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February 22, 2001

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Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. WO-2001-326

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **UNANIMOUS STIPULATION AND AGREEMENT**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Keith R. Krueger
by Wm K. Hoos

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Deputy General Counsel
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KRK:sw

Enclosure

cc: Counsel of Record

FILED²
FEB 22 2001
Missouri Public
Service Commission

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

FILED²

FEB 22 2001

Missouri Public
Service Commission

In the Matter of the Joint Application of)
the Public Water Supply District No. 3 of)
Franklin County, Missouri, and the City of)
Washington, Missouri, for Approval of a)
Territorial Agreement Concerning)
Territory Encompassing Part of Franklin)
County, Missouri.)

Case No. WO-2001-326

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW the Staff of the Missouri Public Service Commission ("Staff"), Public Water Supply District #3 of Franklin County, Missouri ("District"), the City of Washington, Missouri ("City"), and the Office of the Public Counsel ("OPC"), by their undersigned counsel, and for their Unanimous Stipulation and Agreement ("Stipulation") stipulate and agree as follows:

1. On August 7, 2000, the District and the City ("Applicants") executed an Intergovernmental Territorial Agreement ("Territorial Agreement") pursuant to Section 247.172, RSMo 1994. On November 27, 2000, the District filed with the Missouri Public Service Commission ("Commission") an Application for Public Service Commission Review. Concurrent with the filing of this application, the District submitted the required filing fee to the Commission. Thereafter, on December 7, 2000, the Commission issued an Order Directing Filing, in which it stated that the said application did not comply with Commission rules and directed the District, and the City, if appropriate, to file an amended pleading to remedy the defects in the original application.

2. On January 3, 2001, the District and the City filed their Amended Joint Application for Approval of a Territorial Agreement ("Amended Joint Application"), wherein they requested that the Commission approve the Territorial Agreement. The Amended Joint Application stated that it "does not affect any existing customers of either the District or the City." Since the Agreement affects only new customers of the District and the City, it was not necessary for the Applicants to attach a listing of customers affected by the Agreement to the Joint Application.

3. On January 5, 2001, the Commission issued its Order and Notice ("Order") directing the Applicants, the Staff and the OPC ("Parties") to file a proposed procedural schedule on or before January 25, 2001. The Commission's Order required that the proposed schedule provide for a hearing to take place on or before March 9, 2001. The Commission's Order also directed that notice of the Joint Application be given to the County Commission of Franklin County, the members of the General Assembly representing the Applicants' service areas and the newspapers that serve the Applicants' service areas. The Commission's Order set an intervention deadline date of January 22, 2001. The Commission's Order also granted a temporary waiver of the Applicants' obligation to file a legal description, but required that the legal description be filed not later than ten days prior to the hearing on the Amended Joint Application.

4. No requests for intervention in the case were received by the intervention deadline date, nor have any late-filed requests for intervention been received.

5. On January 25, 2001, the Staff, on its own behalf and on behalf of the District, the City and the OPC, filed a Proposed Procedural Schedule as directed by the Commission's January 5th Order. The proposed schedule stated that the parties would file a stipulation and

agreement by no later than February 22, 2001, and it requested that the required evidentiary hearing be held on March 5, 2001.

6. On February 5, 2001, the Joint Applicants filed Appendix B to the Amended Joint Application, which consists of a legal description designating the boundaries under the Agreement and a signed transmittal letter from Cochran Engineering & Surveying.

7. On February 6, 2001, the Commission issued an Order Scheduling Hearing wherein it scheduled an evidentiary hearing in this case for March 5, 2001, beginning at 1:30 p.m.

8. The Territorial Agreement designates the boundaries of the respective water service areas of the District and the City, as set forth in Exhibits A and B attached to the Territorial Agreement and as further defined by Appendix B to the Amended Joint Application.

9. The Agreement specifies any and all powers granted to the District by the City to operate within the corporate boundaries of the City. The Agreement specifies any and all powers granted to the City by the District to operate within the boundaries of the District.

10. The Agreement will enable the Applicants to avoid wasteful and costly duplication of water utility services within the affected service areas and will displace destructive competition between the Applicants, all to the benefit of the Applicants' respective customers.

11. The Joint Application acknowledges that the Agreement in no way affects or diminishes the rights and duties of any water supplier that is not a party to the Agreement to provide service within the boundaries designated in the Agreement.

12. The Parties agree that the Agreement meets the requirements of Section 247.172, RSMo 2000. The Parties further agree that the Agreement is not detrimental to the public interest and that the Commission should so find.

13. The Parties agree that the testimony to be provided at the evidentiary hearing for this case will be limited to the Staff calling one witness to provide testimony in support of the Amended Joint Application, the Territorial Agreement and this Stipulation, unless otherwise requested by the Commission in advance of the hearing. The Applicants will, however, have representatives available at the evidentiary hearing to answer questions from the Commission and the presiding officer.

14. This Stipulation has resulted from negotiations among the Parties and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation shall be void and no signatory shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the Parties to take other positions in other proceedings.

15. Inasmuch as there will be an evidentiary hearing in this case, as required by statute, the Staff shall only submit a memorandum explaining its rationale for entering into this Stipulation if the Commission requests such a memorandum in advance of the evidentiary hearing for this case. Each Party to the case shall be served with a copy of any such memorandum and shall be entitled to submit to the Commission, within five business days of receipt of Staff's memorandum, a responsive memorandum that shall also be served on all parties. All memoranda submitted to the Commission under the terms of this paragraph shall be considered privileged in the same manner as are settlement discussions under the Commission's rules and shall thus be maintained on a confidential basis by all Parties. Such memoranda shall not become a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in any future proceeding, whether or not the Commission approves and adopts this

Stipulation. The contents of any memorandum submitted to the Commission under the terms of this paragraph by any Party are its own and are not acquiesced in or otherwise adopted by the other signatories to this Stipulation, whether or not the Commission approves and adopts this Stipulation.

16. The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other Parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from the Staff. The Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any protective order issued in this case.

17. As noted in Paragraph 13 above, the Staff will provide its testimony in support of the Amended Joint Application, the Territorial Agreement and this Stipulation at the evidentiary hearing scheduled for March 5, 2001.

WHEREFORE, the parties respectfully request that the Commission issue its Order approving the Amended Joint Application, the Territorial Agreement and this Stipulation.

Respectfully submitted,

DANA K. JOYCE
General Counsel


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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 to all counsel of record as shown on the attached service list this 22nd day of February 2001.



Service List for

WO-2001-326

Revised: February 22, 2001 (SW)

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