

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

In the Matter of Missouri-American)
Water Company's Request for Authority)
To Implement a General Rate Increase)
For Water Service Provided in Missouri)
Service Areas.)

Case No. WR-2007-0216

STAFF'S TEST YEAR AND TRUE-UP RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through the Commission's General Counsel, and for its Test Year and True-up Recommendations, states as follows:

1. Staff has no objection to Company's proposed test year, the twelve months ending June 30, 2006.

2. Staff proposes that the test year be updated for known and measurable changes through December 31, 2006.

3. Staff states that it does not yet have a position as to Company's request for a true-up audit and hearing, with a stated list of accounts trued-up to May 31, 2007. Until Staff has conducted its audit of Company's books and records, Staff cannot know whether a true-up is indicated in this case or which accounts should be trued-up. Staff states that it will provide a statement of its position as to Company's true-up request simultaneously with its revenue requirement direct testimony filing herein.

WHEREFORE, Staff prays that the Commission will accept its Test Year and True-up Recommendation; and grant such other and further relief as the Commission deems just in the premises.

Respectfully submitted,

s/ Kevin A. Thompson_____
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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this **23rd day of January, 2007**, to the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

s/ Kevin A. Thompson_____
