

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
Jefferson City

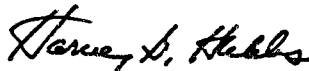
June 26, 1987

CASE NO. WR-87-177 & AD-87-48

Errol D. Taylor, Attorney, Missouri-American Water Company, Suite 500, Frederick Towers,
2400 Frederick, St. Joseph, MO 64506
Carol Bjelland, Assistant Public Counsel, Office of Public Counsel, P.O. Box 7800,
Jefferson City, MO 65102.

Enclosed find certified copy of ORDER in the above-numbered case(s).

Sincerely,



Harvey G. Hubbs
Secretary

uncertified copy:

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 26th
day of June, 1987.

CASE NO. WR-87-177

In the matter of Missouri-American
Water Company for authority to file
tariffs decreasing rates for water
service provided to customers in the
Missouri service area of the company.

CASE NO. AO-87-48

In the matter of the investigation
of the revenue effects upon Missouri
utilities of the Tax Reform Act of
1986.

ORDER APPROVING STIPULATION AND AGREEMENT

On June 25, 1987, a Stipulation and Agreement was executed by
Missouri-American Water Company (Missouri-American), Staff of the Missouri Public
Service Commission (Staff) and the Office of the Public Counsel (Public Counsel).
The Stipulation involves a rate reduction to Missouri jurisdictional gross annual
revenues by \$330,000, exclusive of license, occupation, franchise, sales, gross
receipts or other similar fees or taxes.

The Stipulation adequately sets forth all procedural and factual matters in
this case and is set forth in Appendix A attached hereto and incorporated herein by
reference.

Missouri-American is a public utility subject to the jurisdiction of this
Commission pursuant to Chapters 386 and 392, RSMo 1986. For ratemaking purposes the
Commission may accept a Stipulation and Agreement in settlement of any matters
submitted by the parties. The Commission is of the opinion that the matter of

agreement between the parties in this case are reasonable and proper and should be accepted.

It is, therefore,

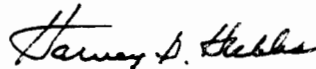
ORDERED: 1. That the Stipulation and Agreement filed herein on June 25, 1987, be, and it is, hereby approved.

ORDERED: 2. That Missouri-American Water Company be, and it is, hereby authorized to file revised tariffs designed to decrease its Missouri jurisdictional gross annual revenues by \$330,000, exclusive of license, occupation, franchise, sales, gross receipts and other similar fees or taxes. The tariffs shall bear an effective date of July 1, 1987.

ORDERED: 3. That Missouri-American Water Company shall not be subject to any further requirements in Case No. A0-87-48 and are hereby dismissed as parties from that proceeding.

ORDERED: 4. That this Order shall become effective on July 1, 1987.

BY THE COMMISSION



Harvey G. Eubbs
Secretary

(S E A L)

Steinmeier, Chm., Musgrave, Mueller,
Hendren and Fischer, CC., Concur.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE ESTATE OF MISSOURI

In the matter of the investigation of the revenue effects upon Missouri utilities of the Tax Reform Act of 1986.)
)
) Case No. AO-87-48
)

In the matter of Missouri-American Water Company for authority to file tariffs decreasing rates for water service provided to customers in the Missouri service area of the Company.)
)
) Case No. WR-87-177
)
)

STIPULATION AND AGREEMENT

On or about December 15, 1986, and March 2, 1987, Missouri-American Water Company caused to be filed with the Commission, in case No. AO-87-48, certain information concerning the impact on Missouri-American Water Company of the Tax Reform Act of 1986 ("TRA"). Commencing in February, 1987, the Staff of the Missouri Public Service Service Commission ("Staff") conducted a review of the books and records of Missouri-American Water Company ("Missouri-American"). Subsequently, representatives of Staff, the Office of the Public Counsel ("Public Counsel") and Missouri-American engaged in discussions concerning the impact of the Federal Tax Reform Act of 1986 on Missouri-American's revenue requirement and the results of Staff's review of Missouri-American's books and records. As a result of these discussions, the parties stipulate and agree as follows:

1. That effective July 1, 1987, Missouri-American be authorized to implement revised tariffs for certain categories of water service designed to decrease Missouri jurisdictional gross annual revenues of approximately \$330,000, exclusive of license, occupation, franchise, sales, gross receipts

or other similar fees or taxes; Missouri-American customers in the Joplin District will realize approximately \$128,700 of said decrease, and Missouri-American customers in the St. Joseph District will realize approximately \$201,300 of said decrease;

2. That the tariffs designed to implement said revenue decrease are attached hereto as Appendix "A" and made a part hereof for all purposes; and that they have been reviewed by all parties and are designed to, and do, in fact, implement the revenue decrease agreed to herein;

3. That this Stipulation and Agreement is a negotiated dollar settlement. For purposes of Staff's review of Missouri-American's books and records and Case No. AO-87-48, "In the matter of the investigation of the revenue effects upon Missouri utilities of the Tax Reform Act of 1986", this Stipulation and Agreement is intended to include, reflect, and fully dispose of any decrease in Missouri-American's gross annual revenue requirement for its Missouri jurisdictional operations which presently have been determined to result from the provisions of the Federal Tax Reform Act of 1986. In addition, Missouri-American shall not be subject to any present or future requirements of the Commission's Federal Tax Reform Act docket, Case No. AO-87-48; it being understood, however, that neither Staff or any other party is bound in any proceeding other than the above captioned dockets regarding the effects of the Tax Reform Act on Missouri-American's revenue requirement;

4. That within five (5) days following the Commission's approval of this Stipulation and Agreement, Missouri-American will cause to be filed with the Commission duplicate originals of the tariffs attached hereto as Appendix 1, said tariffs to bear an effective date of July 1, 1987;

5. That Missouri-American shall not be subject to any further

requirements in Case No. AO-87-48, and should be dismissed therefrom;

6. The parties hereto remain, and shall be, free in any forum and in any future proceeding to raise any issue concerning the impact of the TRA (and/or any existing or future regulations or rulings promulgated thereunder) or the manner in which such impact should be reflected in Missouri-American's rates (the "TRA Issue"); provided, however, that until the commencement of a general rate proceeding in which it is alleged that Missouri-American's rates are excessive or inadequate, the parties shall not raise the TRA Issue before the Commission;

7. That this Stipulation and Agreement is intended to be binding on the parties and the Commission in Case No. WR-87-____, in Case No. AO-87-48 as it relates to Missouri-American Water Company, and as described in Paragraph "6" hereof; that none of the provisions of this Stipulation and Agreement, however, shall prejudice, bind or otherwise affect any party should the Commission decide not to approve this Stipulation and Agreement in its entirety or in any way condition its approval of same;

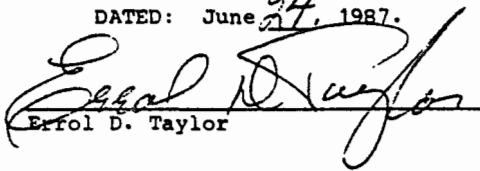
8. That none of the parties to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any rate-making principle, value methodology, method of cost of service determination, rate design methodology, or cost allocation underlying any of the tariff rates provided for in this Stipulation and Agreement; and any number used in this Stipulation and Agreement or in the tariff rates provided for by this Stipulation and Agreement shall not prejudice, bind, or affect any party thereto, except to the extent necessary to give effect to the terms of this Stipulation and Agreement.

9. That in the event the Commission accepts the specific terms of this

Stipulation and Agreement, the parties waive their respective rights to: (a) present oral arguments or written briefs, pursuant to Section 536.080(1), RSMo. 1986; (b) require the Commission to read the full record pursuant to Section 536.080(3), RSMo. 1986; and (c) seek judicial review of case No. WR-87-____, or Case No. AO-87-48, as it relates to Missouri-American Water Company, pursuant to Section 386.510, RSMo. 1986;

10. That the agreements contained in this Stipulation and Agreement have resulted from extensive negotiations among the signatory parties and are interdependent; that in the event that the Commission does not approve and adopt the terms of this Stipulation and Agreement, or in the event the tariff rates agreed to herein do not become effective in accordance with the provisions contained herein, this Stipulation and Agreement shall be void and no party shall be bound by any of the agreements or provisions hereof.

DATED: June 24, 1987.



Errol D. Taylor

Attorney for
MISSOURI-AMERICAN WATER COMPANY
Suite 500, Frederick Towers
2400 Frederick
St. Joseph, MO 64506
(816) 233-0257

Respectfully submitted,


Andy Snider,
Assistant General Counsel

Attorney for the Staff of
MISSOURI PUBLIC SERVICE
COMMISSION
P. O. Box 360
Jefferson City, MO 65102
(314) 751-4335


Carol Bjelland,
Assistant Public Counsel

Attorney for
OFFICE OF THE PUBLIC COUNSEL
P. O. Box 7800
Jefferson City, MO 65102
(314) 751-4857

FORM No. 13 P.S.C. MO. No. 1

(2nd Revised) SHEET No. 1

(XXXXXXX)

Cancelling P.S.C. MO. No. 1

(1st Revised) SHEET No. 1

(XXXXXXX)

MISSOURI-AMERICAN WATER COMPANY

For CITY OF ST. JOSEPH, MO. AND VICINITY

Name of Issuing Corporation

Community, Town or City
(ST. JOSEPH DISTRICT)

CLASSIFICATION OF SERVICE
GENERAL WATER SERVICE

Customer Charges

All metered general water service Customers shall pay the Customer charge based on the size of meter installed, set forth below.

<u>Size of Meter</u>	<u>Charge</u>	
	<u>Per Month</u>	<u>Per Quarter</u>
5/8 - inch	\$ 4.47	\$ 8.02
3/4 - inch	5.36	10.69
1 - inch	7.14	16.02
1 1/2 - inch	11.58	29.35
2 - inch	16.91	45.35
3 - inch	29.35	82.67
4 - inch	47.12	135.99
6 - inch	91.56	269.29
8 - inch	145.09	429.89

Meter Rates

The following shall be the rates for monthly and quarterly usage, subject to the customer charges provided for herein.

	<u>Cubic Feet Per Month</u>	<u>Cubic Feet Per Quarter</u>	<u>Rate Per 100 Cubic Feet</u>
For the First	100,000	300,000	\$.9922*
For all over	100,000	300,000	.4576*

*Indicates new rate or text

+Indicates change

DATE OF ISSUE June 25, 1987
month day year

DATE EFFECTIVE July 1, 1987
month day year

ISSUED BY S. W. Thornburg, President
name of officer

2707 Pembroke Ln., St. Joseph, MO.
address

title

FORM No. 13 P.S.C. MO. No. 2

(2nd Revised) SHEET No. 3

(XXXXXXX)

Cancelling P.S.C. MO. No. 2

(1st Revised) SHEET No. 3

(XXXXXXX)

MISSOURI-AMERICAN WATER COMPANY

For CITY OF JOPLIN, MO. AND VICINITY

Name of Issuing Corporation

Community, Town or City

(JOPLIN DISTRICT)

CLASSIFICATION OF SERVICE
GENERAL WATER SERVICE

Customer Charges

All metered general water service Customers shall pay the Customer charge based on the size of meter installed, set forth below.

<u>Size of Meter</u>	<u>Charge</u>	
	<u>Per Month</u>	<u>Per Quarter</u>
5/8 - inch	\$ 5.17	\$ 9.67
3/4 - inch	6.30	13.06
1 - inch	8.55	19.81
1 1/2 - inch	14.17	36.67
2 - inch	20.92	56.92
3 - inch	36.67	104.17
4 - inch	59.17	171.67
6 - inch	115.42	340.42
8 - inch	182.92	542.92

Meter Rates

The following shall be the rates for monthly and quarterly usage, subject to the customer charges provided for herein.

	<u>Cubic Feet</u> <u>Per Month</u>	<u>Per Quarter</u>	<u>Rate Per</u> <u>100 Cubic Feet</u>
For the first	60,000	180,000	\$.9659*
For all over	60,000	180,000	.4951*

*Indicates new rate or text

+Indicates change

DATE OF ISSUE June 25, 1987 DATE EFFECTIVE July 1, 1987
month day year month day year

ISSUED BY G. W. Thornburg, President 7th & Joplin Streets, Joplin, MO.
name of officer title address

ST. JOSEPH WATER COMPANY

Quarterly Bill Comparison
Usage in 100's of Cubic Feet

	A	B	C	D	E	
1	ST. JOSEPH WATER COMPANY 5/8 IN. METER					
2						
3	Usage	Current	Proposed	Difference	Percentage	
4		Rate	Rate			
5	=====					
6	3.00	11.13	11.00	-0.13	-1.1622%	
7	6.00	14.23	13.97	-0.26	-1.8171%	
8	9.00	17.34	16.95	-0.39	-2.2373%	
9	12.00	20.44	19.93	-0.52	-2.5299%	
10	15.00	23.55	22.90	-0.65	-2.7453%	
11	18.00	26.66	25.88	-0.78	-2.9105%	
12	21.00	29.76	28.86	-0.91	-3.0412%	
13	24.00	32.87	31.83	-1.03	-3.1472%	
14	27.00	35.97	34.81	-1.16	-3.2349%	
15	30.00	39.08	37.79	-1.29	-3.3087%	
16	33.00	42.18	40.76	-1.42	-3.3716%	
17	36.00	45.29	43.74	-1.55	-3.4259%	
18	39.00	48.40	46.72	-1.68	-3.4732%	
19	42.00	51.50	49.69	-1.81	-3.5148%	
20	45.00	54.61	52.67	-1.94	-3.5516%	
25-Jun-87	09:35 AM					Avg. Usage

JOPLIN WATER COMPANY

Quarterly Bill Comparison
Usage in 100's of Cubic Feet

	A	B	C	D	E	
1	JOPLIN WATER COMPANY 5/8 IN. METER					
2						
3	Usage	Current	Proposed	Difference	Percentage	
4		Rate	Rate			
5	=====					
6	3.00	12.70	12.57	-0.13	-1.0137%	
7	6.00	15.72	15.47	-0.26	-1.6371%	
8	9.00	18.75	18.36	-0.39	-2.0593%	
9	12.00	21.78	21.26	-0.51	-2.3641%	
10	15.00	24.80	24.16	-0.64	-2.5945%	
11	18.00	27.83	27.06	-0.77	-2.7749%	
12	21.00	30.85	29.95	-0.90	-2.9198%	
13	24.00	33.88	32.85	-1.03	-3.0389%	
14	27.00	36.91	35.75	-1.16	-3.1384%	
15	30.00	39.93	38.65	-1.29	-3.2228%	
16	33.00	42.96	41.54	-1.42	-3.2954%	
17	36.00	45.99	44.44	-1.54	-3.3584%	
18	<u>39.00</u>	<u>49.01</u>	<u>47.34</u>	<u>-1.67</u>	<u>-3.4136%</u>	
19	42.00	52.04	50.24	-1.80	-3.4624%	
20	45.00	55.07	53.14	-1.93	-3.5058%	
						Avg. Usage

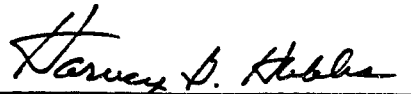
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STATE OF MISSOURI

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, this 26th day of June, 1987.



Harvey G. Hubbs

Secretary