BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

In the Matter of the General Rate Increase for Water and Sewer Service Provided by Missouri-American Water Company.	)))	**Case No. WR-2007-0216**

STAFF'S RESPONSE TO THE COMMISSION'S ORDER DIRECTING FILING OF SEPTEMBER 10, 2007

COMES NOW the Staff of the Missouri Public Service Commission, by and through the Commission's General Counsel, and for its Response to the Commission's Order Directing Filing of September 10, 2007, states as follows:

1. On September 10, 2007, the Commission directed its Staff to file:

> A. [A] revised reconciliation based upon the resolution of the issues embodied in the Non-Unanimous Stipulation and Agreement ("Agreement") filed on August 9. The reconciliation should mirror the format of the reconciliation Staff filed on July 30, reflecting all company-wide variables, not those specific only to the Joplin District. The Commission further directs its Staff to provide citations to the record identifying the relevant portions of the record supporting the derivation of the amounts used to determine the over-all revenue requirement for MAWC that was reached in the Agreement as will be reflected in the revised reconciliation.
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> B. [A] spread sheet settlement analysis, based upon the Agreement, as corrected for the adjustment to the cost of chemicals for Joplin, reflecting MAWC's revenue requirement as it was allocated on a District Specific basis. This analysis shall include the settled revenue requirement for each district, the settled revenue requirement as a percentage of system revenue, the rate base allocated to each district and percentage of system rate base per district.
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> C. [R]evised Accounting Schedules # 1 for each District, demonstrating the revenue requirement for each district as it was determined by the Agreement. For Joplin's District it shall file a Schedule # 1 demonstrating the contrast between the revenue requirement as determined by the Agreement and the variance created utilizing the allocation factors advocated by Joplin.

2. Attached hereto are documents prepared by Staff that are responsive to the Commission's first two directions in its Order of September 10, 2007, Paragraphs A and B, above.

3. As to the Commission's third direction in its Order of September 10, 2007, Paragraph C above, Staff states that it was not able to provide the requested information because Accounting Schedules reflecting the Nonunanimous Stipulation and Agreement (S&A) were not developed. Based on their assessment of litigation risk, the Parties negotiated the Total Company revenue requirement and an allocation of this amount to the individual districts, as reflected in Appendix A to the (S&A). The specific parameters, such as rate base and rate of return, were not specifically agreed to and are not available to facilitate the calculation of an Accounting Schedule # 1 for each individual district.

WHEREFORE, Staff urges the Commission to accept its foregoing Response to its Order Directing Filing of September 10, 2007, and to grant such relief as is just in the circumstances.

Respectfully submitted,

s/ Kevin A. Thompson
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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this **17th day of September, 2007,** to the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

s/ Kevin A. Thompson_____