

CURTIS, OETTING, HEINZ, GARRETT & SOULE, P. C.  
ATTORNEYS AT LAW

130 SOUTH BEMISTON, SUITE 200  
ST. LOUIS, MISSOURI 63105  
(314) 725-8788  
FACSIMILE (314) 725-8789

LELAND B. CURTIS

June 1, 2000

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
Truman State Office Building, 5th Floor  
301 West High Street  
Jefferson City, MO 65101


FILED<sup>2</sup>  
JUN 5 2000  
Missouri Public  
Service Commission

RE: Missouri-American Water Company  
Cause No. WR-2000-281 and SR-2000-282 (Consolidated)

Dear Mr. Roberts:

Enclosed please find an original and eight (8) copies of Statement of Position by Municipal and Industrial Intervenors in the above-referenced matter on behalf of City of O'Fallon, Missouri, City of Weldon Spring, Missouri, County of St. Charles, Missouri, City of St. Peters, Hawker Energy Products, Inc., Harmon Industries, Inc., Stahl Specialty Company, Swisher Mower and Machine Company, Inc., Central Missouri State University and City of Warrensburg, Missouri. Also enclosed is an additional copy to be filed-stamped and returned to me in the enclosed self-addressed stamped envelope. This was filed by e-mail on May 30, 2000 and copies were mailed to all parties of record.

Very truly yours,

  
Leland B. Curtis

LBC:tm  
Enclosures

STATE OF MISSOURI  
MISSOURI PUBLIC SERVICE COMMISSION

FILED<sup>2</sup>  
JUN 5 2000

Missouri Public  
Service Commission

In the Matter of Missouri-American Water	)	
Company's Tariff Sheets Designed to	)	Case Nos.: WR-2000-281
Implement General Rate Increases for Water	)	SR-2000-282
and Sewer Service provided to Customers	)	(Consolidated)
in the Missouri Service Area of the Company	)	

**STATEMENT OF POSITION BY**  
**MUNICIPAL AND INDUSTRIAL INTERVENORS**

Come now Intervenor City Of Warrensburg, Missouri, City Of Joplin, Missouri, City Of St. Peters, Missouri, City Of O'Fallon, Missouri, City Of Weldon Spring, Missouri, St. Charles County, Missouri, Central Missouri State University, Hawker Energy Products, Inc., Harmon Industries, Inc., Stahl Specialty Company, Swisher Mower And Machine Company, And St. Joseph Industrial Water Users and pursuant to the earlier order of the Commission provide their statement of positions on the issues that have heretofore been identified as follows:

1. **Issue 1. Accounting Authority Order.** The Commission should not issue an accounting authority in this proceeding because the investment in the new St. Joseph water treatment facility was not unexpected not extraordinary.

2. **Issue 2. Premature Retirement.** The Municipal and Industrial Intervenor take no position on this issue.

3. **Issue 3. AFUDC Capitalization Rate.** The Municipal and Industrial Intervenor take no position on this issue.

177

4. **Issue 4. St. Joseph Treatment Plant and Related Facilities ("SJTP")**

**Valuation.** While the Municipal and Industrial Intervenors have not presented a witness on this issue, they generally concur with the position taken by the St. Joseph Industrial Intervenors.

5. **Issue 5. SJTP Capacity.** The Municipal and Industrial Intervenors take no position on this issue.

6. **Issue 6. Deferred Taxes.** The Municipal and Industrial Intervenors take no position on this issue.

7. **Issue 7. Return on Equity.** The Municipal and Industrial Intervenors take no position on this issue.


8. **Issue 8. Rate Design.**

- a. **Issue 8a. Single Tariff Pricing, District Specific Pricing or Compromise.** District Specific Pricing is not only correct, but the only lawful means of establishing the rates for this utility. This means that costs and rate base that are directly associated with the provision of service to a particular district should be charged only to that district as supported by Mr. Harwig's testimony. Administrative and general costs should be allocated on a consistent and proper basis to each district, thereby allocating to each district the scale economies of such combined operations as supported by Mr. Harwig. See Issue 8b.
- b. **Issue 8b. Allocation of Corporate District Expense.** These costs should be allocated to the respective districts on the basis proposed by Mr. Harwig.

- c. **Issue 8c. Allocation of Cost/Revenue Among Classes.** Having once established the proper district specific cost of service for each district, the costs **within that district** should be allocated to (and rates should be designed to recover from) the respective classes of customers within that district using the base-excess methodology with district-specific allocators. An approach that uses company-wide base-excess allocators misallocates costs. The proposal of Public Counsel to further adjust base-excess allocators is mistaken and should be rejected.
- d. **Issue 8d. Phase-In.** The Municipal and Industrial Intervenors support the three year phase-in of new rates as proposed by Mr. Harwig in his Direct Testimony and in Schedule 5-RD.

Respectfully submitted,

CURTIS, OETTING, HEINZ,  
GARRETT, & SOULE, P.C.

By:   
Leland B. Curtis, #20550  
130 South Bemiston, Suite 200  
Clayton, Missouri 63105  
Telephone: (314) 725-8788  
Facsimile: (314) 725-8789

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 30th day of May, 2000, serviced the foregoing pleading by U.S. Mail, postage prepaid addressed to the following persons:



Leland B. Curtis

Mr. John Coffman  
Mr. Shannon Cook  
Assistant Public Counsel  
Office of the Public Counsel  
P. O. Box 7800  
Jefferson City, MO 65102

Mr. William R. England, III  
Mr. Dean L. Cooper  
Brydon, Swearingen & England, P.C.  
312 East Capitol Avenue  
P. O. Box 456  
Jefferson City, MO 65102-0456

Mr. James B. Deutsch  
Mr. Henry Herschel  
Blitz, Bardgett & Deutsch, L.C.  
308 East High Street, Suite 301  
Jefferson City, MO 65101

Mr. James M. Fischer  
Attorney at Law  
101 W. Main McCarty St., Suite 215  
Jefferson City, MO 65101

Mr. Louis J. Leonatti  
Leonatti & Baker, P.C.  
123 E. Jackson Street  
P. O. Box 758  
Mexico, MO 65265

Mr. Chuck D. Brown  
303 East Third Street  
P. O. Box 1355  
Joplin, MO 64802-1355

Mr. Stuart Conrad  
Finnegan, Conrad & Peterson, L.C.  
3100 Broadway, Suite 1209  
Kansas City, MO 64111

Ms. Diana Vuylsteke, Attorney  
Bryan Cave, LLP  
One Metropolitan Square, Suite 3600  
St. Louis, MO 63102-2750

Mr. Karl Zobrist, Attorney  
Blackwell Sanders Peper Martin, LLP  
Two Pershing Square  
2300 Main, Suite 1100  
Kansas City, MO 64108

Mr. Keith Krueger  
Assistant General Counsel  
Missouri Public Service Commission  
Truman Office Building - R530  
P. O. Box 360  
301 West High Street  
Jefferson City, MO 65102-0360

Mr. Joseph W. Moreland  
Mr. Martin W. Walter  
Blake & Uhlig, P.A.  
2500 Holmes Road  
Kansas City, MO 64108

Mr. Charles B. Stewart  
Stewart & Keevil  
1001 E. Cherry Street, Suite 302  
Columbia, MO 65201

General Counsel  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102-0360

Office of the Public Counsel  
P. O. Box 7800  
Jefferson City, MO 65102