

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

AUG 25 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

ST. JOSEPH AREA PUBLIC WATER SUPPLY DISTRICTS'
RESPONSE AND/OR OBJECTIONS TO "STAFF'S REVISED LATE
FILED EXHIBIT SHOWING RATE IMPACT OF ITS PROPOSED
REVENUE REQUIREMENT AND RATE DESIGN"

COME NOW Intervenors Public Water Supply District No. 1 of Andrew County, Public Water Supply District No. 2 of Andrew County, Public Water Supply District No. 1 of DeKalb County, and Public Water Supply District No. 1 of Buchanan County (collectively referred to herein as "St. Joseph Area Public Water Supply Districts" or "Water Districts") and, pursuant to 4 CSR 240-2.080(16), respectfully submit their Response and Objections to the "Staff's Revised Late Filed Exhibit Showing Rate Impact of Its Proposed Revenue Requirement and Rate Design" filed in this matter on August 22, 2000. In support of its Response and Objections, the St. Joseph Area Public Water Supply Districts state as follows:

1. On August 17, 2000, the Commission issued its Order Directing Filing, in which it ordered the Staff to supplement the late-filed exhibit that the Staff filed on August 15, 2000, by revising its previous exhibit to follow the format of the exhibit prepared and submitted by Missouri-American Water Company ("Company"); by showing usage figures in thousands of gallons per

month¹; by showing the conversion factors used to convert figures from hundreds of cubic feet to thousands of gallons; and by showing rate effects according to both single tariff pricing and district specific pricing.

2. On August 21, 2000, the Staff filed a request for a one-day extension of the deadline (3:00 p.m. on August 21, 2000) to file the said late-filed exhibit, and alleged that the Staff did not propose single tariff pricing, and that it would be both impossible to show the rate effect according to single tariff pricing within the time allowed for doing so and also inconsistent with the Staff's rate design proposal as filed, which called for district specific pricing ("DSP").

3. On August 22, 2000, the Staff filed its revised late-filed exhibit, noting "... it attempts to comply with the Commission's Order Directing Filing, with the exception that the attached exhibit does not show rate effects according to single tariff pricing."

4. Not only are the rate effects according to single tariff pricing not shown in Staff's late-filed exhibit, nor are the rate effects shown which would result from district specific pricing absent Staff's interclass revenue shifts. As a result, the page of Staff's exhibit reflecting the St. Joseph District "Customer Rate" depicts the Sales for Resales Class receiving a horrendous 257.38% increase. And while the depiction of the astronomical increase from \$2,966.21 (average bill present rates) to \$10,600.76 is rate shock in the absolute extreme, Staff's figures do not depict the resulting impact on the rural water district residential end-user, as they do for the St. Joseph residential user.

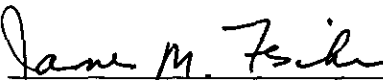
5. As reflected in the record evidence of this proceeding provided during the course of the Commission's Public Hearing conducted in St. Joseph, Missouri, the rates of these rural residential water district customers already are substantially higher than the Company's residential

¹The order requested that usage be shown in thousands of gallons per day and Staff assumed this was in error, thereby showing the usage in thousands of gallons per month.

customers: "Average residential use in the district [Public Water District No. 1 of DeKalb County, Missouri] is 5,650 gallons which cost the user \$38.19." (St. Joseph, Missouri Public Hearing, Tr. 45.) (Representative of the Water Districts, DeKalb County No. 1 has mostly rural residential users: 2, 148 users, 2,135 of which are residential customers. Tr. 45.) (See also, Tr. 488-89, Evidentiary Hearing.)

6. The St. Joseph Area Public Water Supply Districts believe the Commission should be fully informed and aware of the extreme rate impacts being proposed by the Staff and all implications of Staff's position, and it is unfortunate that Staff did not provide the Commission with resulting rate effects according to single tariff pricing or DSP without interclass revenue shifts.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing Initial Brief of St. Joseph Area Public Water Supply Districts has been hand-delivered or mailed, First Class mail, postage prepaid, this 25th day of August 2000, to:

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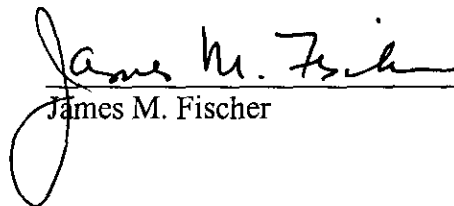
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