

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

In the Matter of the Joint Application of )  
Missouri-American Water Company and Meramec )  
Sewer Co. for Authority for Missouri-American ) **File No. SO-2013-0260**  
Water Company to Acquire Certain Assets of )  
Meramec Sewer Co., and, in Connection Therewith, )  
Certain Other Related Transactions )

**UNANIMOUS STIPULATION AND AGREEMENT**

COME NOW Missouri-American Water Company (MAWC or Company); the Staff of the Missouri Public Service Commission (Staff); the Office of the Public Counsel (Public Counsel); and, Meramec Sewer Co. (MSC), and respectfully state to the Missouri Public Service Commission (Commission) that, as a result of negotiations, the undersigned parties have reached the stipulations and agreements contained herein.

1. **Approval** - The parties agree that the Commission should issue its order, *effective on or before February 28, 2013* (utilizing less than ten days between issue and effective date, if necessary):

(A) authorizing MSC to sell and MAWC to acquire the assets identified in the Joint Application to include the certificates held by these entities or, in the alternative grant MAWC a new certificate to provide sewer service in the areas now served by MSC;

(B) authorizing MAWC to enter into, execute and perform in accordance with the terms described in the Agreement attached to the Joint Application and to take any and all other actions which may be reasonably necessary and incidental to the performance of the acquisition;

(C) granting MAWC the Certificate of Convenience and Necessity presently held by MSC to provide sewer service within the authorized service area; and,

(D) granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the Agreement and the Joint Application and to consummate related transactions in accordance with the Agreement.

2. **Requirements Related to Closing –**

(A) MAWC shall notify the Commission when it has closed on the MSC assets within five (5) business days after such closing has occurred. If closing has not occurred within thirty (30) days after the effective date of the Order approving this *Application*, MAWC shall file a status report on the status of the sale within five (5) days after such thirty (30) day period, and every thirty (30) days thereafter, until the closing has occurred;

(B) MAWC shall within ten (10) days after closing, file a tariff adoption notice for the existing MSC tariff as a thirty (30) day tariff filing. MAWC is further authorized to file revised a tariff sheet in the current MSC sewer tariffs containing the provisions found in the tariff sheet attached hereto as **Appendix A**. MAWC is authorized to provide service under the MSC tariff on an interim basis after closing on the assets but before the revised tariff sheets take effect;

(C) MAWC shall provide notice in writing to the Staff and Public Counsel within 10 days of the payment in full of all outstanding amounts owed to MDNR for permit fees and to Jefferson County for past due real estate taxes;

(D) MAWC shall submit in this official file an executed copy of the wholesale agreement between MAWC and the Northeast Public Sewer District (NPSD) within five (5) days after the closing of this transaction;

(E) MAWC shall provide adequate training to all customer service representatives with respect to adopted MSC rates and rules prior to the MSC customers receiving their first bill that includes sewer billing from MAWC; and,

(F) MAWC shall provide the EMSU Staff with a sample of forty-five (45) combined water and sewer billing statements issued by MAWC to the MSC service district customers from its first month after closing and within ten (10) days of issuance of those bills.

3. MAWC shall assist MSC in the preparation and filing of MSC's 2012 PSC Annual Report by the due date, April 15, 2013.

4. MAWC shall adopt the depreciation schedules presently approved for MSC for MSC's existing sewer service areas, as shown in **Appendix B**. MAWC shall calculate and record depreciation expense on a going forward basis after closing, using the above-mentioned depreciation schedule. MAWC shall maintain utility plant records and customer account records, and keep all books and records, including plant property records, in accordance with the NARUC Uniform System of Accounts.

5. MAWC shall record a value of \*\* \_\_\_\_\_ \*\* for the amount of the MSC acquisition plant in service, net of accumulated depreciation and CIAC, at January 31, 2013. MAWC shall not seek recovery of an acquisition premium as a result of this transaction, in any future proceeding before this Commission.

6. The Commission should state that it makes no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the certificate, including future expenditures by MAWC, in any later proceeding.

**Contingent Waiver of Rights**

7. This Stipulation and Agreement is being entered into solely for the purpose of settling the issues in this case. Unless otherwise explicitly provided herein, none of the Signatories to this Unanimous Stipulation and Agreement 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. Other than explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in these or any other proceeding regardless of whether this Stipulation and Agreement is approved.

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

9. If the Commission does not approve this Stipulation and Agreement without condition or modification, and notwithstanding the provision herein that it shall become void; neither this Stipulation and 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 Party 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 and Agreement had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this

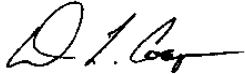
Stipulation and Agreement shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

10. In the event the Commission accepts the specific terms of this Stipulation and Agreement without condition or modification, 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 RSMo §536.080.2 RSMo 2000; their respective rights to seek rehearing, pursuant to §536.500 RSMo 2000; and their respective rights to judicial review pursuant to §386.510 RSMo 2000. The waivers contained in this paragraph apply only to a Commission order approving this Stipulation and 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 Stipulation and Agreement.

11. If the Commission has questions for the Parties or their representatives, the Parties will make available, at any on-the-record session, their representatives and attorneys, so long as all Parties have had adequate notice of that session. The Parties agree to cooperate in presenting this Stipulation and Agreement to the Commission for approval, and will take no action, direct or indirect, in opposition to the request for approval of this Stipulation and Agreement.

WHEREFORE, for the foregoing reasons, the undersigned Parties respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Unanimous Stipulation and Agreement.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on February 19, 2013, to the following:

Goldie Tompkins  
Office of the General Counsel  
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