

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Lake Region Water & Sewer) File No. SR-2010-0110
Company's Application to Implement a General) Tariff No. YS-2010-0250
Rate Increase in Water & Sewer Service)

In the Matter of Lake Region Water & Sewer) File No. WR-2010-0111
Company's Application to Implement a General) Tariff No. YW-2010-0251
Rate Increase in Water & Sewer Service)

**PARTIAL NONUNANIMOUS STIPULATION RESPECTING ADJUSTMENTS TO
SEWER CHARGES APPLICABLE TO INTERVENOR FOUR SEASONS RACQUET
AND COUNTRY CLUB CONDOMINIUM OWNERS ASSOCIATION, INC.**

COME NOW Lake Region Water & Sewer Company (Lake Region), the Staff of the Missouri Public Service Commission (Staff), and Four Seasons Racquet and Country Club Condominium Owners Association, Inc. (Racquet Club or Club), and respectfully state to the Missouri Public Service Commission (Commission) that as a result of extensive negotiations, the undersigned signatories (Signatories), have reached the following Partial Nonunanimous Stipulation (Stipulation) concerning adjustments to sewer charges applicable to the Racquet Club for the calendar year 2009 as follows:

1. Metered Water Usage. For monthly sewer service billings by Lake Region to the Racquet Club from January 2009, until all flow meters are certified as set forth below (the Certification Date), the monthly Racquet Club sewer charges for calendar year 2009 and calendar year 2010 shall be based upon the Club's metered water usage for those periods.

2. Recalculation of Charges; Credit. Lake Region's billings for sewer charges to the Club from January 2009, to the date of this Stipulation shall be recalculated using the Club's corresponding monthly 2009 and applicable monthly 2010 water usage volumes. The recalculated amounts shall be compared to payments made by the Club for the period of 2009 and up to and including the last monthly payment preceding the date of this Stipulation. If the

Lake
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Club's payments for sewer charges are less than the recalculated amounts, the Club shall pay the difference (the underpayment) to Lake Region. If the Club's payments for sewer charges are more than the recalculated amounts, Lake Region shall credit the Club's overpayment of charges against the Club's future sewer charge billings; provided however, Lake Region shall have the option of spreading any such credit over the next twelve months of service.

3. Subsequent Sewer Charges. Commencing on the effective date of this Stipulation and ending on the Certification Date, Lake Region's bills for sewer service rendered to the Club shall be based on the Club's metered water usage.

4. Installation of Flow Meters. Lake Region agrees to install, at its own cost and expense, flow meters at points on the Club's collection system where Lake Region may separately measure the: 1) total water flow from the Country Club Hotel (Hotel) system; and 2) total flow from the Club system that enters Lake Region's wastewater treatment plant. Lake Region and the Club agree to fully cooperate with each other in all respects in connection with the location, installation, calibration and operation of the flow meters. Such cooperation will include, at a minimum, the right to mutually discuss and agree to, with the assistance of Ressler & Associates, Inc., Ballwin, Missouri (Ressler), flow meter selection, location, and calibration. No later than May 31, 2010, the sewer flowmeters will be installed and flow data will be collected in a timely fashion, unless this date needs to be postponed for good cause appearing. Title to the flow meters and any appurtenant equipment shall vest in Lake Region. Lake Region will bear the expense of Ressler's services. In the event Lake Region and Club cannot agree to the selection, location, installation, calibration, or operation of the flow meters, they will submit such disagreement to the Commission for prompt mediation and resolution.

5. Certification Date Upon the date Ressler certifies that the flow meters required by this Stipulation are fully operational and have been installed and calibrated in accordance with

applicable design and industry standards, Lake Region will base its sewer charges to the Hotel on total flow measured by the flow meters installed where the Hotel's collection systems connect to the Club's system. Lake Region will base its sewer charges to the Club based on total flow measured where the Club's collection system connects to Lake Region's trunk line less total flows attributable to the Hotel. Either Lake Region or the Club shall have the right to request review of the suitability of the flow meter locations, calibration or accuracy of the flow meter usage measurements, or the sewage billing calculations once after six months following the Certification Date, and again after twelve months following the Certification Date. If Lake Region and the Club cannot mutually resolve any disagreements as to these matters, they will submit such disagreement to the Commission for prompt mediation and resolution.

6. Access to Flow Meters. Club agrees to grant Lake Region an easement or license allowing Lake Region ingress and egress across the Club's property to install, operate, maintain, repair, and replace all flow meters located on the Club's property, specifically the flow meter installed at the metering point at or near where the Club's collection system connects to Lake Region's trunk line, and the flow meters installed at the metering points at or near where the Hotel's collection systems connect to the Club's collection system.

7. Hotel Access. The Club agrees to grant the Hotel an easement or license allowing the Hotel ingress and egress across the Club's property for access, as restricted herein, to the flow meters measuring the Hotel's total flow into the Club's collection system.

8. Improvements to the Club System. The Club agrees to continue to work towards elimination of sources of infiltration and inflow entering its wastewater collection system, at its expense.

9. Access Restrictions. Nothing herein shall be construed to grant the Club or the Hotel unrestricted access to the flow meters installed pursuant to this Stipulation. The Club and

the Hotel shall not have access to the flow meters for any reason unless permission from Lake Region has been obtained in advance, which Lake Region shall not unreasonably withhold. Notice should be given sufficiently in advance and at a time mutually agreeable to Lake Region to allow its personnel, or someone on behalf of Lake Region to be present at any time that the Racquet Club or Hotel shall need to access the flow meters.

10. Treatment of Adjusted Revenue. Staff agrees that for purposes relevant in this case the rate revenue derived from Lake Region's charges for service to the Club and the Hotel shall reflect an amount based upon metered water usage rather than the flow meter. Once the flow meters are operating to the satisfaction of Lake Region, the Racquet Club and Hotel, the flow meter reading used to determine the monthly billings of the Racquet Club and Hotel will be used for the rates revenues in future rate cases.

11. This Stipulation is being entered into solely for the purpose of settling the identified issue above. None of the Signatories to this Stipulation shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation or revenue related methodology, and none of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation in this or any other proceeding, whether this Stipulation is approved or not, except as otherwise expressly specified herein. Nothing in this agreement unless specifically referenced shall have an effect on future ratemaking.

12. Lake Region agrees to provide to the Office of Public Counsel and the Commission Staff a reporting of the usage in gallons and customer charge and usage charge in dollars on a monthly basis twice each year for the period of three years from the date of the Commission Order in this case. This reporting will identify the usage of both the hotel and Racquet Club using a flow meter device referenced above and based on the water usage using a

water meter device. The first reporting of the billings for the Hotel and Racquet Club will include the period starting with the January 2010 billing using a water meter device and continue each month until the flow meter is installed and properly working for billing purposes. At such time as the flow meter is properly providing accurate billings then Lake Region will provide both the billings based on water meter readings and flow meter readings.

13. If Lake Region, or its successor company, is sold or its assets transferred to another entity, then this agreement is assigned and transferred to future owners of Lake Region. The full effect and force of this agreement will be transferred to the future owners of the water and sewer company.

14. This Stipulation has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not approve this Stipulation by the issuance date of its Report and Order in this case, or approves this Stipulation with modifications or conditions that a signatory to this proceeding objects to prior to the effective date of the Order approving this Stipulation, then this Stipulation shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

15. If the Commission does not unconditionally approve this Stipulation without modification, and notwithstanding its provision that it shall become void therein, neither this Stipulation, 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 §536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Stipulation 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 further purpose whatsoever.

16. In the event the Commission accepts the specific terms of this Stipulation, the Signatories waive their respective rights to present oral argument and written briefs pursuant to §536.080.1 RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2 RSMo 2000; their respective rights to seek rehearing, pursuant to §386.500 RSMo 2000; and their respective rights to judicial review pursuant to §386.510 RSMo 2000. This waiver applies only to a Commission Report and Order respecting this Stipulation issued in this proceeding, and does not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation.

17. The Staff may file suggestions or a memorandum in support of this Stipulation. Each of the parties shall be served with a copy of any such suggestions or memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's suggestions or memorandum, responsive suggestions or a responsive memorandum which shall also be served on all parties. The contents of any suggestions or memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the signatories to this Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

18. The Staff shall have the right to provide oral explanation that the Commission may request regarding this Stipulation and Agreement at any agenda meeting at which this case is noticed to be considered by the Commission. Staff will be available to provide Staff's perspective to the Commission in answering Commission questions regarding this Stipulation and Agreement. To the extent reasonably practicable, Staff shall provide the Company and the

Racquet Club with advanced notice of any such agenda meeting so that they may have the opportunity to also be represented at the meeting.

WHEREFORE, for the foregoing reasons, the undersigned Signatories respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation Respecting Adjustments To Sewer Charges Applicable To Intervener Four Seasons Racquet And Country Club Condominium Owners Association, Inc.

Respectfully submitted,

/s/ Jaime N. Ott

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