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March 20, 2002

Mr. Dale H. Roberts
Secretary/Chief Regulatory Law Judge
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED²
MAR 20 2002
Missouri Public
Service Commission

**Re: Missouri-American Water Company
Case No. WF-2002-359**

Dear Mr. Roberts:

Enclosed for filing in the above-referenced case please find the original and eight copies of **Recommendation of the Office of the Public Counsel**. Please "file" stamp the extra-enclosed copy and return it to this office.

Thank you for your attention to this matter.

Sincerely,

M. Ruth O'Neill
Assistant Public Counsel

MRO:jb

cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²
MAR 20 2002

Missouri Public
Service Commission

In the Matter of the Application of)
Missouri-American Water Company)
for authority (a) to execute and deliver a)
Seventeenth Supplemental Indenture to)
its Indenture of Mortgage, dated as of May)
1, 1968, for the purpose of creating an)
additional series of its General Mortgage)
Bonds, to secure bonds issued by the State)
Environmental Improvement and Energy)
Resources Authority, (b) to issue and sell)
at private sale \$15,000,000 principal)
amount of such bonds, (c) to enter into,)
execute and deliver in connection therewith,)
and (d) to issue and sell at private sale)
\$9,000,000 aggregate amount of its)
Common Stock.)

Case No. WF-2002-359

RECOMMENDATION OF THE OFFICE OF THE PUBLIC COUNSEL

COMES NOW, the Office of the Public Counsel, and respectfully informs the Missouri Public Service Commission, that it has thoroughly reviewed Missouri-American Water Company's Proposal regarding various financing arrangements related to the Company's application for Commission approval for the issuance and sale of General Mortgage Bonds and Common Stock, and the Staff's recommendation and the memorandum setting forth the rationale for the recommendation.

Upon examination of the application and the Staff's recommendation and supporting memorandum, Public Counsel agrees that the proposed transaction, if approved subject to the Staff's recommended conditions, is reasonable.

WHEREFORE, Public Counsel respectfully requests that the Commission conditionally approve the Company's application, subject to the conditions A through D contained at page 3 of the Staff's recommendation in this case.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By: 
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to the following this 20th day of March 2002:

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Attorney for the Staff of the
Missouri Public Service Commission

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