# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Request for an	)	
Increase in Sewer Operating Revenues	)	File No. SR-2013-0016, et al.
of Emerald Pointe Utility Company	)	

## UNANIMOUS STIPULATION AND AGREEMENT REGARDING RATE DESIGN METHODOLOGY

On March 14, 2013, Emerald Pointe Utility Company ("Emerald Pointe" or "Company") and the Staff of the Missouri Public Service Commission ("Staff") filed before the Missouri Public Service Commission ("Commission") a Notice of Company/Staff Partial Agreement Regarding Disposition of Revenue Increase Request and Request for Hearing. On March 19, 2013, the Office of the Public Counsel ("Public Counsel") filed objections to that partial agreement. One subject at issue between the three parties was the question of what methodology is appropriate for rate design in this case.

Discussions between Emerald Pointe, Staff, and Public Counsel (collectively "the Signatories") have resulted in an agreement regarding rate design methodology. Thus, the Signatories hereby submit to the Commission for its consideration and approval this Stipulation and Agreement Regarding Rate Design Methodology. The Signatories agree:

- 1. Electricity-Pumping Expense and Sewer Treatment-City of Hollister Expense will be allocated 100% to commodity.
- 2. Operators Salary Expense, Administrative & General Salaries Expense and Employer FICA Taxes Expense will be allocated 25% to commodity.
- Other Operating Revenues, Transportation Expense, Miscellaneous General Expenses and Regulatory Commission Expense will be allocated 50% to commodity.

- 4. System Repairs & Maintenance Expense will be allocated 40% to commodity.
- 5. Cost of service items other than those listed in items 1 through 4 above will be allocated 100% to the monthly base charge.
- 6. The base charge will include 2,000 gallons.
- 7. The same methodology used in the sewer rate design will be used in the water rate design, except that Testing Expenses will be allocated 100% to commodity.

#### **GENERAL PROVISIONS**

This Stipulation is being entered into for the purpose of disposing of the issue that is specifically addressed herein. In presenting this Stipulation, none of the Signatories shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking principle or procedural principle, including, without limitation, any method of cost or revenue determination or cost allocation or revenue related methodology, and none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation (whether it is approved or not) in this or any other proceeding, other than a proceeding limited to enforce the terms of this Stipulation, except as otherwise expressly specified herein.

This Stipulation has resulted from negotiations and the terms hereof are interdependent. If the Commission does not approve this Stipulation, or approves it with modifications or conditions to which a party objects, then this Stipulation shall be void and no Signatory shall be bound by any of its provisions. Moreover, if the Commission does not implement the terms and conditions agreed upon in this Stipulation, then this Stipulation shall also become void and no Signatory shall be bound by any of its provisions.

If the Commission does not unconditionally approve this Stipulation without modification, and notwithstanding its provision 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 Signatory has for a decision in accordance with Section 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 had not been presented for approval, and any suggestions or 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 further purpose whatsoever.

If the Commission unconditionally accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo Supp. 2011; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo 2000; (3) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000 and (4) their respective rights to judicial review pursuant to Section 386.510, RSMo Supp. 2011. These waivers apply only to a Commission order respecting this Stipulation issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation.

This Stipulation contains the entire agreement of the Signatories concerning the issue addressed herein.

This Stipulation does not constitute a contract with the Commission. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of

the Commission to forego the use of any discovery, investigative or other power which the Commission presently has. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

WHEREFORE, the Signatories respectfully request the Commission issue an Order in this case approving this Unanimous Stipulation and Agreement Regarding Rate Design Methodology.

### /s/ Amy E. Moore\_

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/s/ Christina L. Baker

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#### /s/ Dean L. Cooper

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### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed with first-class postage, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this  $22^{nd}$  day of April, 2013.

/s/ Amy E. Moore