FILED
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Missouri Public Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Missouri-American Water Company's Request for Authority to Implement A General Rate Increase for Water and Sewer Service Provided in Missouri Service Areas.	Case No.	Consolidated: **WR-2011-0337** SR-2011-0338 WR-2012-0056 SR-2012-0057

NON-UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Missouri-American Water Company (MAWC or Company), the Staff of the Missouri Public Service Commission (Staff), the Office of the Public Counsel (Public Counsel), Ag Processing Inc a Cooperative (AGP), Missouri Industrial Energy Consumers (MIEC), Metropolitan St. Louis Sewer District (MSD), City of St. Joseph (St. Joseph), BJC HealthCare (BJC), Triumph Foods, LLC (Triumph), and The Empire District Electric Company (Empire) and respectfully state to the Missouri Public Service Commission (Commission) that, as a result of negotiations, the undersigned parties (Signatories) have reached the stipulations and agreements contained herein.

1. **Issues Settled.** This Stipulation and Agreement (Agreement) is intended to settle among the Signatories all issues previously identified by some or all of the Signatories through testimony and or schedules in Commission Case Nos. WR-2011-0337, SR-2011-0338, WR-2012-0056 and SR-2012-0057, consolidated by the Commission as WR-2011-0337.

2. **Non Signatory Parties.** While not Signatories, Public Water Supply District Nos. 1 and 2 of Andrew County (Water Districts), City of Brunswick (Brunswick), City of Riverside (Riverside), City of Joplin (Joplin), and City of Warrensburg (Warrensburg), have affirmatively stated to the Signatories that they will not object to this Agreement and do not request a hearing concerning the matters resolved by this

Staff Exhibit No. 10
Date 8-16-12 Reporter KF
File No. ER-2012-0363

Agreement. Warrensburg takes this position at this time only because its City Council has not yet had an opportunity to meet or vote on this matter. Warrensburg's City Council is scheduled to meet on February 27, 2012, and this matter will be on its agenda and will come to a vote. Warrensburg will report to the Commission on February 28, 2012, on any change to its current position. The City of Jefferson (Jefferson City) and Utility Workers Union of America Local 335, AFL-CIO (Union) will each advise the Commission of their respective status separately from this Agreement.

3. **Districts.**

A. **Water Districts.** The Signatories have reached a resolution for this case that includes the establishment of eight (8) water Districts as described herein. The Signatories propose to combine Warren County with St. Louis Metro District (St. Louis Metro) and to combine Loma Linda with Joplin District (Joplin), and to maintain the following individual Districts: Mexico, Jefferson City, Warrensburg, Platte County, and St. Joseph. The eighth District (District 8) will consist of the following water systems: Brunswick, Lakewood Manor, Spring Valley, Ozark Mountain, Lake Taneycomo, White Branch, Rankin Acres, Riverside Estates, Roark and Lake Carmel/Maplewood. The systems included in District 8 will be grouped into four groups, with one group that consists of systems that are charged a flat rate (i.e. no commodity charge) while the other three groups are based on similar commodity charges within each group.

B. **Sewer Districts.** The Signatories have reached an agreement that proposes the sewer Districts as described in **Appendix A**, attached hereto and incorporated herein by reference.

4. **Rate Design, Rates and Miscellaneous Fees.** The Signatories agree

Exhibit No.
Date Reporter
File No.

that the rates and charges for each District as described in Paragraph 3, above shall be those shown on Appendix A. The attached rates and charges, based on Staff's billing determinants, produce a total annual increase in revenue of $24 million, with a total annual increase in water revenue of $23,275,000 and a total annual increase in sewer revenue of $725,000. The existing Miscellaneous Fees are not proposed to be changed, however the hydrant fees and hydrant inspection fees that are currently in effect in the St. Louis Metro District are proposed to be extended to all water Districts as a result of this case. Rates contained in Appendix A and Miscellaneous Fees are exclusive of any applicable license, occupation, franchise, gross receipts taxes or other similar tax or taxes.

5. **Early Implementation.** The Signatories request that the Commission consider and approve this Agreement, and the resulting tariffs, to be effective for service rendered on and after April 1, 2012, or as soon thereafter as is reasonably practicable.

6. **Former Aqua Customers Effective Date Delayed.** The Commission approved the following language as a result of Commission Case No. WO-2011-0168:

> Any increase in rates for any current Aqua Missouri customer will occur "x" amount of days after the change in rates for current MAWC customers. This "x" amount of days will be the days between the filing of any potential rate request by MAWC and the September 1, 2011 moratorium agreed to by Aqua Missouri. For example, if MAWC files a rate request on July 1, 2011, that is 62 days before the September 1, 2011 moratorium. Based upon the outcome of MAWC's filed rate request, the new rates for current Aqua customers will go into effect 62 days after the rates for current MAWC customers go into effect. Thus, assuming a July 1, 2011 filing and a subsequent June 1, 2012 effective date of new rates, Aqua system customers rates would not increase until August 2, 2012 (62 days after June 1, 2012). If a decrease in rates is determined for any Aqua system, then that decrease shall go into effect when the MAWC rates go into effect.

Therefore, the Signatories agree that former Aqua Missouri customers will be provided an additional sixty-three (63) days after the effective date for rates implemented as a result of this Agreement before their rates will increase because this matter was filed June 30, 2011, which is 63 days before the September 1, 2011, moratorium previously agreed to by Aqua Missouri.

7. **Pension/FAS 87 Tracker Mechanism and OPEB/FAS 106 Tracker Mechanism.**

A. The Signatories agree that the rates established in this case for the MAWC pension plan include an allowance of $4,234,750. (All amounts are stated after application of a payroll expense O&M allocation factor.) The difference between the amount of pension expense included in MAWC's rates and the amount funded by MAWC shall be included in the Company's rate base in future rate proceedings, and the balance existing at the later of the end of the test year, the test year update or true-up, as applicable in the Company's next rate case shall be amortized to expense over a five-year period. The pension tracker balance resulting from this case will start to be booked in the month following the true-up date in this rate case, and will continue to be booked until the later of the test year ending date, test year update period ending date or the true-up date in the Company's next rate case. The Company shall be authorized to record as a regulatory asset/liability, as appropriate, the difference between the pension expense used in setting rates and the pension expense as recorded for financial reporting purposes as determined in accordance with GAAP pursuant to FAS 87 (or such standard as the FASB may issue to supersede, amend, or interpret the

existing standards).

B. The cumulative pension tracker amount in MAWC's rate base as of December 31, 2010, is $1,200,466, and the annual amortization of that amount to expense is $240,093. No Service Company pension costs are included in MAWC's pension tracker balance in this case.

C. The Company shall be allowed rate recovery for prudent contributions it makes to its pension trust that exceed the ERISA minimum for any of the following reasons:

i) The minimum required contribution is insufficient to avoid the benefit restrictions specified for at-risk plans pursuant to the Pension Protection Act of 2006, thereby causing an inability by MAWC to pay out pension benefits to recipients in its normal and customary manner, including lump sum payments; or

ii) The minimum required contribution is not sufficient to avoid any Pension Benefit Guarantee Corporation ("PBGC") variable premiums

Prudent additional contributions made pursuant to this paragraph will increase MAWC's rate base, and will receive the regulatory treatment as described in paragraph A of this Section. MAWC shall inform Staff and Public Counsel of contributions of additional amounts to its pension trust funds pursuant to this paragraph in a timely manner. Staff, Public Counsel and other Signatories reserve the right to challenge the prudence of any additional contributions made by MAWC pursuant to this paragraph in subsequent MAWC rate proceedings.

D. The Signatories agree that rates established in this case for MAWC's OPEBs expense reflect an allowance of $2,750,861. (All amounts are stated after application of a payroll O&M allocation factor.) The Company will fund its OPEBs trusts based upon its FAS 106 expense as calculated for financial reporting purposes. The difference between the amount of OPEBs expense included in MAWC's rates and the FAS 106 amount recorded on MAWC's books and funded by the Company shall be included in the Company's rate base in future proceedings, and the balance existing at the later of the end of the test year, the test year update or true-up, as applicable in the Company's next rate case shall be amortized to expense over a five-year period. The cumulative OPEBs tracker amount in MAWC's rate base as of December 31, 2010, is $1,423,961 and the annual amortization of that amount to expense is $284,792. No Service Company OPEBs costs are included in MAWC's OPEBs tracker balance in this case. Any additional OPEBs tracker balances resulting from this case will start to be booked to the OPEBs tracker in the month following the true-up date in this rate case, and will continue to be booked until the later of the test year ending date, test year update period ending date or the true-up date in the Company's next rate case. In future rate cases, the cumulative OPEBs tracker balance, less prior amortizations and plus or minus additional balances related to differences in OPEBs expense included in rates and OPEBs funded by Company, shall be included in the Company's rate base in future proceedings, and amortized to expense over a five-year period.

E. In the event that FAS 106 OPEBs expense becomes negative, the Company shall set up a regulatory liability to offset the negative expense. In future years, when such expense becomes positive again, the amount in rates shall remain

zero until the prepaid asset, if any, which was created by the negative expense, is reduced to zero. The regulatory liability will be reduced over time in the same amounts as the prepaid asset. This regulatory asset is a non-cash item and should be excluded from rate base in future years.

F. The provisions of FAS 158 may require certain adjustments to the prepaid pension asset/OPEB asset and/or accrued liability with a corresponding adjustment to equity (i.e. decreases/increases to Other Comprehensive Income). The Company will be allowed to set up a regulatory asset/liability to offset any adjustments that would otherwise be recorded to equity caused by applying the provisions of FAS 158 or any other FASB statement or procedure that requires accounting adjustments to equity due to the funded status or other attributes of the pension or OPEB plans. The Signatories acknowledge that the adjustments described in this paragraph will not increase or decrease rate base.

G. Nothing in this Agreement is intended to impair the ability of any Signatory in MAWC's next rate case proceeding to challenge the prudency of the Company's calculated levels of pension and OPEBs expenses that it proposes to recover from the tracker mechanisms.

8. **Tank Painting Tracker.** The Signatories agree that MAWC will continue the regulatory asset or liability for tank painting and inspection expense previously established in Case No. WR-2007-0216. The regulatory asset or liability will increase or decrease each year by the same amount that actual tank painting and inspection expense is either greater than or less than $1,300,000. The tracker will be maintained through the effective date of the rates established in the next general rate proceeding.

The method of recovery of any amounts accumulated (under or over) will be determined in the next general rate proceeding.

9. **Revenues**. MAWC agrees to continue to record revenues in the St. Louis Metro District on a monthly basis.

10. **Call Center Records.** MAWC agrees to continue reporting monthly all data it presently reports to Staff and Public Counsel, including all call center performance metrics. In addition, the Company agrees to inform Staff and Public Counsel of all future operational and technological changes that may be utilized by either of its call centers in Alton, Illinois or in Pensacola, Florida such as the implementation of virtual hold technology, the ability to record all calls coming into the centers, enhancements in the call routing process or other significant changes.

11. **Customer Service and Billing Issues.**

A) The Company agrees to have appropriate personnel available to meet with Staff to address service quality issues and any other matter that Staff, Company and/or Public Counsel determines necessary to address those matters. These meetings will be held on a periodic basis, such as quarterly, unless both Staff and the Company mutually agree such meetings are no longer necessary, may be postponed or terminated. Such meetings will include progress updates from the Company regarding the completion of its new customer billing system.

B) The Company will provide to Staff monthly and quarterly data to the Manager of the Engineering and Management Services Unit (corresponding with its monthly and quarterly billed customers) identifying the number of bills issued outside

the 26-35 day period for monthly billed customers and no more than 100 days for a quarterly billed customer.

C) The Company commits to improving the percentage of bills delivered to customers by making meter reading and billing edit service work a top priority until a new billing system is placed into service.

D) The Company commits to completion of a new billing system no later than December 31, 2013, that will be capable of the following:

i) In the event of a change in the meter read data based on a meter read or billing edit that is outside the 35 day billing window, the system would calculate the meter read data on the scheduled read date and use that data to issue a non-prorated bill to the customer; and

ii) In the event of a customer contact providing estimated meter read data or requests a service order read that is outside the 35 day billing window for monthly bill customers (or no more than 100 days for a quarterly billed customer), any estimated bill would be canceled and the service order read would be used to allow the system to calculate the meter read data on a schedule read date. The customer would be rebilled using the calculated meter read data using the original read date.

12. **Customer Records Information.** MAWC agrees to retain, through each subsequent rate case, monthly customer records information that would provide to the Parties to this case (Parties or Party) the number of customers for each customer class and meter size. This information will be made available to any Party requesting such information in the context of a rate case. The Company will not object to Staff, Public

Counsel or any other requesting Party retaining such information for use in future rate cases.

13. **Bad Debt/Recovery Tracking.** MAWC agrees to track bad debt write-offs and recoveries separately for each District described in Paragraph 3 of this Agreement.

14. **Infrastructure System Replacement Surcharge (ISRS).** As required by statute and Commission rule, MAWC's current ISRS shall be reset to zero upon the effective date of new rates in this case. The Signatories agree that, for any ISRS filings implemented between the date new rates are established in this proceeding and the effective date of new rates established in the Company's next general rate case proceeding, the overall rate of return shall be computed by utilizing a 10% return on common equity and the Company's actual capital structure as of December 31, 2011. Plant in-service additions to be included in a future ISRS may include those additions placed in service after January 1, 2012.

15. **Depreciation**. The Signatories agree that MAWC shall be authorized to begin booking depreciation expense at the depreciation rates attached hereto as **Appendix B** as to all of its operating districts effective upon the date that new customer rates are implemented as a result of this Agreement. The Company shall keep a separate accounting of its amounts accrued for recovery of its initial investments in plant from the amounts accrued for the cost of removal.

16. **Depreciation Study/Continuing Property Records.** MAWC will conduct a depreciation study and submit this study to the Commission as part of direct testimony for its next general rate case. The depreciation study shall include a case

study that uses the remaining life method and the life span technique for the Platte County (a.k.a. Parkville) water treatment facility for projected retirement date or dates proposed by MAWC and Staff.

MAWC shall invite Staff to actively participate in this depreciation study. As recommended in the Staff's Cost of Service report and Rebuttal Testimony of Arthur Rice filed in WR-2011-0337, MAWC shall conduct a depreciation study for submission to the Commission. These prior testimony recommendations are modified by this Agreement to include Staff's review of Continuing Property Records (CPR) as follows: At a minimum of sixty (60) calendar days prior to MAWC or a consultant running any computer runs within this depreciation study, MAWC shall invite Staff to participate in the definition of the retirement history to be included, the source of the historical records used in this depreciation study, and the choices of case study parameters, methods and techniques to be used. The depreciation study subsequently provided to the Commission shall include all case study runs agreed upon between Staff and the Company, including any applicable distinctions in treatment among different Company tariff districts.

17. **Platte County Water Treatment Facility Retirement.** No special additional depreciation expense for the Platte County (a.k.a. Parkville) water treatment plant will be included in the revenue requirement in this rate case. As stated in Paragraph 16 above, the depreciation study will include a case study that uses the remaining life method and the life span technique for the Parkville water treatment facility for projected retirement date or dates proposed by MAWC and Staff. These

separate Parkville water treatment facility account depreciation study results will be available for consideration in the Company's next general rate case.

18. **The Empire Interruptible Contract.** The Signatories recommend that the Nonunanimous Stipulation and Agreement as to Special Contract (Contract) executed by MAWC and Empire be approved. The Signatories agree that the commodity charge rate component of the Contract will be subject to modification in subsequent MAWC general rate case. Additionally, since the Contract is for a period of more than ten years, the Signatories agree that: (1) Staff, Public Counsel and AGP have the right to request a Commission review of the continued appropriateness of the alternative rate set forth in the Contract after the initial five years of the Contract, with the purpose of such review being to determine whether the alternative rate continues to be in the best interest of all customers in MAWC's service territory; (2) the Commission, acting on its own volition, may also open an inquiry in this regard; (3) if, upon such review(s), the Commission finds that the Contract, as implemented, no longer serves the public interest, it may allow MAWC to continue providing service under the Contract after adjusting rate conditions or it may direct MAWC to terminate the Contract; and (4) any Commission decision rendered as a result of any review(s) conducted under these provisions shall be implemented in the Company's next general rate case.

19. **Special Accounting for Business Transformation System.**

MAWC herewith withdraws its Business Transformation System (BTS) AAO request. Staff will add a new subaccount, (Account 391.4 BTS Initial Investment) to the Staff-recommended depreciation schedules (shown in the Staff Report Cost of Service Appendices, Schedules AR-1 and AR-2), for both water and sewer assigning a 5%

depreciation rate for the BTS software and hardware capital investments expected to be placed in-service in 2012 and 2013. MAWC shall conduct a depreciation study as described in Paragraph 16, above. This subaccount 391.4 will accrue depreciation expense for the BTS system at a 5% depreciation rate until the Commission orders a different depreciation or amortization treatment for these assets. No Party is bound to recommend this rate in a future proceeding and this Agreement does not address the prudence of investment or amount of investment.

Accounting treatment for BTS assets prior to their in-service date will be in accordance with the following language included in the Stipulation and Agreement filed in MAWC's last rate case (WR-2010-0131):

> Costs associated with the CPS and Business Transformation Project [BTS] shall be accounted for on the books of the Company as construction work in progress (CWIP). In accordance with the National Association of Regulatory Utility Commissioners (NARUC) 1973 Uniform System of Accounts, as revised July 1976, Accounting Instruction No. 3 Subpart (17), the Company shall accrue allowance for funds used during construction (AFUDC) on the related CWIP balances at the Company's monthly calculated AFUDC rate. The Company shall transfer the CWIP balances to Utility Plant in Service when in-service in accordance with the NARUC Uniform System of Accounts and, beginning in the month immediately following transfer, shall record depreciation thereon at the appropriate Commission approved depreciation rate.
>
> Nothing in this Agreement shall be considered finding by the Commission or agreement of the Signatories as to the reasonableness, prudence or future regulatory ratemaking of the expenditures involved.

20. **MSD Contract.** The existing MSD contract rate shall be maintained.

21. **Cost Allocation Study.** MAWC will prepare and submit as a part of its direct testimony in its next rate case district specific cost of service and revenue

requirements for: 1) the following water Districts: St. Louis Metro, Joplin, Mexico, Jefferson City, Warrensburg, Platte County, St. Joseph, Brunswick and the four groupings of District 8 (as described in Paragraph 3 above); and 2) the sewer Districts described in Appendix A. The direct testimony shall describe the preparation of the district studies and shall explain in detail the basis for allocation of all corporate and joint and common costs among the districts listed above. If the Company acquires any new water or sewer system before it files its next general rate case, it will prepare a separate cost of service and revenue requirement for each such acquired system.

22. **Customer Class Definitions.** The Company agrees to perform an analysis of customer class definitions for residential and small commercial customers as contained in its tariff to ensure that the definitions are the same across all MAWC districts (not including St. Louis Metro district due to existing blended Rate A class). If the customer class definitions used by the Company are not consistent, the Company will provide an explanation of any inconsistencies, or a proposal to fix the inconsistencies.

23. **District Specific EMS Runs.** If timely requested, Staff will provide district specific EMS runs as part of its Accounting work papers for the Company's next rate case for:

1.) the following water Districts: St. Louis Metro , Joplin , Mexico, Jefferson City, Warrensburg, Platte County, St. Joseph, Brunswick and the four groupings of District 8 (as described in Paragraph 3 above);

2.) the sewer Districts described in Appendix A; and

3. any new water or sewer system acquired by the Company before the

Company's next rate case. Such a request will be considered timely if filed no later than the deadline to file a Request to Intervene in the Company's next rate case.

24. **Future Acquisitions.** From the effective dates of the rates implemented as a result of this Agreement until the effective dates of rates implemented as a result of the Company's next rate case, the Company agrees to notify parties to this rate case of all acquisition requests at the time such requests are filed with the Commission and the Signatories agree to not oppose other Signatory's intervention in such acquisition cases.

Contingent Waiver of Rights

25. This Agreement is being entered into solely for the purpose of settling the identified issues in the cases that are listed above. Unless otherwise explicitly provided herein, none of the Signatories to this 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 method or any declaration regarding the lawfulness of single tariff or district specific pricing method for rate design. Other than explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Agreement in these or any other proceeding regardless of whether this Stipulation and Agreement is approved.

26. This Agreement has resulted from extensive 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 Agreement shall be void and no Signatory shall be bound by any of the agreements or provisions hereof, except as explicitly provided herein.

27. 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 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 Signatories shall retain all procedural and due process rights as fully as though this Agreement had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this 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.

28. In the event the Commission accepts the specific terms of this Agreement without condition or 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 §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 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 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, for the foregoing reasons, the Signatories respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation and Agreement.

MISSOURI AMERICAN WATER COMPANY- Sewer

SCHEDULE of DEPRECIATION RATES Case WR-2011-0337 and SR-2011-0338

DIVISIONS: All, including former Aqua, and Roark

NARUC ACCOUNT NUMBER	ACCOUNT DESCRIPTION	% DEPRECIATION RATE	AVERAGE SERVICE LIFE	Curves	% NET SALVAGE
	COLLECTION PLANT				
351	Structures & Improvements	2.50	50		-25
352.1	Collection Sewers (Force)	2.00	50		0
352.2	Collection Sewers (Gravity)	2.00	50		0
353	Services To Customers	2.00	50		0
354	Flow Measuring Devices	3.33	30		0
356	Other Collection Equipment	2.00	50		0
	PUMPING PLANT				
361	Structures & Improvements	2.50	50		-25
362	Receiving Wells	4.00	25		0
363	Electric Pumping Equip, (Includes Generators)	10.00	10		0
364	Diesel Pumping Equipment	10.00	10		0
365	Other Pumping Equipment	10.00	10		0
	TREATMENT & DISPOSAL PLANT				
371	Structures & Improvements	2.50	50		-25
372	Treatment & Disposal Equipment, (Includes pumps, blowers, generators)	5.00	26		-30
373	Plant Sewers	2.00	50		0
374	Outfall Sewer Lines	2.00	50		0
	General Plant				
390.0	Structures & Improve - Shop & Garage	2.40	50	R3	-20
390.9	Structures & Improve - Leasehold	5.00	20	R4	0
391.0	Office Furniture	5.00	20		0
391.1	Computer & Peripherial Equipment	20.00	5		0
391.2	Computer Hardware & Software	20.00	5		0
391.3	Other Office Equipment	6.67	15		0
391.4	BTS Initial Investment	5.00	20		0
392.1	Transportation Equipment - Light trucks	11.25	8	L1.5	10
392.2	Transportation Equipment - Heavy trucks	10.00	9	L2	10
392.3	Transportation Equipment - Autos	18.00	5	L2	10
392.4	Transportation Equipment - Other	5.67	15	S2.5	15
393.0	Stores Equipment	4.00	25		0
394.0	Tools, Shop, Garage Equipment	5.00	20		0
395.0	Laboratory Equipment	6.67	15		0
396.0	Power Operated Equipment	7.73	11	L1.5	15
397.1	Communication Equip - Non Telephone	6.67	15		0
397.2	Communication Equip - Telephone	10.00	10		0
398.0	Miscellaneous Equip	6.67	15		0
399.0	Other Tangible Equipment	5.00	20		0

MISSOURI AMERICAN WATER COMPANY - Water
SCHEDULE of DEPRECIATION RATES Case WR-2011-0337

DIVISIONS: ALL , Including former Aqua, Loma Linda, and Roark

NARUC USOA ACCOUNT NUMBER	ACCOUNT DESCRIPTION	% DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	IOWA CURVE	% NET SALVAGE
	Source of Supply				
311.0	Structures & Improvements	2.36	55	R4	-30
312.0	Collecting & Impoundment Reserviors	1.25	80	R2.5	0
313.0	Lake, River & Other Intakes	1.77	65	R1.5	-15
314.0	Wells & Springs	1.82	55	R2.5	0
315.0	Infiltration Galleries and Tunnels	1.67	60	R2.5	0
316.0	Supply Mains	1.79	70	R3	-25
317.0	Miscellaneous Source of Supply - Other	4.00	25	SQ	0
	Pumping Plant				
321.0	Structures & Improvements	1.80	75	R2.5	-35
322.0	Boiler Plant Equipment	2.22	45	R4	0
323.0	Power Generation Equipment	2.00	50	R3	0
324.0	Steam Pumping Equipment	2.62	42	R1.5	-10
325.0	Electric Pumping Equipment	2.62	42	R1.5	-10
326.0	Diesel Pumping Equipment	2.62	42	R1.5	-10
327.0	Hydraulic Pumping Equipment	2.62	42	R1.5	-10
328.0	Other Pumping Equipment	2.62	42	R1.5	-10
	WaterTreatment Plant				
331.0	Structures & Improvements	1.69	80	R3	-35
332.0	Water Treatment Equipment	2.89	45	R2.5	-30
333.0	Miscellaneous Water Treat, Other	3.33	30	SQ	0
	Transmission and Distribution				
341.0	Structures & Improvements	2.40	50	R2.5	-20
341.1	Structures & Improve - Special Crossing	N/A	N/A	N/A	N/A
342.0	Distribution Reservoirs & Standpipes	2.25	60	R3	-35
343.0,1,2,3	Transmission & Distribution Mains	1.39	90	R2.5	-25
344.0	Fire Mains	1.56	80	S1	-25
345.0	Customer Services	2.92	65	S0.5	-90
346.0	Customer Meters	2.40	40	R1	4
347.0	Customer Meter Pits & Installation	2.40	40	R1	4
348.0	Fire Hydrants	1.85	65	R1.5	-20
349.0	Misc Trans & Dist - Other	2.00	50	R3	0
	General Plant				
390.0	Structures & Improve - Shop & Garage	2.40	50	R3	-20
390.9	Structures & Improve - Leasehold	5.00	20	R4	0
391.0	Office Furniture	5.00	20		0
391.1	Computer & Peripherial Equipment	20.00	5		0
391.2	Computer Hardware & Software	20.00	5		0
391.3	Other Office Equipment	6.67	15		0
391.4	BTS Initial Investment	5.00	20		0
392.1	Transportation Equipment - Light trucks	11.25	8	L1.5	10
392.2	Transportation Equipment - Heavy trucks	10.00	9	L2	10
392.3	Transportation Equipment - Autos	18.00	5	L2	10
392.4	Transportation Equipment - Other	5.67	15	S2.5	15
393.0	Stores Equipment	4.00	25		0
394.0	Tools, Shop, Garage Equipment	5.00	20		0
395.0	Laboratory Equipment	6.67	15		0
396.0	Power Operated Equipment	7.73	11	L1.5	15
397.1	Communication Equip - Non Telephone	6.67	15		0
397.2	Communication Equip - Telephone	10.00	10		0
398.0	Miscellaneous Equip	6.67	15		0
399.0	Other Tangible Equipment	5.00	20		0

/s/ Stuart Conrad

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or by electronic mail to all counsel of record on this 24th day of February, 2012.

Respectfully submitted,

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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, for the foregoing reasons, the Signatories respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation and Agreement.