

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

In the Matter of Missouri-American Water	)	
Company for Approval to Change its	)	
Infrastructure System Replacement	)	<u>Case No. WO-2006-0284</u>
Surcharge (ISRS)	)	Tariff File No. YW-2006-0739

**RECOMMENDATION FOR APPROVAL OF TARIFF FILING**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its Recommendation for Approval of Tariff Filing states the following to the Missouri Public Service Commission:

1. On March 28, 2006, the Commission issued its Order Approving Infrastructure System Replacement Surcharge but Rejecting Tariff in this case, in which it authorized Missouri-American Water Company (“Company”) to establish an Infrastructure System Replacement Surcharge, but rejected the tariff sheet that the Company submitted on January 3, 2006.

2. On March 29, 2006, the Company submitted a revised tariff sheet, as authorized by the Commission, intended to be in compliance with the above-referenced Commission Order. The subject tariff sheet bore an effective date of April 28, 2006, but the Company has requested that the subject tariff sheets be approved on less than 30 days notice and that it be made effective on April 7.

3. On March 30, 2006, the Commission issued its Order Directing Filing, in which it directed the Staff to file a recommendation advising the Commission whether the Company’s revised tariff complied with the Commission’s order approving the Company’s infrastructure system replacement surcharge. The Commission directed the Staff to either file its recommendation by no later than March 31, 2006 or file a pleading stating that it is unable to

comply and advising the Commission of a date certain by which Staff would file its recommendation.

4. The Staff was not able to complete its recommendation by March 31, 2006, as ordered by the Commission, and the undersigned counsel did not become aware of the contents of the Order Directing Filing until Saturday, April 1, 2006. Staff therefore requests leave to file this recommendation on April 3, 2006, the first business day after the date the recommendation was due.

5. The Staff has now completed its review of the Company's March 29, 2006 tariff filing and is of the opinion that the subject tariff sheet complies with the Commission Order referenced in Paragraph 1. (Dale Johansen of the Commission's Water & Sewer Department performed the review of the subject tariff sheets on behalf of the Staff.)

6. The Staff has also reviewed the status of the Company's assessment payments and annual report filings and notes that the Company has no delinquencies in regard to either of these matters. The assessment information reviewed covers fiscal years 1996 – 2006, and the annual report information reviewed covers calendar years 1997 – 2004. Additionally, the Staff notes that this tariff filing does not affect any other matter pending before the Commission with regard to the Company. (Dale Johansen of the Commission's Water & Sewer Department performed the review of these matters on behalf of the Staff.)

7. In addition to the above, the Staff believes that the Company's request for approval of the subject tariff sheet on less than 30 days notice is reasonable in this instance, because granting the request will afford the Company the timely rate relief that the Commission has found to be justified. As a result, the Staff believes that good cause exists for such approval pursuant to Section 393.140(11), RSMo 2000.

7. Upon Commission approval of the subject tariff sheet no further action will be needed in this case and the case may thus be closed.

**WHEREFORE**, the Staff respectfully recommends that the Commission issue an order that: (a) grants the Staff leave to file its recommendation in this case one business day late; (b) approves the tariff sheet pending in Tariff File No. YW-2006-0739 to be effective as of April 7, 2006; and (c) closes this case.

Respectfully Submitted,

/s/ Keith R. Krueger

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#### **CERTIFICATE OF SERVICE**

I hereby certify that copies of this Recommendation have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel and/or parties of record this 3rd day of April 2006.

/s/ Keith R. Krueger