

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)

UNANIMOUS STIPULATION OF UNDISPUTED FACTS

Lake Region Water & Sewer Company, the Staff of the Missouri Public Service Commission, the Office of the Public Counsel, Four Seasons Lakesites Property Owners Association, and Four Seasons Racquet and Country Club Condominium Owners Association, Inc. (collectively known as "the Parties"), stipulate that the statements set forth below are true and undisputed for purposes of the captioned matters only and do not constitute admissions by the parties for any other purpose. Additionally, no undisputed statement or fact herein contained may be used against any party in any other proceeding. With the exception of objections based upon relevancy and materiality, the statements set forth herein are otherwise unobjectionable:

Identity of the Parties

1. Lake Region Water and Sewer Company (Lake Region) is a corporation organized under the laws of the State of Missouri in good standing with its principal place of business at 62 Bittersweet Road, Lake Ozark, Missouri 65049. Lake Region possesses a certificate of convenience and necessity issued by the Commission on December 31, 1973, in PSC Case No. 17,975, to provide water and sewer service in Missouri. Lake Region is a water corporation pursuant to Section 386.020(52) RSMo (2009), a sewer corporation pursuant to Section 386.020(49) RSMo (2009), and subsequently a public utility within the meaning of 386.020(42) RSMo (2009); thereby subject to the jurisdiction of the Commission pursuant to Section 386.250(3) and (4) RSMo (2000) respectively.

~~Staff~~ Exhibit No. 5
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2. The Staff of the Missouri Public Service Commission (Staff) is a party to this case pursuant to Section 386.071 RSMo (2000) and Commission Rule 4 CSR 240-2.010(11).

3. The Office of Public Counsel (OPC) is a party to this case pursuant to Section 386.710(2) RSMo (2000) and by Commission Rule 4 CSR 240-2.010(11).

4. Four Seasons Lakesites Property Owners Association Inc. (Lakesites) is a nonprofit corporation organized under Missouri law that represents approximately 7100 property owners on the Shawnee Bend and Horseshoe Bend peninsulas some of whom receive water and sewer service from Lake Region. Lakesites principal office is located at 36 Vintage Landing, Four Seasons, Missouri 65049. The Commission granted Lakesites intervention on November 2, 2009.

5. Four Seasons Racquet and Club Condo Property Owners Association Inc. (Racquet Club) is a Missouri not-for-profit corporation organized and operating under Missouri law, in good standing. Racquet Club's principal office and place of business is located at 251 Racquet Club Drive, Box 2370, Lake Ozark, Missouri, 65049. The Commission granted Racquet Club intervention in this case on November 2, 2009. Racquet Club provides condominium association services, including the purchase of water and sewer services from Lake Region, on behalf of its members.

Stipulation Respecting Adjustments to Sewer Charges Applicable to Four Seasons

6. On February 22, 2010, Lake Region, Staff, and Racquet Club filed a *Partial Non-Uniform Stipulation Respecting Adjustments to Sewer Charges Applicable to Intervenor Four Seasons Racquet and Country Club Condominium Owners Association, Inc.* No party opposed that Stipulation. By Order of March 2, 2010, the Commission directed that this Stipulation be treated as a unanimous agreement.

7. Racquet Club provides condominium association services, including the purchase of water and sewer services, on behalf of over 500 member property owners occupying 257 residential structures. Racquet Club is classified as a commercial customer of Lake Region, located within its Horseshoe Bend service area.

8. The Missouri Department of Natural Resources, Staff, and Lake Region are concerned that the collection system of Racquet Club is allowing excessive inflow and infiltration increasing total wastewater received at Lake Region's treatment plant.

9. Lake Region and Racquet Club cooperated in attempting to identify and eliminate points of suspected excessive inflow and infiltration. Racquet Club spent moneys attempting to eliminate such points.

10. Prior to November of 2008, Racquet Club's sewer usage was based upon water meter usage readings.

11. In July of 2008, Lake Region installed a flow-meter designed to measure Racquet Club's sewer usage. Lake Region did not begin using this flow-meter for billing purposes until November 2008. Flow-meter readings produced significantly higher sewer usage volumes than had been experienced historically, and a billing dispute arose between Lake Region and Racquet Club.

12. For 2008, Racquet Club's sewer billing based on water-meter based usage volumes was approximately \$60,000.00.

13. For 2009, Racquet Club's sewer billing based on flow-meter based usage volumes was approximately \$163,000.00, a substantial increase from 2008.

14. Lake Region, Staff, and Racquet Club all have concerns about the accuracy of usage volumes that have been measured by the single flow-meter since November of 2008.

15. Lake Region, Staff, and Racquet Club have agreed that, in order to accurately measure the amount of wastewater volume being delivered by Racquet Club to Lake Region, multiple flow-meters at various locations will need to be properly installed, accurately calibrated, and accurately read in order to measure the total wastewater volume being delivered by Racquet Club and by another nearby commercial customer to Lake Region, and in order to accurately segregate the wastewater volume being delivered by Racquet Club and the other commercial customer from one another.

Rate Case Events

16. Lake Region provides water service to approximately 600 customers and sewer service to approximately 600 customers in its Shawnee Bend service area; and sewer service to approximately 140 customers in its Horseshoe Bend service area.

17. On October 7, 2009, Lake Region filed revised tariff sheets designed to change its gross annual revenue and commencing the rate cases WR-2010-0111 and SR-2010-0110.

18. On October 8, 2009, the Commission issued a Suspension Order and Notice suspending Lake Region's revised tariff sheets for 120 days plus six months from the effective date of November 6, 2009.

19. The Missouri Department of Natural Resources (MoDNR) filed its *Compliance Report for Lake Region Water and Sewer Company*, on December 14, 2009,

20. A local public hearing was held on January 26, 2010 at the City Hall, Osage Beach, Missouri.

21. The Parties adopt without exception Staff's methodology used in the design of rates, as found within the direct testimony of James M. Russo filed on January 21, 2010, is not in dispute.

22. The Parties do not dispute the information contained within the Staff Accounting Schedules-Utility Service, filed on January 14, 2010, and subsequently updated as of February 8, 2010 to correct a revenue calculation error and a miscommunication between Lake Region and Staff regarding Payroll resulting in adjusted increased revenue requirements of \$18,125 for Horseshoe Bend Sewer, \$108,076 for Shawnee Bend Sewer and \$20,549 for Shawnee Bend Water, subject however to the following exceptions: specific information on the topics of Management Fees and Availability Fees.

23. The Parties stipulate and agree that the information contained within the Staff's Cost of Service Report—Utility Services, filed on January 14, 2010 and updated and adjusted on February 8, 2010, as noted in the preceding paragraph, is the cost of service of Lake Region subject however to the following exceptions: specific information on the topics of Management Fees, and Availability Fees.

Respectfully submitted,

/s/ Shelley Syler Brueggemann

Shelley Syler Brueggemann
Missouri Bar No. 52173
Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 526-7393 (Telephone)
(573) 751-9285 (Fax)
shelley.brueggemann@psc.mo.gov (e-mail)

/s. Mark W. Comley

Mark W. Comley (MBN)
Attorney for Lake Region Water & Sewer Co.
Newman, Comley & Ruth P.C.
601 Monroe Street, Suite 301
Jefferson City, MO 65102
573-634-2266 (telephone)
573-636-3303 (facsimile)
comleym@ncrpc.com

/s. Craig S. Johnson

Craig S. Johnson (MBN 28179)
Attorney for Four Season Racquet and
Country Club Condominium Property
Owner Asc., Inc.
Berry Wilson, LLC
304 East High Street, Suite 100
P.O. Box 1606
Jefferson City, MO 65102
573-638-7272 (telephone)
573-638-2693 (facsimile)
craigsjohnson@berrywilsonlaw.com

/s. Christina L. Baker

Christina L. Baker
Missouri Bar No. 58303
Office of the Public Counsel
PO Box 2230
Jefferson City, MO 65102
(573) 751-5565 (telephone)
(573) 751-5562 (Fax)
christina.baker@ded.mo.gov

/s/ Lisa C. Langeneckert

Lisa C. Langeneckert

Missouri Bar No. 49781

Sandberg Phoenix & von Gontard, P.C.

Attorneys for Four Seasons Lakesites

Property Owners Association

One City Centre, Suite 1500

515 North Sixth Street

St. Louis, MO 63101

(314) 446-4238 (Direct)

(314) 241-7604 (FAX)

llangeneckert@sandbergphoenix.com (email)