

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>3</sup>  
SEP 13 2000

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, et al.  
Water and Sewer Service Provided to )  
Customers in the Missouri Service Area )  
of the Company. )

**CITY OF JOPLIN'S APPLICATION FOR REHEARING  
OR RECONSIDERATION OF REPORT AND ORDER,  
ISSUED AUGUST 31, 2000**

**COMES NOW** Intervenor, City of Joplin, pursuant to Section 386.500, RSMo, and 4 CSR 240-2.160, and respectfully seeks rehearing or reconsideration of the August 31, 2000 Report and Order issued in this case on the following grounds:

The Commission's August 31, 2000 Report and Order at page 58 stated that "the Commission will move away from STP and toward DSP...MAWC, therefore, must set its rates separately for each service area in order to recover the appropriate revenue requirement for each service area." Having correctly concluded that DSP and not STP should be the basis for the rate design upon which the Company should set its rates separately for each district, however, the Commission then stated "in moving toward DSP, however, the Commission will adhere to the principle that no district will receive a rate decrease." The City of Joplin, Intervenor, requests rehearing or reconsideration on this last statement. Such sentence creates internal inconsistency in the Report and Order, and makes the Commission's otherwise valid Order unlawful, unjust and unreasonable.

Intervenor is aware of no "principle" that requires every district within MAWC's system to pay only its cost of service except the City of Joplin. Indeed, Joplin strongly argues there is no such

principle; and no authority is cited in the decision nor found in the law for this so-called "principle."

Applicant also requests rehearing or reconsideration of this exclusion of the Joplin district customers from its Order on the basis that no evidence supports this hybrid concoction of a rate design. The issues presented to the Commission required a choice between STP and DSP. (Report and Order, pp. 57-58.) The Commission, consistent with the overwhelming weight of the evidence, chose DSP because it is the superior rate design. No evidence in the case on DSP or STP supports singling out one district to overpay rates in comparison to all other districts; and requiring this calls into question what the Commission Order actually does. If the Commission means what it says about moving to cost-based rates (DSP), the single sentence excluding Joplin is contrary to that statement of principle. If the Commission insists on the exclusion of Joplin, that is not DSP but a new and heretofore unannounced version of STP. The sincerity of the Commission's movement to cost-based rates is in serious question if one district is left to continue to subsidize all or some others. No party has proposed or sponsored evidence supporting a shift to a new type of STP, where Joplin alone supports everyone. Rehearing or reconsideration should be granted to decide these issues and to remove the single sentence denying DSP rates to Joplin.

Although it sensibly found unacceptable MAWC's original rate proposal to overcharge many districts, the Commission's formulation now leaves only the Joplin district paying more than for the service it receives - - by approximately \$880,000.00 per year. No evidence in the record supports this result; nor is there any evidence in the record to support the conclusion that the rates ordered by the Commission under DSP can only apply if there is no decrease for Joplin to the appropriate DSP rate. The requirement imposed upon Joplin by the last sentence of the second paragraph on page 58 of the Report and Order is therefore also arbitrary and capricious, as well as unlawful, unjust and

unreasonable.

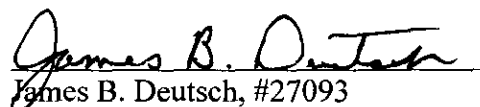
Furthermore, although the Commission's discussion of the lawfulness of STP in Missouri under Section 393.130, RSMo 1994, would be simply be considered unnecessary dicta in light of its sensible decision to utilize district specific pricing instead of single tariff pricing, the issue becomes once again alive and even more germane by the Commission's erroneous conclusion that now all districts except one will pay only for the service they receive, and that Joplin will subsidize either all or some of the other districts, or perhaps simply enrich MAWC by its payment of artificially high rates. No evidence supports the denial of the decrease in rates requested by Joplin. The Commission's own decision to utilize DSP supports such a decrease in rates for Joplin. The burden placed upon Joplin with the commensurate benefit bestowed upon the Company and the other districts, is specifically declared to be illegal under Section 393.130, RSMo. The Commission's denial of DSP rates to Joplin district customers should be reconsidered and withdrawn from the Report and Order, or a rehearing of this issue as relates to Joplin should be granted.

**WHEREFORE**, Intervenor City of Joplin requests rehearing or reconsideration of the Commission's August 31, 2000, Report and Order in this case.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the above and foregoing document were sent U.S. Mail, postage prepaid, to the following parties of record on this 13~~4~~ day of September, 2000:

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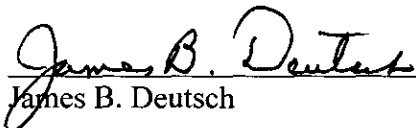
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