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August 4, 2003

Dale Hardy Roberts
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

FILED³

AUG 04 2003

**Missouri Public
Service Commission**

Re: Case No. WR-2003-0500

Dear Mr. Roberts:

Enclosed for filing on behalf of Missouri-American Water Company, please find an original and eight (8) copies of a Response to Office of Public Counsel's Motion to Set Local Public Hearings and Staff Recommendation Regarding Local Public Hearings.

Would you please see that this filing is brought to the attention of the appropriate Commission personnel.

I thank you in advance for your cooperation in this matter.

Sincerely yours,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:



Sondra B. Morgan

SBM/lar

Enclosure

cc: Parties of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³
AUG 04 2003

In the Matter of Missouri-American Water)
Company for Authority to File Tariffs)
Reflecting Increased Rates for Water)
and Sewer Services.)

Case No. WR-2003-0500

**Missouri Public
Service Commission**

**RESPONSE OF MISSOURI-AMERICAN WATER COMPANY
TO OFFICE OF PUBLIC COUNSEL'S MOTION TO SET
LOCAL PUBLIC HEARINGS AND STAFF RECOMMENDATION
REGARDING LOCAL PUBLIC HEARINGS**

Comes now Missouri-American Water Company (MAWC) and for its Response to Office of Public Counsel's (Public Counsel) Motion to Set Public Hearings and Staff Recommendation Regarding Local Public Hearings states to the Missouri Public Service Commission (Commission) as follows:

1. On July 31, 2003, Public Counsel filed its Motion to Set Local Public Hearings in the above-captioned matter proposing the following dates and locations for local public hearings:

- A. Brunswick: Sept. 3 (afternoon) (location to be determined);
- B. St. Charles: Sept. 8 (afternoon) at the St. Charles County government center;
- C. St. Louis County: Sept. 8 (evening) at the Commission's St. Louis office;
- D. St. Joseph: Sept. 10 (evening) at the City Council Chamber;
- E. Warrensburg: Sept. 16 (evening) at the Municipal Building, 102 S. Holden Street;
- F. Mexico: Sept. 15 (day) (location to be determined);
- H. Jefferson City: Sept. 15 (evening) Commission hearing room;
- I. Joplin: Sept. 23 (evening) at the Joplin Municipal Building, 303 East 3rd Street.

Public Counsel's motion correctly notes that prior to filing its motion, Public Counsel contacted all of the parties to the case regarding this proposal and that all parties, other than Staff (and perhaps Riverside), have agreed to this proposed schedule of local public hearings.

2. On the same day (i.e., July 31, 2003), Staff filed its Recommendation Regarding

Local Public Hearings in which it indicates no objection regarding local public hearing dates, times and places recommended by Public Counsel for the Brunswick, St. Charles, St. Louis County and Warrensburg areas. However, Staff suggests that the dates for the Parkville/St. Joseph, Mexico/Jefferson City, and Joplin local public hearing dates be set in October "because Staff believes that these service areas will be the most affected by any proposed rate increase in this case, and thus customers in these areas will be most concerned with the Staff's position on the appropriate revenue requirement for Missouri-American Water Company (MAWC)." Staff therefore recommends local public hearings for Parkville/St. Joseph, Mexico/Jefferson City, and Joplin as follows:

October 7, 2003

Platte County (Riverside water and Parkville sewer)(noon hour) at Riverside City Hall and St. Joseph (evening) at the City Council Chamber.

October 14, 2003

Joplin (evening) at the Joplin Municipal Building, 303 East Third Street.

October 16, 2003

Mexico (noon hour) at the City Council Chamber.
Jefferson City (evening) Commission Hearing Room.

3. For its Response, MAWC reiterates its support for the local public hearing dates, times and places proposed by Public Counsel in its Motion and, further, states its opposition to the alternative, local public hearing dates proposed by Staff for the Parkville/St. Joseph, Mexico/Jefferson City, and Joplin areas.

4. As an initial matter, MAWC notes that there is no objection to local public hearing dates, times and places proposed by Public Counsel for the Brunswick, St. Charles, St. Louis County and Warrensburg areas and, therefore requests the Commission to issue its order as

soon as possible adopting those dates, times and places. MAWC's request for an expedited order is based on the fact that these public hearings are scheduled September 3, 8, and 16, 2003; which means there is less than thirty (30) days before the first hearing and little more than thirty (30) days before the next two hearings for MAWC to prepare and send customer notice to approximately 334,000 customers in St. Louis, 27,800 customers in St. Charles, 6,300 customers in Warrensburg and 500 customers in Brunswick. MAWC needs to know at the earliest possible time that these dates are acceptable to the Commission so that it may begin the process of printing and mailing the notices in order for its customers to receive them at least ten days prior to each hearing as required by the Commission.

5. MAWC is opposed to Staff's suggestion to hold public hearings in the Parkville/St. Joseph, Mexico/Jefferson City and Joplin areas on October 7, 14 and 16, 2003. Staff's rationale for holding local public hearings after its October 3, 2003, direct testimony filing is so customers in these locations will be advised of Staff's position regarding a rate increase in those locations before the public will testify. Ideally, under that rationale, all local public hearings should be held after October 10, 2003, when all parties have not only filed their revenue requirement testimony but their proposed rate design testimony as well. Only at that time will all customers be advised of all proposals affecting their rates. However, time simply does not permit the holding of local public hearings after the filing of Staff's and other parties' direct testimony in this case (i.e., October 3 and 10, 2003). More importantly, Staff's recommendation will have a substantial and adverse impact upon MAWC's ability to review and analyze the direct testimony and exhibits of Staff and other parties and adequately prepare for the Prehearing Conference which is set to begin October 20, 2003. Under the current schedule,

MAWC only has nine (9) and four (4) business days (excluding weekends and holidays) to review and analyze Staff's and other parties' direct testimony regarding revenue requirements and rate design prior to the commencement of the Prehearing Conference. Staff's proposed local public hearing dates of October 7, 14, and 16, 2003, will eliminate three of those days, because many of the same people involved in reviewing and analyzing the direct testimony and exhibits would also be required to attend the local public hearings. In short, there is simply not enough time between the dates for filing of Staff's and other parties' direct testimony and the commencement of the prehearing conference to accommodate Staff's proposal for local public hearings without prejudicing the ability of MAWC (and possibly other parties) to have an adequate opportunity to prepare for the Prehearing Conference.

6. As a final matter, MAWC would note that Staff, unlike Public Counsel, made no effort to discuss its proposed procedural schedule with MAWC (or perhaps any of the other parties) and, more importantly, that no other party concurs in Staff's proposal. Accordingly, it is not clear that Staff's proposed dates are convenient or workable for all of the other parties.

WHEREFORE, MAWC respectfully requests the Commission 1) issue its order establishing local public hearings for the Brunswick, St. Charles, St. Louis County and Warrensburg areas as quickly as possible; 2) issue its order granting Public Counsel's Motion to Set Local Public Hearings for the Parkville/St. Joseph, Mexico/Jefferson City, and Joplin areas; and 3) issue such other orders as are reasonable in the circumstances.

Respectfully submitted,

W.R. England, III by Sandra Morgan

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 4th day of August, 2003.

Sandra Morgan

Sondra B. Morgan

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Case No. WR-2003-0500

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