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June 1, 2000

VIA UPS

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
Truman State Office Building, Room 530  
301 W. High Street  
Jefferson City, Missouri 65101

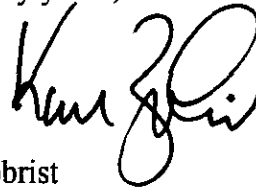
Re: Missouri American Water Co.  
Case No.: WR-2000-281

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

Dear Mr. Roberts:

Enclosed for filing is an original plus eight copies of Intervenor City of St. Joseph's Statement of Positions. Copies have been sent to all parties of record. Please file-stamp the extra copy and return it to me in the enclosed self-addressed stamped envelope. Thank you very much for your assistance.

Very truly yours,



Karl Zobrist

KZ/sm  
Enclosures

cc: All Parties of Record

KC-762340-1

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>3</sup>

JUN 02 2000

Missouri Public  
Service Commission

In the Matter of )  
Missouri-American Water Company's )  
Tariff Sheets Designed To Implement )  
General Rate Increases For Water ) Case No.: WR-2000-281  
Service Provided To Customers )  
In The Missouri Service Area Of The Company )

**INTERVENOR CITY OF ST. JOSEPH STATEMENT OF POSITIONS**

Intervenor City of St. Joseph states the following for its Statement of Positions:

1. On May 25, 2000, the Staff of the Missouri Public Service Commission filed, on behalf of all parties, a proposed list of issues to be considered by the Commission in this proceeding. The position of the City of St. Joseph on those issues is 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 City of St. Joseph takes no position on this issue.

- 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 City of St. Joseph takes 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 City of St. Joseph takes 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 City of St. Joseph states that the Commission should include in rate base only those expenditures associated with the St. Joseph Treatment Plant that the Commission determines, based upon competent and substantial evidence, were reasonably and prudently incurred. The City of St. Joseph has not taken a position regarding the appropriate valuation for the SJTP to be included in rates.

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

The City of St. Joseph has not taken a position regarding the appropriate capacity for the SJTP to be included in rates.

- 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? If so, what is the appropriate adjustment?**

The City of St. Joseph takes no position on this issue.

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

The City of St. Joseph takes 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 City of St. Joseph supports the continuation of MAWC's rates being designed consistent with a "single-tariff" rate design.

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

The City of St. Joseph takes no position on this issue.

- iii. **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?**

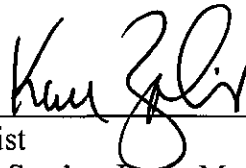
The City of St. Joseph supports an across the board increase in rates in this case, with any adjustments to the relationships among individual class rates to be considered in subsequent rate or rate design cases.

- 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 City of St. Joseph states the potential size of rate increases and the resulting rate shock that it could cause clearly calls for the Commission to implement a suitable phase-in mechanism. The City of St. Joseph has not taken a position on the appropriate phase-in amount or phase-in period.

WHEREFORE, the City of St. Joseph respectfully submits this Statement of Position on the issues.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this 1<sup>st</sup> day of June, 2000, served the foregoing by U.S. Mail, postage prepaid, addressed to the following persons:

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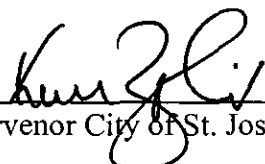
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