

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

In the Matter of the Application of Liberty)	
Utilities (Missouri Water) LLC for Certificates of)	
Convenience and Necessity Authorizing it to)	Case Nos. WA-2020-0397
Install, Own, Acquire, Construct, Operate, Control,)	and SA-2020-0398
Manage, and Maintain a Water System and Sewer)	
System in Bolivar, Polk County, Missouri)	

GLOBAL STIPULATION AND AGREEMENT

COME NOW Liberty Utilities (Missouri Water) LLC (“Liberty” or “Company”) and the Missouri Public Service Commission (“Commission”) Staff (“Staff”) (collectively, the “Signatories”), and, pursuant to 20 CSR 4240-2.115, present this Global Stipulation and Agreement (“Agreement”) as a complete resolution of the above-captioned case. In this regard, the Signatories respectfully state as follows to the Commission:

1. On October 15, 2020, Liberty filed its Application seeking Certificates of Convenience and Necessity (“CCNs”) for authority to install, own, acquire, construct, operate, control, manage, and maintain a water system and a sewer system in Bolivar, Polk County, Missouri.
2. The Signatories agree and intend this Agreement to settle all issues with regard to Liberty’s Application and the requested CCNs. The Signatories recommend that the Commission approve this Agreement as a just and a fair compromise of their respective positions.
3. Liberty, Staff, and the Office of the Public Counsel (“OPC”) are all of the parties to these dockets. Although OPC is not a Signatory to this Agreement, OPC does not object to the Commission approving this Agreement as a complete resolution of these dockets.
4. The Signatories request approval of the Application to install, own, acquire, construct, operate, control, manage, and maintain a water system and a sewer system in Bolivar,

Polk County, Missouri, subject to the following conditions:

a. Require Liberty to submit tariff sheets, to become effective before closing on the assets, to include a service area map, and service area written description to be included in its EFIS tariffs P.S.C. MO No. 14 and 15, applicable to water service and sewer service in its Bolivar service area;

b. Require Liberty to notify the Commission of closing on the assets within five days after such closing;

c. If closing on the water and sewer system assets does not take place within 30 days following the effective date of the Commission's order approving this Agreement, require Liberty to submit a status report within five days after this 30-day period regarding the status of closing, and additional status reports within five days after each additional 30-day period, until closing takes place, or until Liberty determines that the transfer of the assets will not occur;

d. If Liberty determines that a transfer of the assets will not occur, require Liberty to notify the Commission of such no later than the date of the next status report, as addressed above, after such determination is made, and require Liberty to submit tariff sheets as appropriate that would cancel service area maps and descriptions applicable to the Bolivar area in its water tariff, and rate sheets applicable to customers in the Bolivar area in both the water and sewer tariffs;

e. Require Liberty to develop a plan to book all of the Bolivar plant assets, with the concurrence of Staff and/or with the assistance of Staff, for original cost, depreciation reserve, and contributions (CIAC) for appropriate plant accounts, along with reasonable and prudent transaction, closing, and transition costs. This

plan should be submitted to Staff for review within 60 days after closing on the assets;

f. Require Liberty to keep its financial books and records for plant-in-service and operating expenses in accordance with the NARUC Uniform System of Accounts;

g. Adopt for Bolivar Water and Sewer assets the depreciation rates ordered for Liberty in Case No. WR-2018-0170;

h. Require Liberty to provide to the Customer Experience Department an example of its actual communication with the Bolivar service area customers regarding its acquisition and operations of the Bolivar water and sewer system assets, and how customers may reach Liberty, within ten (10) days after closing on the assets;

i. Require Liberty to obtain from Bolivar, as best as possible prior to or at closing, all records and documents, including but not limited to all plant-in-service original cost documentation, along with depreciation reserve balances, documentation of contribution-in-aid-of construction transactions, and any capital recovery transactions;

j. Except as required by §393.320, RSMo, make no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the CCNs to Liberty, including expenditures related to the certificated service area, in any later proceeding;

k. Require Liberty to distribute to the Bolivar customers an informational brochure detailing the rights and responsibilities of the utility and its

customers regarding its sewer service, consistent with the requirements of Commission Rule 20 CSR 4240-13.040(3), within thirty (30) days of closing on the assets;

l. Require Liberty to provide to the CXD Staff a sample of ten (10) billing statements from the first month's billing within thirty (30) days of closing on the assets;

m. Require Liberty to communicate with Bolivar customers concerning the billing date, delinquent date, and billing changes that will occur once the acquisition is approved, and provide a copy of this communication to CXD Staff;

n. Require Liberty to provide training to its call center personnel regarding rates and rules applicable to the Bolivar customers;

o. Require Liberty to include the Bolivar customers in its established monthly reporting to the CXD Staff on customer service and billing issues, on an ongoing basis, after closing on the assets; and

p. Require Liberty to file notice in this case outlining completion of the above-recommended training, customer communications, and notifications within ten (10) days after such communications and notifications.

5. Liberty shall initially establish rate base for the Bolivar systems as of December 31, 2019, utilizing Staff's calculation of net book value for water and sewer assets (\$5,566,992 for water and \$8,356,492 for sewer). The Signatories recognize there may have been additions/changes since that date. The final rate base amount as of the date of acquisition will be established in Liberty's next general rate case.

6. Additionally, the Signatories request that the Commission authorize Liberty to

establish a regulatory asset in the amount of \$3,981,385 (\$1,612,758 for water and \$2,368,627 for sewer). Rate recovery of this regulatory asset will be determined in Liberty's next general rate case, but Staff agrees to support Liberty's rate recovery of this amount.

7. Rates for water and sewer service to existing Bolivar customers will be adopted by Liberty. Liberty agrees that future rates for Bolivar will not be consolidated with other rates until such time as the regulatory asset described in paragraph five above has been fully recovered from Bolivar customers. In order to accomplish this, books and records will be separately maintained for Bolivar.

8. In presenting this Agreement, 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 Agreement, whether approved or not, in this or any other proceeding, other than a proceeding limited to the enforcement of the terms of this Agreement, except as otherwise expressly specified herein. The Signatories further understand and agree that the provisions of this Agreement relate only to the specific matters referred to herein, and no Signatory waives any claim or right which it otherwise may have with respect to any matter not expressly provided for in this Agreement.

9. The terms of this Agreement are interdependent. If the Commission does not approve this Agreement in total, or approves it with modifications or conditions to which a signatory objects, then this Agreement 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.

10. If the Commission does not unconditionally approve this Agreement without

modification, and notwithstanding its provision that it shall become void, neither this 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 Signatory has for a decision in accordance with Section 536.080, RSMo, 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 Agreement had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this 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 further purpose whatsoever.

11. If the Commission unconditionally accepts the specific terms of this Agreement 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; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo; (3) their respective rights to the reading of the transcript by the Commission pursuant to Section 536.800.2, RSMo; (4) their respective rights to seek rehearing pursuant to Section 386.500, RSMo; and (5) their respective rights to judicial review pursuant to Section 386.510, RSMo. These waivers apply only to a Commission order respecting this Agreement issued in this above-captioned proceedings, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Agreement.

12. This Agreement contains the entire agreement of the Signatories concerning the issues addressed herein.

WHEREFORE, the Signatories hereby respectfully submit this Global Stipulation and Agreement, and request the Commission issue an Order approving the same; and granting any further relief as is just and reasonable under the circumstances.

Respectfully submitted,

Counsel for Liberty:

/s/ Diana C. Carter

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CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 12th of November, 2021, and sent by electronic transmission to the Staff of the Commission and the Office of the Public Counsel.

/s/ Diana C. Carter