

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

In the Matter of the Tariff Filing of)
Algonquin Water Resources of Missouri,)
LLC, to Implement a General Rate)
Increase for Water and Sewer Service)
Provided to Customers in its Missouri)
Service Areas.)

Case No. WR-2006-0425

**STAFF'S RESPONSE TO
ALGONQUIN WATER RESOURCES'
RECOMMENDATION CONCERNING TEST YEAR**

COMES NOW the Staff of the Missouri Public Service Commission and, for its Response to Algonquin Water Resources' Recommendation Concerning Test Year, states to the Missouri Public Service Commission as follows.

1. On May 12, 2006, the Commission issued its Suspension Order and Notice, in which it ordered Algonquin Water Resources to file, on or before May 22, 2006, its recommendation concerning the proper test year for use in this case and to file any request for a true-up audit and hearing. The Commission also ordered to Staff to file, on or before June 8, 2006, a pleading indicating concurrence in Algonquin's recommended test year or recommending alternatives to Algonquin's recommended test year, and to file its pleading stating its recommendation concerning a true-up. The Commission also scheduled an early prehearing conference for June 19, 2006.

2. On May 22, 2006, Algonquin filed a pleading recommending the twelve-month period ending September 30, 2005, as the test year in both the water and sewer cases, with said test year to be updated for known and measurable changes through September 30, 2006. Algonquin also stated that it did not intend to request a true-up audit and hearing.

3. The Staff does not presently concur in Algonquin's recommendations. The Staff believes that it will be in a better position to respond to Algonquin's recommendations after the parties have had an opportunity to discuss this matter at the early prehearing conference on June 19, 2006. The Staff believes that all parties will benefit from discussions of this matter at the early prehearing conference, and that no party will be harmed by a short delay in the filing of the Staff's recommendations concerning the test year.

4. The Staff therefore requests that the Commission extend the deadline for the Staff to file its response to Algonquin's recommendations concerning the test year to June 26, 2006, which is the date by which the parties must file their proposed procedural schedule.

WHEREFORE, the Staff requests that the Commission extend, until June 26, 2006, the deadline for the Staff to file its response to Algonquin's recommendations regarding the test year.

Respectfully submitted,

/s/ Keith R. Krueger

Keith R. Krueger
Deputy General Counsel
Missouri Bar No. 23857

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-4140 (Telephone)
(573) 751-9285 (Fax)
keith.krueger@psc.mo.gov (e-mail)

Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or e-mailed to all counsel of record as shown on the attached service list this 8th day of June 2006.

/s/ Keith R. Krueger