

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

In the matter of the Application of)	
The Meadows Water Company, North)	
Suburban Public Utility Company)	
and the City of Willard, Missouri)	
for an order authorizing the Sale,)	Case No. _____
Transfer and Assignment of Water and)	
Sewer Assets to the City of Willard)	
and in connection therewith)	
certain other related transactions.)	

JOINT APPLICATION
FOR APPROVAL OF TRANSFER OF ASSETS

Come now The Meadows Water Company, North Suburban Public Utility Company and the City of Willard, Missouri (sometimes collectively referred to as “Applicants”) in accordance with Section 393.190.1, 4 CSR 240-3.310 and 4 CSR 240-3.605, and for their application authorizing the sale, transfer and assignment of assets to the City of Willard (Willard), state the following to the Commission:

APPLICANTS

1. The Meadows Water Company (The Meadows) is a corporation organized under the laws of the state of Missouri. A copy of The Meadows’ Certificate of Good Standing issued by the Missouri Secretary of State is attached as Exhibit 1. The Meadows engages in the business of offering water and sewer services to the public within an authorized service territory.

2. North Suburban Public Utility Company (North Suburban) is a corporation organized under the laws of the state of Missouri. A copy of North Suburban’s Certificate of Good Standing issued by the Missouri Secretary of State is attached as Exhibit 2. It is engaged, generally, in the business of owning and operating water and sewer public utility companies.

3. The Meadows is a “water” corporation and a “sewer” corporation as those terms are defined in Section 386.020 RSMo. 2000 and constitutes a public utility under the laws of the state of Missouri. The Meadows is subject to the jurisdiction of the Commission. It provides services to approximately 1115 water and 279 sewer customers within its authorized certificated territory.

4. North Suburban owns the capital stock of The Meadows. North Suburban’s ownership of the equity interest in The Meadows was authorized by the Commission in its Case No. WM-2000-314. North Suburban is not itself a regulated Missouri utility.

5. The Meadows and North Suburban have no pending actions or final unsatisfied judgments or decisions against them involving customer service or rates having occurred within three (3) years before the filing of this application. The Meadows has no fees or annual reports that are overdue the Commission.

6. Willard is a city of the fourth class with powers, authority and duties established by Chapter 79, RSMo. 2000. It is a political subdivision of the state of Missouri.

7. Pleadings, notices, orders and other correspondence and communications concerning this Application should be addressed to the following:

FOR THE MEADOWS and NORTH SUBURBAN:

John R. Summers, General Manager
The Meadows Water Company
P.O. Box 9
Lake Ozark, MO 65049
573-365-6792 (Telephone)
573-365-6793 (Fax)

Mark W. Comley
Newman, Comley and Ruth P.C.
601 Monroe St., Suite 301
P.O. Box 537
Jefferson City, MO 65102
573-634-2266 (Telephone)
573-636-3306 (FAX)

FOR THE CITY OF WILLARD:

Fred Gress, City Administrator
Willard City Hall
224 West Jackson
Willard, Missouri 65781
Phone: 417.742.3033 Fax: 417.742.3080
cityadministrator@cityofwillard.org

Kenneth P. Reynolds
Reynolds, Gold & Grosser, P.C.
1240 East Independence
Suite 200
Springfield, MO 65804
Phone: (417) 864-4700
Fax: (417) 864-4774

THE TRANSACTION

8. Subject to the terms and conditions of an Agreement attached hereto as Appendix 1 (The Meadows Purchase Agreement), The Meadows will sell, transfer and assign to Willard, and Willard will acquire from The Meadows, all of The Meadows' assets comprising its existing water and sewerage systems all as more detailed in The Meadows Purchase Agreement. The purchase price for the assets is One Million Two Hundred Thousand Dollars (\$1,200,000) plus one hundred percent (100%) of the unbilled charges for water service to such customers as of the date of closing.

9. Subject to the terms and conditions of an Agreement attached hereto as Appendix 2 (the North Suburban Agreement), North Suburban will sell, transfer and assign to Willard, and Willard will acquire from North Suburban tracts of real estate and the buildings and

improvements located on that real estate all as more detailed in the North Suburban Purchase Agreement. The purchase price for the real estate is Three Hundred Thousand Dollars (\$300,000). In connection with this transaction, North Suburban has agreed to transfer without charge certain other parcels of real property and improvements thereon to the City of Willard. These donated parcels of real property have never been considered part of the regulated company's assets for ratemaking purposes. The description of those parcels and improvements is available upon request.

NO DETRIMENT

10. The proposed sale, transfer and assignment and related transactions will not be detrimental to the public interest because they will not result in any reduced level of service or reliability for the customers being served by the systems currently. Those customers will see no interruption in their day to day utility services due to the transaction.

11. The purchaser is a political subdivision of the state of Missouri, and as a fourth class city has the power and authority under Chapter 250, RSMo. to acquire the water and sewer assets identified in both Purchase Agreements. Pursuant to Willard's statutory authority, rates and conditions of service will be developed and administered by the popularly elected Board of Aldermen, and the city's authorized agencies or departments.

12. The transfer and assignment of these assets will have an impact on the tax revenues of the Missouri political subdivisions in which any structures, facilities or equipment involved are located. The property tax abatement caused by transfer of the assets is estimated as \$ 29,541.00.

WHEREFORE, Applicants respectfully request that the Commission issue its Order:

- a. Authorizing the Applicants to perform in accordance with the terms of the executed Purchase Agreements;
- b. Authorizing the sale, transfer and assignment of the identified water and sewer assets as more fully described in the executed Purchase Agreements;
- c. Authorizing the Applicants to enter into, execute and perform in accordance with the terms of all other documents which may be reasonably necessary and incidental to the performance of the transactions which are the subject of the executed Purchase Agreements and this Application; and
- d. Granting such other relief as may be deemed necessary to accomplish the purposes of the Purchase Agreements and the Application and to consummate the sale, transfer and assignment of the assets and related transactions pursuant to the executed Purchase Agreements.

Respectfully submitted,

/s/ Mark W. Comley

Mark W. Comley #28847
Newman, Comley & Ruth P.C.
601 Monroe Street, Suite 301
P.O. Box 537
Jefferson City, MO 65102
(573) 634-2266
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ATTORNEYS FOR THE MEADOWS WATER COMPANY
AND NORTH SUBURBAN PUBLIC UTILITY COMPANY

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Springfield, MO 65804
(417) 864-4700
Fax: (417) 864-4774
ATTORNEYS FOR THE CITY OF WILLARD, MISSOURI

TOGETHER, THE JOINT APPLICANTS

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via e-mail on this 1st day of May, 2007, to General Counsel's Office at gencounsel@psc.mo.gov; and Office of Public Counsel at opcservice@ded.mo.gov

/s/ Mark W. Comley

ATTORNEY VERIFICATION

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

I, Mark W. Comley, being first duly sworn, do hereby certify, depose and state that I am the attorney for The Meadows Water Company and North Suburban Public Utility Company, applicants in this proceeding; that I have read the above and foregoing Joint Application for Approval of Transfer of Assets and the allegations therein contained are true and correct to the best of my knowledge, information and belief; and I further state that I am authorized to verify the foregoing application by the above said applicants.

/s/ Mark W. Comley
Mark W. Comley

Subscribed and sworn to before me, a Notary Public, this 1st day of May, 2007.

/s/ Annette M. Borghardt
Notary Public for Cole County, MO
Commission #06436657; MCE 3-11-10