BEFORE THE PUBLIC SERVICE COMMISSION
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

PREHEARING BRIEF
OF THE MISSOURI ENERGY GROUP

On December 15, 2006, the Missouri-American Water Company ("MAWC") submitted to the Missouri Public Service Commission ("Commission") certain proposed tariff sheets to implement a general rate increase for water service to customers in its Missouri service area.

In its *Order Adopting Procedural Schedule and Approving Motion to Modify Suspension Order and Notice* issued February 22, 2007 the Commission established July 30, 2007 as the deadline for prehearing briefs. In it's *Order Granting Extension Time to File the Final List of Issues, List of Witnesses, Order of Opening Statements, and Final Reconciliation, Position Statements (Optional) and Prehearing Briefs* dated July 30, 2007, the Commission extended the prehearing brief deadline to August 2, 2007.

Although the MEG only addresses limited issues in this Prehearing Brief, it reserves the right to address other issues in the hearing in this case.

Rate of Return Issues

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

Response: *MEG agrees with Staff on this issue*

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?*

Response: *MEG agrees with MIEC on this issue*

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

Response: *MEG agrees with Staff on this issue*

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

Response: *MEG agrees with Staff on this issue*

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

Response: *MEG 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: *MEG agrees with Staff on this issue*

Miscellaneous

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

Response: *Yes and it should be implemented in this case for all eligible customers, not just new customers that are eligible*

WHEREFORE, the MEG prays that the Commission issue a decision consistent with its recommendations herein.

Respectfully Submitted,

THE STOLAR PARTNERSHIP LLP

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CERTIFICATE OF SERVICE

Pursuant to 4 CSR 240-2.080 of the Commission's Rules of Practice and Procedure, I hereby certify that I have this day caused a copy of the foregoing to be served on all persons on the official service list in Docket No. WR-2007-0216 by electronic means or by U.S. mail, postage prepaid.

Dated at St. Louis, Missouri this 3rd day of August, 2007

Lisa C. Langeneckert