

**Attachment 1**

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Central Rivers Wastewater	)	
Utility, Inc.'s Small Company Rate	)	<u>File No. SR-2014-0247</u>
Increase Request.	)	

**STIPULATION AND AGREEMENT**

**COME NOW** Central Rivers Wastewater Utility, Inc. (Central Rivers), the Staff of the Missouri Public Service Commission (Staff) and the Office of the Public Counsel (Public Counsel), (collectively the Parties), and respectfully state to the Missouri Public Service Commission (Commission) that, as a result of negotiations, the Parties have reached the stipulations and agreements contained herein.

1.     **Issues Settled.** This Stipulation and Agreement is intended to settle among the Parties for purposes of the above captioned case all issues previously identified by the Parties. The Parties recommend that the Commission accept this Stipulation and Agreement as a fair compromise of their respective positions.

2.     **Revenue Requirement.** The Parties agree that the Commission should approve a rate increase of \$35,756, plus rate case expenses trued-up for attorney and consultant fees through December 19, 2014. All rate case expenses will be amortized over five (5) years. The Non-STEP depreciation offset will be booked as suggested in the Surrebuttal/Rebuttal of Supplement Direct Testimony of Public Counsel witness Addo.

3.     **Next Rate Case.** Central Rivers agrees to file a rate case within five (5) years of the effective date of new rates resulting from this case.

4. **Connection Fee.** Central Rivers' Connection fee (\$4,800/\$4,500), to include 1 inch piping from the customer's septic tank to the sewer main up to 800 linear feet, will remain unchanged for now. Central Rivers agrees to follow its current tariff where applicable, in all respects, until such time as the tariff may be lawfully changed as the result of the docket or workgroup discussed below, or other proceedings.

5. **New Docket or Workgroup.** The tariff issues associated with permitting entities other than Central Rivers to perform STEP and STEG installations shall be addressed in a new docket or by a workgroup set up by the Commission, with a specified end time when the workgroup will report to the Commission. It is anticipated that subjects for such tariff language will include: detailed specifications as to the type and quality of materials used; a process included for determining the location of the systems; Company inspection of the materials prior to installation; Company inspection of the system after installation; a possible provision for the Company to undertake some work that could include the tap of the collecting sewer among other possible tasks; and charges associated with certain activities. Depending upon the final recommendations of the workgroup, the resulting tariff changes, if any, could be implemented either prior to or during the next rate case.

6. **Refund Issues.** The identified "refund issues" (Customer Deposits and Previous STEP Installations) will be addressed separately in complaints that may be filed by Staff, Public Counsel, or customers. The parties agree that documentation from this case will be available for use in the complaint cases.

7. **Customer Deposits.** Central Rivers will move forward with voluntarily refunding all customer deposits to the effected customers per Commission rules,

including 6% simple interest, over a two-year period. Central Rivers further will provide reports to Staff and the Public Counsel every six (6) months identifying the progress of those refunds.

8. **Contractor Information.** Beginning January 1, 2015, Central Rivers will require its contractors (to include Construction Services & Management, LLC) to provide Central Rivers with timecards (to include hours and project detail), mileage reports and detailed billing statements including, but not limited to, actual costs for equipment (or equipment usage), materials and supplies associated with work performed for Central Rivers.

9. **Future Rate Case Information.** In future rate cases, Central Rivers will provide actual cost information to support charges including, but not limited to, equipment usage, hours and project detail, materials and supplies.

#### **General Provisions**

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

Stipulation and Agreement shall be interpreted only by reference to the document itself. Except as specifically stated in this Stipulation and Agreement, the Parties disclaim the use of any prior written or oral agreement or draft agreement, parole or other extrinsic evidence to interpret the terms of this Stipulation and Agreement.

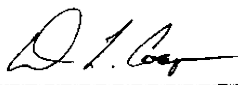
11. This Stipulation and Agreement has resulted from negotiations among the Parties and the terms hereof are interdependent. If the Commission does not approve this Stipulation and Agreement unconditionally and without modification, then this Stipulation and Agreement shall be void and no Party shall be bound by any of the agreements or provisions hereof, except as explicitly provided herein.

12. If the Commission does not approve this Stipulation and Agreement without condition or 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.

13. In the event the Commission accepts the specific terms of this Stipulation and Agreement without condition or modification, the Parties 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. Further, in the event the Commission accepts the specific terms of this Stipulation and Agreement, all prefiled testimony not yet admitted into evidence shall be received into evidence without the necessity of the witnesses taking the stand. The waivers contained in this paragraph apply only to a Commission order approving this Stipulation and Agreement without condition or modification 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 nor any matters not explicitly addressed by this Stipulation and Agreement.

**WHEREFORE**, the Parties respectfully request that the Commission issue its Order approving the specific terms and conditions of the Stipulation and Agreement (except paragraph 7 above).

 <hr/> Dean L. Cooper, MBE #36592 <b>BRYDON, SWEARENGEN &amp; ENGLAND P.C.</b> 312 E. Capitol Avenue P.O. Box 456 Jefferson City, MO 65012 (573) 635-7166 telephone (573) 635-3847 facsimile <a href="mailto:dcooper@brydonlaw.com">dcooper@brydonlaw.com</a>  ATTORNEYS FOR CENTRAL RIVERS WASTEWATER UTILITY, INC.	<u>//S// Christina L. Baker by dlc</u> Christina L. Baker (#58303) P O Box 2230 Jefferson City, MO 65102 (573) 751-5565 (573) 751-5562 FAX <a href="mailto:christina.baker@ded.mo.gov">christina.baker@ded.mo.gov</a>  ATTORNEY FOR OFFICE OF THE PUBLIC COUNSEL
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### CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail on December 24, 2014, to the following:

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