

Notes regarding the proposed water rate increase for Stonebridge Village.

Missouri American Water Corporation (MAWC), a subsidiary of American Water Works Incorporated, filed a request with the Missouri Public Service Commission (MPSC) with an intent to increase rates for the Stonebridge water and wastewater service. When the rate increases being requested by MAWC for all districts are totaled they equal \$73 million. In 2015 under PSC Case No. [WR-2015-0301](#), MAWC received approval to increase annual water and sewer rates by approximately \$30.4 million effective in July 2016.

Public utility rate increases are very common and most customers understand the need to cover inflation and unforeseen expenses. The average cost of residential drinking water service for a family of four using 100 gallons per person per day rose **4 percent last year**, according to Circle of Blue's 2017 annual survey of 30 large U.S. cities. According to MAWC estimates, **the proposed increase for Stonebridge, is out of the ordinary with a usage increase of 68%, and a fixed charge for sewer, this will result in a minimum overall monthly bill increase of ~30%**, depending on individual volumetric (usage) charges.

According to the nonprofit organization Circle of Blue, the average water bill in the U.S. is about \$40 per month, based on a family of four using 100 gallons per person, per day, with a high of \$73 in Atlanta. Average sewer cost range between \$12-20. So, if you live in the worst case being Atlanta, your water and sewage bill may be \$93. Under the propose MAWC rates Stonebridge village residents will be paying \$58.42 for sewage and \$54.07 (estimated) for water, equaling a minimum of \$112.49/mo. According to MAWC, American Water, the parent company of Missouri American Water, provides capital to each of its state subsidiaries for infrastructure projects. One of the factors considered when distributing capital is the ability to earn a timely return on investment. It is obvious from the company's success that the investment in Missouri is doing very well and does not justify a need for a for a 68% usage rate increase.

MAWC indicates that the increase is needed to make repairs and upgrade systems, to include infrastructure. Most companies project these requirements and plan for these expenses in their current charges. When projections show a shortfall in revenues to support ongoing operations rates are justified. MAWC is far from having a shortfall in revenue.

American Water Company (AWC), the parent company of MAWC, is far from financial risk. In fact, they are one of the most profitable public service companies in the country. Enclosed, is their financials for the last five years. AWC profits have climbed steadily. The stock has climbed 40% since the last Missouri rate increase, and they continue to pay a dividend.

The Missouri Public Service Commission is conducting a local hearing for customers to present their concerns and ask questions. The hearing for Stonebridge customers is at the Branson City Hall City Council Chambers 110 West Maddux St. Branson, MO 65616 at 12:00pm on Thursday, February 1, 2018.

If you cannot attend the local meeting, you may send comments to: Office of the Public Counsel, P.O. Box 2230, Jefferson City, Missouri 65102, telephone (866) 922-2959 email [opcservice@ded.mo.gov](mailto:opcservice@ded.mo.gov) or the Missouri Public Service Commission, P.O. Box 360, Jefferson City, Missouri 65102, telephone 1-800-392-4211, email [pscinfo@psc.mo.gov](mailto:pscinfo@psc.mo.gov). Comments may also be registered in the case using the Commission's electronic filing system at <https://www.efis.psc.mo.gov/mpsc/Comments.html>.

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