

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 31st day
of May, 2007.

In the Matter of Missouri-American Water Company's)	
Filing of Revised Sewer Tariff Sheets to Implement a)	<u>Case No. ST-2007-0443</u>
Capacity Charge for Missouri-American's Warren)	Tariff Nos. JS-2007-0713
County and Jefferson County Sewer Districts)	and JS-2007-0714

In the Matter of Missouri-American Water Company's)	
Request for Authority to Implement a General Rate)	<u>Case No. WR-2007-0216</u>
Increase for Water Service Provided in its Missouri)	
Service Areas)	

ORDER SUSPENDING TARIFFS AND SCHEDULING A CONFERENCE

Issue Date: May 31, 2007

Effective Date: June 1, 2007

On May 21, 2007, the Office of the Public Counsel filed a motion asking the Commission to suspend two tariffs submitted by Missouri-American Water Company, and to consolidate consideration of those tariffs into Missouri-American's existing rate case. The challenged tariffs would impose a \$5,500 per residence capacity charge in its Jefferson County and Warren County sewer districts, and are currently set to go into effect on June 1. So that it could promptly act on Public Counsel's motion to suspend, the Commission ordered any party wishing to respond to that motion to do so no later than 1:00 p.m. on May 29.

Acting separately from Public Counsel, on May 25, the Home Builders Association of St. Louis and Eastern Missouri, Inc. (HBA) objected to Missouri-American's proposed tariff, and asked the Commission to suspend that tariff. The initial objection and request to

suspend was filed in the name of Home Builders of Greater St. Louis, Inc. A First Amended Objection and Request for Suspension of Tariff Filings was filed on May 29 to correct the name of the Association. That amended pleading was accompanied by a motion for leave to file, which will be granted.

On May 29, Missouri-American, HBA, and the Commission's Staff filed timely responses to Public Counsel's motion to suspend and consolidate. Staff agrees with Public Counsel that more time is needed to study the tariff and recommends that it be suspended. Staff does not oppose Public Counsel's motion to consolidate consideration of this tariff with the ongoing rate case. HBA, of course, supports suspension of the tariff, but opposes consolidation with the rate case. Missouri-American defends the appropriateness of its tariffs and opposes consolidation with the rate case.

Public Counsel suggests this case be consolidated with the ongoing Missouri-American rate case, Case No. WR-2007-0216, so the Commission can consider all relevant factors and thereby avoid the specter of single-issue ratemaking. In opposing such consolidation, Missouri-American contends the capacity charges are unrelated to the issues pending in the rate case since they cannot go into effect until after the end of the true-up period in the rate case. Furthermore, Missouri-American argues the amounts to be collected from the proposed capacity charges are essentially contributions of capital in aid of construction and are not associated with operating costs. Therefore, it contends the Commission can consider all relevant factors in this case, without engaging in prohibited single-issue ratemaking. Missouri-American also agrees with HBA that it would not be practical to include this new issue in the rate case at this late stage of that proceeding.

The Commission finds that these tariffs warrant more consideration than can be given them before their June 1 effective date. Therefore, the tariffs will be suspended for 120 days, as permitted by Section 393.150, RSMo 2000.

The Commission will schedule a conference at which the parties will be given an opportunity to discuss these tariffs and the procedural schedule the Commission should follow in reviewing these tariffs. The Commission will defer ruling on the motion to consolidate until after that conference.

IT IS ORDERED THAT:

1. The tariff sheets issued on April 2, 2007, by Missouri-American Water Company, and assigned Tariff No. JS-2007-0713, are suspended for a period of 120 days beyond June 1, 2007, to September 29, 2007, or until otherwise ordered by this Commission. The tariff sheets suspended are:

PSC Mo. - No 8

Jefferson County (Cedar Hill) District
Original Sheet No. 4a
Original Sheet No. 16a
Original Sheet No. 16b
Original Sheet No. 16c

2. The tariff sheets issued on April 2, 2007, by Missouri-American Water Company, and assigned Tariff No. JS-2007-0714, are suspended for a period of 120 days beyond June 1, 2007, to September 29, 2007, or until otherwise ordered by this Commission. The tariff sheets suspended are:

PSC Mo. - No 7

Warren County (Incline Village et al.) District
Original Sheet No. 9a
Original Sheet No. 9b
Original Sheet No. 9c

3. Home Builders Association of St. Louis and Eastern Missouri, Inc.'s Motion for Leave to File First Amended Objection and Request for Suspension of Tariff Filings is granted.

4. A conference will take place on June 18, 2007, beginning at 10:00 a.m. The conference will be held in Room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. This conference will be held in a building that meets accessibility standards required by the Americans with Disabilities Act. If you need additional accommodations to participate in this conference, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 before the conference.

5. This order shall become effective on June 1, 2007.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton,
and Appling, CC., concur.

Woodruff, Deputy Chief Regulatory Law Judge