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October 29, 1999

FILED[3]
OCT 2 9 1999
Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Truman State Office Building, 5th floor
Jefferson City, MO 65102

Re: Case No. AX-2000-113

Dear Secretary Roberts:

Enclosed for filing please find an original and fourteen copies of the comments of Missouri-American Water Company regarding the Commission's proposed rulemaking in the above case. Will you please see to it that this matter is properly filed and brought to the attention of the Commission.

Thank you for your assistance and cooperation.

Very truly yours,

Brydon, Swearengen & England, P.C.
Attorneys for Missouri-American
Water Company
By: Richard T. Ciottone, Of Counsel
MBE#21530
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P.O. Box 456
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Two copies of the foregoing have on this date been sent by prepaid U.S. Mail to the Office of Public Counsel, and a copy has been provided to the General Counsel of the Staff of the Commission.

10-29-99

FILED[3]
OCT 2 9 1999
Missouri Public Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of the comments of Missouri-American Water Company regarding proposed rule changes in 4 CSR 240-2.065.	))))	Case No. AX-2000-113

COMMENTS REGARDING PROPOSED RULEMAKING

Comes now Missouri-American Water Company, ("Water Company") and for its comments regarding the proposed changes to the Commission's Rules of Practice and Procedure in 4 CSR 240-2.065, states as follows:

1. Water Company is a corporation organized and existing under the laws of the State of Missouri, and a Water Corporation subject to the jurisdiction of the Missouri Public Service Commission ("Commission").

2. Water Company objects to certain proposed rules in 4 CSR 240-2.065, to wit (all references hereafter are to 4 CSR 240-2.065 unless otherwise specified):

Subsection (1) requires that "Any public utility which submits a general rate increase request shall simultaneously submit its direct testimony with the tariff." Historically, testimony was filed upon the issuance of direction from the Commission. The filing could be thirty to sixty days following the filing of tariffs. This proposed requirement, in and of itself, is not unworkable. But if there is to be an acceleration of the process, it should benefit all the parties:

A. Advancing the process by 30 to 60 days, should lead in at least some instances, to tariff approval in less than eleven months. The audit could begin immediately upon filing, instead of weeks or months later. The time value of money is critical. This factor should not simply be ignored in the pursuit of administrative relaxation of time constraints applicable to the utility.

B. It is well understood in the process, that the utility's direct testimony typically has marginal relevance in ultimate determinations. The normal scenario

concentrates on the adjustments in the direct testimony of Staff, Public Counsel and Intervenors, versus the utility's rebuttal to those adjustments. The utility's rebuttal testimony cannot be started until the direct testimony adjustments from the other parties are disclosed. The time allowed for this preparation has on occasion been less than two weeks. If testimony filing and preparation is to be expedited, it is critical that the utilities similarly benefit from the acceleration. If direct testimony filing is to be accelerated, under no circumstances should the time allowed for rebuttal by the utility be less than one month following receipt of the direct testimony of Staff, Public Counsel and Intervenors.

3. Generally, the proposed changes proffered by the Commission, including those in the various sections and subsections of 4 CSR 240-2.065, are difficult to evaluate. This is because the Commission has chosen to advance its propositions without describing those sections that are intended to remain unchanged. The interrelationship between proposed changes and matters unchanged is therefore difficult to ascertain. Other agencies use a system of deletions and additions with such devices as italics or black lining. The Commission is encouraged to emulate the methods of other agencies, as the cost and efficiency of the presentation would be more than outweighed by the cost and efficiency of the analyses by affected parties.

WHEREFORE, Water Company prays that modifications be made to the Commission's proposed rules in accordance with the Comments herewith presented.

Respectfully submitted,

Brydon, Swearengen & England, P.C.
Attorneys for Missouri-American
Water Company
By: Richard T. Ciottone, Of Counsel
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CERTIFICATE OF SERVICE

Two copies of the foregoing have on this date been sent by prepaid U.S. Mail to the Office of Public Counsel, and a copy has also been provided to the General Counsel of the Staff of the Commission.

10-29-99