

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

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

**NON-UNANIMOUS
PARTIAL STIPULATION AND AGREEMENT**

As a result of discussions among Missouri-American Water Company (“MAWC”), the Missouri Public Service Commission Staff (“Staff”), the Office of the Public Counsel (“OPC”), and the Missouri Division of Energy (“DE”), (collectively “the signatories”), an agreement has been reached on certain issues as set forth below.

SPECIFIC PROVISIONS

1. **ISSUES RESOLVED:** This *Non-Unanimous Partial Stipulation and Agreement* is designed to resolve the following issues as described in the *List of Issues, List and Order of Witnesses, Order of Opening Statements, and Order of Cross-Examination*, filed with the Commission on March 10, 2016, and the *Amended List of Issues, List and Order of Witnesses, Order of Opening Statements, and Order of Cross-Examination*, filed with the Commission on March 11, 2016: Energy Efficiency (A. Supply-Side); and, Residential Customer Usage/Revenues.

2. ENERGY EFFICIENCY – SUPPLY-SIDE:

- A. MAWC commits to performing in-house Process Energy Audits on five selected districts for the purpose of improving supply-side energy efficiency. The Process Energy Audits will evaluate energy usage and establish the as-is consumption in the existing processes, and identify equipment, operational and process improvements with both short and long term paybacks. MAWC

commits to coordinating with Staff, DE, and OPC on the selection of representative water (small and large) and wastewater (lift station, recirculating filter, extended aeration) systems. Audits are expected to take a day or two at each facility and a week or two to analyze energy bills, develop pump curves, and come up with recommended improvements.

- B. MAWC commits to performing Water Loss Audits on the Jefferson City water system and Saddlebrooke water system for the purpose of reducing supply-side water loss. Water Loss Audits will identify and measure the sources and volumes of water loss and recommend water loss reduction measures with both short and long term paybacks. If, for some unforeseen reason, the Company cannot perform the Water Loss Audits in the identified service areas, MAWC commits to coordinating with Staff, DE, and OPC on the selection of representative water (small and large) systems with documented high percentages of water loss. MAWC is experienced with water loss audits that result in a percentage of water loss by district. The Water Loss Audits committed to herein will build upon that experience and data to do a more in-depth evaluation and identification of specific actions that can be taken to reduce water loss on the supply-side of the operation.

3. **RESIDENTIAL CUSTOMER USAGE/NON-RESIDENTIAL CUSTOMER**

USAGE: Attached as **Appendix A** is a list of billing determinants to be used in setting rates in this case.

GENERAL PROVISIONS

4. This Stipulation is being entered into for the purpose of disposing of the issues 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 and 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 and/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.

5. If the Commission does not unconditionally approve this Stipulation without modification, and notwithstanding its provision that 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. 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.

6. 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) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo.; (3) their respective rights to seek rehearing pursuant to Section 386.500, RSMo., and (4) their respective rights 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.

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

8. 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 powers or other powers 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.

NON-SIGNATORY PARTIES

9. Triumph Foods, LLC; Missouri Industrial Energy Consumers; the Utility Workers Union of America Local 335; and the Cities of Brunswick, Joplin, St. Joseph, Riverside, and Warrensburg, have indicated that while they will not sign this Stipulation, they will not oppose it.

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

Respectfully submitted,

/s/ Kevin A. Thompson by dlc

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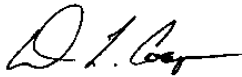
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was served on all parties of record via electronic mail (e-mail) **on this 24th day of March, 2016.**

