

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

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

**STATEMENT OF POSITION OF INTERVENORS CITY OF  
RIVERSIDE AND MISSOURI GAMING COMPANY**

COME NOW intervenors City of Riverside (“Riverside”) and Missouri Gaming Company (“MGC”), and submit this Statement of Position as directed by the Commission’s Order Adopting Procedural Schedule dated June 30, 2008.

1. To the extent an issue from the Joint List of Issues filed on October 21, 2008, is not addressed herein, intervenors Riverside and MGC reserve the right to take a position and to cross-examine any witness at hearing on any issue. They further reserve the right to modify their positions, and this Statement should not be construed as a waiver of their right to take a position with regard to any other issue or evidence raised at the hearing or in post-hearing briefs.

2. Return on Common Equity: What return on common equity should be used for determining MAWC’s rate of return?

*Riverside/MGC did not file testimony on this issue and reserve the right to take a position based on the testimony provided at hearing.*

3. Inter-District Support or Revenue Contribution: Should or may any district provide a support so that another district may be provided service that is priced below that district’s cost of service? If so, which district(s) should receive support and which district should be required to provide that support?

*The support attributed by Missouri-American Water Company (“MAWC”) to the Parkville District, as referenced in MAWC’s direct testimony filings, should be preserved.*

4. Allocations: What is the appropriate basis upon which to allocate costs to each customer class?

*If costs are to be allocated among customer classes, the usage characteristics of the customers within the class must be homogeneous, and that determination should be made based on actual local usage data within the Parkville District, which is not presently the case.*

5. Rates:

A) Commodity Charge

- i) Should the commodity charge be set as a declining block rate or should the commodity charge be uniform for all levels of usage?
- ii) Should commodity rates be uniform across all classes in a district?

*Each rate element should be adjusted on an equal percentage basis in the Parkville district to reflect the district-specific revenue requirement.*

- (i) *The commodity charge should be continued/retained as a declining block rate in the Parkville District.*
- (ii) *The rates should be uniform across all classes in the Parkville District.*

B) Customer Charge

- i) What is the appropriate way to establish the customer charge?
- ii) Should the customer charge be uniform across the districts?
- iii) Should the customer charge include some amount of usage?

*Meter charges should be consistent across all customer classes within the Parkville district, according to the size of the meter.*

6. Class Identification/Cost of Service: What is the appropriate way in which to identify the customer classes?

*In order for a rate design to properly reflect the cost for any customer class, the usage characteristics of the customers within the class must be homogeneous. Thus, it is necessary to have class definitions that are consistent and that foster the grouping of customers with homogeneous usage characteristics.*

7. City of Riverside Services Issue: Should the Parkville rate be reduced due to inadequate water service in the City of Riverside?

*Yes.*

Respectfully submitted,

**ARMSTRONG TEASDALE LLP**

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**ATTORNEYS FOR INTERVENORS  
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## CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was sent to each of the following by electronic mail on this 23<sup>rd</sup> day of October, 2008:

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