

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

In the Matter of Missouri-American Water)
Company's Request for Authority to Implement) Case No. WR-2011-0337
A General Rate Increase for Water and Sewer) SR-2011-0338
Service Provided in Missouri Service Areas.)

**NONUNANIMOUS STIPULATION AND AGREEMENT
AS TO SPECIAL CONTRACT**

COME NOW Missouri-American Water Company (MAWC or Company) and The Empire District Electric Company (Empire), and respectfully state to the Missouri Public Service Commission (Commission) that, as a result of negotiations, the undersigned parties (Signatories) have reached the stipulations and agreements contained herein in order to settle the certain issues specified below.

1. **Issue Settled.** This Stipulation and Agreement is intended to settle among the Signatories the issue of the appropriate rate to be applied to the interruptible water service provided to Empire. The Signatories recommend that the Commission accept this Stipulation and Agreement as a fair compromise of their respective positions as to this issue.

STIPULATION AND AGREEMENT

2. Attached as **Appendix A** is an Interruptible Industrial Water Supply Agreement (Agreement) between MAWC and Empire. The Agreement is designed to supersede and replace a 2001 Agreement between the Signatories, as was amended in 2004. The Agreement addresses service characteristics, point of delivery, facilities, interruptible nature of the supply and rates and charges, among other things.

Empire Exhibit No. 1
Date 2-21-12 Reporter JL
File No. WR-2011-0337

3. MAWC and Empire ask that the Commission approve this Stipulation and Agreement and incorporate the result in the determination of just and reasonable rates to be ordered in this case.

4. The Agreement essentially provides for a continuation of the existing arrangement whereby Empire is charged the lower of the Company's fully loaded production costs (covering the operating expenses, taxes, and capital cost of producing water for the Joplin District), or the Company's rate for manufacturers, industrials and large quantity users of water as approved by the Commission and applicable to the Joplin District. The term of the Agreement is extended for twenty-five (25) years from its effective date, which roughly coincides with the life expectancy of Empire's State Line Combined Cycle Plant electric production facility for which the water service is intended.

5. **Revenue Requirement.** The settlement of the issue identified in this Stipulation and Agreement concerns rate design and should have no impact on the revenue requirement to be ordered in this case.

Contingent Waiver of Rights

6. This Stipulation and Agreement is being entered into solely for the purpose of settling the identified issue in this case listed above. Unless otherwise explicitly provided herein, none of the Signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any other method of cost determination or cost allocation or revenue-related methodology. Other than explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this

Stipulation and Agreement in this or any other proceeding regardless of whether this Stipulation and Agreement is approved.

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


8. If the Commission does not unconditionally approve this Stipulation and Agreement without modification, and notwithstanding the provision herein that it shall become void; neither this Stipulation and 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 §536.080 RSMo 2000 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 had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation and 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 purpose whatsoever.

9. In the event the Commission unconditionally accepts the specific terms of this Stipulation and Agreement without modification, the Signatories waive their respective rights to present oral argument and written briefs pursuant to §536.080.1

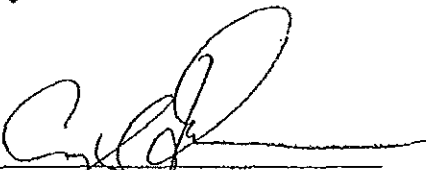
RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to RSMo §536.080.2 RSMo 2000; their respective rights to seek rehearing, pursuant to §536.500 RSMo 2000; and their respective rights to judicial review pursuant to §386.510 RSMo 2000. This waiver applies only to a Commission order unconditionally approving this Stipulation and Agreement issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding or any matters not explicitly addressed by this Stipulation and Agreement.

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 and Agreement.

Respectfully submitted,


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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 19th day of January, 2012, to:

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