OF THE STATE OF MISSOURI

In the Matter of the Task Force Concerning)	
Missouri-American Water Company's Facilities)	Case No. WO-2008-0167
Located in its Jefferson City District)	

ORDER ACCEPTING TASK FORCE FINAL REPORT AND CLOSING CASE

Issue Date November 17, 2008 Effective Date: November 27, 2008

Background

On September 8, 2007 the Missouri Public Service Commission issued an order¹ approving a Stipulation and Agreement between Missouri-American Water Company, Jefferson City, the Office of the Public Counsel and the Staff of the Commission. The Agreement required that the parties form a Task Force to address certain issues concerning Missouri-American's Jefferson City facilities.

Upon request, the Commission opened this case on November 28, 2007, to receive the report of the Task Force. In its report, the Task Force addressed the issues below, filed a report, and now request that the Commission accept the report and close this case.

Discussion

The task force reached the following conclusions:

• Treatment Plant Auxiliary Generator – The generator is installed and will operate during power outages. It will be tested monthly.

¹ See Commission Case No. WR-2007-0216.

- Main Replacement Program The Commission approved a stipulation² that committed Missouri-American to a minimum annual funding level of \$100,000 for the next 10 years to replace aging, small water mains primarily in the older, downtown section of Jefferson City. To facilitate this effort, the company will work with Jefferson City on an ongoing basis and meet annually to address any specific concerns.
- Storage Capacity and Transmission Main Improvement The parties determined that the existing storage capacity for equalization and fire protection is adequate if an additional fire pump or an elevated tank is installed. It is also suggested that Missouri-American consider installing an offsite elevated tank that would provide redundant capacity for treatment plant emergencies and fire protection needs. Missouri-American and Jefferson City continue to discuss whether the tank should be 1.0 or 1.5 MG. The Task Force will reconvene in June of 2009 to determine the progress made in this regard. Finally, the Task Force suggests that 5,800 feet of 20 inch main be installed along Industrial Drive to improve the pressure at the Unilever facility.
- Treatment Plant Capacity Improvement The existing treatment plant capacity is 6.5 MGD. The projected base demand is 7.4 MGD by 2010 and 8.5 MGD by 2020. Missouri-American hired a consultant to evaluate options for location of a pumping facility to bring surface water to the treatment plant. The consultant completed his study and now awaits confirmation from the Army Corps of Engineers concerning the proposed location of intake screens near the edge of the navigable channel. The existing processes will require hydraulic improvement to accommodate the increased capacity. Also, equipment that has reached its normal life will have to be replaced at a cost of approximately \$11.7 million. The Task Force will reconvene in October of 2009 to further discuss this issue.

The Commission appreciates the effort of the Task Force and will accept its report and close this case.

THE COMMISSION ORDERS THAT:

1. This order shall become effective on November 27, 2008.

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² See Commission Case No. WR-2003-0500.

2. This case shall be closed on November 28, 2008.

BY THE COMMISSION

Colleen M. Dale Secretary

(SEAL)

Kennard L. Jones, Senior Regulatory Law Judge, by delegation of authority pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri, on this 17th day of November, 2008.