

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

In the Matter of Missouri-American Water)
Company's Request for Authority to Implement)
A General Rate Increase for Water and Sewer)
Service Provided in Missouri Service Areas.)

Case No. WR-2008-0311
SR-2008-0312

**METROPOLITAN ST. LOUIS SEWER DISTRICT'S
STATEMENT OF POSITION**

COMES NOW Metropolitan St. Louis Sewer District (MSD), and for its Statement of Position in connection with the above-referenced case, states as follows:

Rate Design/MSD Issue:

1. MSD has filed its joint objection to The Office of Public Counsel's ("OPC") request to postpone action on the Stipulation and Agreement and its response to the untimely objection lodged by OPC to such Stipulation and Agreement. For purposes of this Statement of Position, MSD incorporates its objections and response contained in those pleadings.

2. There is no evidence in the record to suggest that the \$350,000 annual charge for the provision of water usage data jointly proposed by Missouri-American Water Company (MAWC) and MSD is in any way improper or illegitimate. While OPC previously mentioned a need to examine MAWC's true-up information, there is nothing in the true-up of this case that will have an impact on the appropriate rate for the water usage data. Without stating any grounds in support, OPC suggests, for its opposition, that "it seems reasonable that if the customers' rates are to increase, then MSD should share some responsibility for the increase."

3. Any argument that MSD's rate for water usage, customer billing information and related services should be increased, so that MSD shares in the

proposed St. Louis system average increase ignores the fact that MSD is a MAWC customer. For example, in fiscal year 2008 (July 1, 2007 through June 30, 2008), MSD paid MAWC approximately \$264,000 for its water service. To date in fiscal 2009 (July 1, 2008 through the present), MSD has paid MAWC approximately \$68,000 in connection with its water service, for a total of over \$331,000, which will continue to accrue. As a result, MSD will necessarily share responsibility for a St. Louis system-wide increase in its capacity as a MAWC customer.

4. MSD would be severely and irreparably prejudiced in the event that OPC's objection, alternative request for a waiver, and/or request to postpone action on the Stipulation and Agreement is granted. The Stipulation and Agreement constitutes a settlement between MAWC and MSD and a compromise of their respective positions concerning the amount and/or legitimacy of any rate to be charged by MAWC for the provision of water usage data, customer billing information and related services to MSD.

5. In light of the Stipulation and Agreement between MAWC and MSD and the failure of any party to address MAWC's proposal in its direct testimony concerning the provision of water usage data, customer billing information and related services to MSD, MSD has not filed any testimony to support its position.

6. Thus, should the Commission reserve its determination concerning the Stipulation and Agreement until the completion of the case and potentially reject the Stipulation and Agreement, MSD will not have filed any testimony to support its position and it will have lost its opportunity to do so.

7. The prejudice facing MAWC and MSD in the event of a postponement of the Commission's determination concerning the Stipulation and Agreement certainly outweighs any purported good cause in granting a waiver to OPC, in that OPC has

been aware of MAWC's proposal concerning the provision of water usage data and customer billing information to MSD for over six (6) months, since the filing of MAWC's initial direct testimony in support of its requested rate increases.

Other Issues:

MSD has filed no testimony in this case. It takes no position with respect to the remaining issues contained in the List of Issues. However, MSD reserves the right to take any position on such issues at the hearing, or thereafter, based upon the evidence presented.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 23rd day of October, 2008, to:

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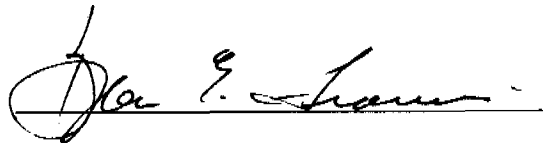
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