

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

| | | |
|--|---|-------------------------------------|
| In the Matter of Missouri-American Water |) | <u>Case No. WR-2008-0311</u> |
| Company's Request for Authority to Implement |) | consolidated with SR-2008-0312 |
| a General Rate Increase for Water and Sewer |) | Tariff Nos. YW-2008-0588, 0589, |
| Service Provided in Missouri Service Areas |) | 0591, 0592, 0593 and 0594 and |
| |) | SR-2008-0595, 0596 and 0597 |

SUSPENSION ORDER AND NOTICE, ORDER SETTING HEARINGS,
ORDER DIRECTING FILING, AND ORDER CONSOLIDATING CASES

Issue Date April 3, 2008

Effective Date: April 3, 2008

On March 31, 2008, Missouri-American Water Company submitted to the Missouri Public Service Commission certain proposed tariff sheets, Tariff File Nos. YW-2008-0588, YW-2008-0589, YW-2008-0591, YW-2008-0592, YW-2008-0593, YW-2008-0594, SR-2008-0595, SR-2008-0596 and SR-2008-0597. The purpose of the filing is to implement a general rate increase for water and sewer service provided by the company. Missouri-American states that the revised water rates are designed to provide an additional \$49,622,515, or an increase of 26.4%, in gross annual water revenues (excluding gross receipts and taxes). The company also states that the revised sewer rates are designed to provide an additional \$133,012, or an increase of 28.7%, in gross annual sewer revenues (excluding gross receipts and taxes).

The rate schedules attached to Missouri-American's filing bear an issue date of March 31, 2008 and an effective date of April 30, 2008. Together with its proposed tariff sheets and other minimum filing requirements, the company also filed prepared direct testimony in support of its requested rate increase.

In order to allow sufficient time to study the effect of the proposed tariffs sheets and to determine if they are just, reasonable and in the public interest, the proposed tariff sheets will be suspended for a period of 120 days beyond the requested effective date. Furthermore, because a hearing on this matter can not be concluded within the period of suspension, the Commission will suspend the proposed tariff sheets for an additional six months beyond the 120th day following the requested effective date.¹

Missouri-American shall file any request for a true-up no later than two weeks after the date of this order. Any true-up request must include a proposed date to which the company's financial data is to be brought forward. The company's proposal should also specify a complete list of accounts of items of expense, revenues, and rate base designed to prevent any mismatch in those areas. The Commission will not consider a true-up of isolated adjustments, but will examine only a "package" of adjustments designed to maintain the proper revenue-expense-rate base match at a proper point in time.

The Commission has reserved dates for a true-up hearing and will schedule it and evidentiary hearing dates in this order. By doing so, the Commission will ensure that this matter is heard as expeditiously as possible. Additionally, the earlier establishment of the hearing dates will allow ample time for notice to be sent to customers. The company shall give notice to customers as directed in the ordered paragraph below. The Commission will also set an early prehearing conference and require the parties to file a proposed procedural schedule with additional filing dates for testimony, a second prehearing conference, local public hearings, the statement of issues and position papers of the parties, and the reconciliation. The Staff of the Commission shall have primary

¹ Section 393.150, RSMo. 2000.

responsibility for the proposed procedural schedule. Staff should coordinate the proposed schedule with the company, the Office of the Public Counsel and any intervenors where possible.

The company has proposed the use of a test year ending December, 2007. The Staff, Public Counsel, and all intervenors shall state their positions regarding the company's true-up and test year proposal as hereinafter ordered.

The Commission finds that proper persons should be allowed 20 days from the issuance of this order to file a motion for leave to intervene. The Commission's Data Center shall serve a copy of this order upon the county commission of each county in the company's service area and upon the mayor of any city, not within a county, in the company's service area. Additionally, the Commission's Public Information Office shall make notice of this order available to the media serving the company's service area and to the members of the General Assembly representing the residents of the company's service area.

Finally, cases WR-2008-0311 and SR-2008-0312 involve Missouri-American and most of the direct testimony that has been filed reflects Missouri-American's position with regard to both its water and sewer operations. Because both cases involve related questions of law and fact, the Commission will consolidate the two cases.

IT IS ORDERED THAT:

1. Case Nos. WR-2008-0311 and SR-2008-0312 are consolidated with WR-2008-0311 being the lead case.
2. The proposed water and sewer service tariff sheets submitted on March 31, 2008, by Missouri-American Water Company for the purpose of increasing rates for water

and sewer service to customers are suspended for a period of 120 days from April 30 to August 28, 2008. The specific sheets suspended are:

P.S.C. Mo. No. 6

14th Revised Sheet No. RT 1.0, Canceling 13th Revised Sheet No. RT 1.0
14th Revised Sheet No. RT 2.0, Canceling 13th Revised Sheet No. RT 2.0
14th Revised Sheet No. RT 2.1, Canceling 13th Revised Sheet No. RT 2.1
14th Revised Sheet No. RT 2.2, Canceling 13th Revised Sheet No. RT 2.2
11th Revised Sheet No. RT 2.3, Canceling 10th Revised Sheet No. RT 2.3
11th Revised Sheet No. RT 3.0, Canceling 10th Revised Sheet No. RT 3.0
10th Revised Sheet No. RT 3.1, Canceling 9th Revised Sheet No. RT 3.1
12th Revised Sheet No. RT 4.0, Canceling 11th Revised Sheet No. RT. 4.0
14th Revised Sheet No. 5.0, Canceling 13th Revised Sheet No. RT 5.0
14th Revised Sheet No. RT 5.1, Canceling 13th Revised Sheet No. RT 5.1
14th Revised Sheet No. RT 5.2, Canceling 13th Revised Sheet No. RT 5.2
14th Revised Sheet No. RT 7.0, Canceling 13th Revised Sheet No. RT 7.0
14th Revised Sheet No. RT 8.0, Canceling 13th Revised Sheet No. RT 8.0

P.S.C. Mo. No. 3

12th Revised Sheet No. 1, Canceling 11th Revised Sheet No. 1
8th Revised Sheet No. 2, Canceling 7th Revised Sheet No. 2
5th Revised Sheet No. 2A, Canceling 4th Revised Sheet No. 2a
3rd Revised Sheet No. 5A, Canceling 2nd Revised Sheet No. 5A
11th Revised Sheet No. 4, Canceling 10th Revised Sheet No. 4

P.S.C. Mo. No. 2

13th Revised Sheet No. 3, Canceling 12th Revised Sheet No. 3

P.S.C. Mo. No. 1

13th Revised Sheet No. 1, Canceling 12th Revised Sheet No. 1

P.S.C. Mo. No. 7

1st Revised Sheet No. 1, Canceling Original Sheet No. 1
2nd Revised Sheet No. 4, Canceling 1st Revised Sheet No. 4
Original Sheet No. 28
Original Sheet No. 28.1
Original Sheet No. 28.2

P.S.C. No. 2

Revised Sheet No. 2(a), Canceling Original Sheet No. 2(a)
10th Revised Sheet No. A-1, Canceling 9th Revised Sheet No. A-1
10th Revised Sheet No. B-1, Canceling 9th Revised Sheet No. B-1
10th Revised Sheet No. C-1, Canceling 9th Revised Sheet No. C-1
11th Revised Sheet No. D-1, Canceling 10th Revised Sheet No. D-1
9th Revised Sheet No. E-1, Canceling 8th Revised Sheet No. E-1

**7th Revised Sheet No. E-4, Canceling 6th Revised Sheet No. E-4
Original Sheet No. E-10
Original Sheet No. E-10.1
Original Sheet No. E-10.2**

P.S.C. Mo. No. 8

4th Revised Sheet No. 4, Canceling 3rd Revised Sheet No. 4

P.S.C. Mo. No. 2

5th Revised Sheet No. 4, Canceling 4th Revised Sheet No. 4

P.S.C. Mo. No. 7

2nd Revised Sheet No. 9, Canceling 1st Revised Sheet No. 9

3. The water and sewer tariff sheets suspended in ordered paragraph 2 are suspended for an additional six months beyond August 28, 2008 to February 28, 2009.

4. Any one desiring to intervene in this matter shall file no later than April 23, 2008, an application requesting intervention with:

Colleen M. Dale, Secretary
Missouri Public Service Commission
Post Office Box 360
Jefferson City, Missouri 65102

And send copies to:

Dean L. Cooper
Brydon, Swearingen & England P.C.
Post Office Box 456
312 East Capitol Avenue
Jefferson City, Missouri 65102

and:

Office of the Public Counsel
Governor Office Building
200 Madison Street, Suite 650
Post Office Box 2230
Jefferson City, Missouri 65102

5. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and anyone requesting intervention shall file not later than May 1, 2008, a

pleading indicating either concurrence with or alternative to Missouri-American Water Company's recommended test year.

6. That Missouri-American Water Company shall file not later than April 17, 2008, any request for true-up audit and hearing.

7. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and anyone requesting intervention shall file not later than May 1, 2008, a pleading stating their recommendation concerning true-up.

8. An early prehearing conference shall be held on April 18, 2008, at 10:00 a.m. in Room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. The Governor Office Building meets accessibility standards required by the Americans with Disabilities Act. If any person needs additional accommodations to participate in the prehearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

9. The parties shall file a proposed procedural schedule as described in this order on or before April 25, 2008. The Commission's Staff shall have primary responsibility for preparing and filing the proposed procedural schedule.

10. The Commission will conduct local public hearings on the proposed rate increase and will set times, dates and locations of these local public hearings in a subsequent order. The parties shall file recommendations as to the dates and locations for local public hearings no later than May 18, 2008.

11. September 29, 2008 through October 17, 2008 is reserved for an evidentiary hearing. The evidentiary hearing shall be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. The Governor Office Building meets

accessibility standards required by the Americans with Disabilities Act. If any person needs additional accommodations to participate in the prehearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

12. November 3 – 4, 2008 shall be reserved for any true-up hearing. The true-up hearing shall be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. The Governor Office Building meets accessibility standards required by the Americans with Disabilities Act. If any person needs additional accommodations to participate in the prehearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

13. Missouri-American Water Company shall notify each affected customer of the local public, evidentiary and true-up hearings scheduled in this case, either by a notice on, of accompanying, a bill or by separate notice, at least 10 days, but not more than 45 days, prior to the relevant hearing. The notice shall be substantially in the following form:

NOTICE

Missouri-American Water Company has filed revised water and sewer service tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross water revenues by approximately 26.4% and sewer revenues by approximately 28.7%. For the average residential customer the proposed increase would be approximately \$7.10 per month.

A local public hearing (or evidentiary hearing) has been set before the PSC at _____ o'clock __.m., ____, at ____ Street, ____, Missouri. If you wish to comment or secure information, you may contact the Office of the Public Counsel, Post Office Box 2300, Jefferson City, Missouri 65102, telephone (573) 751-4857.

This building meets accessibility standards required by the American with Disabilities Act. If a customer needs additional accommodations to participate in these hearings, please call the Public Service Commission's

Hotline at 1-800-392-4221 (voice) or Relay Missouri at 711 prior to the hearing.

14. The Data Center of the Missouri Public Service Commission shall serve a copy of this order upon the county commission of each county, and upon the mayor of any city not within a county, affected by the tariff filing.

15. The Commission's Public Information Office shall make notice of this order available to the members of the General Assembly representing the residents of the service areas affected by the tariff filing and to the news media serving the residents of the counties affected by the tariff filing.

16. This order shall become effective on April 3, 2008.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', is written over a faint, circular embossed seal.

Colleen M. Dale
Secretary

(S E A L)

Kennard L. Jones, Senior Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 3rd day of April, 2008.