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September 18, 2000

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Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED²

SEP 18 2000

Missouri Public
Service Commission

RE: Case No. WR-2000-281

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Keith R. Krueger
Deputy General Counsel
(573) 751-4140
(573) 751-9285 (Fax)

KRK/dkf
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²

SEP 18 2000

Missouri Public
Service Commission

In the Matter of Missouri-American Water)
Company's Tariff Sheets Designed to)
Implement General Rate Increases for)
Water and Sewer Service Provided to)
Customers in the Missouri Service Area of)
the Company.)

Case No. WR-2000-281

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), and for its recommendation in this case, states to the Missouri Public Service Commission ("Commission") as follows.

1. In the attached Memorandum, which is labeled as Appendix A, the Staff recommends that the Commission grant approval of the tariff sheets filed by Missouri-American Water Company, as follows:

PSC Mo. No. 1

8th Revised Sheet No. 1, Cancelling 7th Revised Sheet No. 1
Original Sheet No. 1a
7th Revised Sheet No. 2, Cancelling 6th Revised Sheet No. 2.

PSC Mo. No. 2

8th Revised Sheet No. 3, Cancelling 7th Revised Sheet No. 3
2nd Revised Sheet No. 4, Cancelling 1st Revised Sheet No. 4
5th Revised Sheet No. 5, Cancelling 4th Revised Sheet No. 5
5th Revised Sheet No. A-1, Cancelling 4th Revised Sheet No. A-1
4th Revised Sheet No. A-2, Cancelling 3rd Revised Sheet No. A-2
4th Revised Sheet No. A-3, Cancelling 3rd Revised Sheet No. A-3
3rd Revised Sheet No. A-4, Cancelling 2nd Revised Sheet No. A-4
5th Revised Sheet No. B-1, Cancelling 4th Revised Sheet No. B-1
4th Revised Sheet No. B-2, Cancelling 3rd Revised Sheet No. B-2
4th Revised Sheet No. B-3, Cancelling 3rd Revised Sheet No. B-3

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3rd Revised Sheet No. B-4, Cancelling 2nd Revised Sheet No. B-4
5th Revised Sheet No. C-1, Cancelling 4th Revised Sheet No. C-1
4th Revised Sheet No. C-2, Cancelling 3rd Revised Sheet No. C-2
4th Revised Sheet No. C-3, Cancelling 3rd Revised Sheet No. C-3
3rd Revised Sheet No. C-4, Cancelling 2nd Revised Sheet No. C-4
6th Revised Sheet No. D-1, Cancelling 5th Revised Sheet No. D-1
4th Revised Sheet No. D-2, Cancelling 3rd Revised Sheet No. D-2
4th Revised Sheet No. D-3, Cancelling 3rd Revised Sheet No. D-3
1st Revised Sheet No. D-5, Cancelling Original Sheet No. D-5
5th Revised Sheet No. E-1, Cancelling 4th Revised Sheet No. E-1
4th Revised Sheet No. E-2, Cancelling 3rd Revised Sheet No. E-2
4th Revised Sheet No. E-3, Cancelling 3rd Revised Sheet No. E-3
Original Sheet No. E-4a

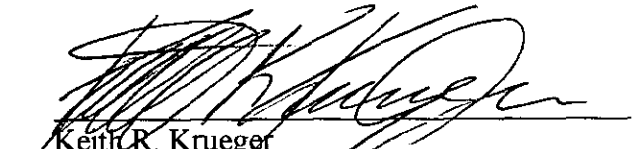
2. The Staff has examined the tariff filing and believes that it complies with the Commission's Report and Order, which was issued on August 31, 2000 and became effective on September 14, 2000, and with the Order of Clarification, which was issued on September 14, 2000 and becomes effective on September 22, 2000.

3. The Staff further believes that the Company's request for approval of the subject tariff sheets on less than 30 days notice is reasonable and appropriate, and that good cause exists for the Commission to grant the Company's Motion for Expedited Treatment.

WHEREFORE, The Staff recommends that the Commission issue an order approving the Company's tariff sheets, as identified herein, on an expedited basis, for service rendered on and after September 20, 2000.

Respectfully submitted,

DANA K. JOYCE
General Counsel

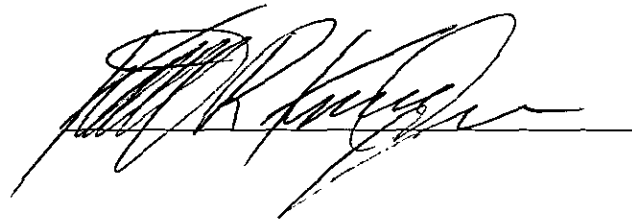


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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 18th day of September 2000.



MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. WR-2000-281; Tariff File No. 2001 00280
Missouri American Water Company

FROM: Dale Johansen – Project Coordinator

Wendell R. Hubbs – Water & Sewer Department

Dale Johansen 9/18/00
Project Coordinator/Date

[Signature] 9-18-00
General Counsel's Office/Date

SUBJECT: Staff's Recommendation for Approval of Revised Tariff Sheets Filed in Compliance with the Commission's Report and Order and Order of Clarification

DATE: September 18, 2000

On August 31, 2000, the Missouri Public Service Commission (Commission) issued a Report and Order (Order), in which it authorized water service rate changes for the Missouri-American Water Company ("Company") pursuant to its decisions in the Company's general rate case, Case No. WR-2000-281. As a part of its Order, the Commission authorized the Company to file revised tariff sheets consistent with the Order. On September 14, 2000, the Commission clarified its Order with the issuance of an Order of Clarification (Clarification).

On September 15, 2000, the Company filed revised tariff sheets intended to be in compliance with the Commission's Order and its Clarification issued in this case. The revised tariff sheets bore an issue date of September 15, 2000 and an effective date of October 15, 2000. However, as noted in its Motion for Expedited Treatment and Approval of Tariff Sheets that was also filed on September 15, the Company has requested that the subject revised tariff sheets be approved as soon as possible on less than 30 days notice.

The Company stated that it believes good cause exists for the expedited approval of the subject tariff sheets since such tariffs are in compliance with the Commission's Order and Clarification wherein the Commission determined that the Company is experiencing a significant revenue deficiency, and since such tariffs are beyond "the operation of law date" for the Company's general rate proceeding.

Also, on September 18, 2000, the Company submitted a substitute sheet for a sheet of the September 15, 2000 filing. This substitute sheet was necessary to correct a typographical error.

The Staff has reviewed the revised tariff sheets that the Company filed on September 15, 2000, and the substitute revised tariff sheet that the Company submitted on September 18, 2000, and believes they are in compliance with the Commission's Order and the Commission's Clarification. Additionally, the Staff believes that the Company's request for approval of the subject tariff sheets

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Official Case File Memorandum
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on less than 30 days notice is reasonable and appropriate. As a result, the Staff believes that good cause exists for the Commission to grant the Company's motion for expedited treatment and approval pursuant to Section 393.140(11), RSMo 1994.

Based upon the above, the Staff recommends that the Commission issue an Order approving the subject revised tariff sheets, on an expedited basis, to be effective for service rendered on and after September 20, 2000.

**Service List for
Case No. WR-2000-281, et al.
September 18, 2000**

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