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**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 16th
day of November, 1999.

In the Matter of the Application of)
Ozark Shores Water Company for Permission,)
Approval, and a Certificate of Public)
Convenience and Necessity Authorizing It to)
Construct, Install, Own, Operate, Control,) Case No. WA-99-99
Manage and Maintain a Water and Sewer System)
for the Public at Summerhaven Condominiums)
in Miller County and a Water System for)
the Public in the Perdue Development in)
Camden County.)

ORDER APPROVING SECOND STIPULATION AND AGREEMENT

On September 9, 1998, Ozark Shores Water Company (Ozark) filed an application with the Commission pursuant to Section 393.170, RSMo 1994, and 4 CSR-240-2.060 requesting the Commission grant it a certificate of convenience and necessity to provide (a) regulated metered water service in an area known as the Perdue Development adjacent to its currently certificated area on Horseshoe Bend in Camden County and (b) regulated flat rate water service and sewer service to a condominium complex known as Summerhaven Condominiums in Miller County. On December 29, 1998, Summerhaven Condominium Owners Association (the Association) and Waterserv, Inc. (Waterserv) were allowed to intervene.

On April 21, 1999, the parties filed a nonunanimous Stipulation and Agreement (the first stipulation). The first stipulation was

nonunanimous because Waterserv did not sign it. However, on April 22, Waterserv filed a letter in which it stated that it would not request a hearing, and in fact no party requested a hearing within the time allowed by 4 CSR 240-2.115, and the Commission treated the first stipulation as unanimous.

The first stipulation reflected the parties' agreement that the Commission should expeditiously grant Ozark a certificate of convenience and necessity for the Perdue Development, and authorize it to file tariffs adding that area to its service territory. The Commission approved the first stipulation in an order issued May 15, 1999.

On November 2, 1999, the parties filed a Unanimous Stipulation and Agreement (the second stipulation). The second stipulation reflects the parties' agreement that the Commission should: A) grant Ozark a certificate of convenience and necessity to provide water and sewer service at the Summerhaven Condominiums; B) authorize it to file tariffs adding that area to its service territory, setting rates, and establishing rules and regulations; and C) order Ozark to use agreed upon depreciation rates. Pursuant to Section 536.060, RSMo 1994, the Commission may accept the second stipulation as a resolution of the issues. The Commission has reviewed the second stipulation and verified application and finds the second stipulation to be reasonable and in the public interest and will, therefore, approve it.

On October 5, 1999, the Commission issued an order dismissing this case for failure to prosecute pursuant to 4 CSR 240-2.116. That order

has not yet become effective, and in light of subsequent events, the Commission will vacate it.

IT IS THEREFORE ORDERED:

1. That the Unanimous Stipulation and Agreement, Attachment A to this order, is hereby approved.

2. That Ozark Shores Water Company is granted a certificate of public convenience and necessity to construct, install, own, operate, control, manage and maintain water and sewer facilities and to render water and sewer service to a condominium complex known as Summerhaven Condominiums in Miller County as described by the map and metes and bounds description attached to its application filed on September 9, 1998.

3. That the certificate of convenience and necessity referenced in ordered paragraph 2 shall become effective simultaneously with the effective date of the tariff sheets required to be filed and approved pursuant to ordered paragraph 4.

4. That Ozark Shores Water Company shall, within 30 days of the effective date of this order, file with the Commission tariff sheets to reflect the additional service area granted herein, to reflect the stipulated rates, and to establish rules and regulations.

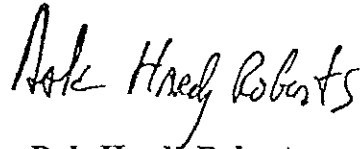
5. That nothing in this order shall be considered a finding by the Commission of the reasonableness of the expenditures herein involved, nor of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed on said property.

6. That the Commission reserves the right to consider the ratemaking treatment to be afforded the properties herein involved, and the resulting cost of capital, in any later proceeding.

7. That the Order Dismissing Case issued on October 5, 1999, is vacated.

8. That this order shall become effective on November 30, 1999

BY THE COMMISSION



**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(S E A L)

Lumpe, Ch., Crumpton, Murray,
Schemenauer, and Drainer, CC., concur

Mills, Deputy Chief Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²

NOV 2 1999

Missouri Public
Service Commission

Case No. WA-99-99

In the matter of the application of Ozark Shores)
Water Company for permission, approval, and a)
certificate of public convenience and necessity)
authorizing it to construct, install, own, operate,)
control, manage and maintain a water and sewer)
system for the public at Summerhaven)
Condominiums in Miller County and a water system))
for the public in the Perdue Development in)
Camden County.)

UNANIMOUS STIPULATION AND AGREEMENT

Come now the undersigned parties to this case and for their Stipulation and Agreement respectfully state as follows:

1. On September 9, 1998, Ozark Shores Water Company ("Applicant") filed an Application requesting that the Missouri Public Service Commission ("Commission") grant it a Certificate of Convenience and Necessity to provide (a) water service to the Perdue Development in Camden County, and (b) water and sewer service to the Summerhaven Condominiums located in Miller County. On December 29, 1998, the Commission issued an Order which granted intervention to the Summerhaven Condominium Owners Association and Waterserv, Inc. and which scheduled a pre-hearing conference for January 20, 1999.

2. On April 21, 1999, the parties filed a non-unanimous Stipulation and Agreement which addressed the Perdue Development portion of the application. Waterserv, Inc. did not sign the stipulation but, on April 22, 1999, filed a letter in which it stated that it would not request a hearing. No party requested a hearing within the time allowed by 4 CSR 240-2.115. On May 13, 1999, the Commission issued an Order Approving Stipulation and Agreement and Denying

Motion to Compel.

3. On May 6, 1999, Applicant filed a pleading in which it indicated it had no further intention of pursuing its certificate for the Summerhaven portion due to the failure of a condition precedent in the agreement by which Applicant had agreed to acquire the assets, and notifying the Commission that it would not be recommending a further procedural schedule in the case.

4. In its Order of May 13, 1999, the Commission said it would treat Applicant's pleading of May 6, 1999, as a motion to dismiss even though it was not denominated as such.

5. On May 14, 1999, Waterserv filed a pleading which stated that there had been settlement negotiations going on which had resulted in an agreement which had not been reduced to writing. Waterserv requested that the Commission rescind the portion of its order which dismissed the Summerhaven portion of the application and maintain the case.

6. On May 18, 1999, Applicant filed a response which said that it had been under the impression that the litigation between the Summerhaven Condominium Owners Association and Waterserv was ongoing but it was now apparent that the litigation might be over and a settlement pending. Applicant notified the Commission that it had not intended to dismiss the application. Applicant indicated that it was willing to entertain a new proposal from Waterserv for Applicant to acquire assets necessary to provide service to the Summerhaven properties. Applicant suggested that the Commission set up a date for Applicant to report back to the Commission on the progress of such settlement.

7. In an order issued June 3, 1999, the Commission declined to set up any requirement for the parties to report on progress of the settlement.

8. In an order issued October 5, 1999, the Commission on its own motion issued an Order Dismissing Case.

9. Waterserv filed an application for rehearing on October 14, 1999, asking the Commission to vacate the Order Dismissing Case, telling the Commission that Waterserv and the Summerhaven Condominium Owners Association had settled their differences and reduced the agreement to writing, and that Waterserv and Applicant had been circulating drafts of a new agreement.

10. On October 20, 1999, the Commission issued an Order Extending Effective Date of its Order of Dismissal until November 9, 1999.

11. As a result of ongoing negotiations in this case, the undersigned parties have reached the following stipulations and agreements:

A. The undersigned parties agree that the Commission should expeditiously issue a Report and Order:

1). Granting Applicant a Certificate of Convenience and Necessity to provide water and sewer service to the Summerhaven Condominiums in Miller County, Missouri, as the same is described in the Application filed on September 9, 1998;

2). Authorizing the Applicant to file tariff sheets adding a map and legal description for the Summerhaven Condominiums area to its existing and approved water tariff;

3). Authorizing the Applicant to file tariff sheets setting rates for water and sewer service in accordance with the sample tariff sheets set out in **Appendix A**;

4). Authorizing the Applicant to file a proposed tariff containing sewer rules and regulations for Summerhaven and to revise any index sheets to its tariff to reflect such changes; and

5). Ordering the Applicant to utilize the depreciation rates set out in

Appendix B for sewer assets.

B. This Stipulation and Agreement represents a negotiated settlement for the sole purpose of disposing of all of the issues surrounding the granting of a Certificate of Convenience and Necessity to Applicant for water and sewer service to Summerhaven Condominiums in this case. None of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in any other portion of this proceeding or in any other proceeding except as permitted by law.

C. None of the signatories shall be deemed to have approved or acquiesced in any ratemaking principle or any method of cost determination or cost allocation underlying or allegedly underlying this Stipulation and Agreement.

D. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not approve and adopt this Stipulation and Agreement, in total, this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

E. If the Commission accepts the specific terms of this Stipulation and Agreement, the signatories waive their respective rights: to examine witnesses pursuant to Section 536.070 RSMo 1994; to present oral argument or written briefs pursuant to Section 536.080.1 RSMo 1994; to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo 1994; and to judicial review pursuant to Section 386.510 RSMo 1994.

F. If requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each party of record shall be served with a copy of any memorandum and shall be

entitled to submit to the Commission, within five days of receipt of Staff's memorandum, a responsive memorandum which shall also be served on all parties. All memoranda submitted by the parties pursuant to this paragraph shall be considered privileged in the same manner as are settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all parties, and shall not become of a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in any future proceeding or in this proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to this Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

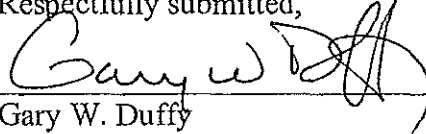
G. The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any protective order issued in this case.

H. The Staff shall have the right to file suggestions or prepared testimony in support of this Stipulation and Agreement, and the other parties shall have the right to file responsive suggestions or prepared testimony.

I. The Commission should vacate its Order of Dismissal issued on October 5, 1999, pending its consideration of this Stipulation and Agreement.

WHEREFORE, the signatories respectfully request that the Commission issue a Report and Order which grants a Certificate of Public Convenience and Necessity to Ozark Shores Water Company to provide water and sewer service to the Summerhaven Condominiums, which authorizes it to file for Commission approval tariff sheets associated with same in conformance herewith; and orders it to utilize the depreciation rates referred to herein.

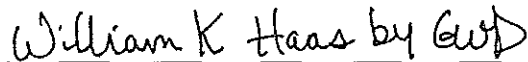
Respectfully submitted,



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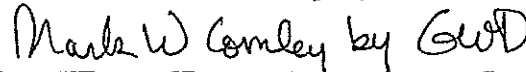


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Public Counsel

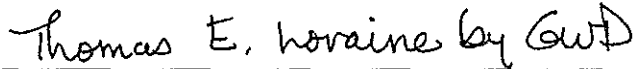


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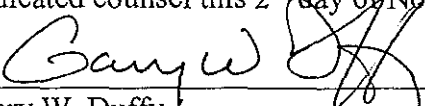


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Attorneys for Intervenor Summerhaven
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Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing document was either mailed or hand delivered to the above-indicated counsel this 2nd day of November, 1999.



Gary W. Duffy

sumrhvnstip/gdozsh3/wp8

P.S.C. MO No. 1

1st (Original) SHEET No. _____

Canceling P.S.C. MO No. 1

____ (Original) SHEET No. _____

Ozark Shores Water Company
Name of Issuing Corporation

For: Certificated Area

Rules and Regulations Governing
Rendering of Sewer Service

Rate Schedule S-1 Unmetered Sewer Service

Availability: Summerhaven Condominiums

Rates: \$12.00 per month per condominium unit. This applicable rate will be billed to the Summerhaven Homeowners Association.

Taxes or Fees: Any applicable Federal, State or local taxes or fees computed on billing basis shall be added as separate items in rendering each bill.

Late Payment Fee: Bills will be prepared and distributed monthly. Bills will be rendered net, bearing the last date on which payment is due; namely 21 days after the date mailed. If not paid by the due date, 10% is added to the first \$15.00 of each bill and 5% on amounts in excess of \$15.00.

Reconnection of Service: \$25.00 charge

Returned Check Fee: \$15.00 per returned check

SAMPLE

DATE OF ISSUE _____ DATE EFFECTIVE _____
month day year month day year

ISSUED BY Roger Sallee President Lake Ozark, MO
name of officer title address

APPENDIX A
p 1 of 2

P.S.C. MO No. 1

1st - (Original) SHEET No.

canceling P.S.C. MO No. 1

____ (Original) SHEET No. ____

Ozark Shores Water Company
Name of Issuing Corporation

For: Certificated Area

Rules and Regulations Governing
Rendering of Water Service

Rate Schedule W-2 Unmetered Service

Availability: Summerhaven Condominiums

Rates: \$12.00 per month per condominium unit. This applicable rate will be billed to the Summerhaven Homeowners Association.

Taxes or Fees: Any applicable Federal, State or local taxes or fees computed on billing basis shall be added as separate items in rendering each bill.

Late Payment Fee: Bills will be prepared and distributed monthly. Bills will be rendered net, bearing the last date on which payment is due; namely 21 days after the date mailed. If not paid by the due date, 10% is added to the first \$15.00 of each bill and 5% on amounts in excess of \$15.00.

Reconnection of Service: \$25.00 charge

Returned Check Fee: \$15.00 per returned check

SAMPLE

DATE OF ISSUE _____ DATE EFFECTIVE _____
month day year month day year

ISSUED BY Roger Sallee President Lake Ozark, MO
name of officer title address

APPENDIX A
p. 2 of 2

OZARK SHORES WATER COMPANY, INC.

DEPRECIATION RATES

(SEWER)

Case No. WA-99-99

<u>Acct. No.</u>	<u>Description of Account</u>	<u>Annual Rate</u>
311	Structures & Improvements	3.0%
352.1	Collection Sewers (Force)	2.0%
352.2	Collection Sewers (Gravity)	2.0%
353	Other Collection Plant	4.0%
354	Services to Customers	2.0%
355	Flow Measurement Devices	3.3%
362	Receiving Wells & Pump Pits	5.0%
363	Pumping Equipment	10.0%
372	Oxidation Lagoons	4.0%
373	Treatment & Disposal Facilities	4.5%
374	Plant Sewers	4.5%
375	Outfall Sewers	2.0%
376	Other Treatment & Disposal Plant	5.0%
391	Office Furniture & Equipment	5.0%
391.1	Office Computer Equipment	20.0%
392	Transportation Equipment (7 yr ,+ 9% sal	13.0%
393	Other General Equipment	10.0%
394	Tools, Shop, Garage Equipment	5.0%
395	Laboratory Equipment	5.0%
396	Power Operated Equipment	6.7%
397	Communication Equipment	6.7%
398	Miscellaneous Equipment	5.0%

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NOV 13 1999

COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION

APPENDIX B

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