

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

In the Matter of Missouri-American)	<u>Case No. WR-2007-0216</u>
Water Company's Request for Authority)	Tariff File Nos. YW-2007-0407, YW-2007-
to Implement a General Rate Increase)	0409, YW-2007-0410, YW-2007-0411,
for Water Service Provided in Missouri)	YW-2007-0412, and YW-2007-0413
Service Areas)	

**SUGGESTIONS IN OPPOSITION TO THE STIPULATION AND AGREEMENT FILED
ON AUGUST 9, 2007**

COMES NOW Intervenor City of Joplin, by and through counsel, and for its Suggestions in Opposition to the Stipulation and Agreement filed on August 9, 2007, pursuant to the Commission's Order issued on August 9, 2007, states as follows:

The Stipulation and Agreement (Stipulation, hereinafter) is unjust, unreasonable and unfair and should not be approved by this Commission. The Stipulation purports to set rates for the various districts in the Missouri American Water Company (MAWC hereinafter) system. Those rates are unjust and unreasonable and unfairly discriminate against ratepayers in the City of Joplin. A little history of this rate case shows the inherent unfairness to Joplin (and to other ratepayers across the various districts in Missouri).

When MAWC originally filed for new rates in December, 2006, it sought approximately 25% rate increases in each district. Joplin intervened in the rate case to protect the interests of the ratepayers in Joplin. However, Joplin did not oppose the 25% rate increase.

As the Stipulation currently reads, the ratepayers in Joplin will see rate increases in excess of 61%. That means the Stipulation results in Joplin getting a rate increase that is more than double the Company's requested rate increase in Joplin. This extreme increase (the largest of any district except for the two subsidized districts of Brunswick and Warren County) was

orchestrated by the Staff and inures to the benefit of one area, and one area alone: St. Louis and St. Charles County. Staff's overt preference in favor of their home district (noting that the Staff members who focused on the corporate allocation issues are all from the St. Louis metropolitan area) constitutes such a level of improper discriminatory treatment that the Commission should reject the proposed Stipulation and Agreement.

Starting in 2000, the City of Joplin has been active in rate cases filed by MAWC. The major focus of Joplin's interventions has been to insure that District Specific Pricing (DSP hereinafter) is maintained across the MAWC system. In 2000, the Commission tacitly adopted DSP; however, it punished Joplin by subjecting Joplin ratepayers to a \$880,000 per year extra charge in order to subsidize other districts in the MAWC system.¹

Now the Stipulation filed in the current matter takes up where the 2000 Report and Order left off. Not only is Joplin getting the largest rate increase of any district (except the subsidized districts) but DSP is, once again, being skirted by the Staff and other parties. Instead of making each district pay their own way, there are subsidies for two districts (Brunswick and Warren County) and strategic allocations of costs to insure that Joplin is punished for its advocacy. Who benefits...once again St. Charles and St. Louis County ratepayers.

Under Chapter 386, RSMo, a Report and Order of the Commission must be based upon competent and substantial evidence, must be just, reasonable and may not be discriminatory. The current Stipulation and, if approved by the Commission, the Report and Order will be unsupported, unjust, unreasonable and highly discriminatory. This Commission should reject the

¹ That determination of the Commission has once again been remanded to this Commission for a final decision as to the discriminatory rates imposed upon Joplin ratepayers and a remedy to make those ratepayers whole. Consistently Staff has opposed any relief to the ratepayers in Joplin, a trend which continues in the current Stipulation.

proposed Stipulation, set appropriate rates for all districts and not discriminate against Joplin and in favor of St. Louis County, St. Charles, Brunswick and Warren County. The Commission should re-affirm DSP and impose DSP in a pure form without subsidies. The Commission should also allocate MAWC corporate expenses in a rational manner, insure that chemical expense is properly normalized (not the sham normalization advocated by the Staff and incorporated in the Stipulation), and provide for proper payroll tax annualization. These issues have been raised by the City of Joplin and remain unaddressed in the Stipulation. It is for these reasons that Joplin objects to and opposes the proposed Stipulation and seeks a hearing on that Stipulation.

For these reasons, also discussed in Joplin's Statement of Disputed Issues previously filed, this Commission should reject the proposed Stipulation filed in this case.

WHEREFORE Intervenor City of Joplin prays for a hearing on the Proposed Stipulation and further prays that this Commission reject the proposed Stipulation, enter proper relief for ratepayers in Joplin and for such other relief as this Commission deems appropriate.

Respectfully submitted,

BLITZ, BARDGETT & DEUTSCH, L.C.

By:

A handwritten signature in cursive script, appearing to read "James B. Deutsch", written over a horizontal line.

James B. Deutsch, #27093

Marc H. Ellinger, #40828

Jane A. Smith, #28681

308 East High Street, Suite 301

Jefferson City, MO 65101

Telephone: 573/634-2500

Facsimile: 573/634-3358

E-mail: jdeutsch@blitzbardgett.com

E-mail: mellinger@blitzbardgett.com

E-mail: jsmith@blitzbardgett.com

Attorneys for Intervenor City of Joplin

Certificate of Service

I hereby certify that true copies of the foregoing Suggestions in Opposition to the Stipulation and Agreement Filed on August 9, 2007 were sent to each of the following persons by electronic mail this 13th day of August, 2007:

Office of General Counsel
E-mail: GenCounsel@psc.mo.gov

Mr. Stuart Conrad
E-mail: stucon@fcplaw.com

Mr. Dean Cooper
E-mail: dcooper@brydonlaw.com

Mr. William R. England, III
E-mail: trip@brydonlaw.com

Mr. Lewis R. Mills, Jr.
E-mail: opcservice@ded.mo.gov

Mr. David Woodsmall
E-mail: dwoodsmall@fcplaw.com

Mr. Leland Curtis
E-mail: lcurtis@lawfirmemail.com

Mr. Carl Lumley
E-mail: clumley@lawfirmemail.com

Ms. Lisa Langeneckert
E-mail: llangeneckert@stolarlaw.com

Ms. Sherrie A. Schroder
E-mail: saschroder@hstly.com

Michael A. Evans
E-mail: mevans@hstly.com

Mr. Byron Francis
E-mail: bfrancis@armstrongteasdale.com

Ms. Jacqueline Levey
E-mail: jlevey@armstrongteasdale.com

E.W. Gentry Sayad
E-mail: gsayad@armstrongteasdale.com

Mr. J. Kent Lowry
E-mail: klowry@armstrongteasdale.com

Mr. Kevin Thompson
E-mail: Kevin.Thompson@psc.mo.gov

Mr. Mark W. Comley
E-mail: comleym@ncrpc.com

Mr. Jeremiah D. Finnegan
E-mail: jfinnegan@fcplaw.com


Ms. Mary Ann Young
E-mail: myoung0654@aol.com

Mr. William D. Steinmeier
E-mail: wds@wdspe.com

Ms. Diana M. Vuylsteke
E-mail: dmvuylsteke@bryancave.com

Mr. Larry W. Dority
E-mail: lwdority@sprintmail.com

Mr. James M. Fischer
E-mail: jfischer@aol.com


James B. Deutsch