

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

The Office of the Public Counsel	)	
	)	
Complainant,	)	<u>File No. SC-2013-0332</u>
v.	)	
	)	
West 16 th Street Sewer Company,	)	
	)	
Respondent.	)	

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW the Staff of the Missouri Public Service Commission ("Staff"), the Office of the Public Counsel ("Public Counsel"), and West 16th Street Sewer Company, ("West 16th" or "Company") collectively referred to hereafter as "Parties" 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.

Factual Background

1. West 16th is a Missouri corporation in good standing. The Company's principal office is located at 2111 West Broadway Street, Sedalia, Missouri 65301.
2. The Company provides sewer service to approximately 150 customers in Pettis County, Missouri.
3. On December 12, 2012, Public Counsel filed a Complaint with the Commission that alleged that the Company was overearning approximately \$14,000 annually.
4. The Company's service territory includes an area generally known as the Hunter's Ridge subdivision which has 165 lots.

5. West 16th is currently owned by the same persons who also own Hunter's Ridge Development Inc., the developers of the Hunter's Ridge Subdivision.

6. This Stipulation and Agreement is intended to resolve all issues identified by Public Counsel regarding its Complaint.

7. **Rate Base.** The Parties agree that the Company's rate base as of December 31, 2012, is \$35,144, as further specified in Appendix A and in the summary below:

West 16th Street Sewer Company Rate Base as of 12-31-2012		
Plant in Service	\$ 443,502	
Less: Depreciation Reserve	\$ 204,141	
Net Plant (Add to Rate Base)		\$ 239,361
Contributions in Aid of Construction	\$ 365,117	
Less: CIAC Depreciation Offset	\$ 160,900	
Net CIAC (Subtract from Rate Base)		\$(204,217)
West 16th Street Sewer Company Rate Base		\$ 35,144

8. West 16th agrees to use the above amounts for plant in service, accumulated depreciation reserve, contributions in aid of construction and the offset for depreciation relating to contribution in aid of construction resulting in a rate base amount of \$35,144 in regard to Commission matters going forward. West 16th agrees to maintain accounting records for plant in service, accumulated depreciation reserve, contributions in aid of construction and the offset for depreciation relating to contribution in aid of construction, using the \$35,144 amount as a starting point, that will reflect

future plant additions and retirements with the appropriate impacts on depreciation reserve and contributions in aid of construction. The agreed to amounts will be used as the starting point for all future annual reports and rate increase requests/audits. Both Staff and Public Counsel will use the December 31, 2012 amounts identified in the table above as the starting point for all plant and CIAC analysis for plant additions and retirements with the appropriate impacts on depreciation reserve and contributions in aid of construction for future rate case.

9. **Depreciation.** The Parties agree to the depreciation rates as stated in **Appendix B**, attached and incorporated by reference herein.

10. **Rates.** The Parties agree the current, approved rates for West 16th shall remain in effect until such time as revised rates may be approved by the Commission.

11. **Compliance with Commission Rules.** West 16th agrees to comply with all Commission Rules regarding sewer system operation, customer service and billing, and specifically including the timely submission of annual reports with the Commission, statements of revenue, and payment of annual Commission assessments.

12. **Records Maintenance.** West 16th agrees to maintain utility plant records and customer account records, and keep all books and records, including plant property records, in accordance with the Uniform System of Accounts, version 1976 for sewer. West 16th agrees to maintain the necessary records to validate the rate base consisting of plant in service, accumulated depreciation reserve, contributions in aid of construction and the offset for contributions in aid of construction related depreciation and any plant additions and retirements and any new contributions in aid of construction. These records include invoices, purchase orders, contracts for purchase

of plant and equipment and any other supporting document that would form the basis for such plant additions and retirements and any record necessary to support new contributions in aid of construction amounts.

13. **Entire Agreement.** This Stipulation and Agreement with its Appendices is complete and incorporates the entire agreement between the parties hereto regarding these matters. Each party represents that they have read and are familiar with the terms hereof and disclaim that they are entering into this Stipulation and Agreement under any restraint or duress. The terms and conditions of this agreement may not be altered or varied by any party without the agreement of all parties hereto.

14. **Ratemaking Principles.** Other than the specific conditions agreed upon and expressly set out herein, the terms of this Stipulation and Agreement reflect compromises between Staff, the Company, and Public Counsel. In arriving at the amount of the rate base agreed to herein, no party has agreed to any particular ratemaking principle.

15. **Future Filings.** The Company and Public Counsel acknowledge that the Staff will be filing this Stipulation and Agreement and the appendices hereto. The Company and Public Counsel also acknowledge that Staff may make other filings in this case.

16. **Explanation to the Commission.** Additionally, the Company and Public Counsel agree that subject to the rules governing practice before the Commission that Staff shall have the right to provide whatever oral explanation the Commission may request regarding this Stipulation and Agreement at any agenda meeting.

Contingent Waiver of Rights

17. This Stipulation and Agreement is being entered into solely for the purpose of settling the identified issues in the cases that are listed above. Unless otherwise explicitly provided herein, none of the Signatories to this 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 or any declaration regarding the lawfulness of single tariff or district specific pricing method for rate design. 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.

18. This Stipulation and Agreement has resulted from extensive 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.

19. 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.

20. 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 §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. Further, in the event the Commission accepts the specific terms of this Stipulation and Agreement, all prefiled testimony not yet admitted into evidence shall be received into evidence without the necessity of the witnesses taking the stand. 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.

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 and closing this file.

Respectfully submitted,

/s/ Goldie Tompkins

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Attorney for the Office of the Public Counsel

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or by electronic mail to all counsel of record on this 15th day of May, 2013.

/s/ Goldie Tompkins

			Date																									
Description of Plant			Acquired	Cost Basis	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Acct: 310.000																												
Land and Land Rights			3/1/1999	\$ 5,780																								
Acct: 311.000																												
Structure and Improvements (reclass to T & D)			1/25/2005	\$ -																								
Total Land and Structures				\$ 5,780																	\$ 5,780	\$ 5,780	\$ 5,780	\$ 5,780	\$ 5,780	\$ 5,780	\$ 5,780	\$ 5,780
Acct: 352.000																												
Collection Sewers			6/30/1989	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040	\$ 80,040
Collection Sewers			7/1/1990	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775	\$ 775
Collection Sewers			7/1/1991	\$ 750		\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Collection Sewers			6/15/1994	\$ 32,770						\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770	\$ 32,770
Collection Sewers			9/30/1994	\$ 3,420						\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420	\$ 3,420
Collection Sewers			10/1/1996	\$ 22,192							\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192	\$ 22,192
Collection Sewers			6/30/1997	\$ 66,027								\$ 66,027	\$ 66,027	\$ 66,027	\$ 66,027	\$ 66,027	\$ 66,027	\$ 66,027	\$ 66,027	\$ 66,027	\$ 66,027	\$ 66,027	\$ 66,027	\$ 66,027	\$ 66,027	\$ 66,027	\$ 66,027	\$ 66,027
Collection Sewers			11/8/1998	\$ 47,123								\$ 47,123	\$ 47,123	\$ 47,123	\$ 47,123	\$ 47,123	\$ 47,123	\$ 47,123	\$ 47,123	\$ 47,123	\$ 47,123	\$ 47,123	\$ 47,123	\$ 47,123	\$ 47,123	\$ 47,123	\$ 47,123	\$ 47,123
Total Collection Plant				\$ 253,097	\$ 80,040	\$ 80,815	\$ 81,565	\$ 81,565	\$ 81,565	\$ 117,755	\$ 117,755	\$ 139,947	\$ 205,974	\$ 253,097	\$ 253,097	\$ 253,097	\$ 253,097	\$ 253,097	\$ 253,097	\$ 253,097	\$ 253,097	\$ 253,097	\$ 253,097	\$ 253,097	\$ 253,097	\$ 253,097	\$ 253,097	\$ 253,097
Acct: 373.000																												
Treatment & Disposal Equipment			1/1/1989	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871	\$ 92,871
Treatment & Disposal Equipment			7/1/1990	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421	\$ 1,421
Treatment & Disposal Equipment			6/30/1991	\$ 62,770		\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770	\$ 62,770
Treatment & Disposal Equipment			8/31/1994	\$ 500						\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Treatment & Disposal Equipment			1/15/1995	\$ 2,858							\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858	\$ 2,858
Treatment & Disposal Equipment (floating plant)			11/29/2003	\$ 14,977																								
Treatment & Disposal Equip. (reclass from S&I)			1/25/2005	\$ 9,228																								
Partial Replacement of 6/30/1991 Plant			2/12/2009	\$ 8,226																								
Retirement of replaced 6/30/1991 Plant			2/12/2009	\$ (8,226)																								
Partial Replacement of Original (1989) Plant			12/22/2009	\$ 538																								
Retirement of replaced Original (1989) Plant			12/22/2009	\$ (538)																								
Partial Replacement of Original (1989) Plant			11/12/2010	\$ 2,191																								
Retirement of replaced Original (1989) Plant			11/12/2010	\$ (2,191)																								
Partial Replacement of Original (1989) Plant			2/10/2012	\$ 799																								
Retirement of replaced Original (1989) Plant			2/10/2012	\$ (799)																								
Total Treatment and Disposal Plant				\$ 184,625	\$ 92,871	\$ 94,292	\$ 157,062	\$ 157,062	\$ 157,062	\$ 157,562	\$ 160,420	\$ 160,420	\$ 160,420	\$ 160,420	\$ 160,420	\$ 160,420	\$ 160,420	\$ 160,420	\$ 160,420	\$ 175,397	\$ 175,397	\$ 184,625	\$ 184,625	\$ 184,625	\$ 184,625	\$ 184,625	\$ 184,625	\$ 184,625
TOTAL PLANT IN SERVICE				\$ 443,502	\$ 172,911	\$ 175,107	\$ 238,627	\$ 238,627	\$ 238,627	\$ 275,317	\$ 278,175	\$ 300,367	\$ 366,394	\$ 413,517	\$ 413,517	\$ 413,517	\$ 413,517	\$ 413,517	\$ 413,517	\$ 428,494	\$ 428,494	\$ 443,502	\$ 443,502	\$ 443,502	\$ 443,502	\$ 443,502	\$ 443,502	\$ 443,502
DEPRECIATION RATES:																												
Acct: 352.000				2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Acct: 373.000				2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	4.2%	5.0%	5.0%	5.0%	5.0%
DEPRECIATION EXPENSE:																												
Collection Sewers			Acct: 352	\$ 800	\$ 1,609	\$ 1,624	\$ 1,631	\$ 1,631	\$ 2,003	\$ 2,355	\$ 2,466	\$ 3,459	\$ 4,256	\$ 5,062	\$ 5,062	\$ 5,062	\$ 5,062	\$ 5,062	\$ 5,062	\$ 5,062	\$ 5,062	\$ 5,062	\$ 5,062	\$ 5,062	\$ 5,062	\$ 5,062	\$ 5,062	\$ 5,062
Treatment & Disposal Equipment			Acct: 373	\$ 2,322	\$ 2,340	\$ 3,142	\$ 3,927	\$ 3,927	\$ 3,931	\$ 4,008	\$ 4,011	\$ 4,011	\$ 4,011	\$ 4,011	\$ 4,011	\$ 4,011	\$ 4,011	\$ 4,011	\$ 4,042	\$ 4,385	\$ 4,600	\$ 4,616	\$ 7,726	\$ 9,231	\$ 9,231	\$ 9,231	\$ 9,231	\$ 9,231
TOTAL DEPRECIATION				\$ 3,122	\$ 3,948	\$ 4,766	\$ 5,558	\$ 5,558	\$ 5,934	\$ 6,363	\$ 6,477	\$ 7,470	\$ 8,266	\$ 9,072	\$ 9,072	\$ 9,072	\$ 9,072	\$ 9,072	\$ 9,104	\$ 9,447	\$ 9,662	\$ 9,678	\$ 12,788	\$ 14,293	\$ 14,293	\$ 14,293	\$ 14,293	\$ 14,293
ACCUMULATED DEPRECIATION																												
Collection Sewers			Acct: 352	\$ 800	\$ 2,409	\$ 4,033	\$ 5,664	\$ 7,295	\$ 9,299	\$ 11,654	\$ 14,120	\$ 17,579	\$ 21,835	\$ 26,897	\$ 31,959	\$ 37,021	\$ 42,082	\$ 47,144	\$ 52,206	\$ 57,268	\$ 62,330	\$ 67,392	\$ 72,454	\$ 77,516	\$ 82,578	\$ 87,640	\$ 92,702	
Treatment & Disposal Equipment			Acct: 373	\$ 2,322	\$ 4,661	\$ 7,803	\$ 11,730	\$ 15,656	\$ 19,587	\$ 23,595	\$ 27,605	\$ 31,616	\$ 35,626	\$ 39,637	\$ 43,647	\$ 47,658	\$ 51,668	\$ 55,710	\$ 60,095	\$ 64,695	\$ 69,310	\$ 77,036	\$ 86,268	\$ 95,499	\$ 104,730	\$ 113,961	\$ 123,193	
Partial Replacement of 6/30/1991 Plant																								\$ (8,226)	\$ (8,226)	\$ (8,226)	\$ (8,226)	
Partial Replacement of Original (1989) Plant																												

West 16th Street Sewer Company, Inc.
DEPRECIATION RATES (SEWER) - Appendix B
SC-2013-0332

<u>NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>RATE</u>	<u>SERVICE LIFE</u>	<u>SALVAGE</u>
311	Structures & Improvements	2.5%	40	
352.2	Collection Sewers (Gravity)	2.0%	50	
373	Treatment & Disposal Facilities	5.0%	20	