

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 14th
day of April, 1995.

In the matter of Missouri-American Water
Company's tariff revisions designed to
increase rates for water service provided
to customers in the Missouri service area
of the company.

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CASE NO. NR-95-205

In the matter of Missouri-American Water
Company's tariff revisions designed to
increase rates for sewer service provided
to customers in the Missouri service area
of the company.

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Case No. SR-95-206

ORDER SETTING LOCAL PUBLIC HEARINGS

On February 3, 1995, the Office of Public Counsel (OPC) filed a request for a local public hearing in the above-referenced case. OPC suggested it would be in the public interest to conduct public hearings in the service areas facing the largest potential rate impact, to wit: the St. Joseph, Missouri service area for which a 20.97 percent increase is proposed and the Parkville, Missouri service area for which a 28.18 percent increase is proposed. OPC indicated that St. Joseph and Parkville were the only communities from which OPC had received correspondence regarding the proposed increase.

On March 13, 1995, Missouri-American Water Company (Missouri-American or Company) filed its response to the request for local public hearing. Missouri-American stated no objection to the establishment of two public hearings but suggested in the alternative that the Commission conduct one public hearing in St. Joseph, Missouri, and allow Company to sponsor a question and answer period for the public in Parkville, Missouri.

In essence, Missouri-American's proposal would provide an informal meeting with representatives of the Commission Staff and Public Counsel as well as representatives of the Company. Missouri-American has also requested that the local public hearing(s) be set at least twenty (20) to thirty (30) days before the filing of the prepared direct testimony of Staff, Public Counsel and intervenors.

The Commission has also received a copy of a letter which was sent to OPC from the City of St. Joseph regarding the issue of the local public hearings. The City of St. Joseph has specifically requested that a local public hearing take place in that community.

The Commission has reviewed the above-referenced motions and the entirety of the file and finds that it would be appropriate to set a local public hearing both for the service area of St. Joseph, Missouri and the service area of Parkville, Missouri. The Commission finds that the increases of 20.97 percent and 28.18 percent, respectively, coupled with the communication received from these two communities substantiates the need for a public hearing in both communities.

Although the parties seem to have agreed that an informational, and somewhat informal, meeting would suffice in Parkville, Missouri the Commission finds that the very purpose of a local public hearing is for the Commission to hear the comments of the ratepayers in the local service area. By sending the Commission Staff to a meeting in the Parkville area the Commission would be incurring the expense and the demands upon Staff resources without receiving the benefit of a record of the public comments. The Commission finds that under these circumstances it is appropriate for the Commission to set a formal local public hearing and to accept comments on the record.

The Commission further finds as to the timing of these hearings that a local public hearing should not be convened until after the direct testimony of the parties has been filed. If a hearing were convened before the parties have set out their position the public would be deprived of a meaningful opportunity to comment on the Company's proposal and the responses or positions of the parties. This is especially true as to the position taken by Staff and OPC. The Direct testimony of the Staff, OPC and intervenors is due to be filed on May 25, 1994. The Commission will not set local public hearings prior to that date.

The Commission will conduct a local public hearing in both communities on the evening of June 1, 1995, as set out in detail below. Company shall include notification of the public hearing as ordered herein and such notice may be included with the Company's routine billing or shall be sent by separate notice. The Records Department of the Commission shall also send a copy of this order to the mayor of each city and the county commission of each county in the county's service area. In addition, the Information Office shall send notice of this order to the publisher of each newspaper located in the county in which the public hearings are to be held, as listed in the Newspaper Directory of the current Official Manual of the State of Missouri, and to the members of the General Assembly representing the Missouri area served by the Company. The Commission's Public Information Office shall provide similar notice as to time, date and location of the local public hearing to any radio and television station in the area not less than three days prior to the local public hearing.

The direct notice to customers served in the Parkville, Missouri area by the Company shall prominently state or announce that the local public hearing regarding the Company's request for an increase in rates shall be held beginning at 5:00 p.m. on Thursday, June 1, 1995 and

will continue until all witnesses are heard or until 6:30 p.m., whichever occurs first. The notice shall state the amount of the proposed increase. The hearing will convene at the City Council Chambers of the city of Parkville, Missouri, located at (street address to be added), Parkville, Missouri 64xxx. That notice shall also include the following text: "If any person has special needs as addressed by the Americans With Disabilities Act, please contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one of the following numbers: Consumer Services' Hotline -- 1-800-392-4211, or TDD Hotline -- 1-800-829-7541."

The direct notice to customers served in the St. Joseph, Missouri area by the Company shall prominently state or announce that the local hearing regarding the Company's request for an increase in rates shall be held beginning at 7:30 p.m. on Thursday, June 1, 1995 and will continue until all witnesses are heard or until 9:00 p.m. whichever occurs first. The notice shall state amount of the proposed increase. The hearing will convene in the City Council Chambers of the City of St. Joseph, Missouri located at 11th and Frederick Streets, St. Joseph, Missouri 64501. That notice shall also include the following text: "If any person has special needs as addressed by the Americans With Disabilities Act, please contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one of the following numbers: Consumer Services' Hotline -- 1-800-392-4211, or TDD Hotline -- 1-800-829-7541."

IT IS THEREFORE ORDERED:

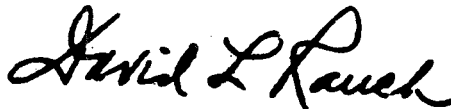
1. That a local public hearing shall be held in both of the communities served by the Missouri-American Water Company as set out above and such hearings shall be held on June 1, 1995.

2. That the Missouri-American Water Company shall issue the notice herein described to each of its customers. Said notice shall contain the information herein ordered and shall advise of the pendency, time and place of the local public hearing herein provided for. Said notice shall issue not later 5:00 p.m., May 19, 1995.

3. That the Records Department of the Commission and the Commission's Public Information Office shall send notice as provided herein.

4. That this order shall become effective on the date hereof.

BY THE COMMISSION



David Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Perkins,
Kincheloe and Crumpton, CC., Concur.

4-14

HAUSING-ROBERTS

Missouri-American

CASE NO. WR-95-205
SR-95-206

[Signature]
Chairman

[Signature] 2,3

Commissioner

[Signature]

Commissioner

[Signature]

Commissioner

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Commissioner

3-1584c

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STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 14th day of April, 1995.

David L. Rauch

David L. Rauch
Executive Secretary