

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

In the Matter of Missouri-American Water )  
Company for a Certificate of Convenience )  
and Necessity Authorizing it to Install, Own, )  
Acquire, Construct, Operate, Control, )  
Manage and Maintain a Water System and )  
Sewer System in and around the City of )  
Ironton, Missouri )

Case No. WA-2023-0434

**STIPULATION AND AGREEMENT**

**COMES NOW** the Office of the Public Counsel (the “OPC”), Missouri-American Water Company (“MAWC”), and the Staff of the Public Service Commission of the State of Missouri (“Staff,” and collectively with the OPC and MAWC, the “Signatories”), by and through their respective counsel, and, for their Stipulation and Agreement (“Stipulation”), respectfully state as follows to the Public Service Commission of the State of Missouri (the “Commission”):

1. On June 22, 2023, MAWC filed its Application and Motion for Waiver (the “Application”) requesting a Certificate of Convenience and Necessity (“CCN”) to install, own, acquire, construct, operate, control, manage and maintain a water system and sewer system in and around the City of Ironton, Missouri (“Ironton”), which is located in Iron County.<sup>1</sup> (Appl. 1, Doc. 1).
2. On October 12, 2023, following a Commission order to do so, Staff filed its Recommendation and accompanying Memorandum detailing its investigation and requesting that the Commission approve MAWC’s request for CCNs, subject to a number of conditions and actions. (Recommendation Mem. 13-15, Doc. 8).

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<sup>1</sup> On the same day, MAWC filed the same Application in Case Number SA-2023-0435. Also on that same day, MAWC filed a Motion to Consolidate, asking the Commission to consolidate the water and sewer cases. (*See generally* Mot. Consolidate). On July 12, 2023, the Commission granted the Motion to Consolidate, consolidated the cases, and designated Case Number WA-2023-0434 as the lead case. (July 12, 2023 Order 2).

3. MAWC seeks to acquire the Ironton water and sewer assets using the appraisal method described in § 393.320 RSMo. (*See* Appl. 5).
4. Because MAWC choose to use the procedures contained in § 393.320 RSMo., the statute requires the Commission “to establish the ratemaking rate base of [the] . . . small water utility” in accordance with the statute as well. § 393.320.2 RSMo.
5. In pertinent part, the statute requires the Commission to set the ratemaking rate base for the acquired Ironton assets as “[t]he lesser of the purchase price or the appraised value, together with the reasonable and prudent transaction, closing, and transition costs incurred by the large water public utility . . .” § 393.320.5(1) RSMo.
6. Prior to the citizens of Ironton participating in an election to decide whether Ironton should sell its water and sewer systems to MAWC, MAWC provided materials regarding the election to the citizens of Ironton. (*See* MAWC Resp. to Staff Data Request 21).
7. The Signatories agree that MAWC will not recover any costs associated with the materials identified in its Response to Staff Data Request 21 (including, but not limited to, costs associated with the development, printing, mailing, or provision of the materials) as “transaction, closing, and transition costs” associated with its acquisition of the Ironton water and sewer assets. *See* § 393.320.5(1) RSMo.

### **General Terms**

8. Unless otherwise explicitly provided herein, none of the Signatories shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost of service or valuation determination or cost allocation, rate design, revenue recovery, or revenue-related methodology. Except as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms

of this Stipulation in this or any other proceeding. This Stipulation has resulted from negotiations among the Signatories, and the terms hereof are interdependent and non-severable. If the Commission does not approve this Stipulation unconditionally and without modification, or if the Commission approves the Stipulation with modifications or conditions to which a party objects, then this Stipulation shall be void and none of the Signatories shall be bound by any of the agreements or provisions hereof.

9. In the event the Commission accepts the specific terms of this Stipulation without condition or modification, the Signatories waive their respective rights to (1) present oral argument and written briefs pursuant to §536.080.1 RSMo., (2) the reading of the transcript by the Commission pursuant to §536.080.2 RSMo., (3) seek rehearing pursuant to §386.500 RSMo., and (4) judicial review pursuant to §386.510 RSMo., as to the issue settled by this Stipulation only. This waiver applies only to a Commission order approving this Stipulation without condition or modification issued in this proceeding and only to the issue that is resolved hereby. This waiver does not apply to any issue not explicitly addressed by this Stipulation. The Signatories agree that all discussions, suggestions, or memoranda reviewed or discussed, related to this Stipulation shall be privileged and shall not be subject to discovery, admissible in evidence, or in any way used, described or discussed.
10. This Stipulation contains the entire agreement of the Signatories concerning the issue addressed herein.
11. 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

statutory 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.

**WHEREFORE**, the Signatories respectfully request that the Commission issue an Order approving this Stipulation and Agreement.

Respectfully submitted,

<p><u>/s/ Lindsay VanGerpen</u> Lindsay VanGerpen (#71213) Senior Counsel</p> <p>Missouri Office of the Public Counsel P.O. Box 2230 Jefferson City, MO 65102 Telephone: (573) 751-5565 Facsimile: (573) 751-5562 E-mail: <a href="mailto:Lindsay.VanGerpen@opc.mo.gov">Lindsay.VanGerpen@opc.mo.gov</a></p>	<p>_____ Dean L. Cooper, Mo. Bar #36592 <b>BRYDON, SWEARENGEN &amp; ENGLAND P.C.</b> 312 East Capitol Avenue P.O. Box 456 Jefferson City, MO 65102-0456 Telephone: (573) 635-7166 Facsimile: (573) 635-0427 <a href="mailto:dcooper@brydonlaw.com">dcooper@brydonlaw.com</a></p> <p>Timothy W. Luft, Mo. Bar #40506 Rachel Niemeier, Mo. Bar #56073 Corporate Counsel <b>MISSOURI-AMERICAN WATER COMPANY</b> 727 Craig Road St. Louis, MO 63141 (314) 996-2279 telephone (314) 997-2451 facsimile <a href="mailto:timothy.luft@amwater.com">timothy.luft@amwater.com</a></p> <p><b>ATTORNEYS FOR MISSOURI- AMERICAN WATER COMPANY</b></p>
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	<p><u>/s/ Paul T. Graham #30416</u> Senior Staff Counsel Missouri Public Service Commission P.O. Box 360 Jefferson City, Mo 65102-0360 (573) 522-8459 <a href="mailto:Paul.graham@psc.mo.gov">Paul.graham@psc.mo.gov</a> Attorney for the Staff of the Missouri Public Service Commission</p>
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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the forgoing have been emailed to all counsel of record this 23rd day of October 2023.

/s/ Lindsay VanGerpen