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## Missouri Public Service Commission

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September 14, 2001

WESS A. HENDERSON  
Director, Utility Operations  
ROBERT SCHALLENBERG  
Director, Utility Services  
DONNA M. KOLLIS  
Director, Administration  
DALE HARDY ROBERTS  
Secretary/Chief Regulatory Law Judge  
DANA K. JOYCE  
General Counsel

**FILED**  
SEP 14 2001  
Missouri Public  
Service Commission

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

**RE: Case No. WM-2001-309**

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of the **SUGGESTIONS IN SUPPORT OF STIPULATION AND AGREEMENT**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Cliff E. Snodgrass  
Senior Counsel  
(573) 751-3966  
(573) 751-9285 (Fax)

CES:sw  
Enclosure  
cc: Counsel of Record

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

**FILED**

SEP 14 2001

Missouri Public  
Service Commission

In the Matter of the Joint Application of )  
Missouri-American Water Company, St. )  
Louis County Water Company d/b/a )  
Missouri-American Water Company and )  
Jefferson City Water Works d/b/a )  
Missouri-American Water Company for )  
Authority to Merge St. Louis County )  
Water Company and Jefferson City Water )  
Company with and into Missouri- )  
American Water Company, and, in )  
connection therewith Certain Other )  
Related Transactions. )

Case No. WM-2001-309

**SUGGESTIONS IN SUPPORT OF STIPULATION AND AGREEMENT**

**COMES NOW** the Staff of the Missouri Public Service Commission (Staff) by and through one of its attorneys, and in support of the Stipulation and Agreement filed in this case, states as follows:

1. Staff took the position that that conditions or safeguards were necessary before this proposed transaction should be approved by the Commission. The Staff's primary effort in this case was directed towards ensuring against or minimizing any potential "detriment" to the ratepayers of the State of Missouri.

2. Through the process of negotiation, Staff believes it obtained enough safeguards memorialized in the Stipulation and Agreement (Agreement) to warrant approval of the proposed transaction. This pleading will attempt to highlight several items in the Agreement that Staff respectfully believes warrants acceptance of the Agreement by the Commission.

## CUSTOMER SERVICE

One of the most important and core concerns of Staff in connection with this transaction was related to any potential reduction in the quality of service offered to Missouri customers in a post merger environment. Staff sought adherence to, and the monitoring or tracking of, certain quality of service standards in this case. Staff obtained substantially *all* of its compliance and tracking goals related to quality customer service standards in this Agreement. Specifically, the Agreement provides for compliance and tracking reports connected with Abandoned Call Rate, Average Speed of Answer, 1<sup>st</sup> Call Effectiveness and Average Customer Inquiry Response Time. (These reports and customer service standards all relate to the operation of MAWC's new customer call center in Alton, Illinois.)

Staff also obtained a commitment from MAWC that customers will be notified of the new call center with an on-bill message for a three-month period after the customer call center conversions, and an advertisement in a local newspaper in each district immediately before that district is converted to the call center.

## WATER QUALITY

The Office of Public Counsel (OPC) articulated concerns about the continuation of water quality standards after the merger, and Staff supported these concerns. The Agreement provided water quality standards that were acceptable to OPC and the Staff.

## SURVEILLANCE

Another Staff concern was the continuation of monthly surveillance data reporting after the merger. Staff obtained a written assurance by MAWC in this Agreement that the monthly

surveillance data currently being provided to the financial analysis department of the Staff by MAWC will continue on a monthly basis.

**CAPITAL INVESTMENT COMMITMENT**

OPC expressed concerns about the merger affecting MAWC's commitment to capital investment improvements in *each* of its operating Missouri districts. Staff supported this concern in part, and, Staff believes that the terms of this Agreement commits MAWC to (1) evaluate the capital needs of each of its operating districts individually and (2) to make the necessary capital investments necessary to continue providing safe and adequate service at just and reasonable rates in *each* of its respective Missouri operating districts.

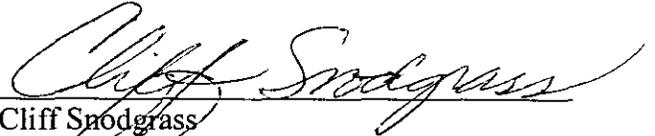
**COLLECTION OF BILLING INFORMATION, RECORD KEEPING,  
AND DEFERRED INCOME TAXES**

All of Staff's concerns about these issues were adequately addressed in this Agreement.

For all the foregoing reasons, the Staff believes this Agreement has satisfied all the concerns of the Staff and is a document that offers protection to the ratepayers of the State of Missouri. Staff thereby requests that the Commission approve the Stipulation and Agreement filed in this case.

Respectfully submitted,

DANA K. JOYCE  
General Counsel



Cliff Snodgrass  
Senior Counsel  
Missouri Bar No. 52302

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Missouri Public Service Commission  
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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 14th day of September, 2001.



**Service List for  
Case No. WM-2001-309  
Revised: September 14, 2001 (SW)**

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