

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

In the Matter of Missouri-American Water                    )  
Company's Request for Authority to Implement            )            Case No. WR-2024-0320  
General Rate Increase for Water and Sewer            )  
Service Provided in Missouri Service Areas.            )

**PARTIAL STIPULATION AND AGREEMENT**

**COME NOW** Missouri-American Water Company (“MAWC” or the “Company”), the Staff of the Missouri Public Service Commission (“Staff”); the Office of the Public Counsel (“OPC”); the Midwest Energy Consumers Group (“MECG”); Consumers Council of Missouri and AARP; The Empire District Electric Company d/b/a Liberty (“Liberty/Empire”); and Triumph Foods, LLC (collectively, the “Signatories”), by and through their respective counsel, and, for their *Partial Stipulation and Agreement* (this “Stipulation”), respectfully state as follows to the Missouri Public Service Commission (“Commission”):

1. City of St. Joseph; Public Water Supply Districts No. 1 and No. 2 of Andrew County; and City of Riverside are not Signatories to this Stipulation. However, counsel for each have stated that they do not object to, or request a hearing as to, this Stipulation.<sup>1</sup>
2. This Stipulation is being entered into for the purpose of settling issues 2d, 5a, 5b, 5c, 5d, 5e, 5f, 5h, 5i, 5j, 6a, 6b, 6c, 6d, 6e, 6f, 6i, 7a, 7b, 7c, 7d, 7e, 10, 11, 12, 13a, 13b, 13c, 13d, 15, 17, 18, 23, 24a, 26, 27, 30, and 32 in this case.
3. **Admission of Testimony:** The Signatories consent to the admission of, and request that the Commission admit into the record in this proceeding, without the need for witnesses to take the stand, all written testimony that has been filed regarding the above referenced issues.
4. **Effective Date of Changes:** Any changes to the Company’s recording of any

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<sup>1</sup> Counsel have reached out to counsel for the Missouri Industrial Energy Consumers (“MIEC”) but, as of the time of filing, have not yet received a response as to what position MIEC desires to be reflected.

transaction contemplated in this Partial Stipulation shall begin the first full calendar month after the effective date of rates in this case.

5. **Property Tax:**

a. The amount of revenue requirement used to set rates for property tax shall be set at \$42,557,414, pursuant to Section 393.1275, RSMo

b. MAWC's deferred property tax balance as of December 31, 2024, of \$13,471,768 shall be included in rate base and amortized over 60 months.

6. **Pensions and OPEBs:** Pensions and OPEBs shall be treated as described in **Attachment A** to this Stipulation.

7. **Depreciation Rates:** MAWC shall continue to use the depreciation rates approved in MAWC's last general rate case. The depreciation rates are included as **Attachments B and C** to this Stipulation.

8. **Depreciation Study:** The Company will complete a depreciation study as part of its next general rate case.

9. **Tank Painting Tracker:**

a. The existing tank painting tracker balance as of December 31, 2024, of \$1,218,824 shall be amortized over 5 years with annual amortization expense of \$243,765. There shall be no rate base treatment on the unamortized balance.

b. The signatories agree that MAWC will continue the existing regulatory asset or liability for tank painting and inspection expense. Beginning with the effective date of rates resulting from this case, the regulatory asset or liability will increase or decrease each year for the difference between the actual tank painting and inspection expense and the amount included in rates: \$2,080,730. No more than \$4,000,000 of total costs may be deferred to the tracker prior to

the Company's next rate case. In the Company's next rate case, the combined unamortized balance of the existing tracker and the new tracker will be amortized over 5 years. No return will be included on the unamortized balance.

c. The Company agrees to submit annual service reports detailing the number of tanks inspected, the work performed, and the expenses incurred as part of the tank painting program.

d. The Company withdraws its request to capitalize tank painting/engineered coatings.

10. **Select Expense Items:** The Signatories agree to include \$78,753,830 in the total cost of service for the following expenses: Purchased Water, Fuel & Power, Chemicals, Waste Disposal, Contract Services, Building Maintenance & Services, Telecommunications Expenses, Postage, Printing & Stationary, Office Supplies and Services, Employee Expenses, Rents, Transportation, Miscellaneous, Customer Accounting, Maintenance Supplies and Services, and PSC Assessment.

11. **Rate Design - Sewer:** The Signatories agree to continue using the existing two sewer tariff groups: Arnold Sewer and Other Missouri Sewer.

a. The volumetric rate for Arnold Sewer residential customers will be eliminated and will be included in the fixed charge.

b. For Other Missouri Sewer customers, the Company will maintain the existing rate structure on sewer tariff sheets RT 2.1 and RT 3.1. The Company withdraws its proposals to combine tariff sheets RT 2.1 and RT 3.1 and to create a low user tariff only available to customers who are also the Company's water customers.

12. **Rate J:** The Signatories agree that the rate design for the Rate J volumetric rate shall include two blocks. The first block will apply to the first 450,000 gallons per month for qualified customers. The rate for this block shall be 66.7% of Rate A in each tariff group. The

second block will apply to all monthly usage over 450,000 gallons for qualified customers. Rate J meter charges will remain separate from Rate A meter charges.

13. **Drought Management Plans:** The Signatories agree the Company shall continue to review for drought risk and resiliency as a component of longer-term planning for all of its water service areas. The Company shall file a report in this case that includes a description of any notable risks identified and any mitigation measures for all plans and water service areas within 12 months after the effective date of new rates resulting from this case. The Company shall ensure that any emergency contact information provided to the Missouri Department of Natural Resources is up to date.

14. **Expired Amortizations:** The Signatories agree the Company shall create a new regulatory asset or liability to capture the amortization of any regulatory accounts that fully amortize in between rate cases. If the expired amortization was for an item that was included in rate base, that portion of the deferral shall also be included in rate base, otherwise there shall be no rate base treatment. In the next rate case, the balance will be amortized over 5 years.

15. **Limitation of Liability and Tariff Language Changes:** The Company agrees to delete Rule 3E from Book 13, Sheet R11. The Company agrees to remove obsolete language in the water rules tariffs and the sewer rules tariffs. The changes to the tariff rules are included as sample tariff sheets as Attachments D and E to this Partial Stipulation.

16. **Customer Program Meetings:** The Company agrees to have quarterly meetings with Staff, OPC, and other interested parties to discuss the Company's customer programs.

17. **Annual Water Loss Studies:** The Company agrees to continue the annual water loss studies currently performed, related to those service areas with 20% lost or unaccounted for water. Such studies shall not be required to be conducted more often than once every five years

for any one system.

18. **Special Contracts:** Beginning with the effective date of rates in this case, Liberty/Empire will be placed on Rate J, Chariton County PWSD #2 will be placed on Rate B, and Triumph Foods' rate will be determined as per its existing contract. Liberty/Empire's Special Contract will terminate when Liberty/Empire is placed on Rate J. Book 13, tariff sheets RT 28 and RT 29, shall be revised and marked "Held for Future Use".

19. **Credit Card Fees:** Within 60 days of the effective date of rates in this case, the Company will update the webpage to clarify for Missouri customers that there will not be a fee charged for using a credit card to pay the customer's bill.

20. **Revised Maps and Legal Descriptions:** Within one year of the effective date of rates in this case, the Company will file new tariff service area maps and legal descriptions where necessary.

21. **Certificate of Convenience and Necessity:** Within 120-days of the effective date of new rates resulting from this case, the Company will file an application to address known instances of customers being served outside of the certificated areas in its Tri-State, Garden City, Purcell, Hickory Hills and Taney County service areas.

22. **Surveillance Reports:** The Company will provide the surveillance reports that are currently provided to OPC and Staff to MCEG. However, MCEG will be required to provide a non-disclosure agreement prior to receiving confidential information.

### **General Terms**

23. 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 extensive negotiations among the parties, 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.

24. In the event the Commission accepts the specific terms of this Stipulation without condition or modification, the Signatories waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §386.500, and their respective rights to judicial review pursuant to §386.510, as to the issues settled by this Stipulation. These waivers apply only to a Commission order approving this Stipulation without condition or modification issued in this proceeding and only to the issues that are resolved hereby. These waivers do not apply to any issues explicitly not 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.

25. This Stipulation contains the entire agreement of the Signatories concerning the issues addressed herein.

26. 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 the Commission to issue an Order approving this *Partial Stipulation and Agreement* and authorizing the Company to file tariffs to implement the terms hereof.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on February 28, 2025, to counsel for all parties.

//s// Dean L. Cooper