

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

In the Matter of the General Rate Increase)	
for Water and Sewer Service Provided)	Case No. WR-2007-0216
by Missouri-American Water Company.)	SR-2007-0217

**LIST OF ISSUES, ORDER OF WITNESSES
AND ORDER OF CROSS-EXAMINATION**

Comes now Missouri-American Water Company (MAWC or Company), and states as follows to the Missouri Public Service Commission (Commission):

1. On February 22, 2007, the Commission issued its *Order Adopting Procedural Schedule and Approving Motion to Modify Suspension Order and Notice*. Therein, the Commission directed that the parties file by July 30, 2007, a Final List of Issues, List of Witnesses, Order of Cross-Examination, Order of Opening, Final Reconciliation. On July 30, 2007, the Commission issued its order extending the deadline for this filing to August 1, 2007.

2. The following parties are referenced by this pleading: Missouri-American Water Company (MAWC), the Staff of the Commission (Staff), Office of the Public Counsel (Public Counsel), Utility Workers Union of America Local 335 (UWUA Local 335), City of Joplin (Joplin), AG Processing Inc. (AGP), Missouri Energy Group (MEG), City of Warrensburg (Warrensburg), Public Water Supply District Nos. 1 and 2 of Andrew County and Public Water Supply District No. 1 of DeKalb County (Water Districts), Missouri Industrial Energy Consumers (MIEC), City of St. Joseph (St. Joseph), Metropolitan St. Louis Sewer District (MSD), City of Jefferson (Jefferson City), the City of Parkville (Parkville) and the Home Builders Association of St. Louis and Eastern Missouri, Inc. (HBA).

3. Following is the list of issues and schedules that has been assembled by MAWC after the receipt of comments from parties to this case:

LIST OF ISSUES

REVENUE REQUIREMENT

Rate of Return Issues

Return on Common Equity: What return on common equity should be used for determining MAWC's rate of return?

Capital Structure: What capital structure should be used for determining MAWC's rate of return?

Revenue Issues

Revenue Normalization (Weather): What is the appropriate weather-normalized revenue to be included in MAWC's cost of service?

Revenue Annualization: What is the appropriate level of customers and water usage revenues to be used in determining MAWC's test year annualized revenue?

AWR Compensation to MAWC: What amount of revenues, if any, should be included in MAWC's cost of service as compensation for services provided to American Water Resources by MAWC?

Expense Issues

Depreciation: What are the appropriate depreciation rates to be applied to MAWC's depreciable plant?

Pension/OPEB Methodology: How should pension and OPEB expense be treated for purposes of the revenue requirement and how should it be accounted for on a going forward basis?

Amortization of Pension/OPEB assets: What is the appropriate level of expense to be included in MAWC's cost of service related to recovery of the regulatory asset created by the transition to accrual accounting for pensions and OPEBs?

Insurance Other than Group: What is the appropriate level of expense to be included in MAWC's cost of service related to insurance other than group?

Uncollectible-Present Rates: What amount of uncollectibles/bad debt should be included in MAWC's cost of service?

Uncollectible-Rate Increase: Should the uncollectibles/bad debt expense be adjusted to reflect the total revenues, including any rate increase in Missouri jurisdictional retail revenues awarded in this proceeding?

Audit Fees: What is the appropriate level of expense to be included in MAWC's cost of service related to audit fees for Sarbanes-Oxley compliance?

Tank Painting Expense: What is the appropriate level of expense to be included in MAWC's cost of service related to tank painting expense?

Capitalized Software: Should any of the costs associated with computer software and/or maintenance agreements be capitalized? If so, what amount?

Incentive Compensation: What is the appropriate amount of costs associated with MAWC's incentive compensation plan that MAWC should recover from its customers?

External Affairs: What is the appropriate level of expense to be included in MAWC's cost of service related to its external affairs department/employees?

Overtime Hours: What is the appropriate level of expense to be included in MAWC's cost of service related to employee overtime?

Fuel & Power/Chemicals Due to Unaccounted-for Water: What is the appropriate amount of fuel & power/chemical expenses to be included in MAWC's cost of service for weather-normalized sales?

Belleville Lab: What is the appropriate amount of costs to be included in MAWC's cost of service for its use of the Belleville Laboratory facility?

Management Fees Capitalized: Should some portion of the management fee paid by MAWC be capitalized? If so, what amount?

Rate Base Issues

Warren County Sewer Plant and Cedar Hill Sewer Plant: Should the entire cost of construction of the Warren County and Cedar Hill sewer plants be included in plant in service?

Shared Services and Call Center Transition Costs: What is the appropriate way in which to recognize the costs which MAWC has incurred in transitioning to its National Shared Services Center and Call Center?

Cash Working Capital (Management Fee lag): What is the appropriate amount to be included in MAWC's rate base for cash working capital as it relates to the management fees expense lag?

Rate base for security deferral: Should the unamortized balance of deferred Security costs be included in rate base?

RATE DESIGN/COST OF SERVICE

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

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

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

Allocations: What is the appropriate basis upon which to allocate MAWC Corporate Administrative and General Expenses to the various districts?"

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

Joplin Overcharge (WR-2000-281 Appeal): Should an adjustment be made related to the appeal of Commission Case No. WR-2000-281? If so, what adjustment should be made?

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?

MISCELLANEOUS

Jefferson City Issues: Are MAWC's Jefferson City facilities adequate as related to back-up power generation, storage and small main replacement?

Joplin Surcharge: Should MAWC be allowed to implement its proposed Joplin plant improvement surcharge?

Consolidated Billing: Should the proposed consolidated billing tariff be approved?

Triumph Foods/ St. Joseph Issue: Should an adjustment be made associated with the rate paid by Triumph Foods, LLC in St. Joseph?

Union Training Issues: Are MAWC's efforts in regard to asbestos-cement and led jointed piping adequate and appropriate? Confidentiality of Payroll? Proper Allocation of Funds from the Rate Increase to Ensure the Provision of Safe & Adequate Service?

Customer Charge Revenue: Should there be any adjustment related to the capacity charge MAWC has proposed in Case No. ST-2007-0443?

ORDER OF ISSUES AND WITNESSES

4. With input from the parties, the following order of issues and witnesses and order of cross-examination has been assembled. There has been an attempt to accommodate witness availabilities in this schedule; however, unforeseen eventualities may prompt parties to request changes to the below schedule.

Monday, August 6, 2007, 8:30 a.m.

Make Entries of Appearance

Mark Exhibits

Take Up Any Outstanding Matters

Opening Statements¹

MAWC

Staff

Public Counsel

UWUA Local 335

Joplin

AGP

MEG

Warrensburg

Water Districts

MIEC

St. Joseph

MSD

Jefferson City

Parkville

HBA

Return on Equity and Capital Structure (Rate of Return Issues)

Pauline Ahern (MAWC)²

James M. Jenkins (MAWC)

David Murray (Staff)

Michael Gorman (MIEC) (*will stand cross-examination on all issues when he appears on the rate design issues starting August 13, 2007*)

Tuesday, August 7, 2007, 8:30 a.m.

¹ The parties may reserve their opening statements on the rate design/cost of service issues until the commencement of hearings on those issues on August 13, 2007.

² Ms. Ahern will need to leave by close of business on Tuesday, August 7, 2007.

Return on Equity and Capital Structure (Rate of Return Issues) continued

Wednesday, August 8, 2007, 8:30 a.m.

Shared Services and Call Center Transition Costs

James M. Jenkins (MAWC)
Edward J. Grubb (MAWC)
Lisa Hanneken (Staff)

Cash Working Capital (Management Fee lag)

Edward J. Grubb (MAWC)
Lisa Hanneken (Staff)

Rate base for security deferral

Edward J. Grubb (MAWC)
Stephen M. Rackers (Staff)

Thursday, August 9, 2007, 8:30 a.m.

Jefferson City Issues (Back-up power generation, Storage and Small Main Replacement)

Robert F. Rennick (Jefferson City)
Greg A. Weeks (MAWC)

Pension/OPEB (Asset and methodology)

Edward J. Grubb (MAWC)
Jeremy Hagemeyer (Staff)

Union Training Issue

Alan Ratermann (UWUA Local 335)
Cindy Hebenstreit (MAWC)
Greg Weeks (MAWC)

Friday, August 10, 2007, 8:30 a.m.

Warren County/ Cedar Hill Treatment Plant

James A. Merciel, Jr. (Staff)
Stephen M. Rackers (Staff)
Alan J. DeBoy (MAWC)

James M. Jenkins (MAWC)

Insurance Other than Group

Edward J. Grubb (MAWC)
Jeremy Hagemeyer (Staff)

Audit Fees

Edward J. Grubb (MAWC)
Lisa Hanneken (Staff)

Tank Painting Expense

Donald J. Petry (MAWC)
Jeremy Hagemeyer (Staff)

Capitalized Software

Edward J. Grubb (MAWC)
Jeremy Hagemeyer (Staff)

Recess until 8:30 a.m., Monday, August 13, 2007

Monday, August 13, 2007, 8:30 a.m.

Rate Design/Cost-of-Service

Paul R. Herbert (MAWC)
James M. Jenkins (MAWC)
James Russo (Staff)
Barbara A. Meisenheimer (Public Counsel)
Donald E. Johnstone (AGP/Parkville)
Michael Gorman (MIEC) (*will stand cross-examination on all issues at this time*)
Leslie Jones (Joplin) (*will appear on August 14, 2007 and will stand cross-examination on all issues at that time*)

Tuesday, August 14, 2007, 8:30 a.m.

Rate Design/Cost-of-Service continued

Wednesday, August 15, 2007, 8:30 a.m.

Triumph Foods/ St. Joseph Issue

Donald E. Johnstone (AGP/Parkville)

Paul Herbert (MAWC)
Edward Grubb (MAWC)
James Russo (Staff)

Joplin Surcharge

James M. Jenkins (MAWC)
Alan DeBoy (MAWC)
Stephen M. Rackers (Staff)
Russell W. Trippensee (Public Counsel)

Consolidated Billing

Edward J Grubb (MAWC)
Michael Gorman (MIEC)

Thursday, August 16, 2007, 8:30 a.m.

Depreciation

John J. Spanos (MAWC)
Guy Gilbert (Staff)
Michael Gorman (MIEC)
Leslie Jones (Joplin) (*will stand cross-examination on all issues when she appears on August 14, 2007*)

Revenues

Edward L. Spitznagel, Jr. (MAWC)
Dennis L. Patterson (Staff)
Roberta Grissum (Staff)³

AWR Compensation to MAWC

Edward J. Grubb (MAWC)
John Cassidy (Staff)

Friday, August 17, 2007, 8:30 a.m.

Belleville Lab

Edward J. Grubb (MAWC)
John Cassidy (Staff)

³ Ms. Grissum will not be available on August 16, 2007. Thus, any cross-examination parties have for her concerning revenues will be addressed during one of the other times she will be on the witness stand.

Fuel & Power/Chemicals Due to Unaccounted-for Water

Greg A. Weeks (MAWC)
Roberta Grissum (Staff)
Leslie Jones (Joplin) (*will stand cross-examination on all issues when she appears on August 14, 2007*)

Uncollectibles

Donald J. Petry (MAWC)
Roberta Grissum (Staff)
Russell Trippensee (Public Counsel)

Incentive Compensation

Donald J. Petry (MAWC)
Lisa Hanneken (Staff)

External Affairs

Edward J. Grubb (MAWC)
Donald J. Petry (MAWC)
Lisa Hanneken (Staff)

Overtime Hours

Donald J. Petry (MAWC)
Lisa Hanneken (Staff)

Management Fees Capitalized

Edward J. Grubb (MAWC)
Lisa Hanneken (Staff)

ORDER OF CROSS-EXAMINATION

MAWC witnesses

HBA, Jefferson City, Warrensburg, St. Joseph, Water Districts, Joplin, MSD, MEG, UWUA
Local 335, Parkville, MIEC, AGP, Public Counsel, Staff

Staff witnesses

HBA, Jefferson City, Warrensburg, St. Joseph, Water Districts, Joplin, MSD, MEG, UWUA
Local 335, Parkville, MIEC, AGP, Public Counsel, MAWC

Public Counsel witness

HBA, Jefferson City, Warrensburg, St. Joseph, Water Districts, Joplin, MSD, MEG, UWUA

Local 335, Parkville, MIEC, AGP, Staff, MAWC

MIEC witness

HBA, Jefferson City, Warrensburg, St. Joseph, Water Districts, Joplin, MSD, MEG, UWUA
Local 335, Parkville, AGP, Public Counsel, Staff, MAWC

AGP/Parkville witness

HBA, Jefferson City, Warrensburg, St. Joseph, Water Districts, Joplin, MSD, MEG, UWUA
Local 335, MIEC, Public Counsel, Staff, MAWC

UWUA Local 335 witness

HBA, Jefferson City, Warrensburg, St. Joseph, Water Districts, Joplin, MSD, MEG, Parkville,
MIEC, AGP, Public Counsel, Staff, MAWC

Jefferson City witness

HBA, Warrensburg, St. Joseph, Water Districts, Joplin, MSD, MEG, UWUA Local 335,
Parkville, MIEC, AGP, Public Counsel, Staff, MAWC

Joplin witness

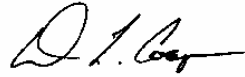
HBA, Jefferson City, Warrensburg, St. Joseph, Water Districts, MSD, MEG, UWUA Local 335,
Parkville, MIEC, AGP, Public Counsel, Staff, MAWC

MSD witnesses

HBA, Jefferson City, Warrensburg, St. Joseph, Water Districts, Joplin, MEG, UWUA Local 335,
Parkville, MIEC, AGP, Public Counsel, Staff, MAWC

WHEREFORE, MAWC respectfully request that the Commission consider this pleading to comply with the Commission's relevant orders.

Respectfully submitted,



William R. England, III MBE#23975
Dean L. Cooper Mo. Bar 36592
BRYDON, SWEARENGEN & ENGLAND P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102-0456
Telephone: (573) 635-7166
Facsimile: (573) 635-0427
trip@brydonlaw.com
dcooper@brydonlaw.com

ATTORNEYS FOR MISSOURI-AMERICAN
WATER COMPANY

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 1st day of August, 2007, to:

Kevin Thompson
General Counsel's Office
Kevin.Thompson@psc.mo.gov

Christina Baker
Office of the Public Counsel
christina.baker@ded.mo.gov

Michael A. Evans
Hammond, Shinnars, et al.
mevans@hstly.com

Marc H. Ellinger
Blitz, Bardgett & Deutsch
MEllinger@blitzbardgett.com

Stuart Conrad
Finnegan, Conrad & Peterson
stucon@fcplaw.com

Lisa C. Langeneckert
The Stolar Partnership
llangeneckert@stolarlaw.com

Leland B. Curtis
Curtis, Heinz, et al.
lcurtis@lawfirmemail.com

James M. Fischer
Fischer & Dority
jfischerpc@aol.com

William D. Steinmeier
William D. Steinmeier, P.C.
wds@wdspe.com

Diana M. Vuylsteke
Bryan Cave, L.L.P.
dmvuylsteke@bryancave.com

Byron E. Francis
Armstrong Teasdale LLP
bfrancis@armstrongteasdale.com

Mark W. Comley
Newman, Comley & Ruth
comleym@ncrpc.com

Jeremiah Finnegan
Finnegan, Conrad & Peterson
jfinnegan@fcplaw.com

Robert L. Hess II
Husch & Eppenberger
robert.hess@husch.com

