

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

In the Matter of Cedar Green Land Acquisition, LLC)
for a Certificate of Convenience and Necessity)
Authorizing it to Own, Operate, Maintain, Control and)
Manage Water Systems in Camden County, Missouri.)

File No. WA-2013-0117

In the Matter of Cedar Green Land Acquisition, LLC)
for a Certificate of Convenience and Necessity)
Authorizing it to Own, Operate, Maintain, Control and)
Manage Sewer Systems in Camden County, Missouri.)

File No. SA-2013-0354

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW the Staff of the Missouri Public Service Commission (“Staff”), the Office of the Public Counsel (“Public Counsel”), and Cedar Green Land Acquisition, LLC (“CGLA” or “Company”), collectively referred to hereafter as “Parties” and respectfully state to the Missouri Public Service Commission (“Commission”) that, as a result of negotiations, the undersigned parties (“Parties”) have reached the stipulations and agreements contained herein.

Factual Background

1. On August 24, 2012, Staff filed a *Complaint* against Gary Myers, individually and as agent for Cedar Green Land Acquisition, LLC, and Cedar Green Land Acquisition, LLC, alleging this entity and individual were unlawfully operating as water and sewer entities that should be under the jurisdiction of the Commission.

2. In December 2003 CGLA was created as a Limited Liability Company with the Missouri Secretary of State.

3. On September 25, 2012, CGLA filed an *Application* with the Commission seeking a certificate of convenience and necessity (CCN) to own, operate, maintain,

control and manage water systems in Camden County, Missouri. On January 15, 2013, CGLA filed an *Application* with the Commission seeking a CCN to own, operate, maintain, control and manage sewer systems in Camden County, Missouri.

4. The systems CGLA seeks to obtain a *CCN* for are those systems that were the subject of the *Complaint* referenced in paragraph 1, above.

5. On February 26, 2013, Staff filed its *Recommendation to Approve Applications, with Conditions* ("*Recommendation*"), and on March 28, 2013, Public Counsel filed its response to Staff's *Recommendation*.

6. **Issues Settled.** This Stipulation and Agreement is intended to satisfactorily resolve all issues identified by Staff, the Company and Public Counsel regarding the Company's *Application*.

7. **Resolution.** The Commission should grant CGLA water and sewer CCNs for each of the service areas requested as shown in Appendices A1 and A2. The Parties agree that approval of these CCN requests is not detrimental to the public interest.

8. **Rate Base.** The Parties agree that CGLA shall use a total rate base of \$218,095.00 (\$83,885 for water and \$134,210 for sewer) in establishing its initial plant account balances. No party is prohibited from making adjustments to this level in any future rate proceeding.

9. **Depreciation.** The Parties agree to the depreciation rates as stated in Appendix B, attached and incorporated by reference herein.

10. **DNR Permits.** As a condition of granting a CCN, Mr. Myers will work with DNR to correct the continuing authority for the permits and any other relevant documents to reflect Cedar Green Land Acquisition, LLC.

11. **Tariff Sheets.** CGLA shall file complete water and sewer tariffs as thirty (30) day filings, depicting the service areas to apply to the system, containing monthly rates as described herein in each tariff, and containing rules and regulations appropriate to water and sewer service. The tariff sheets to be filed by CGLA shall include the following rates for water and sewer service:

WATER RATES	\$80.37	Per Quarter Per Unit
SEWER RATES	\$142.65	Per Quarter Per Unit

12. **Rate Case Requirement.** Public Counsel and CGLA have agreed, and Staff does not support or oppose, that CGLA shall be required to file concurrent rate requests for both its water and sewer systems within two years of the effective date of rates in the current case. No party is prohibited from making adjustments in any future rate proceeding.

13. **Billing.** CGLA shall bill the Cedar Green Condominium Owners' Association, Inc. ("CGOA"), or its successors or assigns, as one customer. Single family residences will be billed individually. CGLA will bill all customers quarterly. Quarterly bills for CGOA shall be calculated by multiplying the number of units sold and connected to the system by the above rates. The rate for single family residences are as stated above.

14. **Contract for Plant Operations.** CGLA must at all times maintain a valid written contract with a contract operator for day-to-day plant operations, or hire one or more qualified employees who are able to undertake adequate plant operational tasks.

15. **Records Maintenance.** CGLA shall maintain utility plant records and customer account records, and keep all books and records, including plant property records, in accordance with the Uniform System of Accounts, version 1973 and revised in 1976 for water, and version 1976 for sewer.

16. **Compliance with Commission Rules.** CGLA shall comply with all Commission Rules regarding water system operation, sewer system operation, customer service and billing, and specifically including the timely submission of annual reports with the Commission, statements of revenue, and payment of annual Commission assessments.

17. **Time Sheets.** Beginning with the effective date of the tariff sheets to be filed as a result of this matter, CGLA shall maintain time sheets for all employees, to document time spent on CGLA matters. CGLA shall also maintain mileage logs to document transportation associated with CGLA business.

18. **Related Complaint Cases.** Staff shall dismiss Commission Case No. WC-2013-0087, within five days after the effective date of a Commission Order disposing of all issues in this case.

19. **Follow-Up Reviews.** Staff or Public Counsel may conduct follow-up reviews of the Company's operations to ensure that the Company has complied with the provisions of the Unanimous Stipulation and Agreement.

20. **Compliance with Stipulation and Agreement.** Staff or Public Counsel may file a formal complaint against the Company if the Company does not comply with the provisions of this Unanimous Stipulation and Agreement.

21. **Review of Document.** Each Party acknowledges that it has read the foregoing Unanimous Stipulation and Agreement, that the facts stated therein are true and accurate to the best of the Party's knowledge and belief; that the foregoing conditions accurately reflect the agreement reached between Staff, the Company and Public Counsel, and that each individual Party freely and voluntarily enters into this Unanimous Stipulation and Agreement.

22. **Ratemaking Principles.** Other than the specific conditions agreed upon and expressly set out herein, the terms of this Unanimous Stipulation and Agreement reflect compromises between Staff, the Company and Public Counsel. In arriving at the amount of the rate base specified herein, no party has agreed to any particular ratemaking principle.

23. **Future Filings.** The Company and Public Counsel acknowledge that the Staff will be filing this Unanimous Stipulation and Agreement and the appendices hereto. The Company and Public Counsel also acknowledge that Staff may make other filings in this case.

24. **Explanation to the Commission.** Additionally, the Company and Public Counsel agree that subject to the rules governing practice before the Commission that Staff shall have the right to provide whatever oral explanation the Commission may request regarding this Unanimous Stipulation and Agreement at any agenda meeting.

25. **Procedural Schedule Suspension.** As a result of this Unanimous Stipulation and Agreement, the Parties request that the previously ordered procedural schedule be suspended and the Parties relieved of adherence to the procedural schedule at this time.

Respectfully submitted,

/s/ Meghan E. Woolery

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record on this 4th day of June, 2013.

/s/ Meghan E. Woolery

Cedar Green Land Acquisition WA-2013-0117 and SA-2013-0354

Service Area Description

Area 1 - (Condo buildings south) All that part of Lot 12 of Section 34, Township 38 North Range 17 West, described as follows: From the Northeast corner of said Lot 12, run West along the North line of said Lot 12, 501.2 feet to centerline of a county road; thence South 28 degrees 04 minutes East 173.5 feet; thence South 34 degrees 12 minute East 120.8 feet; thence South 17 degrees 34 minutes East 80.0 feet; thence South 11 degrees 10 minutes East 380.0 feet; thence South 25 degrees 06 minutes East 90.0 feet to the Southeast corner of Lewis Martin and Catherine Martin property for point of beginning; thence continue along said road South 27 degrees 36 minutes East 250.0 feet; thence leaving said road South 72 degrees 07 minutes West 958 feet more or less to the South line of said Lot 12; thence West along said South line 530 feet more or less to the right bank of the Big Niangua River; thence in a Northwesterly direction down South right bank to a point which bears South 72 degrees 07 minutes West from beginning point; thence North 72 degrees 07 minutes East 1340 feet, more or less, to the beginning point.

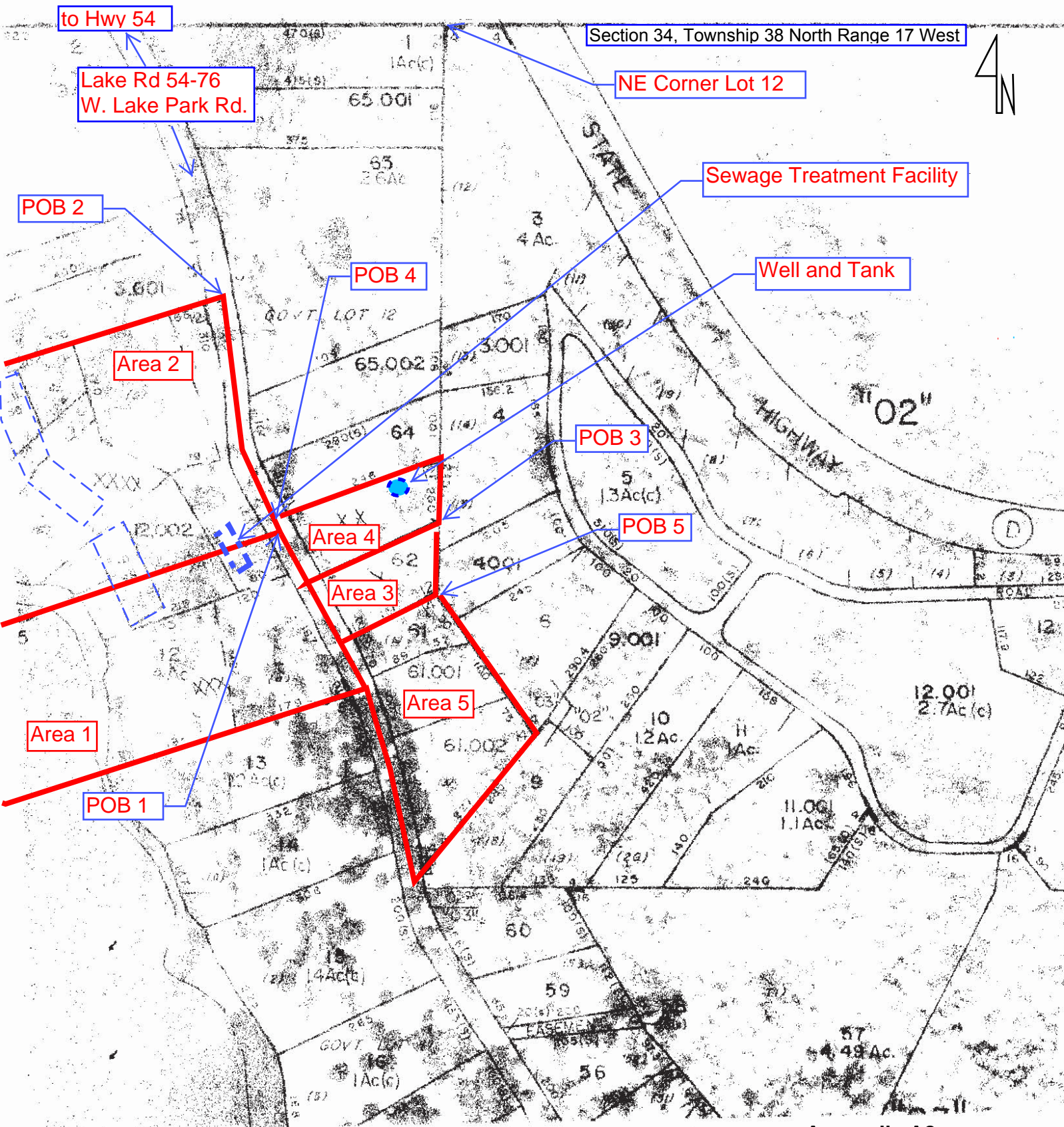
Area 2 – (Condo buildings north) All that part of Lot 12 in Section 34, Township 38 North, Range 17 West, described as follows: From the Northeast corner of said Lot 12 run West 501.2 feet to the centerline of the County Road; thence along said road South 23 degrees 34 minutes East 173.5 feet; thence South 34 degrees 12 minutes East 120.8 feet; thence South 17 degrees 34 minutes East 80.0 feet; thence South 11 degrees 10 minutes East 70 feet for the beginning point; thence continue along the road South 11 degrees 10 minutes East 310.0 feet; thence South 25 degrees 06 minutes East (deed= South 25 degrees 05 minutes East) 90.0 feet; thence leaving the road South 72 degrees 07 minutes West 1340 feet, more or less, to the right bank of the Niangua River; thence Northeasterly downstream along the river bank to a point South 72 degrees 07 minutes West (deed =South 72 degrees 08 minutes West) 960 feet, more or less, from the beginning point; thence North 72 degrees 07 minutes East 960 feet to the beginning point.

Area 3 – (Lot No. 62) That part of Lot 12 of Section 34, Township 38 North, Range 17 West, in Camden County, Missouri, described as follows: From the Northeast corner of said Lot 12, run South 1 degree 26 minutes West along the East line of said lot 12, 760.4 feet to an iron pin for the point of beginning; thence continue South 1 degree 26 minutes West along said East line of Lot 12, a distance of 100.0 feet to an iron pin; thence leaving said East line of Lot 12 and run South 63 degrees 04 minutes West along the Southeasterly line of the Herbert Bertram property (South 62 degrees 24 minutes West= Deed) 151.2 feet to the centerline of the County Road; thence North 27 degrees 36 minutes West along the centerline of said County Road 100.0 feet; thence leaving said centerline of the County Road and run North 66 degrees 32 minutes East 201.3 feet to the point of beginning.

Area 4 – (Lot 63, well and tank) That part of Lot 12 of Section 34, Township 38 North, Range 17 West in Camden County, Missouri, described as follows: From the Northeast corner of said Lot 12 run West along

the North line of said Lot 12, 501.2 feet to the centerline of the County Road; thence along said centerline of the County road as follows: South 28 degrees 04 minutes East 173.5 feet; thence South 34 degrees 12 minutes East 120.8 feet; thence South 17 degrees 34 minutes East 80.0 feet; thence South 11 degrees 10 minutes East 380.0 feet; thence South 25 degrees 06 minutes East 47.2 feet to the point of beginning; thence continue along said centerline South 25 degrees 06 minutes East 42.8 feet; thence South 27 degrees 36 minutes East 57.2 feet; thence leaving said centerline of the County Road and run North 66 degrees 32 minutes East 201.3 feet to an iron pin in the East line of said Lot 12; thence North 1 degree 26 minutes East along said East line a distance of 100.0 feet to an iron pin; thence leaving said East line and run South 68 degrees 38 minutes West 248.92 feet to the point of beginning.

Area 5 – (Lots 61, 61.001 and 61.002) An area that includes Lots 2 and 3 of Amended Plat of Lot 55 of Westlake Subdivision, and parts of Lots 16 and 17 of Lowell's Lake View Subdivision in Camden County, Missouri, described as follows: From the Northeast corner of Lot 12 of Section 34, Township 38 North, Range 17 West, in Camden County, Missouri, run South 1 degree 26 minutes West along the East line of said lot 12, 760.4 feet to an iron pin; thence continue South 1 degree 26 minutes West along said East line of Lot 12, a distance of 100.0 feet to an iron pin for the point of beginning; thence leaving said East line of Lot 12 South 34 degrees 24 minutes East a distance of 248 feet; thence South 42 minutes 33 degrees West a distance of 255 feet more or less to the centerline of the County Road; thence northerly along the centerline of the County Road a distance of 351 feet more or less to the Southeasterly line of the Herbert Bertram property; thence run North 63 degrees 04 minutes East along the said Southeasterly line of the Herbert Bertram property 151.2 feet to the point of beginning.



to Hwy 54

Lake Rd 54-76
W. Lake Park Rd.

Section 34, Township 38 North Range 17 West

NE Corner Lot 12

Sewage Treatment Facility

POB 2

POB 4

Well and Tank

Area 2

POB 3

Area 4

POB 5

Area 3

Area 1

Area 5

POB 1

Cedar Green Land Acquisition - Appendix B
SCHEDULE of DEPRECIATION RATES
(WATER)
WA-2013-0117

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>DEPRECIATION RATE</u>	<u>AVERAGE SERVICE LIFE (YEARS)</u>	<u>NET SALVAGE</u>
311	Structures and improvements	2.5%	44	-10%
314	Wells and springs	2.0%	50	0%
325	Submersible pumping equipment	10.0%	12	-20%
342	Distribution reservoirs and standpipes	2.5%	42	-5%
343	Transmission and distribution mains	2.0%	50	0%
348	Hydrants	2.0%	50	0%
379	Other general equipment	6.7%	13	13%

Cedar Green Land Acquisition - Appendix B
SCHEDULE of DEPRECIATION RATES
(SEWER)
SA-2013-0354

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>DEPRECIATION RATE</u>	<u>AVERAGE SERVICE LIFE (YEARS)</u>	<u>NET SALVAGE</u>
311	Structures and improvements	4.0%	27.5	-10%
352.2	Collection sewers (gravity)	2.0%	50	0%
362	Receiving wells	4.0%	26	-5%
363	Electric pumping equipment	10.0%	10	0%
373	Treatment and disposal facilities	5.0%	22	-10%
374	Plant sewers	2.5%	40	0%
375	Outfall sewer lines	2.0%	50	0%
393	Other general equipment	10.0%	8.7	13%