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FILED
DEC 21 2001

December 21, 2001

Missouri Public
Service Commission

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

RE: Missouri-American Water Company - Case No. WO-2002-273

Dear Mr. Roberts:

Enclosed for filing in the above-referenced proceeding please find an original and eight copies of a Proposed Procedural Schedule. Please stamp the enclosed extra copy "filed" and return same to me.

If you have any questions concerning this matter, then please do not hesitate to contact me.
Thank you for your attention to this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:

Dean L. Cooper
Dean L. Cooper

DLC/rhg
Enclosures

cc: Mr. Keith Krueger
Ms. Ruth O'Neill
Mr. Stuart Conrad
Mr. James B. Duetsch

FILED²

DEC 21 2001

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the Matter of the Joint Application)
of Missouri-American Water Company,)
St. Louis County Water Company d/b/a)
Missouri-American Water Company and)
Jefferson City Water Works Company)
d/b/a Missouri-American Water Company)
for an accounting authority order relating)
to security costs.)

Case No. WO-2002-273

PROPOSED PROCEDURAL SCHEDULE

COME NOW St. Louis County Water Company d/b/a Missouri-American Water Company ("SLCWC"); Jefferson City Water Works Company d/b/a Missouri-American Water Company ("JCWWC"); Missouri-American Water Company ("MAWC") (collectively, the "Companies"), and state the following as their Proposed Procedural Schedules:

SUMMARY

The Companies withdraw their Motion for Expedited Treatment (in light of the prehearing conference and the practical difficulty with providing an opportunity for the Commission to consider this matter by January 4, 2002). Instead, the Companies suggest a procedural schedule that could result in a Commission decision by June 15, 2001.

BACKGROUND

1. On December 10, 2001, the Companies filed their Application for Accounting Authority Order Requested to be Issued Prior to January 4, 2002 and Motion for Expedited Treatment. A prehearing conference was held in this matter, by order of the Commission on December 17, 2001. The Commission additionally ordered that a proposed procedural schedule be filed by December 26, 2001.

2. At the prehearing conference, after the parties' discussion of the Companies

Motion for Expedited Treatment, the Commission directed that the Companies file suggestions in support of the Motion by December 21, 2001. Parties in opposition to this motion were given until December 28, 2001 to respond to any pleading the Companies might file. The regulatory law judge then indicated that he would take this matter to the Commission at its next available agenda meeting after the pleadings had been filed (or January 3, 2001).

3. The Companies' concern for the timing of the presentation of the subject Application for Accounting Authority Order arose as a result of the fact that the events of September 11, 2001 arose late in the Companies' fiscal year. These events (as well as the subsequent national terrorism alerts issued by the federal government) have resulted in "a heightened focus" on "water utilities' adoption of increased security measures, where appropriate." *Resolution on Commission Procedures Related to the Increased Security Measures Undertaken by Water Utilities*, Board of Directors for the National Association of Regulatory Utility Commissioners ("NARUC") (November 13, 2001) (See Appendix A to the Companies' Application).

4. It has taken the approximate three (3) months between September 11, 2001 and the filing of the Companies' application on December 10, 2001, for the Companies to survey, assess, plan and begin placement of the security measures necessary in this new environment. It should be remembered that the necessary expenditures are neither revenue producing nor are items that are likely to produce efficiencies by reducing expenses over time. However, only after taking the above outlined steps were the Companies in a position to analyze and pursue the subject application.

5. The timing difficulty arose because the Companies' fiscal year, as well as that

of their parent, American Water Works Company, Inc., ends on December 31. Shortly after year end, the Companies accounting records for 2001 are compiled, forwarded to their parent and then released to the financial community. The figures contained in these reports have an impact upon stock prices and, therefore, the Companies' ability to attract capital.

PROPOSED PROCEDURAL SCHEDULE

6. The possibility that the Companies could book the costs which are the subject of this application to Account 186 under the provisions of the NARUC's Uniform System of Accounts was raised during the prehearing conference and later discussed by the Companies' representatives with the Staff.

7. Based upon these discussions with the Staff, the Companies now believe that the costs that are a subject of this application may be booked in Account 186 pending a Commission decision. This removes the exigency of this situation and, from the Companies' point of view, allows for a more extended procedural schedule, without prejudice to the Companies. Therefore, the Companies withdraw their Motion for Expedited Treatment.

8. The Companies propose the following procedural schedule which will provide the opportunity for a Commission decision by June 15, 2002:

January 31, 2002	Direct Testimony (All Parties wishing to file)
February 28, 2002	Rebuttal Testimony (All Parties wishing to file)
March 21, 2002	Surrebuttal Testimony (All Parties wishing to file)
March 28, 2002	Statement of Issues
April 4, 2002	Statement of Positions

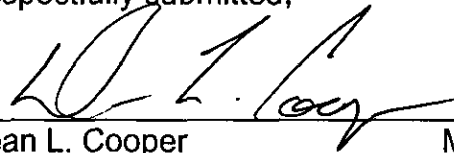
April 30-May 1, 2002 Hearing
(or such dates as the Commission has available)

May 16, 2002 Initial Briefs

May 30, 2002 Reply Briefs

WHEREFORE, the Companies respectfully request the Commission issue an order adopting the proposed procedural schedule that will provide the opportunity for a Commission decision prior to June 15, 2002.

Respectfully submitted,



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ATTORNEYS FOR APPLICANTS

CERTIFICATE OF SERVICE

I hereby certify that two true and correct copies of the above and foregoing document were sent by facsimile transmission and U.S. Mail, postage prepaid, on this 21st day of December, 2001, to the following:

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