

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

In the Matter of the Petition of )  
Missouri-American Water Company for ) File No. WO-2018-0059  
Approval to Establish an Infrastructure )  
System Replacement Surcharge (ISRS). )

**STIPULATION AND AGREEMENT**

**COMES NOW** Missouri-American Water Company (“MAWC”), the Staff of the Commission (“Staff”), and the Office of the Public Counsel (“OPC”), and for their Stipulation and Agreement (“Agreement”), respectfully state as follows to the Missouri Public Service Commission (“Commission”):

1. MAWC filed its ISRS petition on August 29, 2017, requesting an incremental increase of ISRS revenues of \$8,127,145, an increase of 4.1% based on the base revenue level approved by the Commission in MAWC’s most recently completed general rate proceeding.

2. Pursuant to Commission Rule 4 CSR 240-3.650(12), the Commission “shall issue an order to become effective not later than one hundred twenty (120) days after the eligible water utility files the petition.”

3. On October 30th, the Staff filed its *Recommendation* regarding the company’s application. Thereafter, OPC and MAWC each filed responses and requests for a hearing.

4. MAWC, Staff, and OPC (the “Signatories”) have reached a settlement, leaving no contested issues to be decided by the Commission in this matter. The agreement of the Signatories is as follows:

- a) Rejection by the Commission of MAWC’s ISRS tariff sheet, P.S.C. MO 13 8<sup>th</sup> Revised Sheet No. RT 10 canceling 7<sup>th</sup> Revised Sheet No. RT 10, filed on August 29, 2017 (JW-2018-0020);
- b) Authorization for MAWC to file the tariff sheet attached hereto as Exhibit A with an effective date of December 15, 2017, and the subsequent approval of the tariff sheet which provides for ISRS surcharge revenues in the incremental revenue amount of \$5,531,000; and

- c) Stipulation that in the Company's next ISRS filing, \$5,531,000, prorated for the number of days the new ISRS is in effect, will be considered the authorized ISRS for calculating the reconciliation amount.

5. The Missouri Industrial Energy Consumers ("MIEC") is the only non-signatory party to this proceeding, and MIEC has stated that it does not object to this Agreement. As such, the Commission may treat this Agreement as unanimous.

### **General Provisions**

6. The signatories enter into this Agreement solely for the purpose of settling the issues in this case explicitly set forth above. Unless otherwise explicitly provided herein, none of the Signatories to this Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any cost of service methodology or determination, depreciation principle or method, method of cost determination or cost allocation or revenue-related methodology. Except as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Agreement in this or any other proceeding, regardless of whether this Agreement is approved.

7. This Agreement is a negotiated settlement. Except as specified herein, the Signatories to this Agreement shall not be prejudiced, bound by, or in any way affected by the terms of this Agreement: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Agreement, or in any way condition its approval of same.

8. This Agreement has resulted from extensive negotiations among the Signatories, and the terms hereof are interdependent. If the Commission does not approve this Agreement unconditionally and without modification, then this Agreement shall be void and no Signatory shall be bound by any of the agreements or provisions hereof.

9. This Agreement embodies the entirety of the agreements between the Signatories in this case on the issues addressed herein, and may be modified by the Signatories only by a written amendment executed by all of the Signatories.

10. If approved and adopted by the Commission, this Agreement shall constitute a binding agreement among the Signatories. The Signatories shall cooperate in defending the validity and enforceability of this Agreement and the operation of this Agreement according to its terms.

11. If the Commission does not approve this Agreement without condition or modification, and notwithstanding the provision herein that it shall become void, (1) neither this Agreement nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with RSMo. §536.080 or Article V, Section 18 of the Missouri Constitution, and (2) the Signatories shall retain all procedural and due process rights as fully as though this Agreement had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Agreement shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

12. If the Commission accepts the specific terms of this Agreement without condition or modification, only as to the issues of the issues in these cases explicitly set forth above, the Signatories each waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §536.500, and their

respective rights to judicial review pursuant to §386.510. This waiver applies only to a Commission order approving this Agreement without condition or modification issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Agreement.

**WHEREFORE**, the Signatories respectfully request approval of this Stipulation and Agreement and authorization from the Commission that the tariff sheet attached hereto as Exhibit A may be filed with an effective date of December 15, 2017. The Signatories request such additional relief as is necessary or appropriate under the circumstances.

**Signatories**

**Missouri-American Water Company:**

*/s/ Diana C. Carter*

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**Statement of Non-Objection**

**Missouri Industrial Energy Consumers:**

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**CERTIFICATE OF SERVICE**

I hereby certify that the above and foregoing document was filed in EFIS on this 29<sup>th</sup> day of November, 2017, with notice of the same being sent to all counsel of record.

/s/ Diana C. Carter