

LORAIN & ASSOCIATES

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November 1, 2001

Public Service Commission
Attn: Cecil Wright
P.O. Box 360
Jefferson City, MO 65102

FILED³

NOV 01 2001

RE: Case No. WA-2002-65

Missouri Public
Service Commission

Dear Mr. Wright:

Enclosed please find the two (2) originals and fourteen (14) copies of our Application to Intervene Out of Time in the above-referenced matter to be filed with the Commission. Please file-stamp a copy for our records.

The Application is a substantial matter to be adduced of which said matter affecting the public interest.

Your attention to this matter is greatly appreciated.

Very truly yours,

LORAIN & ASSOCIATES

Thomas E. Loraine
Thomas E. Loraine
by JEL

TEL/jw

Enclosures

Hancock/filingPSC

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

FILED³

NOV 01 2001

Missouri Public
Service Commission

In the matter of the application of Environmental Utilities,)
LLC, for Permission Approval and Certificate of)
Convenience and necessity Authorizing it to Construct)
Install, Own, Operate, Control, Manage and Maintain)
A Water System for the Public Located in Unincorporated)
Portions of Camden County, Missouri (Golden Glade)
Subdivision))

CASE #: WA-2002-65

APPLICATION TO INTERVENE OUT OF TIME

COMES NOW Hancock Construction Company, movant, by and through it's attorney of record, Loraine & Associates and moves to Intervene Out of Time and to file pleadings and be heard in the hearing on Monday, January 7, 2002 at 8:30 A.M.

For it's reasons, movant (Hancock) states that said application is in conformity with C.S.R. 240 et.seq. Except said period to intervene expired on August 16, 2001.

STATEMENT OF FACTS

In WA 98-236 and consolidated Case No. WC 98-211, Hancock Construction Company was recognized as a creditor of Osage Water Company in a debenture in face amount of \$240,000.00.

In subsequent cases WR2000-557 and SR 2000-556, said debenture was recognized as a valid basis for rate making and was allowed by the Commission in part on an interim rate increase which expires on November 30, 2001.

Osage Water Company has represented to the Commission's Staff that the debenture to (Hancock) is a valid obligation of Osage Water Company and the Staff recognized payments of

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the debenture as a valid operation and maintenance expense of Osage Water Company. See affidavit of Keith Krueger attached hereto as Exhibit 1.

Osage Water Company does not have the ability to meet it's obligations and a collection lawsuit was initiated by Hancock Construction in Camden County, Missouri (CV101-008CC).

Hancock Construction Company's interest in the Certified Application 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 Osage Water Company and that the same two principals, Gregory Williams and Pat Mitchell own and operate Osage Water Company.
2. Osage Water Company has operated not in accordance with record keeping and accounting principles that are consistent with mandates ordered by the Public Service Commission and that the same principals have demonstrated to be incompetent in their handling of Osage Water Company matters.
3. By allowing Environmental Utilities to operate at or near the certificated area of Osage Water Company will allow the principals above to divert future areas to be served to the new utility company Environmental Utilities, L.L.C. and away from Osage Water Company, this allowing no additional revenue to service the existing debt of Osage Water Company.
4. Osage Water Company will become increasingly unable to meet it's obligations if Environmental Utilities, L.L.C. is allowed to compete with Osage Water Company in the geographical area near Osage Water

Company's certification areas.

5. Movant further points out that if allowed intervention (Hancock) can comply with the existing procedural schedule, except that Direct Testimony was to be submitted by October 31, 2001.
6. Allowing intervention of Hancock will not delay any other procedural deadlines except that Hancock will require five (5) days to submit Direct Testimony, if intervention is permitted.

Those deadlines are as follows:

That the following procedural schedule is established for this case

Direct Testimony	October 31, 2001
Rebuttal Testimony	November 21, 2001
Prehearing Conference	November 26, 2001-10:00 A.M.
Surrebuttal Testimony	December 5, 2001
Issue List	December 12, 2001
Statements of Positions	December 19, 2001
Hearing	January 7, 2002 - 8:30 A.M.

7. 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.

In accordance with 4 CSR 240.2.080.

1. This application is filed with one original or duplicate original and fourteen (14) copies.
2. A cover letter stating the subject matter of this Application to

Intervene is filed 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. In accordance with the ORDER AND NOTICE of the PSC, one copy of the Application to Intervene has been served by First Class Mail on Gregory Williams. See Certificate of Service below.
7. This Application to Intervene is filed with the Executive Secretary of the PSC on November 1, 2001, 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 the name of the applicant.
10. This Application to Intervene is typewritten on 8-1/2 x 11 inch paper, bound on it's left edge without appendices.
- 11-14 Paragraphs 11-14 inclusive, are not applicable.

LORAIN & ASSOCIATES
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Osage Beach, Missouri 65065
(573) 348-8909 Telephone
(573) 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 was served upon the attorneys of record in the above cause by hand delivering same to The Office of Public Counsel, 301 West High Street, Suite 250, Jefferson City, Missouri 65101 and mailing same U.S. mail, first class, postage pre-paid to Mr. Gregory Williams, P.O. Box 431, Sunrise Beach, Missouri 65079, on this 1st day of November, 2001.



THOMAS E. LORAIN

AFFIDAVIT

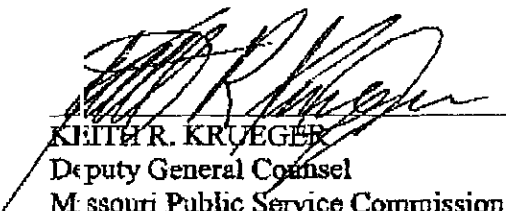


STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW, Keith R. Krueger, being duly sworn upon his oath and states and alleges as follows:

1. That he is over the age of twenty-one (21) years and well able to make this Affidavit.
2. That Affiant is an attorney licensed by the Missouri Bar Association, Bar Number 23857.
3. That Affiant has worked for the Missouri Public Service Commission for three and one-half years and as Deputy General Counsel for two and one-half years.
4. That Affiant is aware that the Osage Water Company is a regulated utility company under the authority of the Missouri Public Service Commission.
5. That Affiant has reviewed the Missouri Public Service Commission records regarding water and sewer applications by Osage Water Company and rate cases concerning Osage Water Company.
6. That as part of the review Affiant has examined the attached Promissory Note which is marked as Exhibit "A" and incorporated herein by reference, by the terms of which Osage Water Company is payor and David Hancock, D/B/A Hancock Construction is payee.
7. That Affiant further states that after reviewing records as referenced in paragraph 5 above, the Missouri Public Service Commission had notice of said Debenture, said Debenture was included in the Osage Water Company 1998 annual report and said Debenture was issued within the range of indebtedness authorized by the Missouri Public Service Commission.
8. Further Affiant states that in its most recent rate cases, Case No. SR-2000-556 and Case No. WR-2000-557, Osage Water Company represented to the Commission's Staff that the Debenture is a valid obligation of Osage Water Company, and the Staff recognized payments on the Debenture as a valid operation and maintenance expense of Osage Water Company.

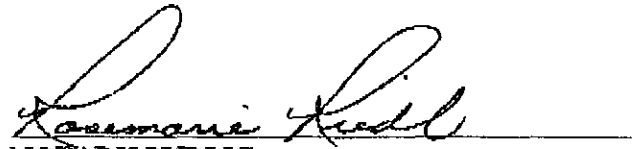
Further Affiant sayeth not.


KEITH R. KRUEGER
Deputy General Counsel
Missouri Public Service Commission

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

On this 2nd day of October, 2001, before me, a Notary Public, personally appeared Keith R. Krueger to me personally known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.


NOTARY PUBLIC

My Commission Expires:

ROSEMARIE RIEOL
Notary Public - Notary Seal
STATE OF MISSOURI
COLE COUNTY
MY COMMISSION EXP. JUNE 1, 2005

\$240,000.00

OSAGE WATER COMPANY

Osage Beach, Missouri
20-Year Debenture Note
Without Interest
October 15, 1998

Osage Water Company, A Missouri Corporation, herein called the Corporation, for value received, hereby promises to pay to Hancock Construction Company, or order, the sum of Two Hundred Forty Thousand Dollars (\$240,000.00) as hereinafter provided, without interest.

PAYMENTS DUE

The principal hereof shall be payable in equal monthly installments of One Thousand Dollars (\$1,000.00) each, commencing October 15, 1998, at the principal office of the Corporation in Osage Beach, Missouri. The Corporation shall, upon request of the registered holder hereof, mail a check or draft representing such monthly installment to the registered holder hereof at his address appearing on the books of registration.

PREPAYMENT BY CORPORATION

The Corporation reserves the right to pay all or any portion of the principal amount of this note, upon any monthly installment date, without prepayment penalty.

REGISTRATION OF TRANSFERS

Books for the registry hereof are kept at the office of the Corporation. No transfer hereof shall be valid unless made on the Corporation's books at the office of the Corporation, by the registered holder hereof, in person, or by attorney duly authorized in writing, and similarly noted hereon.

Payment to the registered holder hereof of any principal installment, prepayment, or payment in full shall be a complete discharge of the Corporation's liability with respect to such payment, but the Corporation may, at any time, require the presentation hereof as a condition precedent to such payment.

ASSIGNMENT OF ACCOUNTS

The Corporation does hereby collaterally assign its accounts receivable from the following named customers, arising from the sale of water in the ordinary course of its business as a public water utility, to secure its obligation to make payment of the monthly installments due hereunder, to wit:

Miner Mike's Adventure Zone
Lake Tire
Great Southern Savings Bank

Great Southern Savings Bank
Tres Hombres Restaurant
Holiday Inn Motel
Ramada Hotel

In the event of default by the Corporation in the payment of two (2) successive monthly installments due hereunder, and said default has not been cured after written notice of such default of the Corporation at its principal business office, then the registered holder hereof may, at its option, direct the payment by the above named customers of the Corporation of all sums due and payable to the Corporation by said customers to such registered holder. All sums received by the registered holder from said customers shall be applied toward such past due installments of principal.

In the event that the Corporation cures such default by making said past due installments, then the Corporation may direct that said customers shall thereafter make payment of their accounts to the Corporation, subject to the right of the registered holder to collect said accounts in the event of a future default.

ACCELERATION

In the event of default in the payment of any principal payment on this note, and said default continues for more than sixty (60) days after written notice thereof by the holder to the Company at its principal office, then the entire unpaid principal amount of this note shall become immediately due and payable.

DUE ON SALE OF OSAGE BEACH NORTH ASSETS

In the event of the sale by the Corporation of its water system assets located within its Osage Beach North Service Area, as described in the Water Tariff of the Corporation on file with the Missouri Public Service Commission on the date of issuance of this Debenture, the registered holder hereof, may, at its option, call for immediate payment of the principal balance then remaining hereunder, subject, however, to the limitation that in no event shall the amount paid to the registered holder at such time, when added to the amount paid to David L. Hancock, his successors or assigns, with respect to the preferred stock held by him in the Corporation, exceed Thirty Percent (30%) of the net sale proceeds received by the Corporation from the sale of said water system assets. To the extent that said 30% limitation results in insufficient funds to satisfy both this debenture and to redeem the preferred stock, the funds available shall be applied first toward said preferred stock, and the balance, if any, shall be applied to reduce the number of remaining payments due under said debenture, and in that event, Osage Water Company shall continue to make the monthly payments on said debenture until all remaining payments are paid.

LIMITED RECOURSE

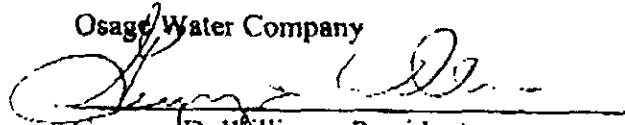
No recourse shall be had for payment of any part of the principal of this note against any incorporator, or against any present or future shareholder of the corporation by virtue of any law, or by enforcement of any assessment, or otherwise, or against any officer or director of the Corporation by reason of any matter prior to the delivery of this note, or against any present or

future officer or director of the Corporation, all such liability being, by the acceptance hereof and as a part of the consideration for the issue hereof, expressly released.

IN WITNESS WHEREOF the Corporation has signed and sealed this debenture note on October 15, 1998.

(SEAL)


Gregory D. Williams, Secretary

Osage Water Company

Gregory D. Williams, President

REGISTRATION

(NO WRITING ON THIS DEBENTURE NOTE EXCEPT BY AN
OFFICER OR AGENT OF THE CORPORATION)

Date of Registration	In Whose Name Registered	Address	Registry Officer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Assignment

For Value Received I hereby assign to _____ the within 20
year registered debenture note and hereby irrevocably appoint _____
to transfer the debenture note on the books of the Corporation with full power of substitution in
the premises.

Dated: _____

In the presence of

Signature of Registered Holder