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September 6, 2000

FILED²

SEP 6 2000

Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

**RE: Missouri-American Water Company - Consolidated Case Nos. WR-2000-281
and SR-2000-282**

Dear Mr. Roberts:

Enclosed for filing in the above-referenced proceeding please find an original and eight copies of MAWC's Motion for Clarification and for Expedited Treatment. Please stamp the enclosed extra copy "filed" and return same to me.

Thank you very much for your attention to this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:

Dean L. Cooper
Dean L. Cooper

DLC/rhg
Enclosures

cc: Office of the Public Counsel
Mr. Keith Krueger
Ms. Shannon Cook
Ms. Diana M. Vuylsteke
Mr. Karl Zobrist
Mr. Leland Curtis
Mr. Brent Stewart
Mr. James Duetsch

Mr. Joseph Moreland
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Mr. Louis Leonatti
Mr. Jim Fischer
Mr. Jeremiah Finnegan

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

FILED²
SEP 6 2000

Missouri Public
Service Commission

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.)	

**MAWC'S MOTION FOR CLARIFICATION
AND FOR EXPEDITED TREATMENT**

COMES NOW Missouri-American Water Company ("MAWC") and, as its Motion for Clarification and for Expedited Treatment, states the following to the Missouri Public Service Commission ("Commission"):

1. The Commission issued its Report and Order in the above-captioned matters on August 31, 2000, to become effective on September 14, 2000 (the "Report and Order"). Among other things, the Commission authorized MAWC "to file proposed tariff sheets in compliance with [the] Report and Order."

2. In order to prepare such tariff sheets, MAWC believes that it needs clarification from the Commission as to its decision concerning rate design. It is clear to MAWC that the Commission concluded that "MAWC, must set its rates separately for each service area in order to recover the appropriate revenue requirement for each service area" and that "in moving toward [district specific pricing], however, the Commission will adhere to the principle that no district will receive a rate decrease."

3. Based upon the record, this means that the revenues derived from Joplin will remain unchanged and the increased revenue requirement of \$10,268,551 will be spread among the remaining six districts. However, it is unclear to MAWC how the Commission desires to spread the resulting increase in revenue requirement to these six districts. MAWC therefore seeks clarification

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from the Commission as to this portion of its Report and Order.

4. Additionally, the Commission stated that "Staff's class cost of service study, developed using the BXC method, is the appropriate method by which to allocate costs among customer classes in each district and to design rates by which to recover appropriate revenues within each district."¹ The Staff's class cost of service study would indicate that while the overall district revenues would remain unchanged in Joplin, shifts between classes of customers within Joplin would result in some classes receiving an increase and other classes within Joplin receiving a decrease. In light of the Commission's conclusion that "no district will receive a rate decrease," MAWC believes whether the Commission does not intend class increases and decreases in Joplin as would be indicated by the Staff's class cost of service. If MAWC's belief is in error, MAWC seeks the Commission's clarification of this point.

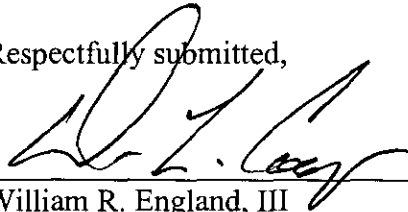
5. Lastly, under the Staff's class cost of service study, the private fire protection class in St. Joseph would receive a decrease. Again, in light of the Commission's conclusion that "no district will receive a rate decrease," MAWC seeks clarification from the Commission as to whether it intends for this class within the St. Joseph district to receive a decrease while other classes are receiving significant increases.

¹ MAWC also wishes to clarify its position as to Staff's class cost of service study. The Report and Order in this matter indicates that "Staff and MAWC are evidently in agreement that, if the Commission adopts a DSP rate design, then Mr. Hubbs' class cost of service study should be used. . . ." In fact, while MAWC stated that Staff's class cost of service study indicated "costs by class that are reasonable," it went on to state that "however, given the fact that any movement from single tariff pricing to district specific pricing will result in dramatic shifts in revenue requirements between districts, further shifts between customer classes within districts would not seem to be warranted at this time and Company would recommend, if the Commission adopts district specific pricing, that rates within districts simply be increased by the uniform percent necessary to achieve the revenues allocated to each district." (MAWC Initial Brief, page 66).

6. MAWC is seeking to file tariffs as soon as possible, in order to give parties a chance to review these tariffs prior to the proposed effective date of September 14, 2000. The effective date of these tariffs is very important to MAWC. As pointed out in MAWC's arguments concerning the proposed accounting authority order, MAWC will continue to experience significant losses based upon post-in-service AFUDC and depreciation until such time as tariffs become effective. Thus, MAWC asks the Commission to grant its motion for expedited treatment and issue an order for clarification by close of business on September 7, 2000.

WHEREFORE, MAWC prays the Commission issue its order granting MAWC's motion for expedited treatment and clarifying its Report and Order as to the above issue.

Respectfully submitted,



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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 6th day of September, 2000, to the following:

fax transmission

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