

## Rate Case Fact Sheet

### Investing in our infrastructure today means we can continue to serve high quality water tomorrow.

In May, Missouri American Water filed for a rate increase with the Missouri Public Service Commission (MoPSC). Over the past three years, Missouri American has invested over **\$146 million** to replace and upgrade our facilities statewide. These improvements were and are necessary to continue to provide a high quality product and reliable service. While many of our customers enjoy the benefits of these improvements, only a portion of the cost to finance them is covered in the company's current water service charge.

Missouri American Water is requesting the MoPSC approve a rate increase of approximately \$20 million system wide. This filing has been designed under a district specific ratemaking structure, which was adopted by the MoPSC during the last Missouri American rate case. This means that costs incurred in a specific district are to be borne by the customers within that operation. Therefore the proposed impact upon the average residential customer in Mexico (using 4,500 gallons per month) would be, if the MoPSC grants the company's full rate increase request, an additional **\$6.27** per month – or **\$.21** per day for water and public fire protection services.

As part of this rate filing, Missouri American will be consolidating a number of its billings practices. One of these efforts will be to separate the public fire service charges from the volumetric water charges. These charges are currently part of the overall water charges paid by our customers. The public fire service charge will vary for each operation. In addition to providing customers a more accurate breakdown of their water bills, this change will also show customers the costs associated with providing fire hydrants and the necessary water system infrastructure to provide fire service.

### Missouri American Is Not Over-Earning

Missouri American Water is not over-earning. The Staff's original statement has been taken out of context by the media and the public to suggest that the company is currently over-earning and should provide a refund to ratepayers. This is untrue...in truth the company is currently earning less than its authorized return. Staff has stated that the company is not over collecting and is not asking the company to refund ratepayers; its current rates are based on the cost of doing business when its current rates were approved.

### Investing in Mexico and its Water System

Since the last rate case, Missouri American has invested over **\$1.6 million** in its Mexico operation. The following are some examples of the projects Missouri American has conducted to improve and enhance service to its customers in Mexico:

- Replacement of Well Pump #4
- Replacement of Distribution Building Roof
- 10" main replacement project on Central Street
- 8" main replacement project on E. Liberty
- Replacement of Treatment Residue Transfer Line
- Replacement of Well Pump #5
- Installed Chlorine Vacuum Regulators at treatment facility

**FILED**

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Missouri Public  
Service Commission

### Water & Life...We Make the Connection

We take our jobs seriously. Serving more than 1.3 million people across the state is an honor and in order for us to continue to provide our high quality water, we need to make the necessary upgrades and maintain our infrastructure. To us, there are over 1.3 million reasons to serve the best in quality water and service...those reasons are you, our customers.

### How To Contact Us

If you have a comment or questions about this rate case filing, or any other matter regarding the services provided by Missouri American Water, please feel free to contact Patrick Kelly and his staff at 573-581-2591. If you would like to contact our customer service department, please call (toll-free) 1-866-430-0820.

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Public Hearing  
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