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March 15, 2002

VIA UPS

FILED

MAR 18 2002

Mr. Dale Hardy Roberts
Secretary/Chief Administrative Law Judge
Missouri Public Service Commission
200 Madison Street, Suite 100
Jefferson City, Missouri 65101

**Missouri Public
Service Commission**

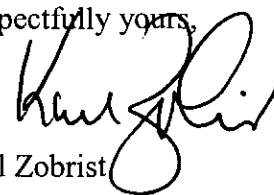
Re: In the Matter of Missouri-American Water Company's Tariff Sheets Designed to Implement General Rate Increases for Water and Sewer Service Provided to Customers in the Missouri Service Area of the Company
Case No.: WR-2000-281

Dear Mr. Roberts:

Enclosed for filing with the Commission are the original and eight (8) copies of the Response of City of St. Joseph to Order Setting Prehearing Conference and Directing Filing.

Please file-stamp the extra copy of the Response, and return it to me in the enclosed self-addressed stamped envelope. Should you or your staff have any questions concerning this matter, please do not hesitate to call me.

Respectfully yours,



Karl Zobrist

KZ/sm
Enclosures

cc: Mr. Keith R. Kreuger
Mr. Stuart W. Conrad
Mr. James B. Duetsch
Mr. John Coffman
Mr. James M. Fischer
Mr. Leland B. Curtis
Mr. W.R. England III

KC-955063-1

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

FILED

MAR 18 2002

**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

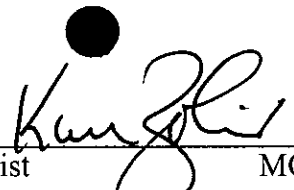
**RESPONSE OF CITY OF ST. JOSEPH TO ORDER
SETTING PREHEARING CONFERENCE AND DIRECTING FILING**

Intervenor City of St. Joseph states the following in response to the Commission's March 7, 2002 Order Setting Prehearing Conference and Directing Filing:

1. The issue litigated by the City of St. Joseph was whether the Commission should adhere to Single Tariff Pricing ("STP"). This was the philosophy followed by the Commission in recent years whereby the costs of Missouri American Water Company's seven unconnected districts were spread across the entire utility system. STP is viewed as the way to avoid rate shock when new plant is placed in rate base and promote rate stability. It creates a system of shared benefits and shared burdens in the infrastructure-intensive water industry. Instead, the Commission decided to move away from STP toward District Specific Pricing ("DSP").

2. The Cole County Circuit Court affirmed the DSP decision of the Commission, and the Court of Appeals expressed no opinion on the issue when it remanded all of the appellate proceedings back to the Commission.

3. Therefore, the City of St. Joseph has no comment or suggestions with regard to the issues which are before the Commission which do not concern the STP v. DSP controversy. It intends at this time only to monitor these proceedings.


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Attorneys for Intervenor
City of St. Joseph

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid,
this 15th day of March, 2002, to:

Keith R. Krueger
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P. O. Box 360
Jefferson City, Missouri 65102

John Coffman
Ruth O'Neill
Office of the Public Counsel
P.O. Box 7800
Jefferson City, Missouri 65102

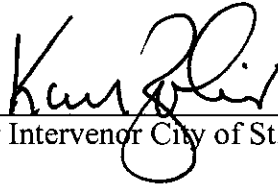
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