

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

In the Matter of the Request)	
for Increase in Annual Water)	<u>Case No. WR-2017-0110</u>
and Sewer System Operating)	
Revenues for Terre Du Lac Utilities)	

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW the undersigned – Terre Du Lac Utilities, the Staff of the Missouri Public Service Commission (Staff) and the Office of the Public Counsel (OPC) (collectively Parties) and file a *Unanimous Stipulation and Agreement (Stipulation)* to resolve all outstanding contested issues in the above-referenced matter. Terre Du Lac, which operates a sewer and water system, filed a request for a rate increase October 11, 2016, mostly related to costs incurred for the installation of a new well and improvement of existing wells used for its water service operations; and the improvements to the lift station for its sewer service operations. The Parties reached a unanimous *Partial Disposition Agreement*, which was filed with the Commission on May 9, 2017. Pursuant to further settlement negotiations, the Parties have reached the following agreements.

The Parties for their *Stipulation* state:

1. **Revenue Requirement**

The Parties agree that Terre Du Lac should be authorized to file revised tariff sheets containing rate schedules for water service designed to produce an increase in overall gross annual base revenue of \$78,000 for its water operations; and revised tariff sheets containing rate schedules for sewer service

designed to produce an increase in overall gross annual base revenue of \$4,724 for its sewer operations. Subject to the provisions herein, this stipulated increase resolves this case fully.

2. **Rate Design**

The Parties agree that Terre Du Lac's water and sewer rates shall be increased by an equal percentage across the board for each rate class as reflected in Attachment A to this *Stipulation*. The effective date of rates should be 30 days from the date when Terre Du Lac files revised tariff sheets reflecting the agreed-upon increase and rate design.

3. **Return on Equity**

While the Parties have not specified a capital structure for the resolution of this matter, they have agreed to a return on equity range of 9.5% to 9.75%.

4. **Financing Case**

Terre Du Lac agrees that it will file a financing case to address Loan No. 62060550 no later than 30 days from the issuance of the Commission's *Report and Order* in this matter. By signing on to this *Stipulation* Staff and OPC do not waive their rights to file a complaint should Terre Du Lac fail to file its financing case within the 30 day time period.

5. **Partial Disposition Agreement**

This *Stipulation* is filed as an addition to the unanimous *Notice of Partial Disposition* filed May 9, 2017, in this matter, and is not meant to nullify that *Disposition*. All items stipulated to by the Parties in that *Disposition* should be

reviewed by the Commission for approval concurrent with the Commission's review of this *Stipulation*.

General Provisions

6. This *Stipulation*¹ is being entered into solely for the purpose of disposing of Case No. WR-2017-0110. Except as expressly and specifically addressed otherwise in this *Stipulation*, no signatory to this *Stipulation* shall be deemed to have approved, accepted, agreed, consented or acquiesced in, including without limitation, any procedural principle, question of Commission authority, accounting authority order principle, ratemaking principle, valuation methodology, cost of service methodology or determination, depreciation principle or method, rate design methodology, cost allocation principle or methodology, or cost recovery principle or methodology.

7. This *Stipulation* represents a negotiated settlement. Except as specified herein, the Parties to this *Stipulation* shall not be prejudiced, bound by, or in any way affected by the terms of the *Stipulation*: a) in any future proceeding; b) in any proceeding currently pending under a separate docket; c) in any pending judicial review and/or appeal; d) in this proceeding should the Commission decide not to approve this *Stipulation*, or approve the *Stipulation* with conditions. If the Commission does not approve and adopt the terms of this *Stipulation* in total, it shall be wholly void and none of the Parties shall be bound

¹ All General Provisions referencing this *Stipulation* should also be read to include the *Notice of Partial Disposition* filed May 9, 2017.

or in any way affected by any of the agreements or provisions hereof, unless otherwise agreed to by the Parties.

8. If approved and adopted by the Commission this *Stipulation* shall constitute a binding agreement among the Parties. The Parties shall cooperate in defending the validity and enforceability and the operation of this *Stipulation* according to its terms.

9. This *Stipulation* does not constitute a contract with the Commission. Acceptance of this *Stipulation* shall not be deemed as constituting an agreement on the part of the Commission to forgo the use of any discovery, investigative or other power which the Commission presently has. Thus, nothing in this *Stipulation* is intending 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.

10. If the Commission does not unconditionally approve this *Stipulation* without modification and notwithstanding its provision that it shall become void thereon, 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 Party has to a hearing on the issues presented by this *Stipulation* or previously contested in this matter, for cross-examination or for a decision in accordance with Section 536.080, RSMo, or Article V, Section 18 of the Missouri Constitution, and each Party shall retain all procedural and due process rights as fully as though this *Stipulation* had not been presented for approval. If the

Commission does not unconditionally approve this *Stipulation* without modification, then any suggestions, memoranda, testimony or exhibits that are offered or received in support of the *Stipulation* shall thereupon 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, or for any further purpose whatsoever, unless otherwise agreed to by all Parties.

11. If the Commission accepts unconditionally the specific terms of this *Stipulation* without modification, the Parties waive their respective rights to cross-examine witnesses; their respective rights to present oral argument and written briefs pursuant to Section 536.080.1 RSMo; and their respective rights to judicial review pursuant to Section 386.510, RSMo. The Parties agree that the pre-filed testimony and exhibits of the Parties shall be entered into the record without the necessity of the witnesses taking the stand, unless the Commission orders otherwise.

12. If the Commission has questions for representatives or witnesses of one or more of the Parties, the Parties shall make available, at any on-the-record session, their witnesses and attorneys for the issues settled by this *Stipulation*, provided that all of the Parties are given adequate notice of the on-the-record session. The Parties agree to cooperate in presenting this *Stipulation* to the Commission for approval, and shall take no action, directly or indirectly, in opposition to approval of this *Stipulation*.

13. With the exception of the separate *Partial Disposition Agreement* filed by the Parties May 9, 2017, this *Stipulation* embodies the entirety of the agreements between the Parties to this case and may be modified by the Parties only upon a written amendment executed by all of the Parties.

WHEREFORE, for the foregoing reasons, the Parties respectfully request that the Commission issue its Order approving the terms and conditions of this *Unanimous Stipulation and Agreement*, and grant such other and further relief as the Commission finds just.

Respectfully submitted,

/s/ Whitney Payne

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 5th day of July, 2017, to all counsel of record.

/s/ Whitney Payne