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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 16th
day of November, 1999.

In the Matter of the Application of)	
Missouri American Water Company for a)	
Certificate of Convenience and Necessity)	
Authorizing It to Construct, Install, Own,)	<u>Case No. WA-2000-58</u>
Operate, Control, Manage, and Maintain a)	
Water System for the Public in an Unincor-)	
porated Area of Johnson County, Missouri.)	

ORDER APPROVING STIPULATION AND AGREEMENT

On July 29, 1999, Missouri American Water Company (MAWC) filed an application with the Commission requesting authority to construct, own, and operate a water system for the public in an area of Johnson County. MAWC states that the area is adjacent to its current service territory, and that the granting of a certificate will neither require an immediate investment in facilities nor have any direct impact on rates. On September 20, 1999, the Commission granted intervention to the city of Warrensburg (Warrensburg). On October 18, 1999, Warrensburg requested leave to withdraw, and the Commission granted that request on October 22, 1999.

On October 28, 1999, the parties filed a Unanimous Stipulation and Agreement. The stipulation reflects the parties' agreement that the Commission should: A) grant MAWC a certificate of convenience and necessity to provide water service in an unincorporated area of Johnson

County; B) authorize it to file tariffs adding that area to its service territory; C) grant MAWC a waiver from 4 CSR 240-2.060(2)(F).5; and D) reserve ratemaking treatment. Pursuant to Section 536.060, RSMo 1994, the Commission may accept the stipulation as a resolution of the issues. The Commission has reviewed the stipulation and verified application and finds the stipulation to be reasonable and in the public interest and will, therefore, approve it.

IT IS THEREFORE ORDERED:

1. That the Unanimous Stipulation and Agreement, Attachment A to this order, is hereby approved.

2. That Missouri American Water Company is granted a certificate of public convenience and necessity to construct, install, own, operate, control, manage and maintain water facilities and to render water service for the public located in an unincorporated area of Johnson County as described in its application filed on July 29, 1999.

3. That the certificate of convenience and necessity referenced in ordered paragraph 2 shall become effective simultaneously with the effective date of the tariff sheets required to be filed and approved pursuant to ordered paragraph 4.

4. That Missouri American Water Company shall, within 30 days of the effective date of this order, file with the Commission tariff sheets to reflect the additional service area granted herein.

5. That nothing in this order shall be considered a finding by the Commission of the reasonableness of the expenditures herein involved,

nor of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed on said property.

6. That the Commission reserves the right to consider the ratemaking treatment to be afforded the properties herein involved, and the resulting cost of capital, in any later proceeding.

7. That Missouri American Water Company is granted a waiver from the provisions of 4 CSR 240-2.060(2)(F).5 for this application.

8. That this order shall become effective on November 30, 1999.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Murray,
Schemenauer, and Drainer, CC., concur

Mills, Deputy Chief Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²

OCT 28 1999

Missouri Public
Service Commission

In the Matter of the Application of)
Missouri American Water Company for a)
certificate of convenience and necessity)
authorizing it to construct, install, own,)
operate, control, manage and maintain a)
water system for the public in)
an unincorporated area of Johnson County,)
Missouri.)

Case No. WA-2000-58

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Missouri-American Water Company ("MAWC" or "Company"); the Missouri Public Service Commission Staff ("Staff"); and the Office of the Public Counsel ("OPC") by and through their respective counsel, and state as follows to the Missouri Public Service Commission ("Commission"):

On July 29, 1999, MAWC filed an Application for Certificate of Convenience and Necessity and Motion for Waiver of Feasibility Study with the Commission requesting authority to construct, own and operate a water system for the public in an area of Johnson County. This application was filed as a result of the Commission's Report and Order in its Cases No. WA-97-45, et seq. which, among other things, directed MAWC to carry out and complete a survey of its service territory and examine its tariffs on file with the Commission to ensure that the territories described in the tariffs were consistent with its certificated service area. The application area is adjacent to and contiguous with MAWC's existing certificated area. No immediate investment in facilities will be made as a result of a grant of a certificate, and the addition of this area will have no direct impact upon rates for existing customers.

On August 11, 1999, the Commission issued its Order and Notice which, among other things, provided that any interested party wishing to intervene in this case file an application to do so no

later than August 31, 1999. The City of Warrensburg timely filed an application to intervene on August 27, 1999.

On September 20, 1999, the Commission issued its Order Granting Intervention, Setting a Prehearing Conference and Directing Filing of Procedural Schedule. By this order, the Commission, among other things, granted intervention to the City of Warrensburg and set a date for a prehearing conference.

On October 14, 1999, the City of Warrensburg filed its Motion to Withdraw Intervention. This motion was granted by the Commission's Order Allowing Withdrawal dated October 22, 1999.

A prehearing conference was held on October 14, 1999. MAWC, Staff, and the OPC 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. MAWC should be granted a waiver for good cause from Commission Rule 4 CSR 240-2.060(2)(F).5, which otherwise would require a feasibility study be provided with this application for a service area.
2. MAWC should be granted permission, approval and a certificate of convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain a sewer system for the public in an unincorporated area of Johnson County, Missouri, more particularly described as follows: "the southeast quarter of Section 1, Township 45 North, Range 26 West."
3. MAWC shall file tariff sheets to modify its service area description and map in its tariff within thirty (30) days after the effective of an order issued by the Commission approving this stipulation and agreement.
4. The Commission should make no finding, and take no position for ratemaking

purposes, of expenditures associated with the above-referenced certificate of convenience and necessity. Furthermore, the Commission shall reserve the right to consider the ratemaking treatment to be afforded any such expenditures, in any later ratemaking proceeding.

5. 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.

6. 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.

7. This Stipulation and Agreement has resulted from 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, then this Stipulation and Agreement shall be void and no party shall be bound by any of the agreements or provisions hereof.

8. 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.

9. 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.

10. 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.

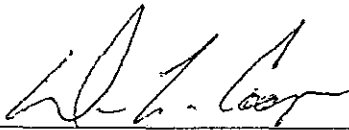
11. To assist the Commission in its review of this Stipulation and Agreement, the Parties also request that the Commission advise them of any additional information that the Commission may desire from the parties relating to the matters addressed in this Stipulation and Agreement, including any procedures 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) Granting Missouri American Water Company a waiver for good cause from Commission Rule 4 CSR 240-2.060(2)(F).5;
- c) Granting Missouri American Water Company permission, approval and a certificate of convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain a sewer system for the public in an unincorporated area of Johnson County, Missouri, as more particularly described herein; and,

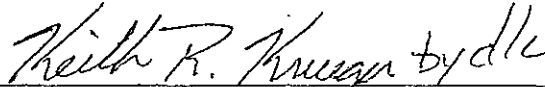
- d) granting such further relief as the Commission should find reasonable and just.

Respectfully submitted,



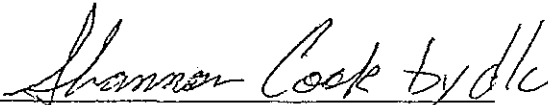
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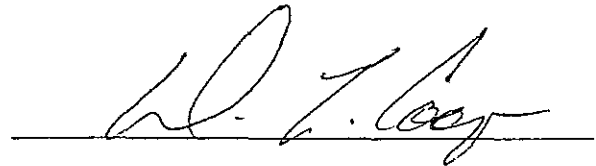


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CERTIFICATE OF SERVICE

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 28 th day of October, 1999.



RECEIVED

NOV 13 1999

COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION