

LORAIN & ASSOCIATES

Attorneys at Law
4075 Highway 54, Suite 300
Osage Beach, Missouri 65065

Thomas E. Loraine
Clara M. Weppner, Paralegal

Tel: (573) 348-8909
Fax: (573) 348-8920

March 18, 2002

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

FILED³

MAR 19 2002

RE: Case No. WE-2002-240

**Missouri Public
Service Commission**

Dear Mr. Roberts:

Enclosed please find the original and fourteen (14) copies of the Application to Intervene and Consolidate Cases in the above-referenced matter to be filed with the Commission.

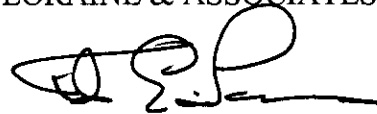
We are scheduled to resume trial in WA 2002-65 on Monday, March 25, 2002, and the matter we are seeking to intervene is scheduled for a pre-hearing on Wednesday, March 20, 2002. The matter we are seeking to intervene and consolidate is WE 2002-240.

Inasmuch as the issue of adequacy of the 1999 annual report filed by Osage Water Company is a dominant and substantial factor in the pending case of WA 2002-65, I cannot conceive of a hearing on the contents of such a report be held separately from the pending case in WA 2002-65.

Emergency consideration of the motion is necessary due to the pre-hearing for WE 2002-240 on March 20, 2002 and the hearing for WA 2002-65 on March 25, 2002.

Very truly yours,

LORAIN & ASSOCIATES



Thomas E. Loraine

TEL/jw

Enclosures

Hancock/filingPSC-3-19-02

FILED³

MAR 19 2002

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

Missouri Public
Service Commission

In the Matter of the Annual Report of Osage Water)
Company for the Calendar Year Ending December 31,) Case No. WE-2002-240
1999.)

APPLICATION TO INTERVENE AND CONSOLIDATE

COMES NOW Hancock Construction Company, movant, by and through it's attorney of record, Loraine and Associates and moves to intervene and consolidate with WA-2002-65.

For it's reasons, movant (Hancock) states that said application is in conformity with C.S.R. 240. et.seq

STATEMENT OF FACTS

In WA-94-132/WF-94-36, WA-97-110 and WA-98-36 Osage Water Company (Company) agreed to set up its books and records as required by Commission Rules on NARUC USOA and preservation of records and file Annual reports as required by Commission Rule

In WR-2000-557 Company agreed to meet the Disposition Agreement requirements so as to allow interim rate relief to become permanent rate relief.

In WA-2002-65 Staff and Company official asserted Company is in conformance with all Commission requirements.

In WA-2002-65 Staff and Company asserted there has been no unauthorized transfer of Company assets to Environmental Utilities L.L.C.

On November 28, 2001 Company President William P. Mitchell filed a 1999 Annual Report asserting all entries were true and correct. In comparing the annual report with data contained in Staff's WR 2000-557 accounting schedules, a discrepancy of \$1,124,610.00 occurs in "phantom plant" and significant "phantom depreciation" in the amount of \$22,623.00.

11

WA-2002-65, before the PSC, with substantially the same issues with failed reporting and compliance with Commission Orders

Hancock Construction Company's interest in the matter of the Annual Report Filing of the Company is that it has significant facts to present to the Commission that should be considered in the public interest.

1. Hancock is involved in significant litigation with the Osage Water Company.
2. Osage Water Company has operated not in accordance with record keeping and accounting principles for the past eight years.
3. The 1999 Annual Report is not in conformance with the WR-2000-557 Disposition Agreement
4. The 1999 Annual Report's non compliance with the Disposition Agreement and Commission Rules has allowed it to create \$1,124,610 of "Phantom Plant" with this November 28th filing.
5. The 1999 Annual Report non compliance with the Disposition Agreement and Commission Rules has allowed it to create \$22,623 of Phantom Depreciation Expense with this November 28th filing
6. The 1999 Annual Report non compliance with the Disposition Agreement has allowed it to transfer real and phantom depreciation reserve from "short lived plant" to the "longest lived plant."
7. The 1999 Annual Report NARUC USOA supporting schedules are similar to those used in Florida Public Service Commission reporting requirements for Class C and D water companies. They are not in compliance with the Missouri NARUC USOA reporting requirements for Engineering/Auditing purposes.

8. The 1999 Annual Report shows considerable discrepancies from Staff's WR-2000-557 Accounting Schedules regarding Total Plant in Service.
9. Movant further points out the if allowed intervention (Hancock) can comply with existing procedural schedule imposed.
10. Allowing intervention of Hancock will not delay any other procedural deadlines.
11. Hancock Construction Company understands that if it is granted permission to intervene and becomes a participant pursuant to 4 CSR 240.2 et seq., that it is not entitled to affirmative relief.
12. The combination of this matter works with case WA 2002-65.

In accordance with 4 CSR 240-2.080

1. This application is filed with one original and fourteen copies
2. A cover letter stating the subject matter of this Application to file herewith. Such letter contains no matter for PSC decision.
3. Not Applicable
4. One copy of this Application to intervene and one copy of the cover letter has been served on the Public Counsel. See Certificate of Service below.
5. Not Applicable
6. One copy of the Application to Intervene has been served by First Class Mail on Gregory Williams. See Certificate of Service below
7. The Application to Intervene is filed with the Executive Secretary of the PSC on March 19, 2002, the expected date of the Secretary's file stamp.
8. Hancock Construction Company is represented by Thomas E. Loraine of the law firm of Loraine & Associates whose signature appears hereinafter.

9. This Application to Intervene displays on it's first page the case number before the PSC and the title of the proceedings before the PSC, including name of applicant.
10. This Application to Intervene is typewritten on 8-1/2 x 11 inch paper, bound on its left edge without appendices.
11. Paragraph 11 is not applicable.
12. Paragraph 12, is applicable because this is an emergency filing since the hearing on WA 2002-65 resumes on March 25, 2002 and the pre-hearing for WE2002-240 is on March 20, 2002.
13. Paragraph 13 is not applicable.
14. Paragraph 14 is not applicable.

LORAINÉ & ASSOCIATES

4075 Highway 54, Suite 300
Osage Beach, Missouri 65065
(573) 348-8909 Telephone
(5) 348-8920 Facsimile



Thomas E. Loraine
Missouri Bar #: 22206

ATTORNEY FOR HANCOCK CONSTRUCTION
COMPANY

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing Application to Intervene and Consolidate was served upon the attorneys of record in the above cause by **VIA CERTIFIED/RETURN RECEIPT REQUESTED to Gregory D. Williams**, Highway 5 at Lake Road 5-32, P.O. Box 431, Sunrise Beach, MO. 65079, and **HAND DELIVERED** by William Cochran and mailed to Office of Public Counsel, P.O. Box 7800, Jefferson City, Missouri 65102 and

General Counsel, Missouri Public Service Commission, P.O. Box 360, Jefferson City, Missouri 65102, and mailed by U.S. mail hard copy, first class, postage pre-paid this 19th day of March, 2002 to the Presiding Commissioner, Camden County Courthouse, 1 Court Circle, P.O. Box 960, Camdenton, Missouri 65020, and Missouri Department of Natural Resources, 205 Jefferson Street, Jefferson City, Missouri 65101.

Respectfully submitted,

LORAINE & ASSOCIATES



THOMAS E. LORAINE

FILED³

MAR 19 2002

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the Matter of the Annual Report of Osage Water)

Company for the Calendar Year Ending December 31,) Case No. WE-2002-240

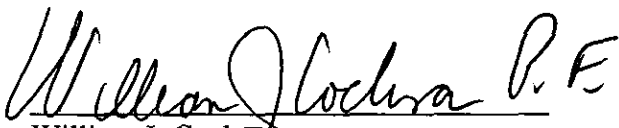
1999.

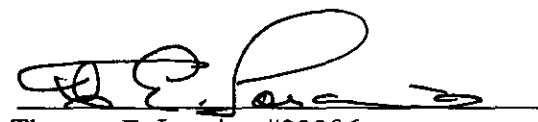
CERTIFICATE OF SERVICE

It is hereby certified that a true and correct copy of **Application to Intervene and Consolidate** was mailed hard copy, postage prepaid, this 19th day of March, 2002, **VIA CERTIFIED/RETURN RECEIPT REQUESTED to Gregory D. Williams**, Highway 5 at Lake Road 5-32, P.O. Box 431, Sunrise Beach, MO. 65079, and **HAND DELIVERED** by William Cochran and mailed to Office of Public Counsel, P.O. Box 7800, Jefferson City, Missouri 65102 and General Counsel, Missouri Public Service Commission, P.O. Box 360, Jefferson City, Missouri 65102, and mailed by U.S. mail hard copy, first class, postage pre-paid this 19th day of March, 2002 to the Presiding Commissioner, Camden County Courthouse, 1 Court Circle, P.O. Box 960, Camdenton, Missouri 65020, and Missouri Department of Natural Resources, 205 Jefferson Street, Jefferson City, Missouri 65101.

Respectfully submitted,

LORAIN & ASSOCIATES


William J. Cochran


Thomas E. Loraine #22206
4075 Highway 54, Suite 300
Osage Beach, MO 65065
(573) 348-8909

ATTORNEY FOR HANCOCK CONSTRUCTION