

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

In the Matter of the Application of)	
Confluence Rivers Utility Operating)	
Company, Inc., for Authority to)	
Acquire Certain Water and Sewer)	Case No. WA-2019-0299
Assets and for a Certificate of)	
Convenience and Necessity)	

STIPULATION AND AGREEMENT AS TO NET BOOK VALUE

COMES NOW the Missouri Office of the Public Counsel (“OPC”); Confluence Rivers Utility Operating Company, Inc. (“Company” or “Confluence Rivers”); and the Staff of the Missouri Public Service Commission (“Staff”) (collectively “the signatories”) and, pursuant to CSR 20 CSR 4240-2.115, presents this *Stipulation and Agreement as to Net Book Value* for approval by the Missouri Public Service Commission (“The Commission”) as a complete resolution of the issue of the net book value of the water and sewer utility assets presently owned and operated by Port Perry Service Company (“Port Perry”) that Confluence Rivers may acquire in the above captioned case. In support of this *Stipulation and Agreement as to Net Book Value*, the signatories state as follows:

1. **Background:** In its March 24, 2020, *Order Setting Procedural Schedule*, the Commission stated, “At its Agenda meeting on February 13, 2020, the Commission determined that it is necessary to assess the net book value of Port Perry Service Company, LLC. That determination is necessary as it is a ‘relevant and

critical' issue as to whether the proposed acquisition is 'detrimental to the public interest.'" Later on March 24, 2020, pursuant to the Commission's *Order Setting Procedural Schedule*, Staff filed its *Staff Report Regarding the Net Book Value of the Subject Utility Assets Being Purchased* ("Report") recommending a net book value, as of December 31, 2019, of \$21,169 for Port Perry's water assets, and \$58,093 for its sewer assets. Thereafter, OPC contacted Staff to discuss certain entries in Staff's work papers accompanying its Report. As a result, Staff amended and re-circulated its workpapers. The following settlement is a result of continued discussions among the parties.

2. **Issue Settled:** The signatories agree and intend this *Stipulation and Agreement as to Net Book Value* to settle only the issue of the net book value of the water and sewer utility assets presently owned and operated by Port Perry that Confluence Rivers may acquire in the above captioned case.

3. **Net Book Value:** The signatories agree that the net book value for the Port Perry assets as of December 31, 2019, is \$20,070 for water and \$57,866 for sewer. The net book value amounts stated in this paragraph for both the water and sewer assets will be used as the starting amounts for the calculation of rate base (with regard to the Port Perry assets) in Confluence River's next rate case.

4. **Limitation of Scope:** This *Stipulation and Agreement as to Net Book Value* is being entered into for the purpose of disposing of the issue that is specifically addressed herein. In presenting this *Stipulation and Agreement as to Net Book Value*, none of the signatories shall be deemed to have approved, accepted, agreed, consented

or acquiesced to any procedural principle, and none of the signatories shall be prejudiced or bound in any manner by the terms of this *Stipulation and Agreement as to Net Book Value*, whether approved or not, in this or any other proceeding, other than a proceeding limited to the enforcement of the terms of this *Stipulation and Agreement as to Net Book Value*, except as otherwise expressly specified herein. The signatories further understand and agree that the provisions of this *Stipulation and Agreement as to Net Book Value* relate only to the specific matters referred to in this *Stipulation and Agreement as to Net Book Value*, and no signatory waives any claim or right which it otherwise may have with respect to any matter not expressly provided for in this *Stipulation and Agreement as to Net Book Value*.

5. Interdependence and Non-Severability: This *Stipulation and Agreement as to Net Book Value* has resulted from negotiations and the terms hereof are interdependent. If the Commission does not approve this *Stipulation and Agreement as to Net Book Value* in total, or approves it with modifications or conditions to which a signatory objects, then this *Stipulation and Agreement as to Net Book Value* shall be void and no signatory shall be bound by any of its provisions. The agreements herein are specific to this proceeding and are made without prejudice to the rights of the signatories to take other positions in other proceedings except as otherwise noted herein. If the Commission does not unconditionally approve this *Stipulation and Agreement as to Net Book Value* without modification, and notwithstanding its provision that it shall become void, neither this *Stipulation and Agreement as to Net Book Value*, 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 RSMo. section 536.080 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 as to Net Book Value* 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 and Agreement as to Net Book Value* 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.

6. **Waiver of Procedural Rights:** If the Commission unconditionally accepts the specific terms of this *Stipulation and Agreement as to Net Book Value* 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 RSMo. section 536.070(2); (2) to present oral argument and/or written briefs pursuant to RSMo. section 536.080.1; (3) to the reading of the transcript by the Commission pursuant to section RSMo. 536.800.2; (4) to seek rehearing pursuant to RSMo. section 386.500; and (5) to judicial review pursuant to RSMo. section 386.510. These waivers apply only to a Commission order respecting this *Stipulation and Agreement as to Net Book Value* issued in this above-captioned case and do not apply to any issues or matters raised in any prior or subsequent Commission order, or any

issue or other matters not explicitly addressed by this *Stipulation and Agreement as to Net Book Value*.

7. **Merger and Integration:** This *Stipulation and Agreement as to Net Book Value* contains the entire agreement of the signatories concerning the issue addressed herein. The intent of the signatories to this *Stipulation and Agreement as to Net Book Value* has been fully and exclusively expressed in this document and the attachments appended hereto.

WHEREFORE, the signatories respectfully request the Commission issue an order approving this *Stipulation and Agreement as to Net Book Value* as a resolution of the issue of the net book value of the water and sewer utility assets presently owned and operated by Port Perry that Confluence Rivers may acquire in the above captioned case.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that copies of the forgoing have been mailed, emailed, or hand-delivered to all counsel of record this ninth day of April, 2020.

/s/ John Clizer