

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

In the Matter of the Petition of)	
Missouri-American Water Company for)	File No. WO-2015-0059
Approval to Change its Infrastructure)	Tariff No. YW-2015-0090
System Replacement Surcharge (ISRS))	

STIPULATION AND AGREEMENT

COMES NOW Missouri-American Water Company (MAWC), and the Staff of the Missouri Public Service Commission (Staff) (collectively, the “Signatory Parties”), and submit this Stipulation and Agreement (“Stipulation and Agreement”):

BACKGROUND

1. On September 2, 2014, MAWC filed a *Petition to Change its Infrastructure System Replacement Surcharge and Tariff*. By this filing, MAWC requested an adjustment to its ISRS rates and charges for ISRS-eligible infrastructure system replacements and relocations made during the period of April 1, 2014 through September 30, 2014.
2. On November 13, 2014, the Staff filed a Recommendation that contained a Memorandum describing Staff’s review of MAWC’s Petition.
3. On November 18, 2014, MAWC filed its Response and Objection to Staff’s Recommendation, identifying certain issues.
4. The Signatory Parties have held discussions concerning the issues that were identified. As a result of those discussions, the Signatory Parties have agreed to the following Stipulation and Agreement. This Stipulation and Agreement resolves all issues in this proceeding. The Office of the Public Counsel, while not a signatory, has indicated that it will not oppose this Stipulation and Agreement.

RESOLUTION OF ISSUES

5. The Signatory Parties agree that the Commission should issue an order:
 - a) Finds that MAWC's filed petition is in compliance with the requirements of sections 393.1000 to 393.1006 RSMo;
 - b) Rejects MAWC's ISRS tariff sheet revised Tariff Sheet filed September 2, 2014 (Tracking No. YW-2015-0090);
 - c) Finding that the Company is entitled to receive cumulative ISRS surcharge revenues in the amount of, \$25,637,873, including \$8,986,785 for this ISRS application¹; and
 - d) Authorizes MAWC to file a revised ISRS tariff sheet P.S.C. MO. No.13, 5th Revised Sheet No. RT 10, Canceling 4th Revised Sheet No. RT 10, to be effective on December 31, 2014, utilizing the rates found on the attached Appendix A.

GENERAL PROVISIONS

6. Unless otherwise explicitly provided herein, none of the Signatory Parties to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation to, any other method of cost determination or cost allocation or revenue-related methodology. Other than as explicitly provided herein, none of the Signatory Parties shall be prejudiced or bound in any manner in this or any other proceeding by the terms of this Stipulation and Agreement regardless of whether this Stipulation and Agreement is approved.

7. This Stipulation and Agreement has resulted from negotiations among the Signatory Parties 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 Party shall be bound by any of the agreements or provisions hereof.

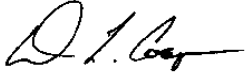
¹ Noting that the parties cannot agree on the representation or characterization of the increase.

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 Party has for a decision in accordance with §536.080 RSMo or Article V, Section 18 of the Missouri Constitution, and the Signatory Parties 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 Signatory Parties waive the following rights only as to the issues resolved herein: 1) their respective rights to present oral argument and written briefs pursuant to §536.080.1 RSMo; 2) their respective rights to seek rehearing, pursuant to §536.500 RSMo; and 3) their respective rights to judicial review pursuant to §386.510 RSMo. This waiver applies only to a final unappealed 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 Parties respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation and Agreement.

Respectfully submitted,

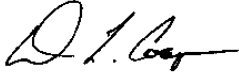
 <hr/> <p>Dean L. Cooper Mo. Bar 36592 BRYDON, SWEARENGEN & ENGLAND P.C. 312 East Capitol Avenue P.O. Box 456 Jefferson City, MO 65102-0456 Telephone: (573) 635-7166 Facsimile: (573) 635-0427 dcooper@brydonlaw.com</p> <p>Timothy W. Luft, Mo Bar 40506 MISSOURI-AMERICAN WATER COMPANY 727 Craig Road St. Louis, MO 63141 (314) 996-2279 (314) 997-2451 (telefax) Timothy.Luft@amwater.com</p> <p>ATTORNEYS FOR MISSOURI-AMERICAN WATER COMPANY</p>	<hr/> <p>//S// by dlc</p> <p>Cydney D. Mayfield Missouri Bar Number 57569 Senior Counsel</p> <p>Attorney for the Staff of the Missouri Public Service Commission</p> <p>P.O. Box 360 Jefferson City, MO 65102 573-751-4227 (Voice) 573-526-6969 (Fax) cydney.mayfield@psc.mo.gov</p>
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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 26th day of November, 2014, to:

Cydney Mayfield
General Counsel's Office
cydney.mayfield@psc.mo.gov

Christina Baker
Office of the Public Counsel
christina.baker@ded.mo.gov



APPENDIX A

	Rate per CCF
Rate A & K	\$ 0.5325
Rate B	\$ 0.0247
Rate J	\$ 0.0137

	Rate per 100 gallons
Rate A & K	\$ 0.07115
Rate B	\$ 0.00333
Rate J	\$ 0.00180