sufficient to cover an interruption of service.
5. The consumption charge shall not exceed the maximum rate nor be less than the minimum rate. The maximum rate for water shall be the charges specified in the Company's rate schedule for the last (i.e. "tail") block rate for the Industrial class of service and shall be charged for all amounts of water taken up to the minimum take or pay annual revenue level. The minimum rate shall be the fully loaded production cost of water under average load conditions and shall be charged for all amounts of water taken above the minimum take or pay annual revenue level. For purposes of this tariff, the term "fully loaded production cost" shall include all operating expenses, taxes, and capital costs (i.e. return and depreciation) related to the production of water.
6. Customer and the Company must agree on service provisioning issues such as point of delivery, pressure, metering, interruption, etc.
7. Customer must agree to pay for any additional equipment or facilities which may be required to provide service.
8. If an existing Customer chooses to convert its service to an interruptible service, such conversion will take place only upon the effective date of the Company's next general rate proceeding where the revenue impact associated with such conversion can be taken into consideration, with all other relevant factors, in determining the Company's cost of service in that district.

Attachment 2  
to Stipulation and Agreement  
as to Rate Design