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**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 3rd
day of June, 1997.

In the Matter of the Application of)
Missouri-American Water Company for)
Authority (1) to Execute and Deliver)
a Twelfth Supplemental Indenture to)
its Indenture of Mortgage, Dated as)
of May 1, 1968, for the Purpose of)
Creating an Additional Series of its)
General Mortgage Bonds, 7.79% Series,)
due June 1, 2027, (2) to Issue and)
Sell at Private Sale \$8,000,000)
Principal Amount of Such Bonds, and)
(3) to Issue and Sell at Private Sale)
\$2,900,000 Aggregate Amount of Common)
Stock.)

CASE NO. WF-97-414

SUPPLEMENTAL ORDER OF CLARIFICATION

On May 27, 1997, the Commission issued its Order Approving Financing in this docket to grant approval for Missouri-American Water Company (Applicant) to issue General Mortgage Bonds, to execute a Twelfth Supplemental Indenture to its Indenture of Mortgage, and to issue Common Stock.

On May 29 Applicant filed a Motion for Supplemental Order and Expedited Consideration which requested specific language contained in item (c) in the prayer of Applicant's application which will authorize Applicant to mortgage its Missouri properties to secure the repayment of the General Mortgage Bonds. Applicant requested expedited consideration of its Motion because the closing of the financing is set for June 12.

The Commission has reviewed Applicant's Motion and finds that it is reasonable to clarify its Order Approving Financing and to grant a Supplemental Order as requested by Applicant. The Commission fully

intended to grant authority to Applicant to mortgage its Missouri properties pursuant to Ordered Paragraph 1 of the Order Approving Financing. Nevertheless, the Commission will clarify that Applicant is granted authority to create and make effective the lien of the St. Joseph Indenture dated May 1, 1968, as amended and supplemented, including by the Twelfth Supplemental Indenture, on the property of Applicant in the State of Missouri, to secure the new series of its General Mortgage Bonds, all in accordance with Section 393.190.1, RSMo 1994.

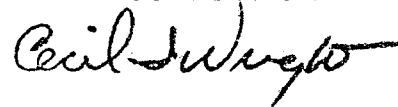
IT IS THEREFORE ORDERED:

1. That the Motion for Supplemental Order and Expedited Consideration filed by Missouri-American Water Company on May 29, 1997, is hereby granted.

2. That Missouri-American Water Company is granted authority to create and make effective the lien of the St. Joseph Indenture dated May 1, 1968, as amended and supplemented, including by the Twelfth Supplemental Indenture, on the property of Applicant in the State of Missouri, to secure the new series of its General Mortgage Bonds, all in accordance with Section 393.190.1, RSMo 1994.

3. That this order shall become effective on June 10, 1997.

BY THE COMMISSION



Cecil I. Wright
Executive Secretary

(S E A L)

Zobrist, Chm., Crumpton, Murray
and Drainer, CC., concur.

ALJ: George