

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

<b>In the Matter of the General</b>	)	
<b>Rate Increase for Water and Sewer</b>	)	<b>Case No. WR-2007-0216</b>
<b>Provided by Missouri-American Water</b>	)	
<b>Company</b>	)	

**PREHEARING BRIEF  
OF CITY OF PARKVILLE, MISSOURI**

Comes now the CITY OF PARKVILLE, MISSOURI ("Parkville") and for its prehearing brief states its position as follows regarding the following issues contained in the List Of Issues:

**REVENUE REQUIREMENT**

Parkville agrees with Staff on the Revenue Requirement Issues.

**RATE DESIGN/COST OF SERVICE:** Parkville witness Don Johnstone.

Rate Design/Cost of Service: How should any revenue increase for MAWC that results from this case be implemented in rates?

**Response:** Through District Specific Pricing for each district.

District Pricing v. Other: What is the appropriate way to allocate costs among MAWC's various operating districts:

**Response:** Through District Specific Pricing for each district.

District Specific Costs: What are the costs of each district?

**Response:** The reasonable and necessary costs actually incurred to provide water service in each district plus a reasonable allocation of corporate costs.

District Specific Revenues: What are the normalized revenues associated with each district?

**Response:** Parkville agrees with Staff on this issue.

Class Identification/Cost of Service: What is the appropriate way in which to identify classes and to allocate costs among customer classes within each operating district?

**Response:** Absent any reasonable basis for assigning customers to classes and serving them at different rates, it is Parkville's position that such practice is undue discrimination and violates Sections 393.130 and 140. The seminal case of *State ex rel Laundry, Inc. v. Public Service Commission*, 34 S.W. 2d 37 (Mo. 1931) teaches that it is unlawful discrimination to charge two customers whose usage characteristics are substantially the same different rates when the only difference between the customers is that one, a laundry, "makes clothes clean" while the other, a manufacturer, "makes clean clothes." There is no demonstrable basis in the Parkville District to have different classes without proof that the usage characteristics of the classes differs. Parkville now has seven classes of customers but the rates and rate blocks for each class have been identical since the last rate case as it should be. It is time to do away with the myth of classes in Parkville and tell it like it is - there is only one class of customers and each customer should and does pay the same rate for his or her usage within the established usage blocks. In other words, a residential customer who uses 100,000 gallons a month does and should pay the same rate as an industrial customer or any other customer who uses 100,000 gallons a month until such time as there are classifications based on

differing usage characteristics, which cause the company more to serve one customer than the other.

Although Parkville only addresses limited issues in this Prehearing Brief, it reserves the right as a party herein, to fully participate in the evidentiary hearings to be held herein.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.

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ATTORNEYS FOR CITY OF PARKVILLE,  
MISSOURI

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have this 2nd day of August, 2007, served the foregoing Application to Intervene by electronic delivery to all parties of record.

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Jeremiah D. Finnegan,  
Attorney for Intervenor