

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

IN THE MATTER OF MISSOURI-AMERICAN)	
WATER COMPANY FOR AUTHORITY TO)	
FILE TARIFFS REFLECTING INCREASED)	CASE NO. WR-2003-0500
RATES FOR WATER AND SEWER)	
SERVICE)	

**STATEMENT OF POSITION ON ISSUES BY
THE ST. JOSEPH WATER RATE COALITION**

The St. Joseph Water Rate Coalition states the following in regard to its positions on the disputed issues:

1. Pensions: The Coalition takes no position on this issue.
2. Capital Structure: The Coalition, through its testimony of witness Stephen D. Wurtzler, favors using the capital structure for Missouri-American Water Company, the position generally taken by the Company and by the Office of the Public Counsel (“OPC”).
3. Cost of Capital: The Coalition, through the testimony of Mr. Wurtzler, believes the cost of capital should be in the range of 7.33% to 7.54%. The Coalition recommends a return on common equity in the range of 9.25% to 9.75%.
4. Interest Synchronization: The Coalition takes no position.
5. Belleville Laboratory Costs: The Coalition takes no position.
6. National Call Center: The Coalition takes no position.
7. Transition Costs – National Shared Services Center: The Coalition takes no position.
8. American-Water Resources: The Coalition takes no position.
9. Acquisition Costs and Transaction Adjustment: The Coalition, through the testimony of Mr. Wurtzler, contends that no acquisition adjustment should be allowed.

10. AFUDC: The Coalition takes no position.
11. Security AAO: The Coalition takes no position.
12. Employee Expenses: The Coalition takes no position.
13. Lobbying: The Coalition takes no position.
14. Dues and Donations: The Coalition takes no position.
15. Transportation Expense: The Coalition takes no position.
16. Old St. Joseph Plant Retirement: The Coalition agrees with the position of Staff.
17. New St. Joseph Plant Capacity Costs: The Coalition agrees with the position of Staff. It also refers the Commission to the testimony of Mr. Scot Van Meter relating to the assessed value of the new plant for tax purposes.
18. Depreciation Rates Applied to Depreciable Plant: The Coalition takes no position.
19. Depreciation Rates – Accounting for Cost of Removal Net of Salvage: The Coalition takes no position.
20. Depreciation Rates – Appropriate Asset Lives: The Coalition takes no position.
21. St. Louis District – Reserve Deficiency Amortization: The Coalition takes no position.
22. Rate Design – Allocation of Costs Among MAWC Districts: The Coalition's position, as reflected in the testimony of Ms. M. Dianne Drainer, favors the methodologies that allocate costs on a district-specific basis and opposes any subsidization by the St. Joseph District to any other district.

23. Rate Design – Allocation of Costs Among Customer Classes Within Each District: The Coalition favors the base-extra capacity method, but reserves the right to inquire into all aspects of the allocation of costs to the customer classes within each district.

24. Rate Design for Each Customer Class: Consistent with Ms. Drainer’s testimony, the Coalition contends that the Commission should increase or decrease each rate block of each customer class by the same percentage in order to assure that each customer in a class of service receives the same percentage impact on the commodity charged. With regard to the monthly minimum charge, the Coalition favors the methodology proposed by Staff Witness Hubbs.

25. Rate Design – Revenue Contribution Among Districts to Mitigate Impact of New Rates: The Coalition opposes any such revenue contribution.

26. Rate Design – Consolidated Billing: The Coalition takes no position.

27. Rate Design – Interruptible Rate: The Coalition takes no position.

28. Rate Design – Customer Class Definitions: The Coalition also contends that the Company must be ordered to provide adequate definitions of customer classes in the tariffs.

The Coalition does not take a position on any of the remaining issues contained in the Issues List.

WHEREFORE, the St. Joseph Water Rate Coalition requests that the Commission accept its Position Statement and render a decision in this matter consistent with those positions.

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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing was mailed, postage prepaid, this 9th day of December, 2003, to:

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