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COMMITTEES Member:

Agri-Business, Budget Appropriations-Education Energy and Environment Special Standing Committee on Emerging Issues in Animal Agriculture Senior Citizen Advocacy



MISSOURI HOUSE OF REPRESENTATIVES Martin T. Rucker

State Representative

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Missouri Public Service Commission

Missouri Public Service Commission P.O. 360 Jefferson City, MO 65102

To Members of the Public Service Commission:

I am writing regarding the Missouri American Water Company (MAWC) rate case (WR-2010-0131) currently before the Commission. As part of this case I understand that the contract between MAWC and Triumph Foods of St. Joseph, Missouri has come into question. Specifically, there have been issues and questions raised about the appropriateness of granting this contract under an existing economic development rider tariffi which was approved by the Commission in November 2003.

Triumph Foods opened their new state-of-the-art pork processing facility in St. Joseph in January 2006. The Company considered several sites for their processing facility and corporate headquarters. As part of their review process they considered economic development incentives from local communities and states. One such inventive was a reduced cost of purchased water offered by MAWC and the Missouri Public Service Commission. In making their decision to locate to St. Joseph the water contract offered by MAWC was an important factor.

As part of this economic development incentive the Company had to make a certain amount of investment and create a certain number of jobs. The Company has in fact exceeded these thresholds creating over 2,600 jobs representing a \$90.0 million dollar payroll and invested to date almost \$200 million in their facility in St. Joseph. There is little doubt that Triumph Foods has made an enormous impact on the economies of both the State of Missouri and the City of St. Joseph.

With respect to the matter in front of the Commission I would suggest that the issue of reviewing the Triumph Foods contract with MAWC is premature. There is a review provision that would allow for a review of the contract after the initial five (5) years but since the Company did not begin operations until January 2006 then at the earliest this review would not take place until January 2011. The Commission affirmed this position

in May 2009. (WO-2009-0303), further I would express concern about modifying and eliminating an economic development incentive to a Company that has exceeded requirements under the Economic Development Rider Tariff and has lived up to the terms and conditions of a contract that was offered and accepted in good faith. I believe this would send a very bad message to existing Missouri businesses and those considering the state that we can not be trusted to live up to our commitments.

I appreciate the opportunity to express my thoughts and concerns on this matter. If I could be of any further assistance please do not hesitate to contact my office.

Sincerely, Rake

Martin T. Rucker Representative District 29