

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

In the Matter of Lake Region Water & Sewer)
Company’s Application to Implement a General) File No. WR-2013-0461, et. al
Rate Increase in Water and Sewer Service)

UNANIMOUS PARTIAL STIPULATION AND AGREEMENT

COME NOW the Staff of the Missouri Public Service Commission (“Staff”), the Office of the Public Counsel (“Public Counsel”), and Lake Region Water & Sewer Company (“Lake Region” or “the 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 have reached the following partial stipulations and agreements:

1. The parties agree to the revenue requirements reflected in the attached Staff Accounting Schedules (Appendices A, B, and C) as just and reasonable and designed to recover the Company’s cost of service for its water and sewer systems, except as the revenue requirements may be impacted by the Commission’s decision as to the items identified for hearing below. The revenue increase/decreases, prior to taking into consideration the Evidentiary Hearing issues, are shown on the ratemaking income statements found in Appendices A, B, and C.

2. In addition to the revenue requirements agreed to as laid out above, the Parties also agree to the following:

a. **Job Descriptions.** The Company shall develop written job descriptions for each position at the Company that adequately reflects the employees’ current job duties and responsibilities. This recommendation should be completed within ninety (90) days of the

effective date of the Commission's final Report and Order issued in this case, WR-2013-0461.

- b. **Time Records.** The Company shall develop and utilize time sheets for all employees to record work assignments and the time associated with each work assignment. The Company shall incorporate signatures into its time sheets to verify the accuracy of the information recorded. This recommendation should be completed within ninety (90) days of the effective date of the Commission's Report and Order issued in this case, WR-2013-0461.
- c. **Vehicle Logs.** The Company shall develop and utilize a written vehicle log to maintain information regarding vehicle usage. The log should include information regarding the date, description and location of the task and the miles attributable to it. This recommendation should be completed within ninety (90) days of the effective date of the Commission's final Report and Order issued in this case, WR-2013-0461.
- d. **Estimation Procedures.** The Company shall not estimate customer bills except as provided for in Commission Rule 4 CSR 240-13.020. If it is necessary to estimate bills, the Company will do so as follows:
 - i. The Company shall base the estimate on that customer's historical average usage at the same premises for the same billing periods during any or all of the past three (3) years for which actual usage data is available. In the event the customer

was provided utility service at the premises for less than one (1) year, then the estimate shall be based on usage from the average of the customer's actual usage for the previous three (3) billing periods. If the customer has not had utility service for three (3) billing periods or if actual usage during that time is not available, the utility shall base the estimate on the average usage of available actual usage data for the months the customer has had utility service. In cases where no prior actual usage information is available or the prior usage is estimated and cannot be determined by subsequent actual meter readings, the utility shall base the estimate upon average usage of similarly situated customers.

ii. OR, alternatively, the Company may charge the customer the minimum bill per the tariff and true up the billing for actual usage during the next billing cycle.

e. **Customer Complaint/Inquiry Contact Log.** The Company shall develop and implement a process to ensure all customer complaints received by Company personnel are documented and maintained for at least two (2) years. Documentation requirements shall adhere to Commission Rules 4 CSR 240-13.040 and 4 CSR 240-60.010(4) and include the customer name, address, nature of the complaint, date of occurrence, as well as an explanation of what the Company has done to address the complaint. This recommendation should be completed

within thirty (30) days of the effective date of the Commission's Report and Order issued in this case, WR-2013-0461.

- f. **Credit and Collections.** The Company shall utilize the Company's tariffs to charge customers a disconnect charge when the Company makes a trip to the location to discontinue service and the customer then pays the total due to avoid the discontinuance of service. This recommendation should be completed within thirty (30) days of the effective date of the Commission's Report and Order issued in this case, WR-2013-0461.

3. The Staff Auditing Unit conducted an audit of the Company's books and records using the 12-month period ending June 30, 2013, as the basis for the revenue requirements identified in the Appendices attached hereto, in which the Staff's audit findings can be found. Staff, Public Counsel and the Company hereby state that the following issues have not been resolved and remain at issue for testimony and hearing:

Availability Fees

Capital Structure

Return on Equity

Legal Fees

4. This list reflects changes to the list of issues remaining for hearing as filed on February 7, 2014. Specifically, five of the identified issues have been settled between the parties, as reflected in the attached Appendices. The issues on the jointly filed issues list that are no longer in dispute are: Depreciation Reserve/Depreciation Expense Relating to the Shawnee Bend Lagoon Retirement, Depreciation

Reserve/Depreciation Expense for Omitted Plant in Prior Case, Consulting Fee, Sludge Hauling and Rental Equipment.

5. **Entire Agreement.** This Unanimous Partial Stipulation and Agreement with its Appendices is complete and incorporates the entire agreement between the parties hereto regarding these matters. Each party represents that they have read and are familiar with the terms hereof and disclaim that they are entering into this Unanimous Partial Stipulation and Agreement under any restraint or duress. The terms and conditions of this agreement may not be altered or varied by any party without the agreement of all parties hereto.

6. **Review of Document.** All Parties agree that they have read the foregoing Unanimous Stipulation and Agreement, that the facts stated therein are true and accurate to the best of the Parties' 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 Partial Stipulation and Agreement.

7. **Ratemaking Principles.** Other than the specific conditions agreed upon and expressly set out herein, the terms of this Unanimous Partial Stipulation and Agreement reflect compromises between Staff, the Company, and Public Counsel. No party has agreed to any particular ratemaking principle in reaching its position.

8. **Explanation to the Commission.** Additionally, the Company and Public Counsel agree that, subject to the rules governing practice before the Commission, Staff shall have the right to provide whatever oral explanation the Commission may

request regarding this Unanimous Partial Stipulation and Agreement at any agenda meeting.

Contingent Waiver of Rights

9. This Unanimous Partial Stipulation and Agreement is being entered into solely for the purpose of settling the identified issues in the cases that are listed above. Unless otherwise explicitly provided herein, none of the Signatories to this Unanimous Partial Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation or revenue-related methodology or any declaration regarding the lawfulness of single tariff or district specific pricing method for rate design. Other than explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Unanimous Partial Stipulation and Agreement in these or any other proceeding regardless of whether this Unanimous Partial Stipulation and Agreement is approved.

10. This Unanimous Partial Stipulation and Agreement has resulted from extensive negotiations among the Signatories and the terms hereof are interdependent. If the Commission does not approve this Unanimous Partial Stipulation and Agreement unconditionally and without modification, then this Unanimous Partial 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.

11. If the Commission does not approve this Unanimous Partial Stipulation and Agreement without condition or modification, and notwithstanding the provision herein that it shall become void; neither this Unanimous Partial 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 Party 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 Unanimous Partial 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 Unanimous Partial 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.

12. In the event the Commission accepts the specific terms of this Unanimous Partial Stipulation and Agreement without condition or 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 §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. Further, in the event the Commission accepts the specific terms of this Unanimous Partial Stipulation and Agreement, all prefiled testimony not yet admitted into evidence shall be received into evidence without the necessity of the witnesses taking the stand. The waivers contained in this paragraph apply only to a Commission order approving this Unanimous Partial Stipulation and Agreement without condition or modification 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 nor any matters not explicitly addressed by this Unanimous Partial Stipulation and Agreement.

WHEREFORE, for the foregoing reasons, the undersigned Parties respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Unanimous Partial Stipulation and Agreement.

Respectfully submitted,

/s/ Amy E. Moore

Amy E. Moore Mo Bar No 61759
Deputy Counsel

Tim Opitz Mo Bar No 65082
Legal Counsel

P. O. Box 360
Jefferson City, MO 65102
(573) 751-4140 (Telephone)
(573) 751-9285 (Fax)
amy.moore@psc.mo.gov

Attorneys for the Staff of the
Missouri Public Service Commission

/s/ Christina L. Baker

Christina L. Baker Mo Bar No 58303
Deputy Public Counsel
P.O. Box 2230
Jefferson City, MO 65102
(573) 751-5565 (Telephone)
(573) 751-5562 (Fax)
christina.baker@ded.mo.gov

Attorney for the Office of the Public Counsel

/s/ Mark W. Comley

Mark W. Comley Mo Bar No 28847
Newman, Comley & Ruth P.C.
601 Monroe Street, Suite 301
Jefferson City, MO 65102
(573) 634-2266 (Telephone)
(573) 636-3306 (Fax)
comleym@ncrpc.com

Attorneys for Lake Region Water & Sewer Company

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed with first-class postage, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 11th day of February, 2014.

/s/ Tim Opitz