

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 20<sup>th</sup> day of  
September, 2007.

In the Matter of Missouri-American       )  
Water Company's Request for Authority   )  
to Implement a General Rate Increase    )  
for Water Service Provided in Missouri   )  
Service Areas                                )

**Case No. WR-2007-0216, et al.**

**ORDER APPROVING NON-UNANIMOUS STIPULATION AND  
AGREEMENT AS TO MSD RATE DESIGN BETWEEN MAWC AND MSD**

Issue Date: September 20, 2007

Effective Date: September 30, 2007

On December 15, 2006, Missouri-American Water Company (MAWC) filed proposed tariff sheets seeking a general rate increase for water and sewer service provided to customers in its Missouri service areas. On January 3, 2007,<sup>1</sup> the Commission issued an order suspending the proposed water and sewer tariff sheets for 120 days plus six months from the original proposed effective date, that is, until November 14.

On July 16, prior to commencing the hearing in this matter, MAWC and the Metropolitan St. Louis Sewer District (MSD) filed a Non-Unanimous Stipulation and Agreement ("Agreement") to settle the MSD rate design issue. As summarized, the Agreement provides for the following:

1. MAWC will provide water usage and meter reading data and customer billing information and related services to MSD for which MSD will pay MAWC \$29,166 per month (\$350,000 annually). The rate of compensation will be incorporated into a revised tariff sheet, number RT 16 (a draft copy is attached to the Agreement as Appendix A), proposed to be effective for service on and after

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<sup>1</sup> All dates following the date of the suspension order reference the year 2007 unless otherwise noted.

December 1, 2007. The loss of revenue associated with this change from the existing rate paid by MSD will be reflected in the revenue requirement to be ordered by the Commission in this case.

2. MAWC and MSD agree to execute an agreement containing the specific terms and conditions of providing the information identified above by October 1, 2007.
3. MAWC and MSD agree that if this Agreement is approved, that neither party to the Agreement will take any action to alter or rescind the rate identified in Appendix A to the Agreement prior to MAWC's next general rate case, at which both parties are free to ask the Commission to review and revise the rates, terms and condition regarding the provision of the billing data and related services.
4. MAWC also agrees to provide to MSD, prior to its next general rate increase request, the incremental costs it incurs in providing data and related services to MSD pursuant to the aforementioned agreement in item 2 above.
5. The parties further agree that, unless called upon by the Commission to respond to questions, that in the event the Commission approves the Agreement, the portions of the direct testimony of witnesses Janice M. Zimmerman and Keith D. Barber, concerning matters not at issue between the parties shall be received into evidence without the necessity of these witnesses taking the stand.

The Agreement is non-unanimous in that the remaining parties to this action are not signatories to the Agreement, and as such, it is governed by Commission Rule 4 CSR 240-2.115(2). That rule provides that non-signatory parties have seven days from the filing of a non-unanimous stipulation and agreement to file objections.<sup>2</sup> Failure to timely file such an objection constitutes a full waiver of that party's right to a hearing on the agreement.<sup>3</sup> If no party timely objects to a non-unanimous stipulation and agreement, the Commission may treat the agreement as being a unanimous stipulation and agreement.<sup>4</sup> Because no party objected, the Agreement became unanimous by operation of Commission Rule on July 24.<sup>5</sup>

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<sup>2</sup> Commission Rule 4 CSR 240-2.115(2)(B).

<sup>3</sup> Commission Rule 4 CSR 240-2.115(2)(B).

<sup>4</sup> Commission Rule 4 CSR 240-2.115(2)(C).

<sup>5</sup> Commission Rule 4 CSR 240-2.115(2)(C).

The Agreement has no effect on the Commission's determination concerning MAWC's rate increase request or the signatories' positions concerning the determination on MAWC's rate. Should the Commission accept the specific terms of the Agreement, the signatories represent that each shall waive their respective rights to present oral argument and written briefs pursuant to Section 536.080.1, RSMo 2000;<sup>6</sup> their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2; their respective rights to seek rehearing pursuant to Section 536.500; and their respective rights to judicial review pursuant to Section 386.510.

After reviewing the Agreement, the Commission finds that the stipulation and agreement filed on July 17 should be approved as a resolution of the issues addressed by that stipulation and agreement. In approving this stipulation and agreement, the Commission is only accepting the agreement of the parties to resolve these particular issues in this particular case. The Commission is not endorsing any particular position with regarding to these issues and its approval of this stipulation and agreement should not be interpreted as such an endorsement in any future case.

**IT IS ORDERED THAT:**

1. The "Stipulation and Agreement as to MSD Rate Design Between MAWC and MSD" filed on July 17, 2007, is approved as a resolution of the issues addressed in that stipulation and agreement. A copy of the stipulation and agreement is attached to this order as Exhibit A.

2. The signatory parties are ordered to comply with the terms of the "Stipulation and Agreement as to MSD Rate Design Between MAWC and MSD."

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<sup>6</sup> All statutory references are to RSMO 2000 unless otherwise noted.

3. This order shall become effective on September 30, 2007.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', with a stylized, looping flourish at the end.

Colleen M. Dale  
Secretary

( S E A L )

Davis, Chm., Murray, Clayton, Appling,  
and Jarrett, CC., concur.

Stearley, Regulatory Law Judge