

**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-2008-0311
A General Rate Increase for Water and Sewer)	SR-2008-0312
Service Provided in Missouri Service Areas.)	

**STIPULATION AND AGREEMENT
BETWEEN MAWC AND MSD**

COME NOW Missouri-American Water Company (MAWC) and Metropolitan St. Louis Sewer District (MSD), and respectfully state to the Missouri Public Service Commission (Commission) that, as a result of negotiations, the undersigned parties (Parties) have reached the stipulations and agreements contained herein:

1. MAWC and MSD agree that MAWC will provide water usage meter reading data and customer billing information and related services to MSD and, in return, MSD will pay MAWC \$29,166 per month (\$350,000 annually) for such information and services. As a result, the currently effective revised tariff sheet number RT 16.0 shall remain in effect and not be changed as a result of this case. No revenue shall be imputed to the Company in the process of setting just and reasonable rates in this case as a result of this issue.

2. The specific terms and conditions of providing such billing data and related services shall continue to be governed by the Water Usage Data Agreement dated November 29, 2007. That agreement was approved by the Commission by its order issued April 1, 2008, in Case No. WO-2008-0240.

3. MAWC and MSD agree that if this Stipulation and Agreement is approved by the Commission, neither MAWC or MSD will take any action to alter or rescind the

rate identified in RT 16.0 prior to MAWC's next general rate case, at which time both MAWC and MSD are free to ask the Commission to review and revise the rates, terms and/or conditions regarding the provision of billing data and related services. MAWC and MSD reserve their rights, without prejudice, to maintain their respective positions with respect to the issues raised in Case No. WC-2007-0040, in any future proceeding. Further, MSD and MAWC are free to propose whatever cost method they believe is appropriate in MAWC's next general rate increase case.

4. This Stipulation and Agreement is being entered into solely for the purpose of settling the identified issue in this case that is listed above. Unless otherwise explicitly provided herein, none of the signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any other method of cost determination or cost allocation or revenue-related methodology. Other than explicitly provided herein, none of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in this or any other proceeding regardless of whether this Stipulation and Agreement is approved.

5. This Stipulation and Agreement has resulted from negotiations among the signatories 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 shall be bound by any of the agreements or provisions hereof, except as explicitly provided herein.

6. If the Commission does not unconditionally approve this Stipulation and Agreement without modification, and notwithstanding the provision herein that it shall

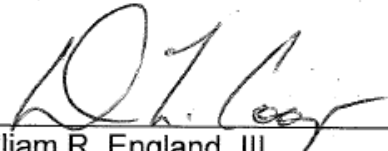
become void; neither this Stipulation and Agreement nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Party has for a decision in accordance with §536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the 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.

7. In the event the Commission unconditionally accepts the specific terms of this Stipulation and Agreement without modification, the signatories waive their respective rights to present oral argument and written briefs pursuant to §536.080.1 RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to RSMo §536.080.2 RSMo 2000; their respective rights to seek rehearing, pursuant to §536.500 RSMo 2000; and their respective rights to judicial review pursuant to §386.510 RSMo 2000. This waiver applies only to a Commission order respecting 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.

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 Stipulation and Agreement.

Respectfully submitted,



William R. England, III MBE#23975
Dean L. Cooper MBE#36592
BRYDON, SWEARENGEN & ENGLAND P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102-0456
Telephone: (573) 635-7166
Facsimile: (573) 635-0427
trip@brydonlaw.com
dcooper@brydonlaw.com

ATTORNEYS FOR MISSOURI-AMERICAN
WATER COMPANY



Byron E. Francis MBE#23982
Jacqueline Ulin Levey MBE#51222
Armstrong Teasdale LLP
One Metropolitan Square, Suite 2600
St. Louis, MO 63102-2740
(314) 621-5070
(314) 621-5065 (facsimile)
bfrancis@armstrongteasdale.com

ATTORNEYS FOR METROPOLITAN
ST. LOUIS SEWER DISTRICT

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 17th day of September, 2008, to:

Shelley Brueggemann
General Counsel's Office
shelley.brueggemann@psc.mo.gov

Christina Baker
Office of the Public Counsel
christina.baker@ded.mo.gov

Michael A. Evans
Hammond, Shinnars, et al.
mevans@hstly.com
saschroder@hstly.com

Marc H. Ellinger
Blitz, Bardgett & Deutsch
MEllinger@blitzbardgett.com

Stuart Conrad
Finnegan, Conrad & Peterson
stucon@fcplaw.com

Lisa C. Langeneckert
Sandberg, Phoenix & von Gontard, P.C.
llangeneckert@spvg.com

Joseph P. Bednar, Jr.
Armstrong Teasdale LLP.
jbednar@armstrongteasdale.com
jmcclelland@armstrongteasdale.com

James M. Fischer
Fischer & Dority
jfischerpc@aol.com
lwdority@sprintmail.com

Jeremiah Finnegan
Finnegan, Conrad & Peterson
jfinnegan@fcplaw.com

Diana M. Vuylsteke
Bryan Cave, L.L.P.
dmvuylsteke@bryancave.com

Byron E. Francis
Armstrong Teasdale LLP
bfrancis@armstrongteasdale.com
jbednar@armstrongteasdale.com
jlevey@armstrongteasdale.com

Mark W. Comley
Newman, Comley & Ruth
comleym@ncrpc.com

