

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
February 7, 2002**

CASE NO: WO-2002-208

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

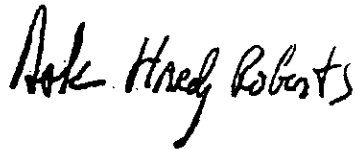
Merritt M. Beck III
City Attorney
114 South Rollins
Centralia, MO 65240

Presiding Commissioner
Boone County Government Center
801 E. Walnut, Rm. 245
Columbia, MO 65201

James T. Ausmus
Public Water Supply District No. 10 of
Boone County
P.O. Box 127
Centralia, MO 65240

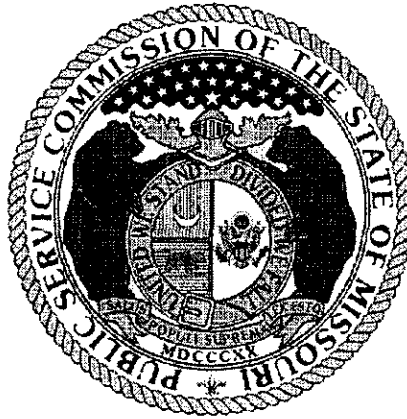
Enclosed find certified copy of a REPORT and ORDER in the above-numbered case(s).

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

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



In the Matter of the Joint Application of the City)
of Centralia, Missouri, and Public Water Supply)
District No. 10 of Boone County, Missouri, for)
Approval of a Written Territorial Agreement)
Concerning Territory within Boone County,)
Missouri)

Case No. WO-2002-208

REPORT AND ORDER

Issue Date: February 7, 2002

Effective Date: February 17, 2002

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

In the Matter of the Joint Application of the City)
of Centralia, Missouri, and Public Water Supply)
District No. 10 of Boone County, Missouri, for)
Approval of a Written Territorial Agreement)
Concerning Territory within Boone County,)
Missouri)

Case No. WO-2002-208

APPEARANCES

Merritt M. Beck III, City Attorney, 114 South Rollins Street, Centralia, Missouri 65240, for the City of Centralia.

James T. Ausmus, 116 North Allen Street, P.O. Box 125, Centralia, Missouri 65249, for Public Water Supply District No. 10 of Boone County, Missouri.

M. Ruth O'Neill, Assistant Public Counsel, Office of the Public Counsel, Post Office Box 7800, Jefferson City, Missouri 65102, for the Office of the Public Counsel and the public.

Keith R. Krueger, Deputy General Counsel, Missouri Public Service Commission, Post Office Box 360, Jefferson City, Missouri 65102, for the staff of the Missouri Public Service Commission.

REGULATORY LAW JUDGE: Keith Thornburg.

REPORT AND ORDER

Procedural History

On October 26, 2001, Public Water Supply District No. 10 of Boone County, Missouri (District), and the City of Centralia, Missouri (City) (collectively referred to as "Applicants"), pursuant to Section 247.172, RSMo 2000, filed a joint application requesting

that the Commission determine that their proposed territorial agreement, designating the service territory of each of the Applicants, is not detrimental to the public interest.

The Applicants filed their Territorial Agreement with their application. The territorial agreement is attached to this Report and Order as Attachment A.

The Commission issued an Order and Notice on November 7, 2001, directing parties wishing to intervene in the case to do so by November 27, 2001. No applications to intervene were filed. The parties filed a Proposed Procedural Schedule on December 6, 2001. The Commission scheduled the hearing for this case in an order issued on December 19, 2001.

On January 3, 2002, Applicants, the Office of the Public Counsel, and the Staff of the Missouri Public Service Commission filed a Unanimous Stipulation and Agreement stating that the territorial agreement will enable the Applicants to avoid wasteful and costly duplication of water utility services within the affected service areas, that the agreement is not detrimental to the public interest and recommending approval of the agreement. A copy of the Stipulation and Agreement is attached to this order and incorporated herein as Attachment B.

The Commission held an evidentiary hearing pursuant to statute on January 9, 2002. All parties were represented at the evidentiary hearing. Section 247.172.4, RSMo 2000.

Discussion

The District is a political corporation of the State of Missouri, established and existing pursuant to Chapter 247, RSMo, engaged in providing water service to the public in Boone County, Missouri. The City is a municipal corporation presently operating a

municipally owned water utility located in Boone County, Missouri. Applicants are subject to the Commission's jurisdiction for purposes of this territorial agreement under the provisions of Section 247.172, RSMo.

Applicants jointly applied for approval of a territorial agreement that would designate the boundaries of the water service areas of each of the Applicants in order to avoid duplication of services in overlapping areas. The territorial agreement also sets out the powers that each applicant grants to the other to operate within their respective boundaries. The territorial agreement does not require the transfer of any customers between the Applicants.

Before approving the proposed territorial agreement, the Commission must determine that it is not detrimental to the public interest. The first factor the Commission will consider in deciding the appropriateness of this territorial agreement is the extent to which the agreement eliminates or avoids unnecessary duplication of facilities. The Applicants stated in their application and Staff's witness, Dale Johansen, testified at the hearing that the designated boundaries avoid duplication of facilities in the affected areas.

Second, the Commission will consider the ability of each party to the territorial agreement to provide adequate service to the customers in its exclusive service area. Mr. Johansen testified at the hearing that the Applicants have the ability to make available adequate water supplies in their designated service areas.

The third area for Commission concern is the effect of approval of the territorial agreement on customers of the Applicants. Mr. Johansen testified that no existing customers will have their water service provider changed as a result of this territorial agreement. Only future customers will be affected.

Fourth, the Commission will consider a category of other cost or safety benefits attributed to the proposed territorial agreement. Mr. Johansen testified that the agreement would preclude destructive competition between the City and the District to the benefit of their customers.

Mr. Johansen testified that it is Staff's opinion that the agreement is not detrimental to the public interest.

Findings of Fact

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact. The Commission, in making this decision, has considered the positions and arguments of all of the parties. Failure to specifically address a piece of evidence, position or argument of any party does not indicate that the Commission has failed to consider relevant evidence, but indicates rather that the omitted material was not dispositive of this decision.

The Commission finds that approval of the territorial agreement signed by the Applicants on April 9, 2001, would avoid future duplication of facilities. The Commission finds that the Applicants are capable of adequately and safely providing the water service, and maintenance needs of the customers in their service areas as designated in the proposed territorial agreement. The Commission further finds that the overall effect of the proposed territorial agreement would not be harmful to ratepayers, and that the agreement would promote efficiency.

Conclusions of Law

The Missouri Public Service Commission has reached the following conclusions of law.

The Missouri Public Service Commission has jurisdiction over the territorial agreement between the District and the City as specified in Section 247.172, RSMo.

When a public water supply district and a municipality enter into a territorial agreement, the agreement must be approved by the Commission after hearing. Section 247.172, RSMo. The Commission may approve a territorial agreement if the agreement in total is not detrimental to the public interest. Section 247.172, RSMo. Based on the findings of fact it has made, the Commission concludes that the territorial agreement proposed by the District and the City is not detrimental to the public interest and should be approved.

IT IS THEREFORE ORDERED:

1. That the Territorial Agreement attached to this order as Attachment A between Public Water Supply District No. 10 of Boone County, Missouri, and the City of Centralia, Missouri, is approved.
2. This Report and Order shall become effective on February 17, 2002.

3. That this case may be closed on February 18, 2002.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(SEAL)

Simmons, Ch., Lumpe, Gaw and Forbis, CC.,
concur and certify compliance with the provisions
of Section 536.080, RSMo 2000.
Murray, C., absent

Dated at Jefferson City, Missouri,
on this 7th day of February, 2002.

TERRITORIAL AGREEMENT

THIS AGREEMENT, Made and entered into this 9th day of April, 2001 by and between the CITY OF CENTRALIA, MISSOURI, a municipal corporation, 114 South Rollins Street, Centralia, Missouri 65240 (hereinafter referred to as "CITY"), and PUBLIC WATER SUPPLY DISTRICT NO. 10 OF BOONE COUNTY, MISSOURI, a public corporation, 22601 March Road, P. O. Box J, Centralia, Missouri 65240 (hereinafter referred to as "DISTRICT"); WITNESSETH:

WHEREAS, CITY, a municipal corporation of the fourth class in Boone County, Missouri which owns and operates a waterworks and water supply system, a municipally owned utility (hereinafter referred to as "water system"), has the power and authority to supply water from its water system not only to its inhabitants within its corporate boundaries but also to persons and private corporations situated outside its corporate boundaries, pursuant to Section 91.050, Revised Statutes of Missouri; and

WHEREAS, DISTRICT is authorized by the provisions of Chapter 247 of the Revised Statutes of Missouri to provide water services to customers within the boundaries of DISTRICT; and

WHEREAS, DISTRICT has issued bonds from the federal Farmers Home Administration that are outstanding at this time; and

WHEREAS, DISTRICT'S territory abuts CITY'S corporate boundaries on all sides;

WHEREAS, CITY currently serves water customers who are located outside its corporate boundaries as well as water customers who were outside its corporate boundaries at one time but who are now within the corporate boundaries of CITY as a result of voluntary annexation; and

WHEREAS, the parties desire to enter into a written territorial agreement as authorized by Section 247.172, Revised Statutes of Missouri, to establish boundaries of the two water service areas that CITY and DISTRICT each will serve, which will help avoid wasteful duplication of services and undue costs to their respective customers.

NOW, THEREFORE, CITY and DISTRICT agree as follows:

1. The boundaries of DISTRICT are described by metes and bounds in Exhibit 1 attached hereto. The water service area of CITY shall be within those areas enclosed (1) by the metes and bounds description of the corporate boundaries of CITY as of 1988 in Exhibit 2 attached hereto, (2) by the schedule of the metes and bounds descriptions of properties outside CITY'S corporate boundaries currently provided water services by CITY in Exhibit 3 attached hereto, and (3) the metes and bounds descriptions of the properties listed in Exhibit 4 attached hereto which will be included in the water service area under the provisions of Paragraph 9 of this Agreement. The properties listed in Exhibits 2, 3, and 4 are also shown on the maps attached hereto as Exhibits 5 and 6.

2. Except as provided in Paragraph 6 of this Agreement, CITY shall provide water service to all its existing customers where ever located, and to all new customers within its water service area, in accordance with the requirements concerning water service inside and outside the corporate boundaries of CITY set forth in CITY'S code of ordinances known as the Code of the City of Centralia, Missouri and the Centralia City Code.

3. DISTRICT shall provide water service to all its existing customers where ever located, and to all new customers within its water service area, in accordance with its Rules and Regulations.

4. Except as otherwise agreed to by the parties later in writing as provided in Paragraph 10 of this Agreement, CITY shall not provide water service to any new customers within the water service area of DISTRICT.

5. Except as provided in Paragraph 6 of this Agreement or except as

otherwise agreed to by the parties later in writing as provided in Paragraph 10 of this Agreement, DISTRICT shall not provide water service to any new customers within the water service area of CITY.

6. If new water service is requested for a single residence or other such small customer in CITY'S water service area or if a current customer of CITY within the CITY'S water service area but not within the then corporate boundaries of CITY requests instead to be served by the DISTRICT, the parties may agree in writing to allow said customer to be a customer of DISTRICT until such time as (1) the customer's property is annexed by CITY and (2) CITY has installed taps, mains and fire hydrants adjacent to customer's property to the same standards as the taps, mains and hydrants with CITY. In such instances CITY shall receive no compensation from DISTRICT, nor shall DISTRICT receive compensation from CITY.

7. DISTRICT hereby permits employees of CITY to read at any time the water meters of DISTRICT customers who are also attached to CITY'S sanitary sewer system, in order to determine usage for calculating CITY'S sewer service charge.

8. To the extent permitted by the conveyance instrument, CITY hereby permits DISTRICT to use CITY'S public street rights-of-way and utility easements where ever located, in the same manner as other utilities, to construct, maintain and improve DISTRICT'S water mains and equipment, including future extension of DISTRICT water mains, provided, however, DISTRICT shall abide by any provisions of the Centralia City Code concerning use of public rights-of-way within CITY'S corporate boundaries except that no permit fees or franchise payments shall be due from DISTRICT. Likewise, to the extent permitted by the conveyance instrument, DISTRICT hereby permits CITY to use DISTRICT'S utility easements, where ever located, to construct, maintain and improve CITY'S water mains and equipment, including future extension of CITY water mains, provided, however, CITY shall abide by any applicable provisions of DISTRICT'S Rules and Regulations in doing so.

9. For the right to include the properties listed and described in Exhibit 4 in CITY'S water service area CITY shall pay DISTRICT on the date this Agreement is approved by the Missouri Public Service Commission: (1) the sum of

Five Hundred Dollars and No Cents (\$500.00) for Tract A, now owned by the Centralia R-6 School District, (2) the sum of Five Hundred Dollars and No Cents (\$500.00) for Tract B, now owned by Addie Usherwood, and (3) the sum of One Thousand Dollars and No Cents (\$1,000.00) for the properties in Tract C, now owned by Leon J. Swiney and Marie A. Swiney, Andrew Stanton and Judy Stanton, and John W. Albright and Shirley J. Albright.

10. CITY and DISTRICT may hereafter agree in writing to include additional areas in CITY'S water service area and exclude the same areas from DISTRICT'S water service area.

11. The terms of this Agreement may not be changed, amended, modified or repealed except by the mutual agreement of the parties, in writing, and approved by the Missouri Public Service Commission.

12. The initial term of this Agreement shall be for a period of twenty-five (25) years from and after the date of this Agreement is approved by the Missouri Public Service Commission. Thereafter, this Agreement shall automatically be renewed for successive terms of one (1) year each until either party gives not less than one (1) year written notice of termination of this Agreement, in which event this Agreement shall terminate at the end of the then current term.

13. In the event this Agreement is not approved by the Missouri Public Service Commission within one year after the date of this Agreement, this Agreement shall thereupon automatically become null and void.

14. The parties recognize that neither this Agreement nor approval of this Agreement by the Missouri Public Service Commission shall in any way affect or diminish the rights of any water supplier not a party to this Agreement to provide water service within the water service areas set forth in this Agreement.

15. This Agreement shall be binding upon the undersigned parties and their successors and assigns.

IN WITNESS WHEREOF, the parties have caused this Agreement to be first executed on the day and year first above written by their respective officers.

CITY OF CENTRALIA, MISSOURI,
a municipal corporation

(CITY SEAL)

By: Gene C. Berck
Gene C. Berck, Mayor

ATTEST:

Kathy Colvin
Kathy Colvin, City Clerk

PUBLIC WATER SUPPLY DISTRICT NO. 10
OF BOONE COUNTY, MISSOURI, a public
corporation

By: Arthur Ray Heath
Arthur Ray Heath, President

ATTEST:

Sherry K. Creel
Sherry K. Creel, Clerk

STATE OF MISSOURI)
) ss.
COUNTY OF BOONE)

On this 13th day of June, 2001, before me appeared Gene C. Berck, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the City of Centralia, Missouri, that the seal affixed to the foregoing instrument is the city seal of The City of Centralia, Missouri, that said instrument was signed and sealed in behalf of said Municipal Corporation by authority of its Board of Aldermen, and the said Mayor acknowledged said instrument to be the free act and deed of said Municipal Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in Centralia, Missouri, the day and year first above written.

(SEAL)

Barbara A. Chamberlain
Barbara A. Chamberlain Notary Public
STATE OF MISSOURI, Commissioned in
Boone County

My commission expires: 5-4-2005

STATE OF MISSOURI)
) ss
COUNTY OF BOONE)

On this 9 day of April, 2001, before me appeared Arthur Ray Heath, to me personally known, who, being by me duly sworn, did say that he is the President of Public Water Supply District No. 10 of Boone County, Missouri, that said instrument was signed in behalf of said water supply district by authority of its Board of Directors, and the said President acknowledged said instrument to be the free act and deed of said water supply district.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in Centralia, Missouri, the day and year first above written.

(SEAL)

Joseph W. Benoit
Joseph W. Benoit Notary Public
STATE OF MISSOURI, Commissioned in
Boone County

My commission expires: 4-24-2002

EXHIBIT 1

District boundries as defined in Boone County court records Case No. 23
JAN87424023

IN THE CIRCUIT COURT OF BOONE COUNTY, MISSOURI
DIVISION NO. .

IN RE THE MATTER OF)
PUBLIC WATER SUPPLY DISTRICT NO. 10) Case No. 23JAN87424023
(Albert Schindler Memorial))

JUDGMENT ENLARGING WATER SUPPLY DISTRICT

After due notice, a hearing was had on the 16th day of March, 1987, on the Petition in this cause for the enlargement of Public Water Supply District No. 10 of Boone County, Missouri (Albert Schindler Memorial). The Petitioners appeared by counsel John M. Cleaveland. No exceptions were filed or taken.

Being fully advised in the premises, the Court hereby grants said Petition and enlarges the Public Water Supply District No. 10 of Boone County, Missouri (Albert Schindler Memorial), in the manner requested.

The boundaries of said enlarged district shall be as follows:

Starting on the range line between Range 14 West and Range 13 West, at the Northwest corner of Section 18, Township 52 North, Range 13 West in Randolph County, Missouri, the point of beginning; thence East along the North lines of Sections 18, 17, 16 and 15 to the Northeast corner of said Section 15, all in Township 52 North, Range 13 West; thence North along the West line of Section 11 to the Northwest corner of said Section 11 in Township 52 North, Range 13 West; thence East along the North lines of Sections 11 and 12 to the Northeast corner of said Section 12, all in Township 52 North, Range 13 West, same being on the range line between Ranges 13 and 12 and on the County line between Randolph and Audrain Counties, Missouri; thence North along the said Range line and County line and along the West line of Section 6, Township 52 North, Range 12 West and Section 31, Township 53 North, Range 12 West to the Northwest corner of said Section 31, Township 53 North, Range 12 West and the Northwest corner of Audrain County, Missouri; thence East along the North line of said Audrain County, Missouri, and along the North lines of Sections 31, 32, 33, 34, 35 and 36, Township 53 North, Range 12 West and Sections 31, 32, 33, 34, 35 and 36, Township 53 North, Range 11 West, and Sections 31, 32 and 33, Township 53 North, Range 10 West, Fifteen (15) miles, more or less, to the Northeast corner of Section 33, Township 53 North, Range 10 West; thence South along the east line of Section 33,

Township 53 North, Range 10 West and the east lines of Sections 4, 9, 16, 21, 28 and 33, Township 52 North, Range 10 West, and the east lines of Sections 4 and 9, Township 51 North, Range 10 West to the Southeast corner of said Section 9, Township 51 North, Range 10 West in Boone County, Missouri; thence West along the South line of Section 9 to the Southwest corner of said Section 9; thence South along East line of Section 17, Township 51 North, Range 10 West to the Southeast corner of said Section 17; thence West along the South lines of Sections 17 and 18 to the South Quarter corner of said Section 18, all in Township 51 North, Range 10 West; thence South along the North-South mid-section lines of Sections 19 and 30 to the South Quarter corner of said Section 30, both in Township 51 North, Range 10 West; thence West along the South line of Section 30 to the Southwest corner of said Section 30 in Township 51 North, Range 10 West; thence continuing West along the South line of Section 25 to the Southwest corner of said Section 25, in Township 51 North, Range 11 West; thence South along the East line of Section 35 to the East Quarter corner of said Section 35 in Township 51 North, Range 11 West, the same being the Northeast corner of Public Water Supply District No. 4 of Boone County, Missouri, as described in the Decree of the Circuit Court of Boone County, Missouri, in Case No. 47355; thence west along the North boundary of said Public Water Supply district No. 4 to the West Quarter corner of Section 31, Township 51 North, Range 12 West, said point being the Northwest corner of said Public Water Supply District No. 4; thence South along the West line of said Public Water Supply District No. 4 to a point where it intersects the North boundary of Public Water Supply District No. 7 of Boone County, Missouri, as described in the Decree of the Circuit Court of Boone County, Missouri, in Case No. 47668, the same being at a point located at the Southeast corner of Section 12, Township 50 North, Range 13 West; thence West along the North boundary of said Public Water Supply District No. 7 to the Northwest corner of said Public Water Supply District No. 7, the same being the Northwest corner of Section 17, Township 50 North, Range 13 West; thence South along the West boundary of said Public Water Supply District No. 7 to a point where it intersects with the South right-of-way line of State Road No. 124, which point is the Northeast corner of Public Water Supply District No. 8, Boone County, Missouri, as described in the Decree of the Circuit Court of Boone County, Missouri, in Case No. 47784; thence West along the North boundary of said Public Water Supply District No. 8 to the Northwest corner of said Public Water Supply District No. 8, said corner being a point on the Boone County-Howard County line where it intersects the South right-of-way line of Highway 124 in Section 10, Township 50 North, Range 14 West; thence generally Northeasterly along the Boone County-Howard County line to a point where said line intersects with the Randolph County line, the same being the Northwest corner of Section 6, Township 51 North, Range 13

West, and the Southwest corner of Section 31, Township 52 North, Range 13 West; thence North along the range line between Range 13 West and Range 14 West to the point of beginning.

EXCEPTING THEREFROM that territory included within said boundaries situated within the corporate limits of the City of Centralia, the City of Sturgeon and the Town of Harrisburg, Boone County, Missouri, and the city of Clark, Randolph County, Missouri.

There shall be an election of the qualified voters residing within the boundaries of the enlarged Public Water Supply District No. 10 of Boone County, Missouri (Albert Schindler Memorial), as described herein, to vote on the proposition as to whether said district should be enlarged as requested.

Said election shall be held on the 7th day of April, 1987, between the hours of 6:00 A.M. and 7:00 P.M. The polling places shall be fixed by the County Clerks. The judges and clerks of election shall be appointed by the County Clerks. The form of the ballot to be used at said election shall be:

OFFICIAL BALLOT

SPECIAL ELECTION

Public Water Supply District No. 10 of Boone County, Missouri (Albert Schindler Memorial). Date of Election April 7, 1987.

INSTRUCTIONS TO VOTERS: To vote in favor of the proposition submitted upon this ballot place a cross (x) mark in the square opposite the word "YES" and to vote against the proposition submitted on this ballot place a cross (x) mark in the square opposite the word "NO".

PROPOSITION

Shall the Judgment of the Circuit Court of Boone County, Missouri, rendered on the 16th day of March, 1987, enlarging Public Water Supply District No. 10 of Boone County, Missouri (Albert Schindler Memorial) become final and conclusive and shall the Public Water Supply District No. 10 of Boone County, Missouri (Albert Schindler Memorial) be enlarged in accordance with Chapter 247, Revised Statutes of Missouri?

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YES

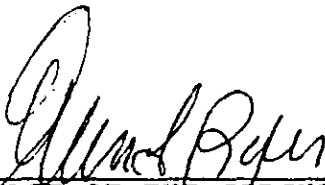
☐

NO

(Scratch one of the above)

Notice of the holding of said election shall be published as provided in the Revised Statutes of Missouri, 1979, Section 247.040-6.

Entered: March 16, 1987.


JUDGE OF THE CIRCUIT COURT OF
BOONE COUNTY, MISSOURI

STATE OF MISSOURI } ss
COUNTY OF BOONE }

I, MAXINE OWENS, Clerk of the Circuit Court of Boone County, Missouri, hereby certify the above and foregoing is a full, true and correct copy of judgment
Enlarging Water Supply District
as fully as the same remains of record in my said office.
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said office, this 17th day of March, 1987

MAXINE OWENS, CLERK
Circuit Clerk of Boone County, Mo.

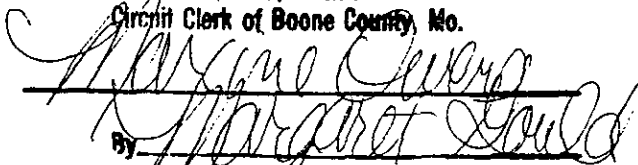

By Margaret Gould
Deputy Clerk

EXHIBIT 2

Centralia City Limits as of 1988:

Beginning at a point on the west line of Section 22, Township 51 North, Range 11 West, twenty feet south of the northwest corner thereof; thence east parallel to the north line of such section 1331.4 feet; thence South $1^{\circ}07'$ East, 391.5 feet; thence parallel to the south right-of-way line of Missouri State Highway Route JJ (also known as Gano Chance Drive) East, 574.5 feet; thence North $1^{\circ}07'$ West, 391.5 feet; thence East parallel to the north line of Section 22, Township 51 North, Range 11 West to the north and south subdivision line thereof; then with such subdivision north twenty feet to the south line of Section 15, Township 51, North, Range 11 West; thence with such south line East to the east right-of-way line of Missouri State Highway Route Z (also known as Jefferson Street); thence south along the east right-of-way line of State Route Z, 209 feet; thence South $88^{\circ}35'$ East, 209 feet; thence parallel to the west line of the northeast one-half of Section 22, Township 51 North, Range 11 West, 209 feet to the south line of Section 15, Township 51 North, Range 11 West; thence along the south line of Section 15, Township 51 North, Range 11 West to the southeast corner of the west half of the southeast quarter of said Section 15; thence with the east line of the west half North to the southwest corner of the northeast quarter of the southeast quarter; thence east with the south line of the northeast quarter of the southeast quarter to the east line of said Section 15 and the west line of Section 14, Township 51 North, Range 11 West; thence with the west line of said Section 14 to a point on the west line of said Section 14, 1072.58 feet north of the west quartercorner of said Section 14, being on the south right-of-way line of Booth Street; thence along the south right-of-way line of Booth Street extended, South $89^{\circ}27'$ East, 300.00 feet; thence North $0^{\circ}00'$ East, 1188.50 feet; thence along a line parallel to and 35 feet southeasterly of a drainage ditch North $59^{\circ}30'$ West, 136.07 feet to the south right-of-way of the Norfolk & Southern Railroad; thence along said railroad right-of-way line $79^{\circ}07'$ West, 424.87 feet to the west line of said Section 14; thence along the west line of Sections 14 and 11, Township 51 North, Range 11 West, to the north right-of-way line of the Chicago, Missouri & Western Railroad (formerly the GM&O Railroad); thence with said right-of-way southeasterly to the east line of the northwest quarter of the northwest quarter of Section 14, Township 51 North, Range 11 West; thence East along the south right-of-way of Missouri State Highway 22 to a point on the south right-of-way which is at a right angle across State Highway 22 from a point at Station No. 187 + 26, as identified and located in a certain deed from the City of Centralia to the State of Missouri for the use of the State Highway Commission of Missouri, dated January 11, 1954; thence at a right angle across State Highway 22 to said Station No. 187 + 26; thence along a fence North $1^{\circ}00'$ West, 2496 feet to an iron bar; thence East, 1906 feet to an iron bar; thence North $0^{\circ}45'$ East, 800 feet to an iron bar; thence West, 4286 feet to the northwest corner of the east one-half of the southwest quarter of Section 11, Township

51 North, Range 11 West; thence West along the north line of the northwest quarter of the southwest quarter of Section 11, Township 51 North, Range 11 West; thence along the south line of the northeast quarter of Section 10, Township 51 North, Range 11 West, West to the north and south subdivision line of the northeast quarter; thence with the subdivision line north nine hundred seventy-three feet; thence West parallel to the east and west subdivision line of the northeast quarter to the north and south subdivision line of Section 10; thence North with the subdivision line, 351 feet, thence West, 660 feet; thence West along the north line of the north one-half of the northwest quarter of the southeast quarter of the northwest quarter of Section 10, Township 51 North, Range 11 West; thence South along the west line of the north one-half of the northwest quarter of the southeast quarter of the northwest quarter of said Section 10 to a point 21' north of the southwest corner of the north one-half of the northwest quarter of the southeast quarter of the northwest quarter of said Section 10; thence West parallel to the east and west subdivision line of the northwest quarter of Section 10 to the southeast corner of the west one-half of the north one-half of the northwest quarter of the southwest quarter of the northwest quarter of said Section 10; thence North to the northeast corner of the west one-half of the north one-half of the northwest quarter of the southwest quarter of the northwest quarter of said Section 10; thence West to the northeast corner of the southeast quarter of the northeast quarter of Section 9, Township 51 North, Range 11 West; thence South to the intersection of the west right-of-way line of Missouri State Highway 151 and the south right-of-way line of Fountain Street; thence West along the right-of-way line of Fountain Street, 300 feet; thence South along a line west of and parallel to the east line of Section 9, Township 51 North, Range 11 West, to the south right-of-way line of the Chicago, Missouri & Western Railroad; thence Northwesterly to a point where the southern right-of-way line of the Chicago, Missouri & Western Railroad intersects with the east right-of-way of Missouri Supplementary State Route B (124); thence Southwesterly with the right-of-way line of said Supplementary State Route B (124) to its intersection with the south line of the right-of-way of the Norfolk & Southern Railroad; thence with such right-of-way line Westerly to a point 418 feet directly west of the north and south subdivision line of the southeast quarter of said Section 9; thence South parallel to the subdivision line and parallel to the north and south subdivision line of the northeast quarter of Section 16, Township 51 North, Range 11 West to a point twenty feet south of the east and west subdivision line of said Section 16; thence East parallel to said east and west subdivision line to a point twenty feet east of the north and south subdivision line of the southeast quarter of said Section 16, thence South 0°14' West, along the west line of Block I of John C. Hitts' Subdivision, 20 feet; thence North 89°47' East, 20 feet; thence South 0°14' West, 40 feet; thence South 89°47' West, 60 feet; thence South 0°14' West 860 feet; thence North 89°47' East, 560 feet; thence North 0°14' East to a point on the south line of Lot 2, Block I, of the John C. Hitts' Subdivision; thence with the south line of said Lot 2 East to a point 66 feet

west of the east line of Section 16, Township 51 North, Range 11 West; thence parallel to said east section line, South to a point twenty feet south of the north line of Section 21, Township 51 North, Range 11 West: thence parallel to the north line of said Section 21 East 66 feet to the point of beginning; excepting however, the interior of an area described by the following boundary:

Beginning at a point which is the intersection of the north right-of-way line of Missouri State Highway 22 and the east line of the northwest quarter of the northwest quarter of Section 14, Township 51 North, Range 11 West; thence North along the east line of the northwest quarter of the northwest quarter of said Section 14 and the east line of the southwest quarter of the southwest quarter of Section 11, Township 51 North, Range 11 West to a point 1433 feet south of the northwest corner of the east one-half of the southwest quarter of said Section 11; thence North $88^{\circ}30'$ East, 766; thence South $1^{\circ}00'$ West 1512.3 feet; thence Northwesternly along the north right-of-way line of Missouri State Highway 22 to the point of beginning.

EXHIBIT 3

LEGAL DESCRIPTIONS AND OWNERS OF PROPERTIES OUTSIDE THE CORPORATE BOUNDARIES OF THE CITY OF CENTRALIA, MISSOURI, CURRENTLY BEING PROVIDED WATER SERVICES BY THE CITY OF CENTRALIA

Tract A

F. Faye McCauley
22925 N. Jefferson
Centralia, Missouri 65240

B AND B SUBDIVISION, LOT ONE, in Boone County, Missouri, per the amended plat recorded in Plat Book 17, Page 13, Records of Boone County, Missouri (in correction of the original plat recorded in Plat Book 17, Page 10, Records of Boone County, Missouri), being a part of the East Half (E 1/2) of the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4) of Section Ten (10), Township Fifty-one (51) North, Range Eleven (11) west, in Boone County, Missouri, and more particularly described as follows:

Starting at the Northeast corner of the NW 1/4 of Section 10, Township 51 North, Range 11 West, as per survey recorded in Book 410, Page 639, Records of Boone County, Missouri, thence S 1°03' E along the East line of said recorded survey and along the centerline of a North-South County Road 1,125.10 feet to an iron, the Point of Beginning, thence continuing S 1°03' E and along the East line of said recorded survey and said centerline of a North-South County Road 194.90 feet to an iron and the Southeast corner of said recorded survey, thence S 89°16' W and along the South line of said recorded survey 670.50 feet to an iron at the Southwest corner of said recorded survey, thence N 1°03' W, and along a fence line and the West line of said recorded survey 194.90 feet to an iron set in said fence line, thence N 89°16' E 670.50 feet to the Point of Beginning and containing 3.000 acres.

Tract B

John D. Mockbee
830 N. Hickman
Centralia, Missouri 65240

Thomas W. Patton and Eileen Patton
849 N. Hickman
Centralia, Missouri 65240

Gregory Dean Ingebritson and Daphne Lea Ingebritson
405 Fairgrounds Road
Centralia, Missouri 65240

Debra E. McDowell
815 N. Hickman
Centralia, Missouri 65240

Eva Jewell Anderson
23150 N. Highway 151
Centralia, Missouri 65240

The West One-half (W 1/2) of the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4) of Section Ten (10), Township Fifty-one (51) North, Range Eleven (11) West, Boone County, Missouri; the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of said Section Ten (10), Township Fifty-one (51) North, Range Eleven (11) West, the North One-half (N 1/2) of the Northeast Quarter (NE 1/4) of the Southwest Quarter (SW 1/4) of the Northwest Quarter (NW 1/4) of said Section Ten (10), Township Fifty-one (51) North, Range Eleven, and the East One-half (E 1/2) of the North One-half (N 1/2) of the Northwest Quarter (NW 1/4) of the Southwest Quarter (SW 1/4) of the Northwest Quarter (NW 1/4) of said Section Ten (10), Township Fifty-one (51) North, Range Eleven.

Tract C

Dale L. Grace and Arlene H. Grace
19108 Monroe Road 1117
Madison, Missouri 65263

A tract of land in the North part of the Southwest Quarter (SW 1/4) of the Northeast Quarter (NE 1/4) of Section Ten (10), Township Fifty-one (51) North, Range Eleven (11) West, Boone County Missouri, and being more particularly described as follows: Starting at the center of Section Ten (10), Township Fifty-one (51) North, Range Eleven (11) West, thence N 1°3' W and along the center line of a county road 972.00 feet to the Point of Beginning, thence continuing N 1°3' W and along said center line 326.76' feet, thence S 89°53' E 1333.62 feet, thence S 0°58' E 326.75' to an old fence line, thence N 89°53' W and along said fence line 1333.12' feet to the Point of Beginning, and containing 10 acres, as shown by survey recorded in book 410, Page 24 of the Boone County Records.

Tract D

Timothy J. Schwennesen and Deborah K. Schwennesen
12800 E. Gano Chance Dr.
Centralia, Missouri 65240

James Ronan and Melissa Ronan
20650 N. Rt. Z
Centralia, Missouri 65240

Two tracts land in the Northeast Quarter (NE 1/4) of Section Twenty-two (22), Township Fifty-one (51) North, Range Eleven (11) West, in Boone County, Missouri, designated as Tract #2 and Tract #3 in a survey made by D. E. Hill, registered land surveyor, dated February 13, 1967 and recorded in Book 364, Page 286, of the Records of Boone County, Missouri.

Tract E

Good Shepherd Lutheran Church
120 W. Gano Chance Dr.
Centralia, Missouri 65240

A Five Acre Tract of land located in the West Half (W 1/2) of the Northwest Quarter (NW 1/4) of Section Twenty-two (22), Township Fifty-one (51) North, Range Eleven (11) West, in Boone County, Missouri, described as follows:

Beginning on the south right-of-way of State Route JJ at a point which is 895.7 feet east and 30 feet south of the northwest corner of said Section Twenty-two (22), said point also being on the extended east line of Allen Street in Centralia, Missouri; thence with said right-of-way line East 375.7 feet to a point 60 feet west of a fence line; thence parallel to said fence line; thence along said fence line S 1°07' E 580 feet; thence parallel to said right-of-way line West 375.7 feet; thence N 1°07' W 580 feet to the Point of Beginning and containing 5.00 acres, more or less as shown by survey made by D. E. Hill, registered Land Surveyor, on May 10, 1965 and recorded in Book 347 at Page 91 of the records of Boone County, Missouri.

Tract F

Brian C. Crocker and Dawn RaNaye Crocker
20790 N. Rt. Z
Centralia, Missouri 65240

A tract of ground in the East Half (E 1/2) of the Northwest Quarter (NW 1/4) of Section 22, Township Fifty-one (51) North, Range Eleven (11) West, all in Boone County, Missouri, described as follows:

Starting at the Northeast corner of the East Half (E 1/2) of the Northwest Quarter (NW 1/4) of Section 22, Township Fifty-one (51) North, Range Eleven (11) West, as per Survey described in Book 364, Page 286, Tract Number 1 as recorded in Boone County Recorder of Deeds Office, thence South and along the Mid Section line 137.70 feet to a point, thence West 30.00 feet to a corner fence post on the West Right-of-Way line of State Route Z to the Point of Beginning, thence South and along said Right-of-way 246.10 feet to an iron, thence West 177.00 feet to an iron set in a fence line, thence North and along a parcel fence line 246.10 to an iron, thence East and along a parcel fence line 177.00 feet to a corner fence post the Point of Beginning and containing 1.000 acres, all as shown by a Survey made by Robert L. Hagerty, L.S. 1626, on December 2, 1979 and recorded in Book 482 at Page 320 of the Records of Boone County, Missouri, as Document No. 3903.

Tract G

Centralia Saw Mill, LLC
P. O. Box 204
Centralia, Missouri 65240

Boone County Fire Protection District
1520 Business Loop 70 West
Columbia, Missouri 65202

PARCEL 1:

The West part of that part of the South Half (S 1/2) of the Southeast Quarter (SE 1/4) of Section Nine (9), Township Fifty-one (51) North of Range Eleven (11) West of the Fifth Principal Meridian in Boone County, Missouri, that lies South of the Wabash Railroad (now Norfolk and Western Railway Company) right-of-way described as follows, to-wit: Beginning at the Quarter Section Corner on the South side of said Section Nine (9); thence East on said Section Line 8 and 62/100 chains to a stake; thence North 16 and 57/100 chains to the South Line of said Wabash Railroad right-of-way thence North 79' W, along said right-of-way 8 and 70/100 chains to the North and South Subdivision Line of said Section Nine (9); thence South on said Subdivision Line 18 and 19/100 chains, to the beginning, EXCEPT that part previously conveyed for highway purposes, AND EXCEPT all that part of the above described land lying South and East of State Route CC.

PARCEL II:

Part of the Southwest Quarter (SW 1/4) of Section Nine (9), Township Fifty-one (51) North, Range Eleven (11) West, in Boone County, Missouri, more particularly described as follows: Commencing at the South Quarter Corner of said Section Nine (9), thence N 6°20' E, 222.67 feet along the Quarter Section Line to a right-of-way marker on the North Line of Route CC, the point of beginning; thence continuing N 6°20' E along the Quarter Section Line 975.47 feet to a set iron on the South line of the Norfolk & Western Railroad; thence N 72°45' W along the South Line of said Railroad 852.50 feet to a set iron; thence S 6°20' W, 500 feet to a set iron; thence S 83°05' E 777.19 feet to a set iron; thence, S 6°20' W 652.96 feet to a set iron on the North right-of-way line of Route CC; thence N 74°34' E, along the right-of-way 64.60 feet to the point of beginning.

Tract H

Norman Leslie Shonhart
23151 N. Jefferson
Centralia, Missouri 65240

A tract of land in the East one-half (E 1/2) of the Northeast Quarter (NE 1/4) of the Northwest Quarter of Section Ten (10), Township Fifty-one (51) North, Range Eleven (11) West and also being a part of the East Quarter (E 1/4) of a Survey No. 5080, and

a part of a survey as shown in Book 392, Page 259 Boone County Records, all in Boone County, Missouri, and being more particularly described as follows: Starting at the point of beginning which is the northeast corner of the Northwest Quarter (NW 1/4) of Section Ten (10), Township Fifty-one (51) North, Range Eleven (11) West, thence South $1^{\circ}03'$ East 324.75 feet and along the centerline of a county road; thence South $89^{\circ}16'$ West 670.50 feet, thence North $1^{\circ}03'$ West 324.75 feet, thence North $89^{\circ}16'$ East 670.50 feet to the point of beginning and containing 4.998 acres.

Tract I

Joan M. Ball

21901 N. Highway 124
Centralia, Missouri 65240

Robert L. Crawford and Anna B. Crawford

11570 W. Rodney Griffin St.
Centralia, Missouri 65240

Parts of Block B and Block C of J. C. Hitt's Subdivision of Section Sixteen (16), Township Fifty-one (51) North, Range Eleven (11) West, in Boone County, Missouri, being the east 166.22 feet of said Block C and all that of Lot 3 and Lot 2 of said Block B except for the south 96 feet of the west 248 feet of said Lot 2 of Block B.

Tract J

James Donovan Peeper and Mary Louise Peeper

11585 W. Rodney Griffin St.
Centralia, Missouri 65240

All of the following described tract of land except for that part previously conveyed for Supplementary State Highway Route B (124), which said highway right-of-way is more fully described in the deed recorded in Book 401 at page 348 of the Boone County Recorder's Records: Fourteen (14) acres, described as follows: Beginning at a point on the South line of Section Nine (9), Township Fifty-one (51), Range Eleven (11), which point is 8.62 chains East of the Quarter Section corner on the South side of said section, thence North 16.57 chains to the South line of the Wabash (now Norfolk and Western Railroad) right-of-way, thence Southeast along the South line of said right-of-way 8.36 chains, thence South 15.27 chains to the South line of said Section 9, thence West 8.20 chains to the point of beginning, being a part of the Southeast Quarter of said Section 9, Township 51, Range 11, in Boone County, Missouri, except from the above described tract five (5) acres in width off of the East side thereof.

Tract K

Donald L. Bishop and Eula Bishop
929 East Highway 22
Centralia, Missouri 65240

Beginning at a point which is the intersection of the north right-of-way line of Missouri State Highway 22 and the east line of the northwest quarter of the northwest quarter of Section 14, Township 51 North, Range 11 West; thence North along the east line of the northwest quarter of the northwest quarter of said Section 14 and the east line of the southwest quarter of the southwest quarter of Section 11, Township 51 North, Range 11 West to a point 1433 feet south of the northwest corner of the east one-half of the southwest quarter of said Section 11; thence North $88^{\circ}30'$ East, 766; thence South $1^{\circ}00'$ West 1512.3 feet; thence Northwesterly along the north right-of-way line of Missouri State Highway 22 to the point of beginning.

Tract L

Vernon B. Brooks and Verle E. Brooks
23801 N. Jefferson
Centralia, Missouri 65240

Mark Wells and Teresa Wells
23551 N. Jefferson
Centralia, Missouri 65240

The South Sixty (60) acres of the Northwest Quarter (NW 1/4) and the Northeast Quarter (NE 1/4) of the Southwest Quarter (SW 1/4) of Section Three (3), Township Fifty-one (51), Range Eleven (11), Boone County, Missouri.

G. Lynn / Alvin / A
DISTRICT 10, PRP

EXHIBIT 4

Tract A

Centralia R-6 School District (owner): vacant land, no current water service

635 S. Jefferson

Centralia, Missouri 65240

A tract of land, being all that part of Block "I" of John C. Hitt's Subdivision of Section Sixteen (16), Township Fifty-one (51), Range Eleven (11), in Boone County, Missouri, which has not previously been included in the corporate limits of the City of Centralia, Missouri, and more fully described as follows: Starting at the Northwest corner of the NE 1/4 of the SE 1/4 of said Section Sixteen (16), Township Fifty-one (51), Range Eleven (11); thence in a southerly direction along the west line of said Block "I" of John C. Hitt's Subdivision a distance of 920 feet to the Point of Beginning; thence North 89°47' East, 520 feet; thence North 0°14' East to a point on the south line of Lot 2, Block "I" of John C. Hitt's Subdivision; thence with the south line of said Lot 2 East to a point 66 feet west of the east line of Section Sixteen (16), Township Fifty-one (51), Range Eleven (11); thence parallel to said east section line, South to the south line of said Block "I"; thence West along the south line of said Block "I" to the Southwest corner of said Block "I"; thence in a northerly direction along the west line of said Block "I" to the Point of Beginning.

Tract B

Addie Usherwood (owner): farm land and one residence with current City of Centralia water service

% Ben Haskell, Attorney-in-Fact under Durable power of Attorney for Addie Usherwood

10132 Monroe County Rd. 809

Centralia, Missouri 65240

Jason A. Haskell (tenant of residence)

811 S. Columbia

Centralia, MO 65240

Block "M" of J. C. Hitt's Subdivision of Section Sixteen (16), Township Fifty-one (51), Range Eleven (11), all in Boone County, Missouri, and containing 40 acres, more or less; except for a strip of land thirty (30') feet wide, lying on the right or north side of, parallel to and adjoining the centerline of Supplementary State Highway Route JJ, which said centerline of said highway is described as follows: Beginning at the Southeast (SE) corner of the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of said Section Sixteen (16), the point of beginning; thence North 88° 44' West 1300 feet.

Tract C

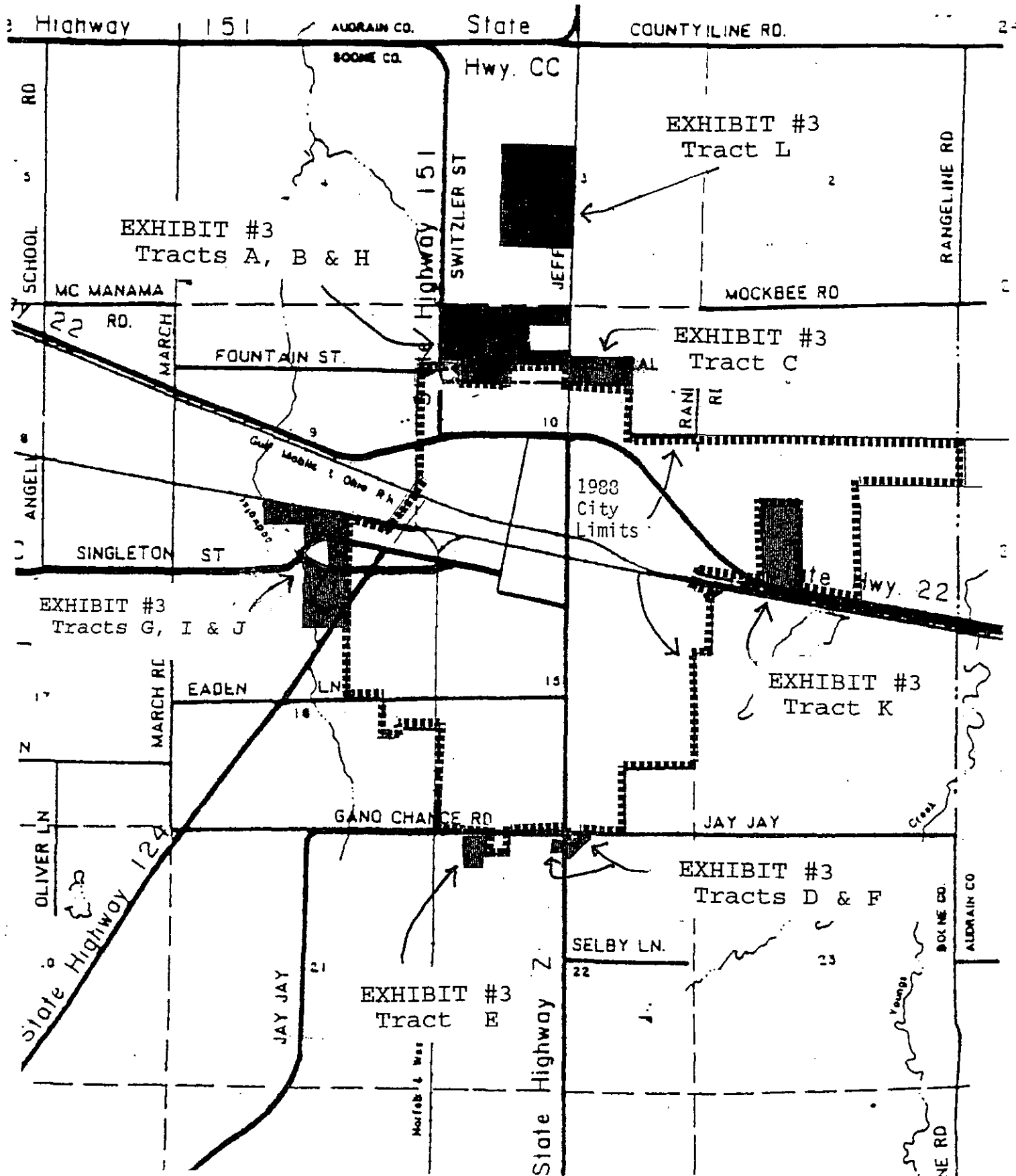
Leon J. Swiney and Marie A. Swiney (owners): vacant land, no current water service
9500 E. Swiney Lane
Centralia, MO 65240

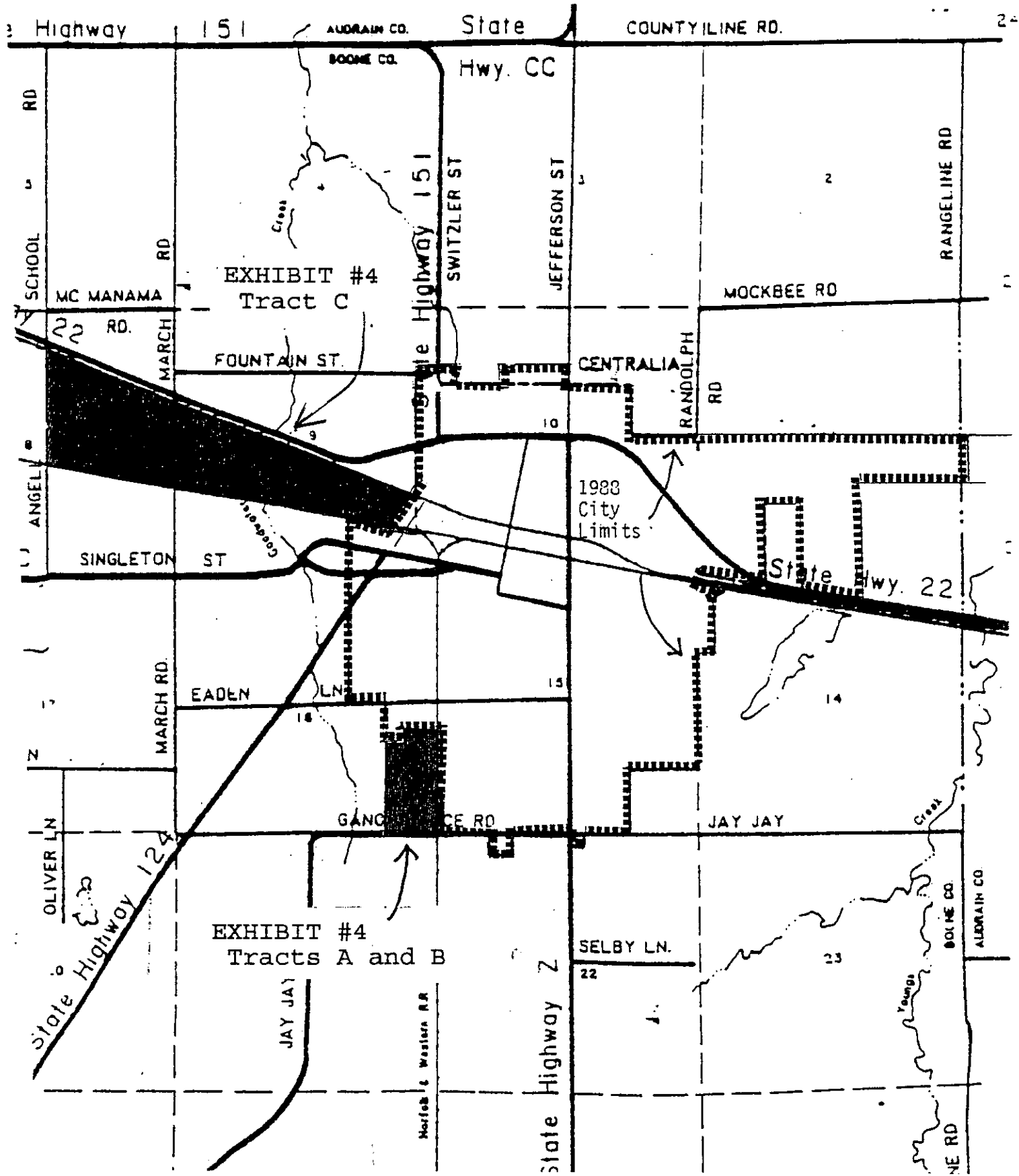
Andrew Stanton and Judy Stanton (owners): vacant land, no current water service
21101 N. Tri-City Road
Centralia, Missouri 65240

John W. Albright and Shirley J. Albright (owners), farm land and one residence with water service from Public Water Supply District No. 10
22550 N. March Rd.
Centralia, Missouri 65240

All of Section Nine (9), Township Fifty-one (51) North, Range Eleven (11) West, Boone County, Missouri lying South of the South Right-of-Way line of the Gateway Western Railway, lying North of the North Right-of-Way line of the Norfolk & Western Railway, lying East of West line of said Section Nine (9), Township Fifty-one (51) North, Range Eleven (11) West, and lying West of the West Right-of-Way line of Missouri State Highway 124, being also the city limits of the City of Centralia.

EXHIBIT #5 - 1988 CENTRALIA CITY BOUNDARY
AND PROPERTIES PRESENTLY PROVIDED WATER BY
THE CITY





BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Joint Application of)
the City of Centralia, Missouri and Public)
Water Supply District No. 10 of Boone) Case No. _____
County, Missouri for approval of a written)
territorial agreement concerning territory)
within Boone County, Missouri)

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a copy of the above and foregoing Joint Application for approval of a written territorial agreement by joint applicants City of Centralia, Missouri and Public Water Supply District No. 10 of Boone County, Missouri in the above captioned matter was served by First Class United States Mail, postage fully prepaid, in Centralia, Missouri upon the office of General Counsel, Missouri Public Service Commission, P. O. Box 360, Jefferson City, Missouri 65102; and upon the office of Public Counsel, P. O. Box 7800, Jefferson City, Missouri, 65102, this 25th day of October, 2001.

Merritt M. Beck III

Merritt M. Beck III
Missouri Bar No. 27229
City Attorney
City of Centralia, Missouri
114 South Rollins Street
Centralia, Missouri 65240
Phone: (573)682-2114
Fax: (573)682-5621
ATTORNEY FOR THE CITY OF
CENTRALIA, MISSOURI

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

FILED³
JAN 03 2002
Missouri Public
Service Commission

In the Matter of the Joint Application of)
the City of Centralia, Missouri and Public)
Water Supply District No. 10 of Boone)
County, Missouri, for Approval of a)
Written Territorial Agreement Concerning)
Territory Within Boone County, Missouri.)

Case No. WO-2002-208

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW the Staff of the Missouri Public Service Commission, the City of Centralia, Missouri, Public Water Supply District No. 10 of Boone County, Missouri, and the Office of the Public Counsel ("OPC"), by their undersigned counsel, and for their Unanimous Stipulation and Agreement ("Stipulation") stipulate and agree as follows:

1. On April 9, 2001, the District and the City ("Applicants") executed a Territorial Agreement pursuant to Section 247.172, RSMo 2000. On October 26, 2001, the Applicants filed with the Missouri Public Service Commission a Joint Application for Public Service Commission review of this agreement. Concurrent with the filing of the Joint Application, the Applicants submitted the required filing fee to the Commission.

2. The Joint Application stated that "[n]o existing customers of either City or District will have their water service changed by the Agreement." Since the Territorial Agreement affects only new customers of the City and the District, it was not necessary for the Applicants to attach a listing of customers affected by the Territorial Agreement to the Joint Application.

3. On November 7, 2001, the Commission issued its Order and Notice ("Order") directing the Applicants, the Staff and the OPC ("Parties") to file a proposed procedural schedule on or before December 7, 2001. The Commission's Order required that the proposed schedule provide for a hearing to take place on or before January 25, 2002. The Commission's Order also directed that notice of the Joint Application be given to the County Commission of Boone County, the members of the General Assembly representing the Applicants' service areas and the news media in Missouri. The Commission's Order set an intervention deadline date of November 27, 2001.

4. No requests for intervention in the case were received by the intervention deadline date, nor have any late-filed requests for intervention been received.

5. On December 6, 2001, the Staff, on its own behalf and on behalf of the City, the District, and the OPC, filed a Proposed Procedural Schedule as directed by the Commission's November 7th Order. The proposed schedule stated that the parties would file a stipulation and agreement by no later than January 4, 2002, and it requested that the required evidentiary hearing be held on January 9, 2002.

6. On December 19, 2001, the Commission issued an Order Scheduling Hearing wherein it scheduled an evidentiary hearing in this case for January 9, 2002, beginning at 10:00 a.m.

7. The Territorial Agreement designates the boundaries of the respective water service areas of the District and the City, as set forth in Exhibits 1 through 6 attached to the Territorial Agreement.

8. The Territorial Agreement specifies any and all powers granted to the District by the City to operate within the corporate boundaries of the City. The Territorial Agreement also

specifies any and all powers granted to the City by the District to operate within the boundaries of the District.

9. The Territorial Agreement will enable the Applicants to avoid wasteful and costly duplication of water utility services within the affected service areas and will displace destructive competition between the Applicants, all to the benefit of the Applicants' respective customers. It will improve the ability of the City and the District to plan for future water service, will enable customers to know who will provide their water service, and will establish a method for the City and the District to amend their service territories in the future.

10. The Joint Application acknowledges that the Agreement in no way affects or diminishes the rights and duties of any water supplier that is not a party to the Agreement to provide service within the boundaries designated in the Territorial Agreement.

11. The parties hereto agree that the Territorial Agreement meets the requirements of Section 247.172, RSMo 2000. The parties further agree that the Territorial Agreement is not detrimental to the public interest and that the Commission should so find.

12. The parties further agree that the testimony to be provided at the evidentiary hearing for this case will be limited to the Staff calling one witness to provide testimony in support of the Joint Application, the Territorial Agreement and this Stipulation, unless otherwise requested by the Commission in advance of the hearing. The Applicants will, however, both have representatives available at the evidentiary hearing to answer questions from the Commission and the presiding officer.

13. This Stipulation has resulted from negotiations among the parties and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation shall be void and no signatory shall be bound by any of the agreements or

provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the parties to take other positions in other proceedings.

14. Inasmuch as there will be an evidentiary hearing in this case, as required by statute, the Staff shall only submit a memorandum explaining its rationale for entering into this Stipulation if the Commission requests such a memorandum in advance of the evidentiary hearing for this case. Each party to the case shall be served with a copy of any such memorandum and shall be entitled to submit to the Commission, within five business days of receipt of Staff's memorandum, a responsive memorandum that shall also be served on all parties. All memoranda submitted to the Commission under the terms of this paragraph shall be considered privileged in the same manner as are settlement discussions under the Commission's rules and shall thus be maintained on a confidential basis by all parties. Such memoranda shall not become a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in any future proceeding, whether or not the Commission approves and adopts this Stipulation. The contents of any memorandum submitted to the Commission under the terms of this paragraph by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to this Stipulation, whether or not the Commission approves and adopts this Stipulation.

15. The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from the Staff. The Staff's oral


explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any protective order issued in this case.

16. As noted in Paragraph 12 above, the Staff will provide its testimony in support of the Joint Application, the Territorial Agreement and this Stipulation at the evidentiary hearing scheduled for January 9, 2002.

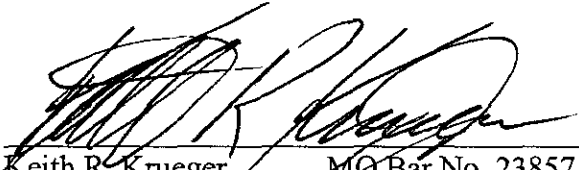
WHEREFORE, the parties respectfully request that the Commission issue its Order approving the Joint Application, the Territorial Agreement and this Stipulation.

Respectfully submitted,

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Attorney for Office of the Public Counsel

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Case No: WO-2002-208
January 3, 2002 (SW)**

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Att/Secretary:

Thornburg Boyle

Date Circulated

2-4

CASE NO.

MO-2002-208

KS
Simmons, Chair

Can about
Murray, Commissioner

48
Lumpe, Commissioner

7/1
Gaw, Commissioner

28
Forbis, Commissioner

Agenda Date

2-7

Action taken:

4-OAS

Must Vote Not Later Than

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and

I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,

Missouri, this 7th day of Feb. 2002 .

Dale Hardy Roberts

Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

