

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

In the Matter of Missouri-American)	
Water Company's Tariff Sheets Designed)	
to Implement General Rate Increases for)	Case No. WR-2000-281
Water and Sewer Service provided to)	Case No. SR-2000-282
Customers in the Missouri Service Area)	
of the Company.)	

FILED
NOV 19 1999
Missouri Public
Service Commission

MOTION FOR TRUE-UP AUDIT AND HEARING

COMES NOW Missouri-American Water Company ("MAWC" or "Company") and for its Motion for True-Up Audit and Hearing, states to the Missouri Public Service Commission ("Commission") as follows:

1. The Commission's Suspension Order and Notice and Order Consolidating Cases dated October 28, 1999, directed, among other things, that the Company "shall file any request for a true-up audit and hearing in a separate pleading concurrent with its prepared direct testimony and exhibits."

2. MAWC requests that the Commission order a true-up audit and hearing in this case for the purpose of recognizing in MAWC's revenue requirement and rates, certain revenues, expenses and investments, as well as certain isolated items that will be known and measurable as of April 30, 2000. In its prepared direct testimony and schedules and in its Recommendation Concerning Proper Test Year (both of which are being filed concurrently herewith), the Company recommends a Test Year consisting of the twelve months ended September 30, 1999, updated for certain known and measurable changes.

3. In this motion, the Company seeks inclusion in its revenue requirement and rates of certain revenues that will be experienced, expenses that will be incurred, investments that will

made and certain items that will be known and measurable on or before April 30, 2000. The items of revenue, expense and investment which the company proposes to True-Up as of April 30, 2000, are as follows:

- Residential & Commercial Customers/Revenues (associated revenues and production costs, uncollectible expense)
- Any change in the Commission's annual assessment for fiscal year 2001
- Fuel and Power Expenses (related to new facilities)
- Capital Structure
- Chemicals (related to new facilities)
- Waste Disposal (related to new facilities)
- Rate Base
- Changes in rate case expenses
- Employee Levels and Wage Rates and related benefits
- Depreciation Expense
- Amortization of the Premature Retirement
- Amortization of Post-in-service AFUDC
- Amortization of Deferred Depreciation Expense
- Income Taxes
- Utility Operating Income
- Purchased Water Expense
- Property Tax

4. MAWC believes that it would be appropriate for Staff to perform an audit on these items as soon as the books for April 2000 are closed. MAWC believes that such an audit could take

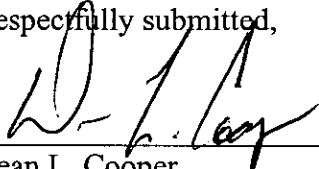
place toward the end of May 2000. A true-up hearing, if necessary, could then be scheduled for late June, 2000, which would be well in advance of the operation of law date (i.e., September 8, 2000).

5. The Company believes that it is reasonable and appropriate to grant a true-up audit and hearing for the above-enumerated items because these items represent significant changes in revenues, expenses and investments which will have occurred, or be known and measurable, no later than April 30, 2000 (or approximately 4½ months prior to when rates to be set in this proceeding will, in all likelihood, become effective). The Company's request for true-up represents a complete list of revenues, expenses and rate base and, thus, is designed to prevent any improper mismatch in the Company's overall revenue requirement. If, on the other hand, the Company's request for true-up audit and hearing is denied and the above-enumerated items of revenues, expenses and investments are not taken into account in the setting of its rates, the Company will be denied an opportunity to earn the authorized rate of return which the Commission determines is appropriate in this proceeding.

WHEREFORE, in light of the foregoing, the Company respectfully requests that the Commission issue its order granting a true-up audit and hearing as requested herein and such other

orders as are appropriate in the circumstances.

Respectfully submitted,



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ATTORNEYS FOR MISSOURI-AMERICAN
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Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand-delivered on this 19th day of November, 1999, to the following:

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