Missouri American Water Company

Meter Reading Expense - 2007
St. Louis County

Meter Reading Labor and Benefits	$1,792,506
Meter Reading Vehicles	107,256
Meter Reading Equipment	26,448
Total	$1,926,210

Meter Installation Costs
Continuing Property Records 12/01/06
St. Louis County

Meters	$22,965,387
Meter Installations	$12,135,383
Total	$35,100,770

AGREEMENT

Agreement made this 21st day of June, 1993, by and between ST. LOUIS COUNTY WATER COMPANY, a Missouri Corporation and public utility subject to the jurisdiction of the Missouri Public Service Commission (hereinafter "Company"), and THE METROPOLITAN ST. LOUIS SEWER DISTRICT, a political subdivision established under the Constitution of the State of Missouri (hereinafter "MSD").

WITNESSETH:

WHEREAS, Company provides metered water service to residential customers in St. Louis County, Missouri; and

WHEREAS, MSD has need of certain water usage and customer identification information on which to base its billings, which said information is accumulated through meter readings and estimates by the Company for its billing purposes; and

WHEREAS, Company is willing to provide to MSD the information aforesaid in exchange for payment by MSD of a portion of the cost of obtaining meter reading data; and

WHEREAS, The Missouri Public Service Commission (hereinafter "Commission"), per Chapter 393 RSMo 1992 Supp., has jurisdiction over the Company's books and records with the ability to authorize release of the information contained therein; and

WHEREAS, Company and MSD desire to enter into a contract detailing the terms and conditions under which the aforementioned information can be provided by Company to MSD, subject to the

approval of the Missouri Public Service Commission ("Commission").

NOW, THEREFORE, for and in consideration of the payment of ten dollars from each to the other paid, the receipt of which is herewith acknowledged, and for the other good and valuable considerations herein contained, Company and MSD agree as follows:

1. INFORMATION TO BE PROVIDED. Company will provide MSD with its then current list of residential customers along with the customer's service address including street, City and unit number if appropriate. Because MSD's customer and Company's customer at a specific address may be different individuals or entities, it will be MSD's responsibility to discern from Company's information the appropriate customer and usage data required for MSD's purposes. Company will provide MSD with the Company's calculation of each of its residential customer's daily winter water usage which is determined quarterly or monthly in the Company's ordinary course of business through meter readings or lawful estimates. Each customer's daily winter water usage will be ascertained from two consecutive meter readings obtained by some combination of either actual readings by Company's personnel, postcard readings mailed in from customers, telephone readings called in from customers, or estimated readings including prorated and "set" readings when the foregoing are unavailable. Data will be from approximately a ninety (90) day period within the winter months of November through April for quarterly billed customers and during approximately a ninety (90)

day period within the winter months of December through March for monthly billed customers, of a given year. Company will inform MSD as to which customers' daily winter water usage readings represent actual or estimated usage and which premises are vacant during this period. MSD is CAUTIONED that estimates which the Company must make when actual meter readings are unavailable may distort actual usage during any specific period, and that this inaccuracy can be significant both when the estimates are used for the usage calculation, and when actual readings correct for previous inaccurate estimates and thus include usage from a prior period. While Company's estimating procedure is self-correcting with continued billing in successive periods, sewer bills based on data from an isolated period affected by estimates will probably not reflect accurate water usage in that particular period. Accordingly, MSD agrees to indemnify, defend and hold Company harmless from any and all claims that sewer bills are based on data which does not reflect actual usage during any specific period.

2. INFORMATION DUE DATES. Company will provide MSD with an annual compilation of all of its residential customers' daily winter water usage within the period limitations described in Paragraph 1, on or about the tenth day of May of each year, commencing May 10, 1993, subject to the conditions of paragraph 6 herein.

3. INAPPLICABLE PSC NOTICE REQUIREMENTS. All notice and complaint procedures specified in 4 CSR 240, and Chapter's 386 and 393 RSMo which apply to customer rights to utility service

from a regulated utility, SHALL NOT APPLY to actions or inactions by Company pursuant to this Agreement or the Company's election to enter into this Agreement. All notice, complaint procedures and administrative consumer remedies, to the extent that they may exist or be alleged to exist, shall be the responsibility of MSD.

4. FEES. The price to be charged to MSD by Company for providing the aforementioned information shall approximate 50% of Company's cost of obtaining the necessary data and shall be set by rate tariff attached hereto as Exhibit "A" which must be approved by the Commission. The charges shall be submitted to the Commission and shall be subject to the Commission's approval or change from time to time in accordance with the provisions of Chapters 386 and 393 RSMo 1992 Supp. Beginning July 1, 1993, and every July 1st thereafter, Company will bill MSD for the previous year's annual cost for work under the tariff approved rates, and MSD will pay Company within 30 days from receipt of such billing. From time to time additional costs may be incurred by Company which may be specifically authorized by MSD on a case by case basis and the Company will be reimbursed by MSD for such costs if said authorization is obtained. If MSD shall fail or refuse to pay amounts due, Company's obligations to deliver data under this Agreement shall cease until such amounts are paid in full, but MSD shall nevertheless be required to pay continuing tariff costs of accumulating the meter readings as described herein for the term of this agreement.

5. INDEMNIFICATION. To the extent allowed by law, MSD agrees to indemnify, defend and hold Company harmless from and

against any and all claims, complaints or causes of actions arising out of any actions or inactions by Company pursuant to the terms of this Agreement or the Company's election to enter into this Agreement.

6. PUBLIC SERVICE COMMISSION APPROVAL. This Agreement shall be subject to approval of the Commission. The parties agree to accept changes in charges set from time to time by the Commission. If any other aspect of this Agreement is objected to, rejected or modified by the Commission, the Company and MSD shall have the option to declare this Agreement void, with the exception of the indemnification requirements which shall survive with respect to any and all actions theretofore taken pursuant to this Agreement during the time it was in force and effect.

7. CUSTOMER COMMUNICATIONS. MSD shall handle all customer communications regarding the implementation of this Agreement or any actions that have been taken pursuant to this Agreement. Communications from customers to Company regarding MSD billings will be referred and directed to MSD, but the Company will respond to reasonable requests for information from MSD to Company to assist MSD in its customer relations.

8. FORCE MAJEURE AND CONFLICTING REQUIREMENTS. Company's actions required under this Agreement shall be excused if due to matters beyond its control, including but not limited to employee work stoppages, strikes, inclement weather, or emergencies requiring utilization of manpower or resources elsewhere. The aforementioned information will cease to be provided if a court of competent jurisdiction or other governmental entity having

jurisdiction issues an order to the Company so requiring. At such time, Company will relay such order to MSD, and Company will not knowingly take further actions toward providing said information until MSD notifies Company in writing that it has resolved the matter, or that MSD requests that Company nevertheless proceed subject to the indemnification herein contained. Thereafter, MSD shall to the extent allowed by law indemnify defend and hold Company harmless for actions taken by Company based on MSD's notification or request.

9. EXPIRATION OR TERMINATION. This Agreement shall be for a term of two years from July 1, 1993 to July 1, 1995, and from year to year thereafter subject to termination by either party at any time on 30 days written notice.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate on the day and year first above written.

ST. LOUIS COUNTY WATER COMPANY
("Company")

By _____
A. M. Tinkey, President

ATTEST:

_____
R. T. Ciottone, Secretary

METROPOLITAN ST. LOUIS
SEWER DISTRICT ("MSD")

By _____
Executive Director

ATTEST:

_____
Asst. Secretary-Treasurer

STATE OF MISSOURI)
) SS
County of St. Louis)

On the 21st day of June, 1993, before me appeared A. M. TINKEY, to me personally known, who being by me duly sworn, did say that he is the _____ President of St. Louis County Water Company and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said A. M. TINKEY acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in my office in the County of ST. LOUIS, Missouri, the day and year first above written.

My Commission Expires Oct. 13, 1996.

_____
Notary Public

WENDY A BLACKDEN
NOTARY PUBLIC STATE OF MISSOURI
JEFFERSON COUNTY
MY COMMISSION EXPIRES OCT 13,1996

STATE OF MISSOURI)
) SS
City of St. Louis)

On the 17th day of June, 1993, before me appeared Frank Kriz, to me personally known, who being by me duly sworn, did say that he is the Executive Director of Metropolitan St. Louis Sewer District and that the seal affixed to the foregoing instrument is the seal of the Metropolitan St. Louis Sewer District and that said instrument was signed and sealed in behalf of the Metropolitan St. Louis Sewer District by authority of its Board of Trustees and said Frank Kriz acknowledged said instrument to be the free act and deed of the Metropolitan St. Louis Sewer District.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in my office in the City of St. Louis, Missouri, the day and year first above written.

My Commission Expires December 12, 1995.

Jennifer L. Vogelsang
Notary Public

JENNIFER L. VOGELSANG, NOTARY PUBLIC
County of St. Louis, State of Missouri
My Commission Expires December 12, 1995

EXHIBIT A

FORM NO. 13 P.S.C.MO.No. 6 Original SHEET No. RT 14.0

Cancelling P.S.C.MO.No. _____ Original SHEET No. _____

ST. LOUIS COUNTY WATER COMPANY For ST. LOUIS COUNTY, MISSOURI

AVAILABILITY - This rate is available to The Metropolitan St. Louis District, for residential winter usage and customer billing information. *

RATE - $1.24 per residential customer per year. (1) *

This rate is available to The Metropolitan St. Louis Sewer District, under the terms and conditions of the contract on file with the Missouri Public Service Commission. *

PAYMENT TERMS - Bills are net, and are due and payable within thirty (30) days after date of bill. *

(1) Exclusive of every tax or payment imposed upon the Company by any political subdivision of the State of Missouri, for the right to do business in such political subdivision. See P.S.C. MO No. 6 Original Sheet No. RT 11.0. *

*Indicates new rate or text
+Indicates change

DATE OF ISSUE June 24, 1993 DATE EFFECTIVE _____

ISSUE BY T. L. Reeder, V.P., Admin., 535 N. New Ballas Rd., St. Louis, MO 63141

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 10th day of August, 1993.

In the matter of the application of St. Louis County Water Company for approval of an agreement with the St. Louis Metropolitan Sewer District providing for the disclosure of customer water usage information.	)))))	Case No. WO-93-349

ORDER APPROVING AGREEMENT AND TARIFF

On June 23, 1993, the St. Louis County Water Company (Company) filed an Application requesting approval of an Agreement attached thereto as Exhibit A with the St. Louis Metropolitan Sewer district (MSD) providing for the disclosure of customer water usage information. This case was preceded by a similar Application filed in Case No. WO-93-335. MSD proposes to use the information to develop a new billing procedure for residential sewer service based on water usage rather than a flat rate which is currently used. Company makes this Application pursuant to Sections 393.140 and 393.150 RSMo 1986 which give the Commission general jurisdiction over and access to the Company books and records. Company requested an extension of the proposed original tariff on July 22, 1993, to August 15, 1993.

On June 30, 1993, the Commission issued an Order and Notice ordering interested parties to intervene on or before August 2, 1993, and to send notice to newspapers and members of the General Assembly from St. Louis County, Missouri.

Company states that as part of the negotiated Agreement, it would be allowed to collect a fee for providing meter reading information to MSD to allow MSD to bill its customers based on the quantity of water used during the winter months. The rate to be charged for the service is $1.24 per residential

customer. As part of this Application, Company has filed an original tariff sheet to implement this rate.

On August 5, 1993, the Commission's Staff filed its recommendation that the Commission authorize the Company to enter into this Agreement whereby the Company will provide certain customer water usage information to MSD to allow MSD to implement the new billing system. Staff also recommends that the original tariff sheet filed by Company to implement this Agreement be approved. Staff states that the data furnished by the Company shows that the rate requested is based on one half the cost of providing two meter readings for a residential customer. Staff believes that this data can be confirmed in Company's next rate case. Staff also states that the Missouri Department of Natural Resources (DNR) has encouraged MSD to change its billing practices in conjunction with DNR's State Revolving Loan Fund for waste-water systems.

The Commission determines that there have been no intervenors and no party has requested a hearing; therefore, pursuant to *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494 (Mo. App. 1989), the Commission will consider the case based upon the verified Application and attachments. The Commission also determines that Case No. WO-93-335 should be incorporated into this case, as it was filed in anticipation of the Company and MSD reaching the Agreement submitted in this case, and is thereby superseded by the case herein.

Based upon the Application with attachments and Staff's recommendation, the Commission determines that it would be appropriate to authorize Company to enter into the Agreement attached as Exhibit A to the Application and to approve the original tariff sheet as attached to the Application also as Exhibit A. The Commission is of the opinion that the revenue generated for Company from the proposed original tariff will offset Company's own costs of meter reading, and will to that extent, benefit Company's customers. Therefore, the Commission

finds the proposed original tariff to be just and reasonable. Also, approval for the Company to enter into the said Agreement will facilitate the purposes encouraged by DNR.

IT IS THEREFORE ORDERED:

1. That Case No. WO-93-335 be incorporated with this case.

2. That St. Louis County Water Company be hereby authorized to enter into the Agreement with St. Louis Metropolitan Sewer District which is attached to the Application filed herein as Exhibit A.

3. That the following proposed original tariff filed by St. Louis County Water Company on June 23, 1993, be hereby approved for water service rendered on and after August 15, 1993:

Form No. 13 P.S.C. Mo. No. 6 Original Sheet No. RT 14.0

4. That this order shall become effective on August 15, 1993.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

McClure, Perkins, and
Kincheloe, CC., Concur.
Mueller, Chm., and
Crumpton, C., Absent.

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 10th day of August, 1993.

Brent Stewart

Brent Stewart
Executive Secretary

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. WO-93-349

FROM: Bill Sankpill BLS 8/2/93
Water and Sewer Department

SUBJECT: Staff's Recommendation Regarding Proposed Agreement Between The St. Louis County Water Company and the MSD

DATE: August 2, 1993

REVIEWED BY: Sam Gedamme 8/4/93 Robert J Hack
Utility Operations Div/Date General Counsel's Ofc/Date

On June 23, 1993 the St. Louis County Water Company (Company) filed an application requesting approval of an agreement with the St. Louis Metropolitan Sewer District (MSD) providing for the disclosure of customer water usage information. The Commission assigned Case No. WR-93-349 to this matter.

MSD proposes to use the information to develop a new billing procedure for residential sewer service based on water usage rather than a flat rate which is currently used.

The Company has informed MSD that it cannot disclose the water usage information of Company's customers without permission and approval of the Commission, because such information was acquired by the Company in pursuit of its franchise rights and duties and is confidential. The Company informed MSD that it cannot and should not unilaterally undertake to disclose private information concerning its customers' habits without such permission.

The Company negotiated a formal agreement which is attached as Exhibit B to the application in this case that will allow it to collect a fee for providing meter reading information to MSD to allow MSD to bill its customers based on the quantity of water used during the winter months. The rate to be charged for this service is $1.24 per residential customer. This rate was also filed in original tariff sheet No. RT 14.0. The data furnished by the Company shows that this rate is based on one half the cost of providing two meter readings for a residential customer. The Accounting Department advises that the data received from the Company is unaudited but the Company is filing another rate case this fall. The rate can be confirmed or a recommendation for change can be made in that case.

I have checked with the Department of Natural Resources (DNR) officials with regard to whether that department had required MSD to bill on a water-use basis. I was informed that MSD had been encouraged to do this in conjunction with DNR's State Revolving Loan Fund for waste-water systems.

The Staff recommends the Commission authorize the Company to enter into this agreement whereby the Company will provide certain customer water usage information to MSD to allow MSD to implement the new billing system. The Staff

also recommends that tariff sheet No. RT 14.0 to become effective on August 15, 1993. This is the date the Company requested the effective date be extended to after filing it to become effective on July 23, 1993.

Copies: Director - Utility Operations Division
Director - Policy and Planning Division
Assistant to the Director - Utility Services Division
Manager - Financial Analysis
Manager - Accounting
Office of the Public Counsel
Company - Richard Cipttone

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 25th day of January, 1994.

In the matter of the application of St. Louis County Water Company for approval of an agreement with the St. Louis Metropolitan Sewer District providing for the disclosure of customer water usage information.	)))))	Case No. WO-93-349

ORDER APPROVING AMENDED AGREEMENT

On August 10, 1993, the Commission issued an order approving an agreement between the Applicant, St. Louis County Water Company (Company), and the St. Louis Metropolitan Sewer District, providing for the disclosure of customer water usage information by the Company to the Sewer District for billing purposes.

On December 30, 1993, the Company filed a supplemental application under this docket requesting Commission approval to amend the original agreement. The Company states in its application that the proposed amended agreement allows the Company to provide the Sewer District with all water consumption information as ascertained in the Company's ordinary course of business through meter readings or lawful estimates. The Company gives as a reason for the proposed amendment that the Sewer District, since the inception of the original contract, has determined that the limited winter usage data being provided for residential customers is inadequate for equitable billing.

On January 19, 1994, the Staff of the Commission filed its recommendation in this matter. The Staff stated that the proposed amendment provides for the Company to recover its cost of supplying this information. The Staff, therefore, stated it had no objection to the proposed contractual amendment.

The Company has also filed a proposed tariff covering the increase in its cost of providing the expanded data to the Sewer District. The Staff has reviewed the tariff and recommends that the Commission approve the proposed rate, stating that the Company best knows its cost of providing the expanded service.

The Commission has reviewed the proposed contractual amendment, attached tariff, and the recommendation of the Staff, and is of the opinion that the proposed contractual amendment is reasonable and not detrimental to the public interest and will, therefore, be approved.

IT IS THEREFORE ORDERED:

1. That St. Louis County Water Company is hereby authorized to amend an agreement between it and the St. Louis Metropolitan Sewer District, approved August 10, 1993 by this Commission, in accordance with its supplemental application, filed December 30, 1993.

2. That St. Louis County Water Company is ordered to file within ten (10) days of the effective date of this order, for approval by the Commission, a revised tariff reflecting the amended charge for the expanded service as set out in the above approved amended agreement.

3. That this order shall become effective on February 4, 1994.

BY THE COMMISSION

David L Rauch

David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Perkins,
Kincheloe and Crumpton, CC., Concur.

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 25th day of January, 1994.

David L. Rauch

David L. Rauch
Executive Secretary

'HIBIT - A

Draft 10/29/93

FORM NO. 13 P.S.C.MO.No. 6 Original SHEET No. RT 16.0

Cancelling P.S.C.MO.No. _____ Original SHEET No. _____

ST. LOUIS COUNTY WATER COMPANY For ST LOUIS COUNTY, MISSOURI

AVAILABILITY - This rate is available to The Metropolitan St. Louis Sewer District, for non-residential and residential multi family water usage data and customer billing information.

RATE - $0.622 per meter reading. (1)

This rate is available to The Metropolitan St. Louis Sewer District, under the terms and conditions of the contract on file with the Missouri Public Service Commission.

PAYMENT TERMS - Bills are net, and are due and payable within ten (10) days after date of bill.

(1) Exclusive of every tax or payment imposed upon the Company by any political subdivision of the State of Missouri, for the right to do business in such political subdivision. See P.S.C. MO No. 6 Original Sheet No. RT 11.0.

*Indicates new rate or text
+Indicates change

DATE OF ISSUE _____ DATE EFFECTIVE _____

ISSUED BY T. L. Reeder, V.P., Admin., 535 N. New Ballas Rd., St. Louis, MO 63141

Schedule TMD-6

FORM 13 P.S.C.MO.No. 6 Third Revised SHEET No. RT 14.0
Cancelling P.S.C.MO.No. 6 Second Revised SHEET No. RT 14.0

ST. LOUIS COUNTY WATER COMPANY
FOR
ST. LOUIS COUNTY, MISSOURI AND JEFFERSON COUNTY, MISSOURI

AVAILABILITY - This rate is available to The Metropolitan St. Louis Sewer District, for residential winter usage and customer billing information.

RATE - $1.31 per residential customer per year. (1) *

This rate is available to The Metropolitan St. Louis Sewer District, under the terms and conditions of the contract on file with the Missouri Public Service Commission.

PAYMENT TERMS - Bills are net, and are due and payable within thirty (30) days after date of bill.

(1) Exclusive of every tax or payment imposed upon the Company by political subdivision of the State of Missouri , for the right to do business in such political subdivision. See P. S. C. MO No. 6 Original Sheet No. RT 11.0.

* Indicates new rate or text
+ Indicates change

DATE OF ISSUE December 9, 1997 DATE EFFECTIVE January 1, 1998

ISSUED BY B. K. Turner, Sr. V.P. Business Affairs, 535 N. New Ballas Rd., St. Louis, Mo 63141

FORM 13 P.S.C.MO.No. 6 Third Revised SHEET No. RT 16.0
Cancelling P.S.C.MO.No. 6 Second Revised SHEET No. RT 16.0

RECEIVED

ST. LOUIS COUNTY WATER COMPANY
FOR
ST. LOUIS COUNTY, MISSOURI AND JEFFERSON COUNTY, MISSOURI

DEC 09 1997

MISSOURI
Public Service Commission

AVAILABILITY - This rate is available to The Metropolitan St. Louis Sewer District, for non-residential and residential multi family water usage data and customer billing information.

RATE - $0.655 per meter reading. (1) *

This rate is available to The Metropolitan St. Louis Sewer District, under the terms and conditions of the contract on file with the Missouri Public Service Commission.

PAYMENT TERMS - Bills are net, and are due and payable within ten (10) days after date of bill.

CANCELED

(1) Exclusive of every tax or payment imposed upon the Company by political subdivision of the State of Missouri , for the right to do business in such political subdivision. See P. S. C. MO No. 6 Original Sheet No. RT 11.0.

* Indicates new rate or text
+ Indicates change

FILED
JAN 01 1998
97-302
MO. PUBLIC SERVICE COMM.

DATE OF ISSUE December 9, 1997 DATE EFFECTIVE January 1, 1998

ISSUED BY B. K. Turner, Sr. V.P. Business Affairs, 535 N. New Ballas Rd., St. Louis, Mo 63141

Missouri American Water Company

MSD Payments for Water Usage Data

1999	$444,059.91
2000	$445,415.75
2001	$447,830.09
2002	$701,860.68
2003	$759,823.74
2004	$756,194.40
2005	$754,900.56
2006	$766,930.14

AGREEMENT

Agreement made this 14th day of February, 2002, by and between ST. LOUIS COUNTY WATER COMPANY d.b.a. Missouri American Water Company, a Missouri Corporation and public utility subject to the jurisdiction of the Missouri Public Service Commission (hereinafter "Company"), and THE METROPOLITAN ST. LOUIS SEWER DISTRICT, a political subdivision established under the Constitution of the State of Missouri (hereinafter "MSD").

WITNESSETH:

WHEREAS, Company provides metered water service to customers in St. Louis County, Missouri; and

WHEREAS, MSD has need of certain water usage and customer identification information on which to base its billings, which said information is accumulated through meter readings and estimates by the Company for its billing purposes; and

WHEREAS, Company is willing to provide to MSD the information aforesaid in exchange for payment by MSD of a portion of the cost of obtaining meter reading data; and

WHEREAS, The Missouri Public Service Commission (hereinafter "Commission"), per Chapter 393 RSMo 1992 Supp., has jurisdiction over the Company's books and records with the ability to authorize release of the information contained therein; and

WHEREAS, Company and MSD desire to enter into a contract detailing the terms and conditions under which the aforementioned information can be provided by Company to MSD, subject to the approval of related tariff by the Missouri Public Service Commission ("Commission").

NOW, THEREFORE, for and in consideration of the payment of ten dollars from each to the other paid, the receipt of which is herewith acknowledged, and for the other good and valuable considerations herein contained, Company and MSD agree as follows:

1. INFORMATION TO BE PROVIDED. Company will provide MSD with its then current list of customers along with the customer's service address including street, City and unit number if appropriate. Because MSD's customer and Company's customer at a specific address may be different individuals or entities, it will be MSD's responsibility to discern from Company's information the appropriate customer and usage data required for MSD's purposes. Company will provide MSD with Account Change and Premise Change information on a weekly basis. Company will also provide MSD with the Company's monthly meter reading data for each of its customer's daily water usage, which is determined quarterly or monthly in the Company's ordinary course of business through meter readings or lawful estimates. Each customer's daily water usage will be ascertained from meter readings obtained by some combination of either actual readings by Company's personnel, postcard readings mailed in from customers, telephone readings called in from customers, or estimated readings including prorated and "set" readings when the foregoing are unavailable. Data will be from approximately a ninety (90) day period for quarterly billed customers and during approximately a thirty (30) day period for monthly billed customers of a given year. Company will inform MSD as to which customers' meter reading data represent actual or estimated usage and which premises are vacant during this period. MSD is CAUTIONED that estimates which the Company must make when actual meter readings are unavailable may distort actual usage during any specific period, and that this inaccuracy can be significant both when the estimates are used for the usage calculation and when actual readings correct for previous inaccurate estimates and thus include usage from a prior period. While Company's estimating procedure is self-correcting with continued billing in successive periods, sewer bills based on data from an isolated period affected by estimates will probably not reflect accurate water usage in that particular period. Accordingly, to the extent allowed by law, MSD agrees to indemnify, defend and hold Company harmless from any and all claims that sewer bills are based on data, which does not reflect actual usage during any specific period provided said data was not purposely falsified or the result of gross negligence on the part of the company.

2. INFORMATION DUE DATES. Company will provide MSD with a monthly compilation of all of its customers' meter reading data within the period limitations described in Paragraph 1, on or about the fifth working day of the following month, commencing December 1, 2001, subject to the conditions of paragraph 6 herein.

3. INAPPLICABLE PSC NOTICE REQUIREMENTS. All notice and complaint procedures specified in 4 CSR 240, and Chapter's 386 and 393 RSMo which apply to customer rights to utility service from a regulated utility, SHALL NOT APPLY to actions or inactions by Company pursuant to the Agreement or the Company's election to enter into this Agreement. All notice, complaint procedures and administrative consumer remedies, to the extent that they may exist or be alleged to exist shall be the responsibility of MSD.

4. FEES. The price to be charged to MSD by Company for providing the aforementioned information shall approximate 50% of Company's cost of obtaining the necessary data and shall be set by rate tariff attached hereto as Exhibit "A", which must be approved by the Commission. The charges shall be submitted to the Commission and shall be subject to the Commissions approval or change from time to time in accordance with the provisions of Chapters 386 and 393 RSMo 1992 Supp. Beginning November 1, 2001, and every month thereafter, upon implementation of the Company's new ORCOM system, Company will bill MSD for the previous month's cost for work under the tariff approved rates, and MSD will pay Company within 30 days from receipt of such billing. From time to time additional costs may be incurred by Company, which may be specifically authorized by MSD on a case by case basis, and the Company will be reimbursed by MSD for such costs if said authorization is obtained. If MSD shall fail or refuse to pay amounts due, Company's obligations to deliver data under this Agreement shall cease until such amounts are paid in full, but MSD shall nevertheless be required to pay continuing tariffs costs of accumulating the meter readings as described herein for the term of this agreement.

5. INDEMNIFICATION. To the extent allowed by law, MSD agrees to indemnify, defend and hold Company harmless from and against any and all claims, complaints or causes of actions arising out of the actions or inactions by Company pursuant to the terms of this Agreement or the Company's election to enter into this Agreement.

6. PUBLIC SERVICE COMMISSION APPROVAL. The tariff related to this agreement shall be subject to approval of the Commission and the implementation of the Company's new ORCOM system. The parties agree to accept changes in charges set from time to time by the Commission. If any other aspect of this Agreement or the related tariff are objected to, rejected or modified by the Commission, the Company and MSD shall have the option to declare this Agreement void, with the exception of the indemnification requirements which shall survive with respect to any and all actions theretofore taken pursuant to this Agreement during the time is was in force and effect.

7. CUSTOMER COMMUNICATIONS. MSD shall handle all customer communications regarding the implementation of this Agreement or any actions that have been taken pursuant to this Agreement. Communications from customers to Company regarding MSD billings will be referred and directed to MSD, but the Company will respond to reasonable requests for information from MSD to company to assist MSD in its customer relations.

8. FORCE MAJEURE AND CONFLICTING REQUIREMENTS. Company's actions required under this Agreement shall be excused if due to matters beyond its control, including but not limited to employee work stoppages, strikes, inclement weather, or emergencies requiring utilization of manpower or resources elsewhere. The aforementioned information will cease to be provided if a court of competent jurisdiction or other governmental entity having jurisdiction issues an order to the Company so requiring. At such time, Company will relay such order to MSD, and Company will not knowingly take further actions toward providing said information until MSD notifies Company in writing that it has resolved the matter, or that MSD requests that Company nevertheless proceed subject to the indemnification herein

contained. Thereafter, MSD shall to the extent allowed by law indemnify defend and hold Company harmless for actions taken by Company based on MSD's notification or request.

9. EXPIRATION OR TERMINATION. This Agreement shall be for a term of two years from December 1, 2001, to December 1, 2003, and from year to year thereafter subject to termination by either party at any time on 30 days written notice.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate on the day and year first above written.

ST. LOUIS COUNTY WATER COMPANY
d.b.a. Missouri-American Water Company
("Company")

By: _____
Eric W. Thornburg, President

ATTEST:

_____
David P. Abernathy, Secretary

METROPOLITAN ST. LOUIS
SEWER DISTRICT
("MSD")

By: _____
Willie R. Horton
Executive Director

ATTEST:

Karl J. Tyminski
Secretary-Treasurer

Approved as to Legal Form

Randy E. Hayman
General Counsel

STATE OF MISSOURI)
) SS
County of St. Louis)

On the 4th day of March, 2002, before me appeared Eric Thornburg, to me personally known, who being my me duly sworn, did say that he is the President of St. Louis County Water Company d.b.a. Missouri-American Water Company and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said Eric Thornburg acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in my office in the County of St. Louis, Missouri, the day and year first above written.

My Commission Expires 3-20-05.

STACI A. OLSEN
Notary Public - Notary Seal
STATE OF MISSOURI
St Charles County
My Commission Expires: Mar. 20, 2005

Notary Public

STATE OF MISSOURI)
) SS
County of St. Louis)

On the 14TH day of FEBRUARY, 2002, before me appeared WILLIE R. HORTON, to me personally known, who being by me duly sworn, did say that he is the _____ Executive Director of Metropolitan St. Louis Sewer District and that the seal affixed to the foregoing instrument is the seal of Metropolitan St. Louis Sewer District and that said instrument was signed and sealed in behalf of Metropolitan St. Louis Sewer District by authority of its Board of Trustees and said WILLIE R. HORTON acknowledged said instrument to be the free act and deed of Metropolitan St. Louis Sewer District.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in my office in the CITY of ST. LOUIS, Missouri, the day and year first above written.

My Commission Expires _____.

ANTHONY E. CASSIMATIS
NOTARY PUBLIC - STATE OF MISSOURI
ST. LOUIS COUNTY
MY COMMISSION EXPIRES DEC. 9, 2003

Notary Public

FORM NO. 13 P.S.C. MO. No. 6 Fourth Revised SHEET No. RT 16.0
Cancelling P.S.C. MO. No. 6 Third Revised SHEET No. RT 16.0

ST. LOUIS COUNTY WATER COMPANY d/b/a MISSOURI-AMERICAN WATER COMPANY

For Service in Certificated Areas in St. Louis And Jefferson Counties

ST. LOUIS COUNT WATER COMPANY
FOR
ST. LOUIS COUNTY, MISSOURI AND JEFFERSON COUNTY, MISSOURI

Availability: This rate is available to The Metropolitan St. Louis Sewer District, for all water usage meter reading data and customer billing information. +

Rate: $.54 per account read. (1) +

This rate is available to the Metropolitan St. Louis Sewer District, under the terms and conditions of the contract on file with the Missouri Public Service Commission.

Payment Terms: Bills are net, and are due and payable within ten (10) days after date of bill.

(1) Exclusive of every tax or payment imposed upon the Company by political subdivision of the State of Missouri, for the right to do business in such political subdivision. See P.S.C. No No. 6 Original Sheet No. RT 11.0.

*Indicates new rate or text
+Indicates change

DATE OF ISSUE March 11, 2002 DATE EFFECTIVE April 11, 2002

ISSUED BY D.P. Abernathy, V. P., Corporate Counsel
535 N. New Ballas Road
St. Louis, MO 63141

EXHIBIT A

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 9th day of April, 2002.

In the Matter of the Application of Missouri-American Water Company for Approval of an Agreement With the St. Louis Metropolitan Sewer District Providing for the Disclosure of Customer Water Usage Information and Related Tariff Sheets	)))))	Case No. WO-2002-431 Tariff No. 200200757

ORDER APPROVING AGREEMENT AND APPROVING TARIFF

On March 11, 2002, Missouri-American Water Company (MAWC) filed an application seeking approval of an agreement between itself and the St. Louis Metropolitan Sewer District (MSD). Along with its application, MAWC issued tariff revisions designed to implement the agreement. The tariff carries an effective date of April 11, 2002.

On April 2, 2002, the Staff of the Commission filed a Memorandum and Recommendation in which it recommends that the Commission approve the proposed agreement between MAWC and MSD, but suspend MAWC's implementing tariff until an executed copy of the agreement between MAWC and MSD is filed with the Commission.

The agreement between MAWC and MSD relates to the provision of meter reading data by MAWC to MSD, which is the sewer service provider to many of MAWC's customers. MSD uses this meter reading data to bill its sewer customers. A similar agreement is already in place between MAWC and MSD but the revised agreement will permit the use of more detailed – weekly and monthly rather than quarterly – information.

IT IS THEREFORE ORDERED:

1. That Missouri-American Water Company's application for approval of an agreement between itself and the St. Louis Metropolitan Sewer District is granted.

2. That the tariff sheets issued on March 11, 2002, by Missouri-American Water Company, and assigned Tariff No. 200200757, are approved to become effective on April 11, 2002. The tariff sheets approved are:

PSC Mo. - No 6

Fourth Revised Sheet No. RT14.0, Replacing Third Revised Sheet No. RT14.0
Fourth Revised Sheet No. RT16.0, Replacing Third Revised Sheet No. RT16.0

3. That this order shall become effective on April 11, 2002.

BY THE COMMISSION

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Simmons, Ch., Lumpe, Gaw and Forbis, CC., concur
Murray, C., absent

Woodruff, Senior Regulatory Law Judge

337

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 9th day of April 2002 .

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 9th day of April, 2002.

In the Matter of the Application of Missouri-American	)	
Water Company for Approval of an Agreement	)	**Case No. WO-2002-431**
With the St. Louis Metropolitan Sewer District	)	Tariff No. 200200757
Providing for the Disclosure of Customer Water	)	
Usage Information and Related Tariff Sheets	)	

ORDER APPROVING AGREEMENT AND APPROVING TARIFF

On March 11, 2002, Missouri-American Water Company (MAWC) filed an application seeking approval of an agreement between itself and the St. Louis Metropolitan Sewer District (MSD). Along with its application, MAWC issued tariff revisions designed to implement the agreement. The tariff carries an effective date of April 11, 2002.

On April 2, 2002, the Staff of the Commission filed a Memorandum and Recommendation in which it recommends that the Commission approve the proposed agreement between MAWC and MSD, but suspend MAWC's implementing tariff until an executed copy of the agreement between MAWC and MSD is filed with the Commission.

The agreement between MAWC and MSD relates to the provision of meter reading data by MAWC to MSD, which is the sewer service provider to many of MAWC's customers. MSD uses this meter reading data to bill its sewer customers. A similar agreement is already in place between MAWC and MSD but the revised agreement will permit the use of more detailed – weekly and monthly rather than quarterly – information. Staff's recommendation indicates that the revised agreement benefits all affected parties. MAWC benefits in that it is compensated for the meter reading service that it provides for MSD, thereby reducing the meter reading costs paid for by its customers. MSD benefits in that it does not have to incur costs to read meters and perform duplicative reading functions for its

billing system. The tariff revision accompanying the application changes the rates that MAWC will charge MSD for providing the meter reading data to more closely approximate one half of MAWC's total meter reading costs. The revised tariff rates will generate approximately $228,000 in additional revenue for MAWC.

While Staff recommends that the Commission approve the agreement between MAWC and MSD, it recommends that the Commission suspend MAWC's proposed tariff revision for a period of 60 days to permit MAWC to file a copy of the executed agreement with the Commission. Staff indicates that it does not object to the tariff as filed except that the tariff should not be approved until MAWC has filed an executed copy of the agreement. Staff indicated that this proposed suspension of the tariff is intended to prevent MAWC's tariff from going into effect before the revised agreement is effective.

MAWC filed a response to Staff's recommendation on April 8, 2002. MAWC indicates that its agreement with MSD was executed on February 14, 2002. MAWC attached an executed copy of the agreement to its response.

Staff's recommendation that the agreement between MAWC and MSD be approved is reasonable. Furthermore, with MAWC having filed an executed copy of the agreement, there is no longer any reason to suspend MAWC's proposed tariff. Therefore, the agreement between MAWC and MSD, and MAWC's accompanying tariff, will be approved.

IT IS THEREFORE ORDERED:

1. That Missouri-American Water Company's application for approval of an agreement between itself and the St. Louis Metropolitan Sewer District is granted.

2. That the tariff sheets issued on March 11, 2002, by Missouri-American Water Company, and assigned Tariff No. 200200757, are approved to become effective on April 11, 2002. The tariff sheets approved are:

PSC Mo. - No 6

Fourth Revised Sheet No. RT14.0, Replacing Third Revised Sheet No. RT14.0
Fourth Revised Sheet No. RT16.0, Replacing Third Revised Sheet No. RT16.0

3. That this order shall become effective on April 11, 2002.

BY THE COMMISSION

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Simmons, Ch., Lumpe, Gaw and Forbis, CC., concur
Murray, C., absent

Woodruff, Senior Regulatory Law Judge

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. WO-2002-431 (Tariff File No. 2002 00757)
Missouri-American Water Company

FROM: Wendell R. Hubbs – Water & Sewer Department

4/1/02
Project Coordinator/Date

4/2/02
General Counsel's Office/Date

SUBJECT: Staff Recommendation Regarding Application for Approval of Agreement and Tariff

DATE: April 2, 2002

On March 11, 2002, Missouri-American Water Company (Company) filed an *Application for Approval of Agreement and Tariff* (Application) with the Missouri Public Service Commission (Commission) for its St Louis County Water Company service territory. The purpose of the filing is to obtain Commission approval of an "Agreement", to be entered into by the Company with the St. Louis Metropolitan Sewer District (MSD). Also sought is the Commission's approval of certain tariff revisions setting forth the rates the Company wishes to bill the MSD pursuant to the terms of the Agreement.

The Agreement in question is essentially the same as one previously approved by the Commission related to the provision of meter reading data to the MSD, which is the sewer service provider to many of the Company's customers. The MSD uses this meter readings data to bill its sewer customers. The changes in the Agreement allow for more detailed (weekly and monthly rather than quarterly) information to be provided to the MSD. This weekly and monthly information is now available because of the implementation of the Company's new billing system (ORCOM).

The Staff has reviewed the Agreement that the Company submitted with its Application and does not object to the Commission authorizing the Company to enter into the Agreement with the MSD. (The parties have not yet signed the Agreement.) The Agreement is to the benefit of all affected parties. The Company benefits in that it is compensated for the meter reading service it provides for the MSD, which reduces the meter reading costs that are paid for by its customers. The MSD benefits in that it does not have to incur costs to read meters and perform duplicative reading functions for its billing system. The Company's customers who receive service from both systems benefit from the economies generated by not having to pay the costs of two meter-reading systems and benefit from having a more equitable sewer billing system.

Contained in the proposed Agreement is the provision that the Company will bill the MSD to recover certain monies, which are to represent 50% of the Company's meter-reading costs. Currently, the recovery of these monies is provided for in the Company's tariff. As a result, the Company is also seeking approval of revised tariff sheets under which it proposes to change the billing mechanism and rates applicable for the meter reading service it provides to the MSD. This proposed rate change to the MSD will affect recovery on a "per account read" basis, rather than an annual amount per type of customer. This new recovery mechanism and rate will generate approximately $228,000 greater revenue than the existing MSD rates. This additional amount of revenue serves to bring the MSD's contribution to the meter reading costs to a figure that is more currently representative of approximately one-half of the Company's total meter reading costs.

The Staff has reviewed the tariff sheets filed in this case, which bear an effective date of April 11, 2002, and it does not object to the Commission approving the tariff sheets as filed; however, this should not be done until an executed copy of the Agreement is filed in the case papers. The Staff has determined that the monies that would be charged the MSD pursuant to the proposed tariff sheets, will recover approximately 50% of the Company's meter reading costs. This cost has increased since the MSD rate was set because of increased meter reading costs incurred since 1992.

Based on the above, the Staff recommends that the Commission issue an order that:

1) Authorizes the Company to enter into the Agreement with the MSD, with the Agreement to be in substantial form as the one that was filed with the Application;

2) Directs the Company to file a copy of the executed Agreement in the case papers within ten days after such is available; and

3) Suspends the pending tariff revisions for a period of sixty days to allow time for the Company and the MSD to execute the Agreement and for the Company to file a copy of the executed Agreement in the case papers. (The Staff will monitor the progress of these signing and filing activities and will advise the Commission if further suspension of the tariff revisions is needed.)

Subsequent to the filing of the executed Agreement, the Staff will file its recommendation regarding the Commission's approval of the pending tariff revisions, including a recommended effective date for the tariff revisions.

FORM NO. 13 P.S.C. MO. No. 6 Fourth Revised SHEET No. RT 16.0
Cancelling P.S.C. MO. No. 6 Third Revised SHEET No. RT 16.0

ST. LOUIS COUNTY WATER COMPANY d/b/a MISSOURI-AMERICAN WATER COMPANY

For Service in Certificated Areas in St. Louis And Jefferson Counties

ST. LOUIS COUNT WATER COMPANY
FOR
ST. LOUIS COUNTY, MISSOURI AND JEFFERSON COUNTY, MISSOURI

Availability: This rate is available to The Metropolitan St. Louis Sewer District, for all water usage meter reading data and customer billing information. +

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This rate is available to the Metropolitan St. Louis Sewer District, under the terms and conditions of the contract on file with the Missouri Public Service Commission.

Payment Terms: Bills are net, and are due and payable within ten (10) days after date of bill.

(1) Exclusive of every tax or payment imposed upon the Company by political subdivision of the State of Missouri, for the right to do business in such political subdivision. See P.S.C. No No. 6 Original Sheet No. RT 11.0.

*Indicates new rate or text
+Indicates change

DATE OF ISSUE March 11, 2002 DATE EFFECTIVE April 11, 2002

ISSUED BY D.P. Abernathy, V. P., Corporate Counsel
535 N. New Ballas Road
St. Louis, MO 63141

FORM NO. 13 P.S.C. MO. No. 6 Fourth Revised SHEET No. RT 14.0
Cancelling P.S.C. MO. No. 6 Third Revised SHEET No. RT 14.0

ST. LOUIS COUNTY WATER COMPANY d/b/a MISSOURI-AMERICAN WATER COMPANY

For Service in Certificated Areas in St. Louis And Jefferson Counties

Reserved for future filing +

*Indicates new rate or text
+Indicates change

DATE OF ISSUE March 11, 2002 DATE EFFECTIVE April 11, 2002

ISSUED BY D.P. Abernathy, V. P., Corporate Counsel 535 N. New Ballas Road St. Louis, MO 63141

Metropolitan
St. Louis Sewer
District

2350 Market Street
St. Louis, MO 63103-2555
(314) 768-6200

September 16, 2003

Mr. David Abernathy
Vice President, Corporate Counsel
Missouri-American Water Company
535 N. New Ballas Road
St. Louis, Missouri 63141

Dear David:

The Metropolitan St. Louis Sewer District ("MSD") currently has an agreement with Missouri American Water ("MO-AM") whereby MO-AM provides MSD with customer and water usage data so that it may effectively bill County of St. Louis customers for sewer services.

This agreement expires as of December 31, 2003. Consequently, I hereby respectfully request renegotiation discussions between both parties commence as soon as possible.

I may be reached at 314-768-6209 and look forward to working with you on this matter.

Sincerely,

Randy E. Hayman
General Counsel

C: Chuck Etwert, MSD Acting Executive Director
Jeff Theerman, MSD Director of Operations
Janice M. Zimmerman, MSD Director of Finance/CFO
Linda Grady, MSD Attorney II
Theresa Bellville, MSD Assistant Director of Finance
Kathy Ahillen, MSD Billing & Customer Service Manager

Missouri American Water

David P. Abernathy
Vice President, General Counsel
and Secretary

Mr. Randy E. Hayman

General Counsel
Metropolitan St. Louis Sewer District
2350 Market Street
St. Louis, MO 63103-2555

24 September 2003

RE: **Water Data Usage Contract between Metropolitan St. Louis Sewer District ("MSD") and Missouri American Water ("MAW")**

Dear Randy:

I am in receipt of your letter of September 16, 2003 in regard to the above-mentioned contract in which MSD expresses a desire to terminate the same via modification of the terms contained therein. As we discussed, MAW is also desirous of negotiating new contract terms to allow for the continued availability of our water usage and customer information data to MSD. Consequently, this letter shall serve as MAW's notice of intent to terminate the current water usage data contract between the parties as of December 31, 2003 and to express our willingness to negotiate new terms and conditions acceptable to the parties.

I will contact you shortly to arrange for meeting times and/or discussions on these issues. I thank you in advance for your assistance and interest in assisting with this matter. Please feel free to contact me should you have any questions or concerns.

Sincerely,

David P. Abernathy
Vice President, General Counsel
& Secretary

Enclosures
cc: Eric Thornburg
Jim Jenkins
Ed Grubb

American Water
[illegible] New Ballas Road
St. Louis, MO 63141-8675
[illegible]
T +1 314 [illegible]
F +1 314 997 2451
[illegible]

BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF MISSOURI

TRANSCRIPT OF PROCEEDINGS

HEARING

April 19, 2004

Jefferson City, Missouri

Volume 26

In the Matter of Missouri-American Water Company's Tariff to Revise Water and Sewer Rate Schedules	) Case No. WR-2003-0500))

BEFORE:

KEVIN A. THOMPSON, Presiding
DEPUTY CHIEF REGULATORY LAW JUDGE.

CONNIE MURRAY,
COMMISSIONER

REPORTED BY:
TRACY L. THORPE, CSR, CCR
MIDWEST LITIGATION SERVICES

Schedule TMD-14

A P P E A R A N C E S

W.R. ENGLAND, III, Attorney at Law
DAVID ABERNATHY, Attorney at Law
Brydon, Swearengen & England
312 East Capitol Avenue
Jefferson City, Missouri 65102
573-635-7166
FOR: Missouri-American Water Company

PAUL S. DEFORD, Attorney at Law
Lathrop & Gage
2345 Grand Boulevard, Suite 2600
Kansas City, Missouri 64108
816-292-2000
FOR: Metropolitan St. Louis Sewer District

RANDY HAYMAN, Attorney at Law
2350 Market Street
St. Louis, Missouri 63103
314-768-6209
FOR: Metropolitan St. Louis Sewer District

M. RUTH O'NEILL, Assistant Public Counsel
P.O. Box 2230
Jefferson City, Missouri 65102
573-751-1304
FOR: Office of Public Counsel and the Public

CLIFF E. SNODGRASS, Senior Counsel
P.O. Box 360
Jefferson City, Missouri 65102
573-751-6651
FOR: Staff of the Missouri Public Service Commission

historically in both company's and Staff's case.

COMMISSIONER MURRAY: So for annual dollar amount, there was no change?

MR. ENGLAND: That's my understanding.

COMMISSIONER MURRAY: Is that the understanding of the district?

MR. DEFORD: Not exactly, your Honor. What Mr. England said is absolutely true. What the current tariff did is reflect a per account read. And what happened apparently was they quantified that for a period -- I guess the test year with a true-up and then turned that into a flat rate and plugged that into a tariff sheet.

I guess what the sewer district would point out is that I don't believe that this is a charge for either water service or sewer service, so I believe that these are non-jurisdictional revenues, but I don't think this has really anything to do with, you know, the rate case and submission of those contracts in the past for Commission approval.

I think it may have been appropriate, but it nonetheless -- and, again, agreeing with Mr. England, I don't think this raises the spectra of single-issue rate-making because this is non-jurisdictional revenue. This is not something that the company needs to put in a tariff or for that matter, should be in a tariff. So I

suppose, you know, this is kind of a unique circumstance.

The company is statutorily entitled to the data that we're seeking here upon reasonable request. And I think that it's appropriate to compensate the company for that data, but again, I don't believe that it's appropriate or necessary to put that charge in a tariff.

MR. HAYMAN: If I may add too, your Honor, I think it's important to note that, yes, the $760,000 was the status quo up until about August or September of '03. At that point, we began negotiating, put them on notice that we wanted less information, we're narrowing down and fine-tuning our request. And with that, logically there should be a lesser cost involved. And that's what we have been trying to negotiate in good faith since September of '03.

COMMISSIONER MURRAY: All right. And then, Mr. England, in relation to the Stip and Agreement and the revenue requirement that was calculated in the Stip and Agreement, is it the company's position that the Stip and Agreement is still just and reasonable and acceptable to the company absent these two tariff sheets?

MR. ENGLAND: Yes.

COMMISSIONER MURRAY: And then I just have a couple questions related to the statute that allowed -- that deals with sewer district requests for records and books.

And I guess I'll ask the company to respond and the sewer district as well.

But 249.645 provides that any private water company, and I'll leave out some words, supplying water to premises located within a secure district shall, upon reasonable request, make available to such sewer district its records and books so that such sewer district may obtain therefrom such data as must be necessary to calculate the charges for sewer service.

It doesn't -- that statutory reference doesn't say anything about charging for making those records available. Where do you get the authority to charge for that?

MR. ENGLAND: I'm sorry. Is that directed to the company?

COMMISSIONER MURRAY: Mr. England.

MR. ENGLAND: I believe Mr. DeFord pointed out that it's conditioned upon reasonable request. And we would believe that a reasonable request would include a request to compensate the company for that information.

COMMISSIONER MURRAY: Okay. And that's how both of you have been interpreting it. Is that correct, Mr. DeFord?

MR. DEFORD: We'd love to have it for free, but I do think a reasonable request would include some

compensation to the company.

COMMISSIONER MURRAY: Okay. And then any costs related to disconnection and reconnection addressed in 250.236, the statute there specifically sets out that those costs shall be reimbursed to the private water company by the city. But there's nothing in there about how those costs are calculated. Is that based on just actual costs of connecting and reconnecting, or do you know?

MR. ENGLAND: I think historically we've tried to base it on our actual costs.

COMMISSIONER MURRAY: Thank you.

Thank you, Judge.

JUDGE THOMPSON: Yes, ma'am.

To follow up on what Commissioner Murray was just asking, those connection and reconnection costs, is that what we see on Tariff Sheet RT-15?

MR. ABERNATHY: Yes, that's right.

JUDGE THOMPSON: And those certainly are jurisdictional charges, are they not?

MR. ABERNATHY: I believe so, sure.

JUDGE THOMPSON: Okay.

MR. DEFORD: We would agree that those are pursuant to I think 393.015.

JUDGE THOMPSON: What is it that you guys object to about RT-15? Just the amount of the charges?

dispute between them.

JUDGE THOMPSON: Very good. I think that's acceptable.

MR. HAYMAN: And the district will make every effort to do it quicker than 90 days.

JUDGE THOMPSON: That's fine. Well, you're all here in town so you can start today. If there's nothing else --

COMMISSIONER MURRAY: Just one thing.

JUDGE THOMPSON: Yes, Commissioner.

COMMISSIONER MURRAY: Assuming worst case scenario and there's no agreement and the parties can't agree, can the company refuse to make available those records?

MR. HAYMAN: No. Absolutely not. Because the language in the statute says they shall provide us with that information.

COMMISSIONER MURRAY: Okay.

MR. HAYMAN: And while we do -- you know, in the past we have paid for and we believe that that is fair, when it says upon reasonable request, that does not necessarily state, and I haven't seen case laws meaning that that means we do have to, in fact, pay for it.

Upon reasonable request means it's a timely request, not too voluminous to be overwhelming and

burdensome. So the bottom line is they do have to provide us with the information.

COMMISSIONER MURRAY: And what's the history of this? How long has this gone on, do you know?

MR. HAYMAN: At least since I believe '83.

MR. ABERNATHY: I think it was actually '93.

MR. HAYMAN: '93. I'm sorry.

COMMISSIONER MURRAY: And the history is that there has been a contractual agreement including a fee for doing so?

MR. HAYMAN: That's correct. That's correct. And as long as it's reasonable, we're in line with that.

COMMISSIONER MURRAY: Thank you.

JUDGE THOMPSON: Anything more?

Hearing nothing further, we are adjourned. Thank you all very much.

WHEREUPON, the hearing was adjourned.

From: Rich Ellingson <Rich_Ellingson@orcom.com>
To: 'Theresa Bellville' <TBELLVIL@stlmsd.com>
Date: 11/19/03 1:37PM
Subject: RE: White Paper on MOAM Water consumption

I've got your suggested changes, and will incorporate them into the final draft. I will try to have this updated version to you before the Thanksgiving holiday.

By the way, I'm still waiting on a price per square foot for inclusion in the lease. Any update on when I'll get that from Jan?

-----Original Message-----
From: Theresa Bellville [mailto:TBELLVIL@stlmsd.com]
Sent: Wednesday, November 19, 2003 12:33 PM
To: rich_ellingson@orcom.com
Cc: Jan Zimmerman
Subject: White Paper on MOAM Water consumption

Rich,

Jan and I have reviewed your paper and at this time look at this as a draft and not the final deliverable. There are a couple of issues we feel need to be addressed a bit more thoroughly or changed slightly before Jan will consider this to be a final product.

1) We would like you to addres the data issues related to commercial accounts and the information which would be needed on a monthly basis. The way the paper is currently written it appears MSD only has residential accounts.
2) Need to change your stance on the statute as it relates to MOAM providing the data. Our legal counsel has advised us that since the statute does not prohibit them from charging us the data it is assumed they can charge us a reasonable amount.
3) Inhance the section on rates and how it should be calculated. (i.e. 50% of actual cost to accquire the data vs. providing the data.) per data hit vs. flat fee. How was their current rate of .54 per data hit determined to be reasonable.

Please call me if you need any further clarification. Jan will be out beginning Friday until after the Thanksgiving weekend so if you have any questions please contact me at 314-768-6229.

We are on a very tight timeframe. If you can have your revisions to us by the 12/5/03 that would be great.

Please contact me.

Theresa

Schedule TMD-15

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Metropolitan St. Louis Sewer District,	)	
	)	
Complainant,	)	
	)	
v.	)	Case No. WC -2007-0040
	)	
Missouri American Water Company,	)	
	)	
Respondent.	)	

COMPLAINANT'S ANSWERS AND OBJECTIONS TO RESPONDENT'S FIRST SET OF DATA REQUESTS

COMES NOW Complainant, Metropolitan St. Louis Sewer District ("MSD"), and for its answers and objections to Respondent's First Set of Data Requests, states as follows:

GENERAL OBJECTIONS

1. MSD objects to Respondent's First Set of Data Requests to the extent that they call for disclosure of information or communications which are protected by the attorney-client privilege or any other applicable privilege, or to the extent that any such materials and documents are otherwise exempted from discovery.

2. MSD objects to Respondent's First Set of Data Requests to the extent that they call for the disclosure of mental impressions, conclusions, opinions or legal theories of any attorney or other representative as such documents and materials are exempt from discovery. MSD likewise objects to the Interrogatories to the extent that they constitute or include materials under the work product doctrine.

3. MSD objects to Respondent's First Set of Data Requests to the extent that they call for disclosure of information or documents of a confidential or proprietary nature, including documents and materials that contain sensitive business, financial, and/or production information.

4. MSD objects to Respondent's First Set of Data Requests to the extent that they are vague, overly broad or ambiguous.

5. MSD objects to Respondent's First Set of Data Requests to the extent that they seek information or communications which are irrelevant and immaterial to the issues in this action, and which are not reasonably calculated to lead to the discovery of admissible evidence, which are unduly burdensome and oppressive, and would cause undue time and expense to MSD which is not commensurate with Respondent's discovery needs.

6. MSD objects to Respondent's First Set of Data Requests to the extent that they attempt to impose obligations in addition to those provided by the Missouri Rules of Civil Procedure or 4 CSR 240-2.090.

7. MSD reserves the right to amend or supplement these answers to reflect information gathered in discovery, if they find that inadvertent errors or admissions have been made, and/or more accurate information becomes available at a later date.

The following responses reflect MSD's best present knowledge, information and belief based on a reasonably diligent search for responsive documents. MSD reserves the right to change, modify or supplement these answers based on further discovery or on facts or circumstances that hereafter may come to MSD's knowledge and attention. Nothing in these responses should be construed as waiving any rights or objections that otherwise might be available to MSD, and MSD's answer to any of these Data Requests should not be deemed an admission of relevancy, materiality, authenticity or admissibility in evidence of the discovery or the responses thereto.

DATA REQUESTS

1. Does MSD acquire usage data from any water district or private water company in Missouri other than MAWC? If so, identify each such water district and state the amount the

MSD pays annually for acquisition of such data. Attach copies of all such data acquisition agreements.

ANSWER:

MSD does not acquire usage date from any water district or private water company in Missouri other than MAWC. It does acquire information from the City of St. Louis. However, the City of St. Louis is not a water district or private water company.

2. Does MSD know of any other sewer district in Missouri that acquires water usage date from a water district or a private water company? If so, identify each such sewer district(s) and the water district(s) or private water company (ies) from which it acquires usage data, and state whether each such sewer district pays a charge for such usage date, and the annual amount of such charge.

ANSWER:

No.

3. Please describe in detail the manner in which MSD employs the water usage data it currently receives from MAWC in order to generate sewer bills for its customers.

OBJECTION:

MSD objects to this data request as it calls for information which is totally irrelevant and immaterial to the issues in this case and is not reasonably calculated to lead to the discovery of admissible evidence.

4. Does MSD use the water usage data it currently receives from MAWC for any purpose other than generating sewer bills for its customers? If so, describe in detail such use.

ANSWER:

No.

5. How much would it cost MSD to install meters at the premises of each of its St.

Louis County customers?

OBJECTION:

MSD objects to this data request as it calls for information which is totally irrelevant and immaterial to the issues in this case and is not reasonably calculated to lead to the discovery of admissible evidence.

6. How much would it cost MSD annually to read meters for each of its St. Louis County customers?

OBJECTION:

MSD objects to this data request as it calls for information which is totally irrelevant and immaterial to the issues in this case and is not reasonably calculated to lead to the discovery of admissible evidence.

7. Has MSD prepared cost analyses, including capital and operating expenses, that detail the costs of installing meters and collecting metered water usage data from its customers? If so, state the date and attach copies of each such cost analysis?

OBJECTION:

MSD objects to this data request as it calls for information which is totally irrelevant and immaterial to the issues in this case and is not reasonably calculated to lead to the discovery of admissible evidence.

8. If MSD is successful in eliminating or reducing the charges it pays to MAWC for water usage data, will MSD pass those savings along to its customers by decreasing its rates?

OBJECTION:

MSD objects to this data request as it calls for information which is totally irrelevant and immaterial to the issues in this case and is not reasonably calculated to lead to the discovery of admissible evidence.

9. Please describe in detail the reason(s) why MSD bills its St. Louis County customers based on metered water usage, whereas its charges to St. Louis City customers are not based on metered water usage.

OBJECTION:

MSD objects to this data request as it calls for information which is totally irrelevant and immaterial to the issues in this case and is not reasonably calculated to lead to the discovery of admissible evidence.

10. Is there any statute, rule, regulation or case law that requires MSD to bill its St. Louis County customers based on metered water usage?

OBJECTION:

MSD objects to this data request as it calls for information which is totally irrelevant and immaterial to the issues in this case and is not reasonably calculated to lead to the discovery of admissible evidence. In addition, MSD objects to this data requests as it calls for a legal conclusion.

11. Given MSD's allegation in its Complaint that "MAWC's conduct in charging MSD for the Water Usage Data is unreasonable and illegal" and that "MAWC's charging of a fee for the Water Usage Data constitutes a violation of Section 249.645.1 RSMo," is MSD contending that the Public Service Commission violated the law when it approved a tariff requiring MSD to pay a fee for the acquisition of water usage data?

ANSWER AND OBJECTION:

MSD objects to this data request as it calls for information which is totally irrelevant and immaterial to the issues in this case and is not reasonably calculated to lead to the discovery of admissible evidence. In addition, MSD objects to this data requests as it calls for a legal conclusion. Subject to said objection, and without waiving same, MSD is not contending that the

Commission violated the law when it approved the tariff. The tariff was approved based upon a contract between MSD and MAWC which has now expired. As MAWC and the Commission are aware, in its most recent rate case, MAWC attempted to circumvent the law by attempting to have the Commission approve a new tariff without a contract between the parties, which the Commission refused to do following MSD's intervention and objection.

12. Given MSD's allegation in its Complaint that "MAWC's conduct in charging MSD for the Water Usage Data is unreasonable and illegal" and that "MAWC's charging of a fee for the Water Usage Data constitutes a violation of Section 249.645.1 RSMo," why did MSD sign a contract in 2002 wherein it agreed to pay a fee for the water usage data? Furthermore, why has MSD paid a fee since 1999, when Section 249.645.1 RSMo became applicable to MSD?

ANSWER AND OBJECTION:

MSD objects to this data request as it calls for information which is totally irrelevant and immaterial to the issues in this case and is not reasonably calculated to lead to the discovery of admissible evidence. In addition, MSD objects to this data requests as it calls for a legal conclusion. Subject to said objection, and without waiving same, MSD has always acknowledged that the statute in question is silent with respect to whether the sewer district is required to pay for the water usage data and that there is a justiciable issue whether it was required to pay for such data. As a result, after weighing the possibility of being refused such data or paying a reasonable sum for such data, it entered into a contract with St. Louis County Water Company on terms which were favorable to both parties. It then entered into a subsequent contract with MAWC in 2002 for like reasons. In light of its most recent demands regarding compensation, MAWC has now placed MSD in the position of being required to institute this proceeding.

13. Given MSD's allegation in its Complaint that "MAWC's conduct in charging

MSD for the Water Usage Data is unreasonable and illegal" and that "MAWC's charging of a fee for the Water Usage Data constitutes a violation of Section 249.645.1 RSMo," why did MSD assert in an April 15, 2004 filing before the Public Service Commission (Application for Rehearing or Reconsideration and Opposition to Motion for Expedited Treatment of Metropolitan St. Louis Sewer District) that the amount of the fee should be negotiated between MSD and MAWC, rather than assert that the data should be provided free of charge?

ANSWER AND OBJECTION:

MSD objects to this data request as it calls for information which is totally irrelevant and immaterial to the issues in this case and is not reasonably calculated to lead to the discovery of admissible evidence. In addition, MSD objects to this data requests as it calls for a legal conclusion. Subject to said objection, and without waiving same, see response to Data Request No. 12. In addition, MSD has taken such position throughout its negotiations with MAWC and, in fact, one of the Commissioners inquired of MAWC's own witness regarding the legality of such a charge in light of the language of Section 249.645.1 RSMo.

14. Identify each person whom you expect to call as an expert witness at the trial or hearing of this matter, providing each such expert's name, address, occupation, place of employment and qualifications to give an opinion.

ANSWER:

MSD has no current plans to call an expert witness at the trial or hearing of this matter. In then event that MSD decides to call an expert witness at the trial or hearing of this matter, MSD will seasonably supplement this response.

15. With respect to each person identified in your response to Data Request No. 14, state the general nature of the subject matter on which the expert is expected to testify and the expert's hourly deposition fee, if any.

ANSWER:

Not Applicable.

16. Identify an non-retained or non-engaged expert whom you expect to call at trial or hearing who may provide expert witness opinion testimony by providing such person's name, address and field of expertise.

ANSWER:

MSD has no current plans to call a non-retained or non-engaged expert witness at the trial or hearing of this matter. In then event that MSD decides to call a non-retained or non-engaged expert witness at the trial or hearing of this matter, MSD will seasonably supplement this response.

17. For each expert witness identified in your responses to Data Requests No. 14 and No. 16, please provide a list of all proceedings in which the expert has testified previously, including the following information:

a. the court, tribunal or agency that conducted the proceeding;

b. the case number or equivalent identification of the proceeding;

c. the caption of the proceeding;

d. the date of the testimony; and

e. the general nature of the testimony.

ANSWER:

Not applicable.

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ATTORNEYS FOR COMPLAINANT

CERTIFICATE OF SERVICE

It is hereby certified that a copy of Complainant's Answers and Objections to Respondent's First Set of Data Requests has been served, first class, postage prepaid, this 27th day of October, 2006 to the following parties of record.

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