

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

FILED
NOV 19 1999
Missouri Public
Service Commission

In the Matter of Missouri-American)	
Water Company's Tariff Sheets Designed)	
to Implement General Rate Increases for)	Case No. WR-2000-281
Water and Sewer Service provided to)	Case No. SR-2000-282
Customers in the Missouri Service Area)	
of the Company.)	

RECOMMENDATION CONCERNING PROPER TEST YEAR

COMES NOW Missouri-American Water Company ("MAWC" or "Company") and, pursuant to the Suspension Order and Notice and Order Consolidating Cases issued by the Missouri Public Service Commission ("Commission") in the above-captioned matter, makes the following recommendation concerning the proper test year for use in this case:

1. For purposes of the instant case, the Company proposes a test year consisting of the twelve months ended September 30, 1999, updated for the following isolated known and measurable changes:

- a) plant;
- b) revenues;
- c) property taxes;
- d) operation expenses;
- e) labor wage increases;
- f) rate case expenditures through the conclusion of the case;
- g) conversion from quarterly to monthly meter reading and billing in the St. Joseph District, effective with the Report and Order to be issued in this case (no later than September 14, 2000, the operation of law date); and,

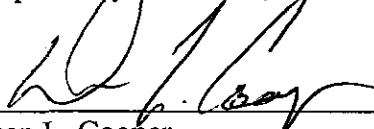
h) federal and state income taxes associated with the above items.

All of the foregoing items are addressed in the Company's prepared direct testimony and schedules which are being filed concurrently herewith.

2. By separate motion, the Company is also proposing a true-up audit and hearing, for certain items of revenue, expense and investment, as well as certain isolated items that will be known and measurable as of April 30, 2000. The Company is of the opinion that a test year, as proposed herein, including an update for the known and measurable changes enumerated above (and a true-up as requested by the separate motion), will reflect a proper matching of revenues, expenses and rate base and, thus, reflect the Company's true cost of service during the period of time that rates to be set in this proceeding will be in effect.

WHEREFORE, Company respectfully requests the Commission to issue its order adopting a test year for use in this case comprised of the twelve months ended September 30, 1999, updated for the known and measurable changes described herein, and for such other orders as are reasonable in the circumstances.

Respectfully submitted,



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ATTORNEYS FOR MISSOURI-AMERICAN
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Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand-delivered on this 19th day of November, 1999, to the following:

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