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

| n the Matter of the Highway H Utilities, Inc.'s mall Sewer Company Rate Increase Request   | ) | File No. SR-2009-0392 |
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| In the Matter of the Highway H Utilities, Inc.'s Small Water Company Rate Increase Request | ) | File No. WR-2009-0393 |

## STIPULATION AND AGREEMENT

COME NOW Highway H Utilities, Inc. (Highway H or Company) and the Office of the Public Counsel (OPC) (collectively the "Parties" or individually a "Party"), and respectfully submit the following Stipulation and Agreement (Stipulation) to the Missouri Public Service Commission (Commission):

- 1. **Issues Settled.** This Stipulation and Agreement is intended to settle all issues in the above-captioned cases.
- 2. **Staff Not Objecting.** Counsel for the Staff has informed the Parties that while Staff does not join this Stipulation, it also does not oppose the Stipulation and does not request a hearing as to the settled issues.
- 3. **Annual Revenue Requirements.** In settlement of theses matters, the Parties agree that the Company's I Water annual revenue requirement shall be increased by \$14,750.00 annually and the Company's Sewer annual revenue requirement shall be increased by \$13,100.00 annually. Revenue amounts referenced in this paragraph are exclusive of any applicable license, occupation, franchise, gross receipts taxes or other similar tax or taxes.
- 4. **USOA**. The Company will maintain all of its financial records in accordance with the Commission's Uniform System of Accounts.
  - 5. Customer Notice. Within fifteen (15) days or during its next billing cycle after

the issuance of a Commission Order approving the terms of this Stipulation, the Company will mail its customers a written notice of the rates and charges included in its proposed tariff. The notice will include a summary of the impact of the proposed rates on an average residential customer's bill. When the Company mails the notice to its customers, it will also send a copy within five (5) days to the Staff Case Coordinator who will file a copy in the subject case file.

- 6. **Time Reporting**. Within thirty (30) days of the effective date of an order approving this Stipulation, the Company will keep time reporting records by water and sewer accounts for all directly assigned and shared employees and provide written verification of implementation to the Staff Manager of Auditing within 15 (fifteen) days of implementation.
- 7. **Practices**. Within thirty (30) days of the effective date of an order approving this Stipulation, the Company will implement the following items as recommended in the Staff Engineering & Management Services Department Report:
- a. Initiate the practice of obtaining actual meter readings for all customer accounts, including multi-family dwelling accounts, and using these meter readings as a basis for preparing accurate bills; and,
- b. Store all important customer business documents in a lockable, fireproof cabinet.
- 8. **Depreciation**. Within three (3) months of the effective date of an order approving this Stipulation, the Company will develop continuing property records and depreciation schedules for utility plant and provide written verification of implementation to the Staff Manager of Auditing within 15 (fifteen) days of implementation.
- 9. **Meters**. That the Company will implement a ten-year replacement program for its existing meters according to 4 CSR240-10.030(38) with the first year of

the replacements to be completed no later than June 30, 2010, and that the Company will provide addresses of the replaced meters to the Manager of the Staff Water and Sewer Department by July 10, 2010.

## **General Provisions**

- 10. This Stipulation is being entered into solely for the purpose of settling the issues in the above-referenced matters. Unless otherwise explicitly provided herein, none of the Parties to this Stipulation shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation or revenue-related methodology, cost of capital methodology or capital structure, rate design principle or methodology, or depreciation principle or methodology, and except as explicitly provided herein, none of the Parties shall be prejudiced or bound in any manner by the terms of this Stipulation (whether this Stipulation is approved or not) in this or any other proceeding, other than a proceeding limited to enforce the terms of this Stipulation.
- 11. This Stipulation has resulted from extensive negotiations among the Parties and the terms hereof are interdependent. If the Commission does not approve this Stipulation unconditionally and without modification, then this Stipulation shall be void and no Party shall be bound by any of the agreements or provisions hereof, except as explicitly provided herein.
- 12. If the Commission does not approve this Stipulation without condition or modification, and notwithstanding the provision herein that it shall become void; 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 Party has for a decision in accordance with §536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Parties shall retain all procedural and due process rights as fully as though this Stipulation had not been

presented for approval, and any suggestions, 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 purpose whatsoever.

13. In the event the Commission approves the specific terms of this Stipulation without condition or modification, and as to the specified issues, the Parties waive their respective rights to call, examine, and cross-examine witnesses pursuant to § 536.070(2) RSMo 2000; 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 §386.500 RSMo 2000; and their respective rights to judicial review pursuant to §386.510 RSMo 2000. These waivers apply only to a Commission order approving this Stipulation without condition or modification issued in this above-captioned proceeding and only to the issues that are resolved hereby. These waivers do not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Stipulation.

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

Stipulation and Agreement.

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ATTORNEYS FOR

HIGHWAY H UTILITIES, INC.

Respectfully submitted,

Senior Public Counsel

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ATTORNEY FOR THE OFFICE OF THE PUBLIC COUNSEL

## **CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this  $\frac{1}{\sqrt{2}}$  day of December, 2009, to:

Ms. Jennifer Hernandez Missouri Public Service Commission General Counsel's Office jennifer.hernandez@psc.mo.gov

Ms. Christina Baker

Office of the Public Counsel Office of the Public Counsel

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