

## St. Joseph Water Rate Update



On Nov. 14, 2008, the Missouri Public Service Commission (PSC) approved a change in water rates for St. Joseph. Based on available information, the typical residential customer in St. Joseph using 5,000 gallons per month will pay approximately \$0.67 **less** per month.

In St. Joseph, the typical residential customer will pay approximately \$29.59 per month for water service, typically one of the lowest utility bills in the area. The new rates became effective on November 28.

### Rate Facts

Missouri American Water requested a statewide revenue increase of \$49.7 million in March 2007. The PSC's rate order reduced that statewide amount to \$34.5 million. The amounts in each Missouri American Water district also have changed between the original filing and the end result.

The PSC order reflects the rate design agreed to by all the parties in the settlement agreement, including Missouri American Water, the Office of the Public Counsel, the Missouri Energy Group, Public Water Supply District Numbers 1 and 2 of Andrews County and others. In St. Joseph, the parties agreed to a slight rate decrease. This decrease is due in part to increased water sales in St. Joseph and in part to the rate process itself, where additional updated information becomes available.

### System Investment

In St. Joseph, the company invested \$5.6 million in water system improvements from June 2007 to September 2008. Key projects included:

- Constructing improvements to well pumps to maintain service reliability.
- Installing more than three miles of new 12-inch diameter water main to supply an area in the southeast quadrant of St. Joseph.
- Purchasing portable generators for use at booster stations to maintain electrical service reliability.
- Replacing almost one half mile of aging small diameter water mains with larger mains to improve water pressure and maintain service reliability.

### Your Water Bill

The new rates took effect on Nov. 28, 2008. The first water bills issued after that date include fixed and usage charges at the old rate and a second set of fixed and usage charges at the new rate.

Your water bill has several components. The two major elements on your water bill are the fixed and water usage charges.

New Fixed Customer Charge (fixed <b>monthly</b> charge for water service)	New Water Usage Charge (The unit cost per thousand gallons used)
<b>\$8.95</b>	<b>\$4.13</b>

Residential water bills also include other charges, such as the Department of Natural Resources (DNR) primacy charge and local taxes which are not included in the base water rates summarized above. This rate change does not impact the wastewater charges that appear on your Missouri American Water bill. Your wastewater service provider sets local wastewater rates.