

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

In the Matter of Missouri-American Water)	
Company's Request for Authority to)	Case No. WR-2015-0301
Implement a General Rate Increase for)	Case No. SR-2015-0302
Water and Sewer Service Provided in)	
Missouri Service Areas.)	

**NON-UNANIMOUS STIPULATION AND AGREEMENT ON RATE
DESIGN, DISTRICT CONSOLIDATION and SEWER REVENUE**

COMES NOW the Missouri Office of the Public Counsel ("Public Counsel" or "OPC"), the Missouri Industrial Energy Consumers ("MIEC"), City of Brunswick, City of St. Joseph, and City of Joplin, and for their Non-Unanimous Stipulation and Agreement on Rate Design, District Consolidation, and Sewer Revenue, agree as follows:

1. Rate Design

The signatories agree the fixed customer charge for all customers of Missouri American Water Company ("MAWC" or "Company") will be set as follows:

- 5/8" meter customer charge: \$14.42/month (current St. Louis Metro rate);
- 3/5" meter customer charge: \$16.09/month (current St. Louis Metro rate);
- All other customer charges (i.e. meter charges) will receive an increase proportionate to the overall revenue increase of 1.15%;
- All other remaining increases/decreases will be applied on an equal percentage basis to all other rate elements for all classes in each district.

2. District Consolidation

The signatories agree that consolidation of districts is appropriate in this case as follows: Anna Meadows and Hickory Hills will be consolidated into the St. Louis Metro

district for water only; Brunswick will be consolidated into the St. Joseph district; Redfield will be consolidated into the Jefferson City district; and the remaining districts in present District 8 will now become a new consolidated Branson district. All other water systems will remain in their current districts.

In addition, the Platte County district will receive a 5% reduction in residential rates that will be allocated to the Joplin and St. Louis Metro districts in proportion to their relative revenue requirement (approximately 10% to Joplin and 90% to St. Louis).

3. Sewer Systems

To address the sewer system revenue requirement issue, \$565,000 will be allocated to the Joplin and St. Louis Metro districts in proportion to their relative revenue requirement (approximately 10% to Joplin and 90% to St. Louis). In addition, the Arnold Sewer rate will be capped at \$33.00, which is consistent with MAWC's commitments to Arnold ratepayers.

4. Capital Expenditure Plans

To better enable the parties to address any rate design and/or district consolidation issues in the next rate case, the signatories propose MAWC be ordered to submit a 5-year capital expenditure plan with the Commission annually.

5. Parties Not Opposing

Public Water Supply Districts Nos. 1 and 2 of Andrew County and City of Warrensburg have indicated that they do not oppose this Stipulation.

6. General Provisions

This Stipulation is being entered into for the purpose of disposing of the issues that are specifically addressed herein. In presenting this Stipulation, none of the

signatories shall be deemed to have approved, accepted, agreed, consented, or acquiesced to any ratemaking principle or procedural principle including, without limitation, any method of cost or revenue determination or cost allocation or revenue-related methodology. None of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation (whether it is approved or not) in this or any other proceeding other than a proceeding limited to enforce the terms of this Stipulation, except as otherwise expressly specified herein. This Stipulation has resulted from extensive negotiations and the terms hereof are interdependent. If the Commission does not approve this Stipulation, or approves it with modifications or conditions to which a party objects, then this Stipulation shall be void and no signatory shall be bound by any of its provisions. Moreover, if the Commission does not implement the terms and conditions agreed upon in this Stipulation, then this Stipulation shall also become void and no signatory shall be bound by any of its provisions.

If the Commission does not unconditionally approve this Stipulation without modification, and notwithstanding its provision then it shall become void, 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 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 Stipulation had not been presented for approval and any suggestions or 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 further purpose whatsoever.

If the Commission unconditionally accepts the specific terms of this Stipulation 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) to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo.; (3) to seek rehearing pursuant to Section 386.500, RSMo., and (4) to judicial review pursuant to Section 386.510, RSMo. These waivers apply only to a Commission order respecting this Stipulation issued in this above-captioned proceeding and do not apply to any matters raised in any prior or subsequent Commission proceeding or any matters not explicitly addressed by this Stipulation. Pre-filed testimony on the issues resolved herein will be admitted to the record.

This Stipulation contains the entire agreement of the signatories concerning the issues addressed herein.

This Stipulation does not constitute a contract with the Commission. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigatory power or other power which the Commission presently has. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

WHEREFORE, the signatories respectfully request the Commission to issue an Order in this case approving this Non-Unanimous Stipulation and Agreement.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 22nd day of March 2016.

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