

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

In the Matter of the tariff filing of)	
Algonquin Water Resources of Missouri,)	
LLC to implement a general rate increase)	Cases Nos. WR-2006-0425
for water and sewer service provided)	SR-2006-0426
to customers in its Missouri service areas.)	

ALGONQUIN’S RESPONSE TO ORDER DIRECTING FILING

Comes now Algonquin Water Resources of Missouri, LLC (Algonquin or Company), and, in response to the Missouri Public Service Commission’s (Commission) Order Directing Filing, issued February 6, 2007, states as follows:

1. On February 6, 2007, the Commission issued its Order Directing Filing wherein it directed Algonquin to report certain valuations of its properties by February 13, 2007. In doing so, the Commission cited to pages 83-84 of the transcript. That portion of the transcript reflects that Chairman Davis requested assessed valuations for the Algonquin properties at the three resorts (which will encompass five utility systems).

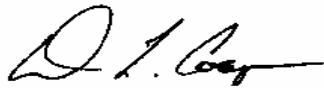
2. Algonquin would note that the tax filings distinguish between real and personal property, a distinction that is not made within the rate making context when referring to rate base. Additionally, the taxing authorities utilize depreciation rates that are unrelated to the depreciation rates used by the Commission.

3. Attached hereto are the 2006 tax documents that Algonquin has filed in, and received from, Stone County (Ozark Mountain Resort – water and sewer systems), Taney County (Holiday Hills Resort – water system only) and Jefferson County (Timber Creek Resort – water and sewer systems). These documents are identified as **Appendix A** (Ozark Mountain),

Appendix B (Holiday Hills) and **Appendix C** (Timber Creek).

WHEREFORE, the Company respectfully requests that the Commission consider this Response to comply with the Commission's Order Directing Filing.

Respectfully submitted,



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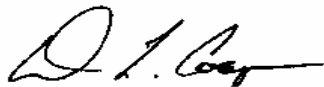
ATTORNEYS FOR ALGONQUIN WATER
RESOURCES OF MISSOURI, LLC

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 13th day of February, 2007, to:

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