

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

In the Matter of Missouri-American Water)	
Company’s Request for Authority to Implement)	File No. WR-2017-0285
General Rate Increase for Water and Sewer)	File No. SR-2017-0286
Service Provided in Missouri Service Areas.)	

STIPULATION
JEFFERSON CITY ISSUES

COME NOW Missouri-American Water Company (the “Company”) and the City of Jefferson City (“City”)¹ (collectively “the Parties” or “Signatories”) and respectfully state to the Missouri Public Service Commission (“Commission”) that, as a result of extensive negotiations, they have reached the following stipulation and agreement (the “Stipulation”):

Issues Resolved. This Stipulation is being entered into solely for the purpose of settling the issues set forth below and identified as Issues 2, 3 and 4 on the Amended List of Issues filed herein by the Staff of the Commission on February 23, 2018 (EFIS Doc. No. 252):

Coordination with Local Municipalities for Water Main Replacement – Should MAWC’s five-year main replacement program approved by the Missouri Department of Natural Resources (its Owner Supervised Program) prioritize the replacement of small dimension mains in Jefferson City and other municipalities that are connected to fire hydrants?

- a. Should MAWC be directed to provide on a regular basis the following described information to appropriate Jefferson City and other municipalities’ departments:
 - i. MAWC’s annual or multi-year capital expenditure or improvement plan for the Jefferson City and other municipality service areas, and any updates made to those plans;
 - ii. Leak studies of the water system in the Jefferson City and other municipality service areas;
 - iii. The current pressure and volume model for the water system in the Jefferson City and other municipality service areas and the age of all facilities;
 - iv. The current and subsequent versions of MAWC’s Resource Supervised Plan.

¹ The terms “Company” and “City” as used in this Stipulation shall be construed to include in the appropriate context an authorized representative or authorized representatives of the identified party.

Water Rate Design Issue – Private Fire Service Rates – What is the appropriate private fire service rate?

Cedar City / Jefferson City Airport and Fire Protection – Is the proposed pressure valve replacement at the wholesale point of supply for the water system serving the Jefferson City Airport adequate to resolve water pressure losses or fluctuations in that system?

Jefferson City Memorial Airport

1. **Pressure Reducing Valve.** The Company agrees that on or before July 1, 2018 it will replace the pressure reducing valve (“PRV”) at the point of wholesale water supply for the Company’s water system serving Jefferson City Memorial Airport and the remainder of North Jefferson City (formerly known as “Cedar City”) (“the Airport Water System”). The PRV shall be adjusted in a manner designed to achieve optimal needed fire flow taking into account the age, capacity and any structural limitations of the Airport Water System. The City, specifically City Fire Department personnel, will provide assistance as needed to the Company in establishing the appropriate initial and any subsequent adjustment of the PRV. In the event the replacement PRV fails to operate properly, the Company will promptly repair or replace the same or take other appropriate remedial measures.

Small Dimension Mains

2. **Small Dimension Mains Connected to Fire Hydrants.** The City acknowledges that the Company engages in an extensive process of prioritizing main replacements in its service areas and that it considers, among other factors, the upsizing of those mains that are connected to fire hydrants. In the Jefferson City water system, the Company has identified 0.3 miles of 2” diameter mains and 1.55 miles of 4” diameter mains that are currently connected to fire hydrants. The Company agrees to use its best efforts to prioritize the replacement of the identified small dimension mains with the goal that they will be replaced within five (5) years from the effective date of the Report and Order in this case.

Information and Meetings

3. **Exchange of Data.** Within thirty (30) days of the effective date of the Report and Order in this case, the Company agrees to deliver the following to the City regarding the Company's water system in the City:

- a. The Company's current 2018 main replacement program and the location of any mains scheduled to be replaced within the next three years;
- b. The results of any leak study conducted by the Company;
- c. Any non-proprietary model of the current pressure and volume for the water system or alternatively, the outputs of such a pressure and volume model;
- d. Any documentation available to the Company concerning the age of the transmission mains, distribution mains, pumps and appurtenant equipment for the water system; and
- e. That portion of the Company's current Resource Supervised Plan which applies to the water system in Jefferson City.

4. **Coordinating Meetings.** Toward the objective of better coordinating the Parties' ongoing efforts to time projects appropriately, and to avoid, when possible, paving roads prematurely or excavating into roads that have been recently paved, it is agreed that in addition to attending any semi-annual government agency and utility coordination meeting convened by the City, the Company shall meet with the City, not more often than quarterly, for purposes of: a) discussing the data delivered pursuant to Paragraph 3; b) discussing any updates to the data; and c) reviewing the City's list and the Company's list of current and future projects and any expected modifications to those project lists. The Parties are under a continuing obligation to timely deliver

to each other any corrections, amendments, modifications or updates to any plan, program, schedule or other information previously provided.

5. **Safety Standards Committee.** Within sixty (60) days of the effective date of a Report and Order in this case, the Company and the City will create a Safety Standards Committee from select representatives of each party. The purposes of the Committee shall be to investigate the effect, if any, existing private fire line rates have on encouraging or discouraging the installation of sprinkling systems, or other private fire suppression appliances, in multidwelling units, commercial or industrial buildings. The Committee's first meeting shall be held no later than one hundred twenty days after the effective date of the Report and Order in this case.

6. **Reporting By The Safety Standards Committee.** The Parties independently or through the Safety Standards Committee shall cooperatively prepare, or in the event a single report is impractical, each party may separately prepare a report summarizing the efforts undertaken by the Committee and its conclusions. The report(s) shall be submitted to the Chief Operating Officer of the Company, Chief of the City Fire Department, the City Administrator, or his/her designee, and the Commission's Regulatory Manager of the Water and Sewer Unit, Regulatory Review Division.

General Provisions

7. Contingent upon Commission approval of this Stipulation without modification, the Parties hereby stipulate to the admission into the evidentiary record of the following pre-filed testimonies: Matthew D. Schofield (Direct and Surrebuttal) and Britt E. Smith (Direct and Surrebuttal).

8. This Stipulation is being entered into solely for the purpose of settling the issue(s)/matter(s) in these cases explicitly set forth above. Unless otherwise explicitly provided

herein, none of the Signatories to this Stipulation shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any cost of service methodology or determination, depreciation principle or method, method of cost determination or cost allocation or revenue-related methodology. Except as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation in this or any other proceeding, regardless of whether this Stipulation is approved.

9. This Stipulation has resulted from extensive negotiations among the Signatories, and the terms hereof are interdependent. If the Commission does not approve this Stipulation unconditionally and without modification, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof.

10. This Stipulation embodies the entirety of the agreements between the Signatories in this case on the issue(s)/matter(s) addressed herein, and may be modified by the Signatories only by a written amendment executed by all of the Signatories.

11. If approved and adopted by the Commission, this Stipulation shall constitute a binding agreement among the Signatories. The Signatories shall cooperate in defending the validity and enforceability of this Stipulation and the operation of this Stipulation according to its terms.

12. If the Commission does not approve this Stipulation without condition or modification, and notwithstanding the provision herein that it shall become void, (a) 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 RSMo. §536.080 or Article V, Section 18 of the Missouri Constitution, and (2) 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, 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 purpose whatsoever.

13. If the Commission accepts the specific terms of this Stipulation without condition or modification, only as to the issue(s)/matter(s) in these cases explicitly set forth above, the Signatories each waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §536.500, and their respective rights to judicial review pursuant to §386.510. This waiver applies only to a Commission order approving this Stipulation without condition or modification issued in these proceedings and only to the issue(s)/matter(s) that are resolved hereby. It does not apply to any issue(s)/matter(s) raised in any prior or subsequent Commission proceeding nor any issue(s)/matter(s) not explicitly addressed by this Stipulation.

WHEREFORE, for the foregoing reasons, the undersigned Signatories respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation.

Respectfully submitted,

/s/ William R. England

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was sent via email on this 28th day of February, 2018, to:

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