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May 30, 2000

Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102

**FILED<sup>2</sup>**  
MAY 30 2000  
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

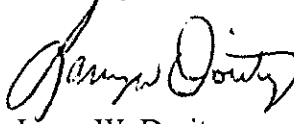
Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter are the original and eight (8) copies of the **St. Joseph Area Public Water Supply Districts Statement of Positions**. A copy of the foregoing Statement of Positions has been hand-delivered or mailed this date to all parties of record.

Pursuant to the Commission's December 27, 1999, Order Adopting Procedural Schedule, this document also is being filed electronically with Judge Thompson at [ktomp099@mail.state.mo.us](mailto:ktomp099@mail.state.mo.us).

Thank you for your attention to this matter.

Sincerely,

  
Larry W. DORITY

Enclosures

cc: Missouri PSC General Counsel  
Missouri Office of the Public Counsel  
All Parties of Record

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>

MAY 30 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**  
**Statement of Positions**

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"), and for their Statement of Positions state as follows:

1. On May 25, 2000, the Missouri Public Service Commission Staff filed, on behalf of all parties, a proposed list of issues to be considered by the Commission in this proceeding. The St. Joseph Area Public Water Supply Districts' position on those issues are as follows:

- a. **Accounting Authority Order. Should MAWC be allowed to include in the cost of service, through rate base and expense adjustments, amounts related to post-in-service AFUDC and deferred depreciation expense for the period from the in-service date of the new St. Joseph water treatment plant to the operation of law date in this case?**

The St. Joseph Area Public Water Supply Districts take no position on this issue.

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- b. **Premature Retirement.** Shall the net plant investment associated with the existing St. Joseph water treatment plant facilities that are no longer providing service to St. Joseph customers be included in MAWC's rate base and amortized to expense?

The St. Joseph Area Public Water Supply Districts take no position on this issue.

- c. **AFUDC Capitalization Rate.** Should MAWC's rate base be adjusted to reflect a different capitalization rate for AFUDC?

The St. Joseph Area Public Water Supply Districts take no position on this issue.

- d. **St. Joseph Treatment Plant and Related Facilities ("SJTP") Valuation.** What valuation should be included in rate base for the water treatment plant and related facilities necessary to provide water for the St. Joseph District?

The St. Joseph Area Public Water Supply Districts believe the Commission should include in rate base only those expenditures associated with the St. Joseph treatment plant that the Commission determines, based upon the competent and substantial evidence, are reasonable and prudent. The Water Districts have not taken a position regarding the appropriate valuation or capacity for the SJTP to be included in rates at this time. However, the Water Districts reserve the right to participate in the hearings on these issues and assert a position at the conclusion of the evidentiary hearings.

- e. **SJTP Capacity.** What is the appropriate capacity for SJTP that should be included in rate base?

See Statement of Position (d) above.

- f. **Deferred Taxes.** Should MAWC's rate base be adjusted to reflect the amount of deferred taxes existing on the books of Missouri Cities Water Company prior to its acquisition by MAWC? Is so, what is the appropriate adjustment?

The St. Joseph Area Public Water Supply Districts take no position on this issue.

g. **Return on Equity. What return on equity is appropriate for MAWC?**

The St. Joseph Area Public Water Supply Districts take no position on this issue.

h. **Rate Design.**

i. **Single Tariff Pricing, District Specific Pricing or Compromise. Shall MAWC's rates be designed consistent with a "single-tariff" rate design, "district-specific" rate design, or some other methodology?**

The St. Joseph Area Public Water Supply Districts support the continuation of MAWC's rates being designed consistent with the "single-tariff" rate design.

ii **Allocation of Corporate District Expense. What is the proper allocation of MAWC's corporate district investment and expense?**

The St. Joseph Area Public Water Supply Districts take no position on this issue at this time.

ii **Allocation of Cost/Revenue Among Classes. On what basis shall the portion of revenues to be borne by MAWC's various customer rate classes be determined?**

The St. Joseph Area Public Water Supply Districts support an across the board increase in rates in this case, with any adjustments to the relationships among individual class rates to be considered in subsequent rate cases.

iv. **Phase-In. Should MAWC's rate increase be phased in over a number of years? If so, what is the appropriate "phase-in" amount, and what is the appropriate phase-in period?**

The St. Joseph Area Public Water Supply Districts believe that, due to the magnitude of possible rate increases and the resulting rate shock that would be experienced by customer classes, a phase-in mechanism is certainly appropriate in this proceeding. At this time, the Water Districts

have not taken a position on the appropriate amount or period of time for such phase-in.

WHEREFORE, the St. Joseph Area Public Water Supply Districts respectfully submit these statements of their position on the issues.

Respectfully submitted,



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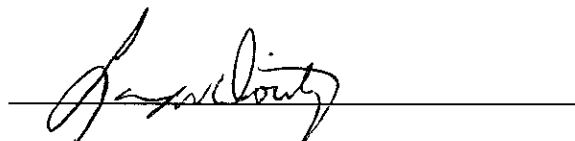
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Water Supply Districts

### Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 30<sup>th</sup> day of May, 2000.



**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY**

**CASE NO. WR-2000-281**

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