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August 5, 1999

FILED

AUG 5 1999

Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: United Water Missouri - Case No. WR-99-326

Dear Mr. Roberts:

Enclosed for filing in the above-referenced proceeding please find an original and fourteen copies of a Unanimous Stipulation and Agreement. Please stamp the enclosed extra copy "filed" and return same to me.

If you have any questions, then please give me a call. Thank you very much for your attention to this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:


Dean L. Cooper

DLC/rhg

Enclosures

cc: Office of Public Counsel
Mr. Mark Comley
Mr. Allen Garner

FILED

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

AUG 5 1999

Missouri Public
Service Commission

In the matter of United Water Missouri
Missouri Inc.'s Tariffs Designed to Increase Rates
for Water Service.

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Case No. WR-99-326

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW United Water Missouri Inc. ("UWMO" or "Company"); the Missouri Public Service Commission Staff ("Staff"); the Office of the Public Counsel ("OPC"); and the City of Jefferson by and through their respective counsel, and state as follows:

On February 2, 1999, UWMO submitted to the Commission proposed tariffs reflecting increased rates for water service provided to customers in its Jefferson City, Cole County, Missouri service area. The proposed tariffs contained a requested effective date of March 4, 1999, and were designed to produce an annual increase of approximately 36.35% (\$1,157,392) in the Company's revenues.

On February 18, 1999, the Commission, among other things, suspended the proposed tariffs for a period of 120 days plus an additional six months beyond the proposed effective date to January 2, 2000.

On March 22, 1999, UWMO filed the direct testimony and schedules of four (4) witnesses.

By its order dated April 27, 1999, the Commission, among other things, adopted a procedural schedule, granted intervention to the City of Jefferson and The 319 West Miller Corporation, and set a date for a local public hearing.

The local public hearing was conducted by the Commission on May 27, 1999 in Jefferson City.

On June 25, 1999, the Staff filed the direct testimony and schedules of nine (9) witnesses;

the OPC filed the direct testimony and schedules of two (2) witnesses and the City of Jefferson filed the direct testimony and schedules of eleven (11) witnesses.

On July 2, 1999, the Staff and the City of Jefferson each filed the direct testimony and schedules of one (1) witness on rate design.

On July 12, 1999, The 319 West Miller Corporation filed its Motion to Withdraw. This motion was granted by the Commission's Order Granting Leave to Withdraw dated July 26, 1999.

A prehearing conference was held from July 12-15, 1999. UWMO, Staff, OPC and the City of Jefferson appeared and participated in the prehearing conference. As a result of the prehearing conference and subsequent negotiations, the undersigned parties ("Parties") have reached the following stipulations and agreements:

1. UWMO shall file revised tariff sheets containing rate schedules for water service a) designed to produce an increase in overall Missouri jurisdictional gross annual water revenues of Four Hundred Eighty Four Thousand Dollars (\$484,000.00), exclusive of any applicable license, occupation, franchise, gross receipts taxes or other similar fees or taxes, effective January 1, 2000, and b) designed to produce an additional increase in overall Missouri jurisdictional gross annual water revenues of Two Hundred Sixty-Seven Thousand Dollars (\$267,000.00), exclusive of any applicable license, occupation, franchise, gross receipts taxes or other similar fees or taxes, effective December 1, 2000.

2. The total amount of the increases shall be applied to water rates on an equal percentage to all classes, with the exception of Other (or Miscellaneous) Revenues, as no changes are proposed to the Company's service charges.

3. The amount of increase for water service set forth in paragraph 1 is based in part upon the Parties' agreement that certain items of plant, known as Phase 1 of the Treatment Plant Upgrade

project, have been completed and placed in service prior to June 30, 1999. As a result, the Parties further agree that a true-up hearing is not necessary.

4. The Staff, OPC, and City of Jefferson shall not initiate any action, either directly or indirectly, in any proceeding, to stay, suspend, eliminate, reduce, prevent or otherwise interfere in any fashion with the implementation of the second rate increase as described in paragraph 1.

5. UWMO shall notify its customers and the OPC of the new rates at least thirty (30) days prior to the implementation of the second rate increase (December 1, 2000) identified in paragraph 1.

6. The Commission should order UWMO to utilize the depreciation rates for the accounts specified on Appendix A attached hereto.

7. UWMO shall file tariff sheets to revise UWMO PSC MO No. 3, 1st Revised Sheets No. 7 and 8 as indicated on Appendix B attached hereto. The changes are designed to implement a requirement that UWMO maintain the portion of the service pipe located between the water main and the customer's property line effective January 1, 2000. UWMO shall become the owner of any such portions of service pipe that it replaces.

8. UWMO agrees to work with the City of Jefferson to address hydrant spacing issues and arrive at a mutually agreed upon fire hydrant placement program which will install approximately forty (40) new hydrants over the next five (5) years.

9. This Stipulation and Agreement represents a negotiated settlement for the sole purpose of disposing of all issues in this proceeding. None of the parties to this Stipulation and Agreement shall have been deemed to have approved or acquiesced in any ratemaking or procedural principle, any method of cost determination or cost allocation, and none of the Parties shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in this or any

other proceeding, except as otherwise expressly specified herein.

10. Because this Stipulation and Agreement reflects a compromise of disputed claims, it shall not be cited as precedent or referred to in testimony as an assertion of the particular position of any party in any subsequent or pending judicial or administrative proceeding; provided, however, that this shall not be construed to prohibit reference to its existence in future proceedings, including proceedings to enforce compliance with its terms.

11. This Stipulation and Agreement has resulted from extensive negotiations among the Parties. The terms of the Stipulation and Agreement are interdependent. In the event the Commission does not approve and adopt the matters addressed in this Stipulation and Agreement and the rate increases identified in paragraph 1, then this Stipulation and Agreement shall be void and no party shall be bound by any of the agreements or provisions hereof.

12. To the extent the Commission approves and adopts the matters addressed in this Stipulation and Agreement, the Parties waive: their respective rights pursuant to Section 536.070(2), RSMo 1994 to present testimony and to cross-examine witnesses; their respective rights to present oral argument or written briefs pursuant to Section 536.080.1, RSMo 1994; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo 1994; and their respective rights to judicial review pursuant to Section 386.510 RSMo 1994.

13. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties agree that all of the prefiled testimony submitted by UWMO, Staff, OPC, and the City of Jefferson shall be received into evidence without the necessity of the respective witnesses taking the stand.

14. If requested by the Commission, the Staff may submit to the Commission a memorandum explaining its rationale for entering into the Stipulation and Agreement. Each party

of record shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's memorandum, a responsive memorandum which shall also be served on all Parties. All memoranda submitted by the Parties shall be considered privileged in the same manner as are settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all Parties, and shall not become a part of the record of this proceeding or bind or prejudice the Party submitting such memorandum in any future proceeding or in this proceeding, whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any Party are its own and are not acquiesced in or otherwise adopted by the other signatories to this Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

15. The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, promptly provide other parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any Protective Order issued in this case. The contents of any oral explanation provided by Staff are its own and are not acquiesced in or otherwise adopted by the other signatories to this Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

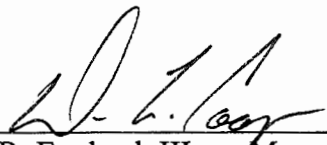
16. To assist the Commission in its review of this Stipulation and Agreement, the Parties also request that the Commission advise them of any additional information that the Commission may desire from the parties relating to the matters addressed in this Stipulation and Agreement,

including any procedures for furnishing such information to the Commission.

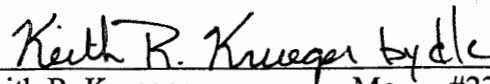
WHEREFORE, the undersigned Parties respectfully request that the Commission issue its Order:

- a) approving all of the specific terms and conditions of this Stipulation and Agreement;
- b) ordering UWMO to file tariffs consistent with paragraphs 1 and 7 herein; and,
- c) granting such further relief as the Commission should find reasonable and just.


Respectfully submitted,


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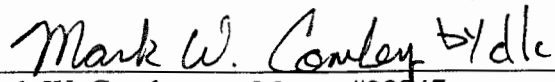
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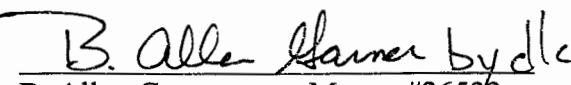
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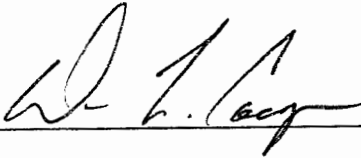
Attorney for City of Jefferson


B. Allen Garner Mo. #26532
City Counselor
320 East McCarty Street
Jefferson City, MO 65101

Attorney for City of Jefferson

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was mailed, United States Mail, postage prepaid, or hand-delivered, to all counsel of record this 5th day of August, 1999.



UNITED WATER MISSOURI
DEPRECIATION RATES
WR-99-326

<u>Account Number</u>	<u>DESCRIPTION</u>	<u>Iowa Curve Type</u>	<u>Net Salvage</u>	<u>Average Service Life</u>	<u>Depreciation Rate</u>
<u>Source of Supply Plant</u>					
311	Structures and Improvements	*****	0%	50.0	2.00%
313	Lakes, River & Intake	R1	-54%	49.0	3.14%
<u>Pumping Plant</u>					
321	Structures and Improvements	R4	-115%	48.0	4.47%
325	Electric Pumping Equipment	L0.5	-5%	37.5	2.80%
<u>Water Treatment Plant</u>					
331	Structures and Improvements	S0	-18%	50.0	2.36%
332	Water Treatment Equipment	R2	-5%	35.0	3.00%
<u>Transmission and Distribution Plant</u>					
341	Structures and Improvements	L5	0%	34.0	2.94%
343	Transmission and Distribution Mains	R1	-10%	82.0	1.34%
346	Meters	L4	25%	23.0	3.26%
347	Meter Installation	L4	25%	23.0	3.26%
348	Hydrants	R3	-28%	60.0	2.13%
<u>General Plant</u>					
390	Structures and Improvements	L4	-44%	41.0	3.51%
391	Office Furniture and Equipment	L1	2%	29.0	3.37%
391A	Terminal Equipment & Computers	L2	0%	8.9	11.24%
392	Transportation Equipment	L0	29%	9.0	7.88%
394	Tools, Shop and Garage Equipment	L0	32%	13.0	5.23%
395	Laboratory Equipment	L1	0%	22.0	4.54%
396	Power Operated Equipment	L2	22%	8.0	9.75%
397	Communication Equipment	L5	5%	17.0	5.58%
398	Miscellaneous Equipment	S4	0%	22.0	4.54%
393	Stores Equipment			22.0	5.00%

REVISIONS TO TARIFF SHEETS

FORM NO. 13

P.S.C.MO. No. 3 1st

Revised SHEETS No. 7 & 8

UNITED WATER MISSOURI

For JEFFERSON CITY, MISSOURI
Service Area

RULES AND REGULATIONS GOVERNING THE RENDERING OF SERVICE

SERVICE CONNECTION

5. Each customer shall be supplied through a separate service line.
6. For the purpose of this tariff, a "Service Connection" is defined as the service pipe from the Company main to a curb stop/valve or meter box/pit at the property line. A "Customer Water Service" is defined as a pipe with appurtenances from the curb stop/valve or meter box/pit to the customer's premise.

All new service lines shall be installed according to Company and City specifications. The cost of the initial Service Connection installation including the tap shall be borne by the customer. The Company shall take over ownership of the Service Connection upon application for service and the initial setting of the meter. The company will make all service taps to its mains at the expense of the customer and will furnish, install, and maintain the meter only. Service Connections lines from the main to and including the curb stop and box, or meter pit, shall be placed inside the curb line or company right of way, all of which service line shall be the property of the customer and shall be accessible to the company at all times.

7. All 3/4 inch and 1 inch service lines from the main to the meter shall be Type "K" copper. 2 inch or over may be ductile iron cement lined and shall be approved by company as to size and installation. ~~All service lines shall be installed and kept in good repair by the customer at his expense.~~ All such service lines shall be placed at least 30 inches below the surface of the ground.
8. No service lines shall be laid in the same trench with the sewer pipe.
9. When a meter is located within the customer's building a stop and waste valve, easily accessible to the occupants, shall be placed in the service line within the building supplied with water. Such valve shall be located so that it will be possible to drain the meter and all pipes in the building. When the meter is located outside the customer's building, a positive shut off valve shall be located immediately inside the customer's building.
10. ~~All leaks in service lines from the main to and in and upon the premises supplied shall be promptly repaired by customer.~~

All galvanized and lead services found to be leaking shall be replaced from the main to the meter with Type "K" copper and must meet requirements of Rule No. 7. On failure to make such repairs and/or replacements with reasonable dispatch, the company may turn off the water at the water main and it will not be again turned on until the repairs are completed and necessary expenses incurred in shutting off and turning on the water.

The Company shall, at its own expense, be responsible for the maintenance of all Service Connections, including the curb stop/valve and meter. The meter box/pit, the meter yoke and all other appurtenances in the meter pit/box shall remain the property of the customer.

When in the opinion of the company, the entire Service Connection is in need of replacement, the Company shall make the replacement at its own expense. Until such replacement is made, the entire Service Connection from the main to the customer's premise shall be considered to be the property of the Customer.

Should a leak occur and the existing curb stop/valve or meter box/pit is not located on the property line, and it can not be determined whether the Company or the Customer is responsible for the leak; the Company at its expense will install a curb stop at the property line or as close as possible if obstructions prevent placement on the property line. If the leak is between the main and the newly installed curb stop the Company will assume responsibility for the maintenance and expense of the leak. However, if the leak is on the customer's side of the newly installed curb stop, the Customer shall be responsible for the maintenance and expense of the leak.

11. The Company shall in no event be responsible for maintenance of, or for damage to persons or property caused by the location of, the condition of, or water escaping from, the Service line Connection or Customer Water Service or any other pipe or fixture owned by the customer and the customer at all times shall comply with state and municipal regulations in reference thereto.
12. The use of water service by a customer shall be in accordance with the class, scope and type of use, and for the purpose stated in his application and service contract. A customer shall not use, or allows use of water service through his service facilities for others or for purposes other than those covered by his application. To make service available for other purposes or character of use, a new application and contract is required.