

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the Petition of)	
Missouri-American Water Company for)	<u>CASE NO. WO-2014-0237</u>
Approval to Change its Infrastructure)	TARIFF NO. YW-2014-0472
System Replacement Surcharge (ISRS).)	

**STIPULATION AND AGREEMENT
AND REQUEST FOR EXPEDITED TREATMENT**

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”) and Request for Expedited Treatment for approval by the Commission

BACKGROUND

1. On February 25, 2014, MAWC filed a Petition to Change its Infrastructure System Replacement Surcharge (ISRS).
2. On April 23, 2014, the Staff filed a Recommendation that contained a Memorandum describing Staff’s review of MAWC’s Petition.
3. On April 29, 2014 MAWC filed its Response to Staff’s Recommendation, identifying an issue with Staff’s calculation of additional accumulated depreciation.
4. The Signatory Parties have held several discussions concerning the issues that were identified. As a result of those discussions, the Signatory Parties have agreed to the following Stipulation and Agreement. The Office of the Public Counsel, while not a signatory, has indicated that it will not oppose this Stipulation and Agreement. Therefore, this Stipulation and Agreement effectively resolves all issues in this proceeding in the manner set out herein.

RESOLUTION OF ISSUES

5. Tariff Sheet. The Signatory Parties agree that the Commission should approve the tariff sheet shown in Appendix A (PSC Mo. No. 13 4th Revised Sheet No. 10) attached hereto. The Tariff Sheet bears an effective date of June 21, 2014. This Tariff Sheet has been separately filed this date and has been assigned Tracking No. YW-2014-0472.

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.

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 2000 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 2000; 2) their respective rights to seek rehearing, pursuant to §536.500 RSMo 2000; and 3) their respective rights to judicial review pursuant to §386.510 RSMo 2000. 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.

REQUEST FOR EXPEDITED TREATMENT

10. MAWC requests the expedited treatment of the Tariff Sheet. MAWC seeks the Commission's order allowing the proposed Tariff Sheet to go into effect by May 30, 2014, or as soon as it may be acted on by the Commission. Staff and Public Counsel have indicated they do not oppose MAWC's request.

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

Unanimous Stipulation and Agreement and approve the Tariff Sheet submitted as Appendix A hereto. Further, MAWC requests that the tariff be approved on an expedited basis as requested herein.

Respectfully Submitted,

/s/ Timothy W. Luft
Timothy W. Luft MBN # 40506
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**ATTORNEY FOR
MISSOURI-AMERICAN WATER COMPANY**

/s/ Kevin A. Thompson
Kevin A. Thompson
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**ATTORNEY FOR THE STAFF OF THE
MISSOURI PUBLIC SERVICE
COMMISSION**

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail on May 22, 2014, to the following:

Missouri Public Service Commission

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/s/ Timothy W. Luft
Timothy W. Luft

Missouri-American Water Company
 Name of Issuing Corporation

For

St Louis County Operations
 Community, Town or City

Rate I – Infrastructure System Replacement Surcharge (ISRS)

DESCRIPTION: Rate I is designed to recover the costs associated with the Company's eligible main, valve, and hydrant replacements, main relocations, and main cleaning and relining projects. This ISRS rate is calculated and implemented in accordance with the provisions of sections 393.1000 to 393.1006 RSMO. Any future changes to this rate will also be made in accordance with those provisions.

APPLICABILITY: This rate is applicable to any customer class who benefits from the subject utility plant projects eligible for ISRS recovery. The surcharge is calculated consistent with the customer class cost-of-service study recognized by the Missouri Commission in a Company's recent applicable general rate proceeding.

RATE COMPONENTS: In addition to the other charges provided for in the Company's tariffs, a separate charge for the ISRS will apply for service rendered on and after the effective date.

Surcharge Rate (1)

	<u>Rate per CCF</u>	<u>Rate per 100 Gallons</u>	
Rate A & K Customers	\$.3477	\$.04644	+
Rate B Customers	\$.0241	\$.00325	+
Rate J Customers	\$.0134	\$.00176	+

RULES AND REGULATIONS: The General Rules and Regulations set forth in this tariff shall govern the supply of service under this rate.

(1) Exclusive of every tax or payment imposed upon the Company by any political subdivision of the State of Missouri, for the right to do business in such political subdivision.

* Indicates new rate or text

+ Indicates change

DATE OF ISSUE: May 22, 2014

DATE OF EFFECTIVE: June 21, 2014

ISSUED BY: Frank Kartmann, President
727 Craig Road, St. Louis, MO 63141