

**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,     )     **File No. WA-2022-0311**  
Manage and Maintain a Water System and     )  
Sewer System in and around the City of     )  
Stewartsville, Missouri     )

**STIPULATION AND AGREEMENT**

**COME NOW** the Staff of the Missouri Public Service Commission (Staff) and Missouri-American Water Company (MAWC (collectively, the “Parties”),<sup>1</sup> by and through counsel, and for their *Stipulation and Agreement* in this matter hereby state as follows to the Missouri Public Service Commission (Commission):

1.       On May 10, 2022, MAWC filed an application that seeks permission and approval for certificates of convenience and necessity (CCN) associated with the acquisition of a water system and sewer system in and around the City of Stewartsville, Missouri, located in DeKalb and Clinton Counties. On October 11, 2022, Staff filed its recommendation for the Commission to grant MAWC CCNs with the conditions and actions described in Staff’s *Memorandum*.

2.       Staff further indicated that “MAWC has agreed to submit a revised map and legal description to be included in MAWC’s water and sewer tariff, MO P.S.C. No. 13, and MO PSC No. 26, respectively.” While MAWC asserted in its *Response to Staff’s Recommendation* that certain maps and legal descriptions were appropriate for such filing, Staff filed its reply and

---

<sup>1</sup> The Office of the Public Counsel is not a signatory to this Stipulation and Agreement, but does not oppose it, in part because no member of the public offered testimony or other evidence at the local public hearing the Commission held to hear directly input from the public. Thus, this *Stipulation and Agreement* may be treated as unanimous in accordance with Commission Rule 20 CSR 4240-2.115(2)(C).

requested the Commission enter no orders due to the pending final maps and legal descriptions. The Commission ultimately issued its order directing that a status report be filed by January 4, 2023. In light of those filings and in order to resolve all remaining issues in this case, the Parties have reached the following agreements found herein.

3. The Parties agree and recommend, because it is necessary and convenient to the public interest, that the Commission grant MAWC permission, approval and Certificates of Convenience and Necessity authorizing MAWC to install, acquire, build, construct, own, operate, control, manage and maintain water and sewer systems for the public subject to the following conditions and actions:

1. Grant MAWC a CCN to provide water and sewer service in the proposed Stewartsville service areas, as outlined herein;
2. Approve MAWC using existing water rates applicable to customers outside the St. Louis County region and existing sewer rates applicable to customers in the Trimble service area for approved service areas;
3. Require MAWC submit tariff sheets, to become effective before closing on the assets, to include a revised service area map, revised service area written description, rates and charges to be included in its EFIS tariffs P.S.C. MO No. 13 and 26, applicable to water and sewer service, respectively. Such tariff sheets shall include the maps and legal descriptions attached hereto as Appendices A (Map-water), B (legal description – water), C (map - sewer) and D (legal description – sewer);
4. Require MAWC to notify the Commission of closing on the assets within five (5) days after such closing;
5. If closing on the water and sewer system assets does not take place within thirty (30) days following the effective date of the Commission’s order approving such, require MAWC to submit a status report within five (5) days after this thirty (30) day period regarding the status of closing, and additional status reports within five (5) days after each additional thirty (30) day period, until closing takes place, or until MAWC determines that the transfer of the assets will not occur;
6. If MAWC determines that a transfer of the assets will not occur, require MAWC to notify the Commission of such no later than the date of the next status report, as addressed above, after such determination is made, and require MAWC to submit

tariff sheets as appropriate that would cancel service area maps and descriptions applicable to the Stewartsville service area in its water and sewer tariffs, and rate and charges sheets applicable to customers in the Stewartsville service area in both the water and sewer tariffs;

7. Require MAWC to develop a plan to book all of the Stewartsville plant assets, with the concurrence of Staff and/or with the assistance of Staff, for original cost, depreciation reserve, and contributions (CIAC) for appropriate plant accounts, such that current rate base is broken down as \$900,000 for the water system, and \$1,000,000 for the sewer system, along with reasonable and prudent transaction, closing, and transition costs. This plan should be submitted to Staff for review within 90 days after closing on the assets;

8. Require MAWC to keep its financial books and records for plant-in-service and operating expenses in accordance with the NARUC Uniform System of Accounts;

9. Adopt for MAWC water and sewer assets the depreciation rates ordered for MAWC in Case No. WR-2020-0344;

10. Require MAWC to provide to the Customer Experience Department an example of its actual communication with the Stewartsville service area customers regarding its acquisition and operations of the water and sewer system assets, and how customers may reach MAWC, within ten (10) days after closing on the assets;

11. Require MAWC to obtain from the Stewartsville, as best as possible prior to or at closing, all records and documents, including but not limited to all plant-in-service original cost documentation, along with depreciation reserve balances, documentation of contribution-in-aid-of construction transactions, and any capital recovery transactions;

12. Except as required by Section 393.320, RSMo, make no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the CCN to MAWC, including expenditures related to the certificated service area, in any later proceeding;

13. Require MAWC to distribute to the Stewartsville customers an informational brochure detailing the rights and responsibilities of the utility and its customers regarding its sewer service, consistent with the requirements of Commission Rule 20 CSR 4240-13.040(3), within thirty (30) days of closing on the assets;

14. Require MAWC to provide to the CXD Staff a sample of five (5) billing statements from the first month's billing within thirty (30) days of closing on the assets;

15. Require MAWC communicate with the Stewartsville customers concerning the billing date, delinquent date, and billing changes that will occur once the acquisition is approved, and provide a copy of this communication to CXD Staff;

16. Require MAWC to provide training to its call center personnel regarding rates and rules applicable to the Stewartsville customers;

17. Require MAWC to include the Stewartsville customers in its established monthly reporting to the CXD Staff on customer service and billing issues, on an ongoing basis, after closing on the assets;

18. Require MAWC to file notice in this case outlining completion of the above-recommended training, customer communications, and notifications within ten (10) days after such communications and notifications; and,

19. MAWC shall include the following language in MAWC's post-closing letter to Stewartsville customers:

MAWC will provide water service pursuant to the rates currently applicable to MAWC's St. Joseph Service Area. It will utilize the rules governing the rendering of water service currently found in MAWC's water tariff, P.S.C. MO No. 13. MAWC will provide sewer service pursuant to the rates currently applicable to MAWC's Trimble Service Area and to utilize the rules governing the rendering of sewer service currently found in MAWC's sewer tariff P.S.C. MO No. 26.

MAWC has filed a water and sewer rate case before the Missouri Public Service Commission, File No. WR-2022-0303, in which these rates and rules will be reviewed. It is expected that any change in rates as a result of this case will be effective by June 1, 2023.

#### **GENERAL PROVISIONS**

4. 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.

5. This Stipulation has resulted from 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.

6. 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. 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 any and 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.

**WHEREFORE**, the signatories respectfully request that the Commission issue an order approving all of the specific terms and conditions of this *Stipulation and Agreement*; and that the

Commission grant such other and further relief as it considers just in the circumstances.

Respectfully submitted,

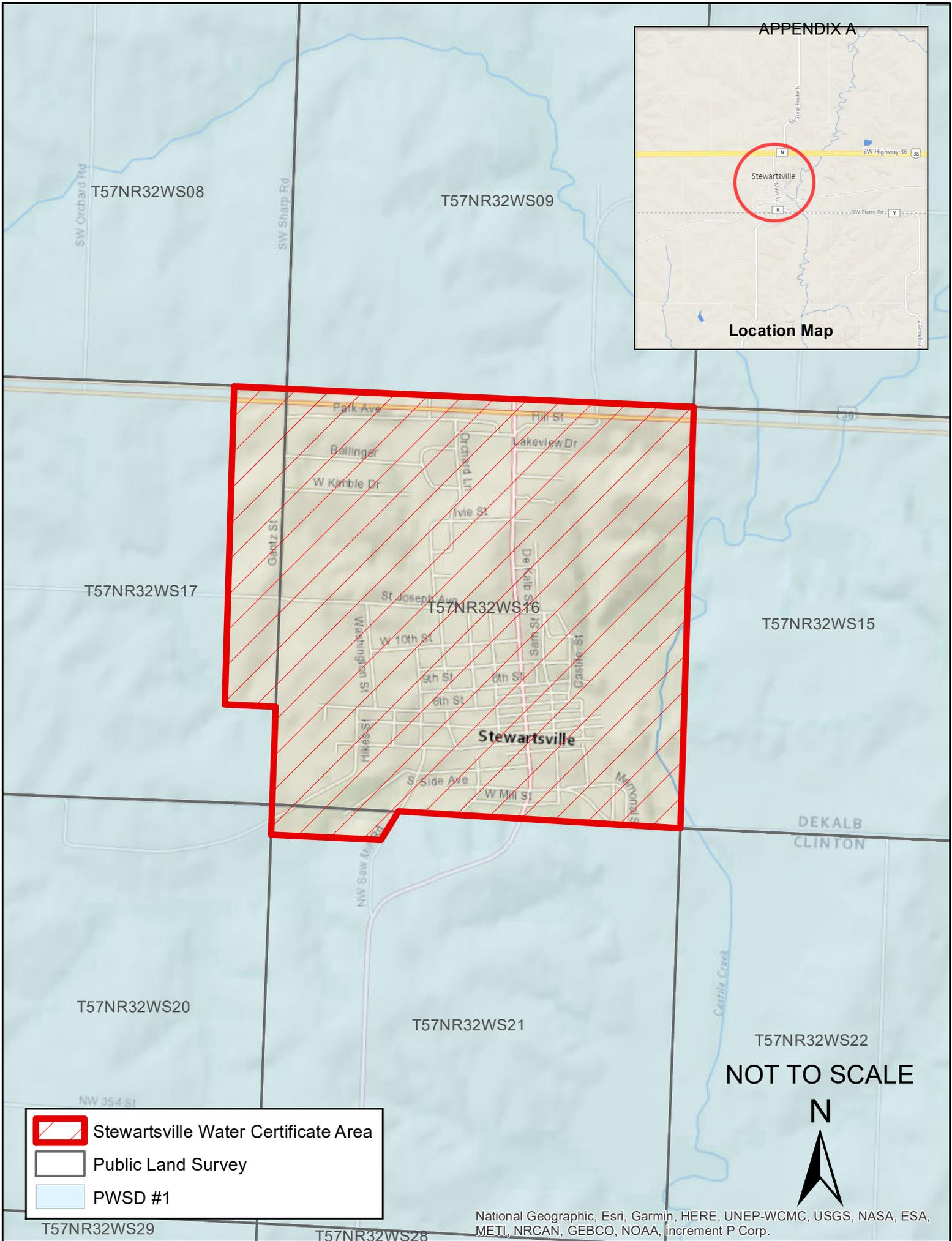
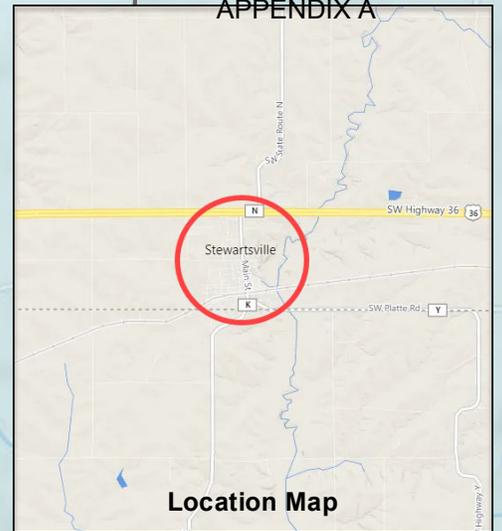
 <hr/> <p>Dean L. Cooper Mo. Bar 36592 <b>BRYDON, SWEARENGEN &amp; ENGLAND P.C.</b> 312 East Capitol Avenue P.O. Box 456 Jefferson City, MO 65102-0456 Telephone: (573) 635-7166 <a href="mailto:dcooper@brydonlaw.com">dcooper@brydonlaw.com</a></p> <p>Timothy W. Luft, Mo Bar #40506 Rachel L. Niemeier, Mo. Bar #56073 <b>MISSOURI-AMERICAN WATER COMPANY</b> 727 Craig Road St. Louis, MO 63141 (314) 996-2279 (314) 997-2451 (telefax) <a href="mailto:Timothy.Luft@amwater.com">Timothy.Luft@amwater.com</a> <a href="mailto:Rachel.Niemeier@amwater.com">Rachel.Niemeier@amwater.com</a> <b>ATTORNEYS FOR MISSOURI- AMERICAN WATER COMPANY</b></p>	<hr/> <p><u>//S// Paul T. Graham by dlc</u> Paul T. Graham #30416 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></p> <p><b>ATTORNEY FOR STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION</b></p>
---	---

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served by electronic mail on this 29<sup>th</sup> day of December, 2022, to all counsel of record.



---



	Stewartville Water Certificate Area
	Public Land Survey
	PWSD #1

NOT TO SCALE

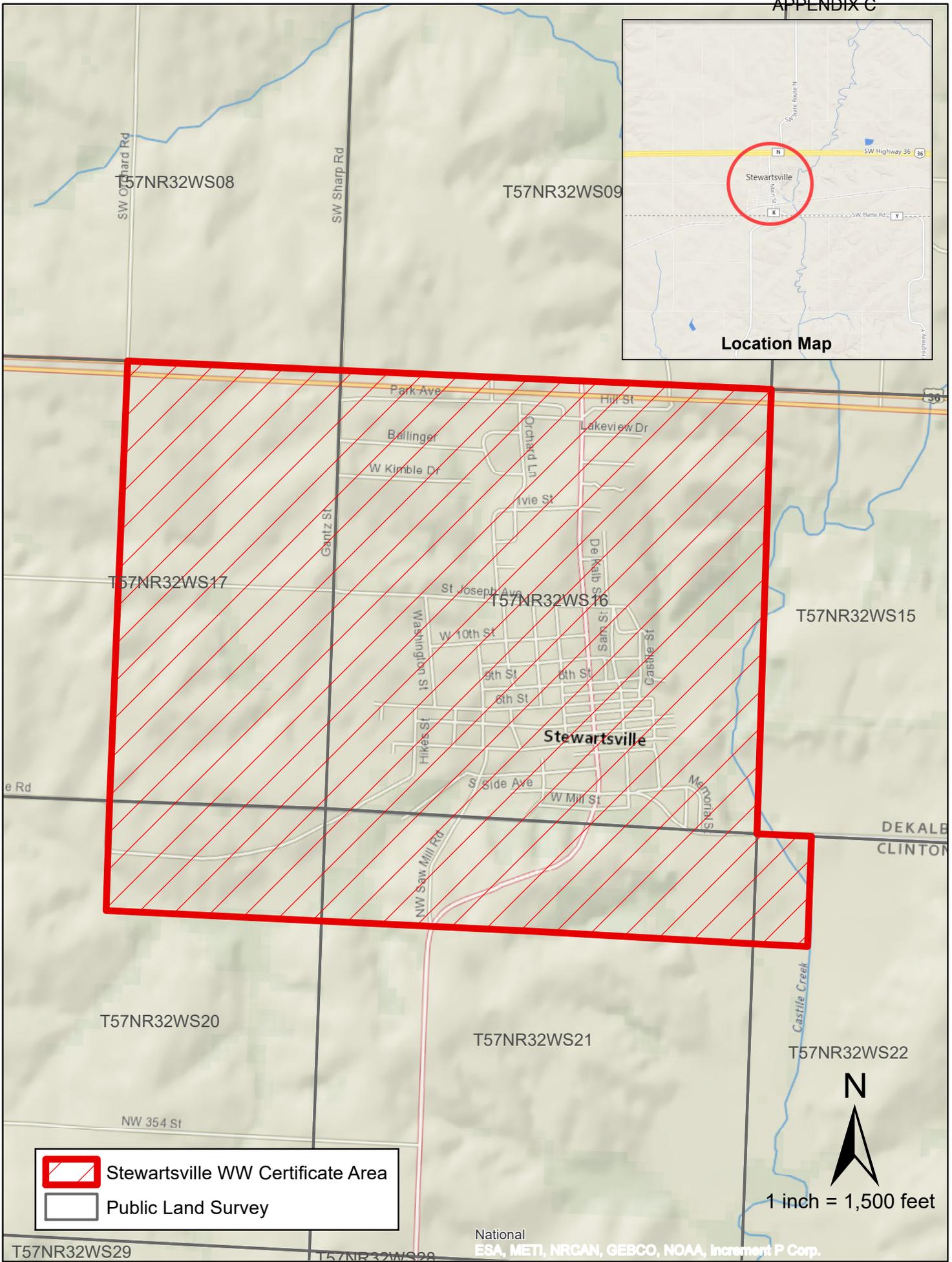
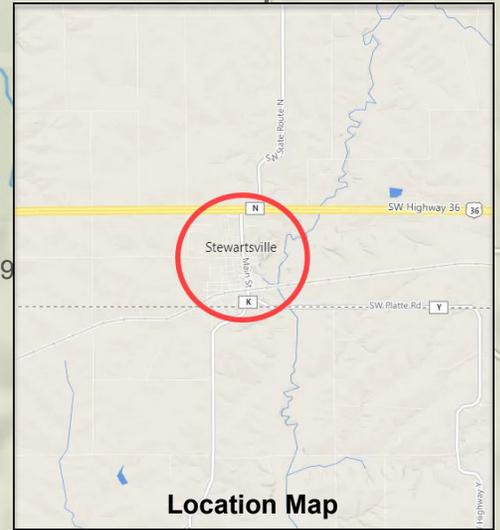


## Water Certificated Area

Legal Description

A tract of land in Section 16 and part of Sections, 17, and 21, Township 57 North, Range 32 West, in, City of Stewartsville, Dekalb County and Clinton County, Missouri and being more particularly described as follows:

Beginning at the Northwest corner of **Section 16, Township 57 North, Range 32 West**; thence East, along the north line of said **Section 16** to the Northeast corner thereof, being also the Northwest corner of **Section 15**; thence South, along the East line of said **Section 16** to the Southeast corner thereof, being also the Northeast corner of **Section 21** and the Northwest corner of **Section 22**; thence West, along the South line of said **Section 16** to the Southeast line of NW Saw Mill Road; thence in a Southwest direction and along said Southeast line of said road, approximately 516 feet more or less to a point being its intersection with the Southwest corner of a property now or formerly owned by Byron Thornton and Danielle Thornton, husband and wife, according to the deed recorded in Deed Book 2016, Page 3402 of the Clinton County Missouri Records; thence in a direction West, to the East line of **Section 20**; thence North, along said East line to the Northeast corner thereof, being also the Southeast corner of the Southeast Quarter of **Section 17**; continuing north along the East line of the Southeast Quarter of Section 17 to the Northeast corner of the Southeast Quarter of the Southeast Quarter of **Section 17**, being also the Southeast corner of the Northeast Quarter of the Southeast Quarter of said Section 17 ; thence West, along the South line of said Northeast Quarter Section to the Southwest corner of the East Half of the Northeast Quarter of the Southeast Quarter of **Section 17**; thence North, along the West line of said East Half of said Quarter-Quarter Section and its North projection to the Northwest corner of the East Half of the Northeast Quarter of the Northeast Quarter of said **Section 17**; thence East, along the North line of said Quarter-Quarter Section to the Northeast corner, being also the Northwest corner of Section 16, Township 57 North, Range 32 West, thereof and the POINT OF BEGINNING. Containing 34,412,400,000 Square Feet or 790 acres more or less.



	Stewartville WW Certificate Area
	Public Land Survey



1 inch = 1,500 feet

## Sewer System Certificated Area

Legal Description

A tract of land in Section 16 and part of Sections, 17, 20, 21 and 22, Township 57 North, Range 32 West, in, City of Stewartsville, Dekalb County and Clinton County, Missouri and being more particularly described as follows:

Beginning at the Northwest corner of **Section 16, Township 57 North, Range 32 West**; thence East, along the north line of said **Section 16** to the Northeast corner thereof, being also the Northwest corner of **Section 15**; thence South, along the East line of said Section to the Southeast corner thereof, being also the Northeast corner of **Section 21** and the Northwest corner of **Section 22**; thence East, along the North line **Section 22** to the Northeast corner of the West Half of the Northwest Quarter of the Northwest Quarter said **Section 22**; thence South, along the East line of said West Half to the Southeast corner thereof; thence West, along the South line of said West Half to the Southwest corner thereof, being also on the West line of said **Section 22** and being the Southeast corner of the Northeast Quarter of the Northeast Quarter of **Section 21**; thence West, along the South line of said Quarter-Quarter Section and the West prolongation thereof to the Southwest corner of the Northwest Quarter of the Northwest Quarter of **Section 21**, being also on the West line of said **Section 21** and the East line of **Section 20**; thence continuing West, along the South line of said Quarter-Quarter Section and the West prolongation thereof to the Southwest corner of the Northwest Quarter of the Northeast Quarter of **Section 20**; thence North, along the West line of said Quarter-Quarter Section to the Northwest corner thereof, being also the Southwest corner of the Southeast Quarter of **Section 17**; thence North, along the West line of said Quarter section and the North prolongation thereof to the Northwest corner of the Northeast Quarter of said **Section 17**, being also the Southwest corner of the Southeast Quarter of **Section 8**; thence East, along the North line of said Quarter section to the Northeast corner thereof and the POINT OF BEGINNING. Containing 53,143,200 Square Feet or 1,200 acres more or less.