

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

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| In the matter of the Petition of Missouri- |) | |
| American Water Company for Approval |) | <u>Case No. WO-2007-0043</u> |
| to Change its Infrastructure System |) | (Tariff File No. YW-2007-0244) |
| Replacement Surcharge (ISRS). |) | |

RECOMMENDATION FOR APPROVAL OF REVISED TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its Recommendation for Approval of Revised Tariff Sheet ("Recommendation") states the following to the Missouri Public Service Commission ("Commission").

1. On October 12, 2006 (unless noted otherwise, all dates herein refer to the year 2006), the Commission issued its **Order Approving Infrastructure System Replacement Surcharge But Rejecting Tariff** in this case, in which, among other things, it rejected Missouri-American Water Company's ("Company") originally-proposed revised ISRS tariff sheet and authorized the Company to file a new revised ISRS tariff sheet consistent with the order.

2. On October 13, the Company filed a new revised ISRS tariff sheet intended to be in compliance with the Commission's October 12 order. The subject tariff sheet bore an issue date of October 13 and an effective date of November 13, and was assigned Tariff File No. YW-2007-0244.

3. In conjunction with the filing of the subject revised ISRS tariff sheet, the Company filed a Motion to Expedite Treatment, in which it requested that the tariff sheet be approved on less than 30-days notice, specifically to be effective as of October 23.

4. On October 13, the Commission issued an order directing the Staff to file its recommendation regarding approval of the subject revised ISRS tariff sheet no later than October 18.

5. The Staff has reviewed the subject revised ISRS tariff sheet, and hereby states that it believes the tariff sheet complies with the Commission's October 12 order. (Dale Johansen of the Water & Sewer Department performed the review of the subject tariff sheet for the Staff.)

6. In addition to the above, the Staff believes that the Company's request for approval of the subject revised ISRS tariff sheet on less than 30-days notice is reasonable in this instance, in that the tariff sheet was filed in compliance with a Commission order, and does in fact comply with that order. As a result, the Staff believes that good cause exists for expedited approval of the subject tariff sheet pursuant to Section 393.140(11), RSMo 2000.

7. Upon Commission approval of the subject tariff sheet, no further action will be needed in this case and the case may thus be closed.

WHEREFORE, the Staff respectfully recommends that the Commission issue an order that: (a) approves the tariff sheet pending in Tariff File No. YW-2007-0244 to be effective on October 23, 2006; and (b) closes this case.

Respectfully Submitted,

/s/ Keith R. Krueger

Keith R. Krueger
Deputy General Counsel
Missouri Bar No. 23857

Attorney for the Staff of the
Missouri Public Service Commission

P.O. Box 360
Jefferson City, MO 65102
573-751-4140 (telephone)
573-751-9285 (facsimile)
keith.krueger@psc.mo.gov (e-mail)

CERTIFICATE OF SERVICE

I hereby certify that copies of this Recommendation have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 17th day of October 2006.

/s/ Keith R. Krueger