

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

In the Matter of Missouri-American)	
Water Company's Request for Authority to)	<u>Case No. WR-2008-0311</u>
Implement a General Rate Increase for)	<u>SR-2008-0312</u>
Water and Sewer Service Provided in)	
Missouri Service Areas.)	

COLLABORATIVE WORKING GROUP STATUS REPORT

COMES NOW the Office of the Public Counsel (Public Counsel) on its own behalf and on behalf of Missouri-American Water Company, the Staff of the Missouri Public Service Commission, AG Processing, Inc. and the Utility Workers Union of America Local 335, AFL-CIO (collectively the Collaborative Working Group), and for the Collaborative Working Group Status Report states as follows:

1. On November 10, 2008, the parties filed a Unanimous Stipulation and Agreement with the Missouri Public Service Commission (Commission).
2. The Unanimous Stipulation and Agreement stated that Missouri-American would agree to participate in a collaborative working group formed in order to perform a review of cost of service issues. This Unanimous Stipulation and Agreement also stated that the review would be completed within ninety (90) days of the effective date of new rates in this case and the review would identify information and studies Missouri-American shall provide with the filing of the next rate case or upon completion of the studies as agreed to by the collaborative working group or ordered by the Commission.

3. On November 14, 2008, the Commission issued its Order Approving Stipulations and Agreements by which the Unanimous Stipulation and Agreement filed by the parties was approved.

4. On November 19, 2008, the Commission issued its Order Approving Tariffs in Compliance with Commission Order setting the effective date of the new rates in this case as November 28, 2008.

5. As agreed to by the parties and approved by the Commission, a collaborative working group was formed and a review of cost of service issues was completed within ninety (90) days of the effective date of new rates in this case.

6. The Collaborative Working Group discussed the tariff classifications and customer classes to use for the purposes of class cost of service for districts other than the St. Louis Metro district. Missouri-American and AG Processing agreed to continue discussions to further address this issue.

7. The Collaborative Working Group addressed the availability and cost of providing district specific information for all districts on:

- a. Class average use by class, by existing districts;
- b. Maximum factor use by class, by existing districts; and,
- c. Peak factor use by class, by existing districts.

The Collaborative Working Group did not reach consensus on new studies to perform to address the foregoing.

8. The Collaborative Working Group addressed the availability and cost of providing district specific cost studies for all districts including:

- a. Meter cost study;

- b. Service Line cost study;
- c. Meter Reading cost study;
- d. Billing cost study; and,
- e. Customer Promotion and Advertising cost study.

The Collaborative Working Group agreed that as a result of the collaborative process, Missouri-American will provide additional information related to meter costs and service line costs.

9. The Collaborative Working Group also addressed the availability and cost of providing an Outside Contractor Work cost study limited to the St. Louis County operations of Missouri-American. Missouri-American and the Utility Workers Union of America agree to continue discussions to further address this issue.

WHEREFORE, Public Counsel respectfully submits this Collaborative Working Group Status Report.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ Christina L. Baker

By:_____

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 5th day of March 2009:

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