

rescinded. Pursuant to the provisions of § 351.486¹, Stoddard County's corporate existence continues, but the dissolved corporation may not carry on any business except that necessary to wind up and liquidate its business and affairs pursuant to § 351.476, and to notify claimants pursuant to §§ 351.478 and 351.482. Applicant R.D. Sewer, which owns all of the outstanding stock of Stoddard County, is not willing to rescind the dissolution of the corporation, and the Joint Applicants know of no other person or entity that is willing to do so.

2. According to records maintained by the Missouri Secretary of State, Stoddard County's registered agent is Carl Bien, who died on April 11, 2000. Stoddard County has not notified the Secretary of State of a change in its registered agent since Mr. Bien's death. The Secretary of State's records show Stoddard County's registered office is at Highway 60 West, P.O. Box 325, Dexter, MO 63841. A copy of the records provided by the Secretary of State on her website is attached hereto as Attachment A.

3. In compliance with Rule 4 CSR 240-2.060 (1), Stoddard County provides the information set forth in Paragraphs 4-7 hereof.

4. The street address of Stoddard County's principal office or place of business is at the office of the entity that owns all of Stoddard County's stock, namely R.D. Sewer, 406 South Allen, Bernie, MO 63822. Stoddard County's mailing address is P.O. Box 302, Wappapello, MO 63966. Its electronic mail address is rnlowens@newwavecomm.net and its telephone number is 573-293-5792. Stoddard County is in the business of providing sewer services to the public.

¹ All statutory references are to RSMo 2000, as currently supplemented.

5. Correspondence, communications, and orders and decisions of the Commission that affect Stoddard County should be sent to Rodger D. Owens, president, P.O. Box 302, Wappapello, MO 63966.

6. Applicant Stoddard County does not have any pending action or final unsatisfied judgment or decision against it from any state or federal agency or court that involves customer service or rates that has occurred within three years prior to the date of the filing of this Joint Application.

7. Stoddard County failed to file annual reports with the Commission for calendar years 1996 through 2000. It also failed to pay its Commission assessments for fiscal year 2000, in the amount of \$1991.61, for fiscal year 2001, in the amount of \$1,251.64, and for fiscal year 2002, in the amount of \$1,448.56.

8. Stoddard County has, however, filed with the Commission all annual reports that became due after August 8, 2002, when Applicant R.D. Sewer became the owner of the Stoddard County stock, and has paid all Commission assessments that became due after the same date.

Applicant R.D. Sewer Company, L.L.C.

9. Applicant R.D. Sewer is a Missouri limited liability corporation in good standing, with its principal place of business at 406 South Allen, Bernie, MO 63822. Its mailing address is: P.O. Box 302, Wappapello, MO 63966. In compliance with Rule 4 CSR 240-2.060 (1), R.D. Sewer Co., L.L.C. provides the information set forth in Paragraphs 10-14 hereof.

10. R.D. Sewer's e-mail address is rnlowens@newwavecomm.net and its telephone number is 573-293-2792. A copy of the records provided by the Secretary of State on her website is attached hereto as Attachment B.

11. R.D. Sewer was organized to transact any and all lawful business for which a limited liability company may be organized. It owns all of the stock of Stoddard County, which holds a certificate of convenience and necessity issued by the Commission to provide sewer service to the public near Dexter, Missouri.

12. Correspondence, communications, and orders and decisions of the Commission that affect R.D. Sewer should be sent to Rodger D. Owens, president, P.O. Box 302, Wappapello, MO 63966.

13. Applicant R.D. Sewer does not have any pending action or final unsatisfied judgment or decision against it from any state or federal agency or court that involves customer service or rates that has occurred within three years prior to the date of the filing of this Joint Application.

14. Applicant R.D. Sewer does not have any overdue Commission annual reports or assessment fees.

Applicant Staff of the Missouri Public Service Commission

15. The other Applicant herein is the Staff of the Missouri Public Service Commission. In compliance with Rule 4 CSR 240-2.060 (1), the Staff provides the information set forth in Paragraphs 16-19 hereof.

16. As set forth in Rule 4 CSR 240-2.010 (5), the Staff consists of "all personnel employed by the commission whether on a permanent or contractual basis who are not attorneys in the general counsel's office, who are not members of the commission's research department, or who are not law judges."

17. Correspondence, communications and orders and decisions of the Commission may be sent to the undersigned attorney for the Staff.

18. There are no pending actions or final unsatisfied judgments or decisions against the Staff, and the Staff is not required to file annual reports or to pay assessment fees. Other provisions of Rule 4 CSR 240-2.060 (1) do not apply to the Staff.

19. The Staff is joining in the filing this Application because of the unusual state of Stoddard County's affairs. Stoddard County is a regulated sewer utility with a problematic past. The Staff believes it is in the public interest to take actions necessary to assist R.D. Sewer in obtaining a certificate of convenience and necessity to own and operate Stoddard County's assets. Granting such authority to R.D. Sewer and canceling Stoddard County's existing certificate is a complex issue, as more fully described in the following paragraphs.

Information Required by Rule 4 CSR 240-3.310

20. In compliance with Rule 4 CSR 240-3.310 (1) (A), (B), (E), and (F), the Joint Applicants provide the following information. Joint Applicants seek an order from the Commission authorizing Stoddard County to transfer to R.D. Sewer all of Stoddard County's regulated utility assets. They also seek an order canceling the certificates of convenience and necessity that the Commission issued to Stoddard County in Case No. SA-79-11 and in Case No. SA-86-115, and the issuance of a new certificate of convenience and necessity to R.D. Sewer, authorizing it to provide sewer service to the areas heretofore served by Stoddard County. The Joint Applicants also seek approval of an interim increase in the rates charged for the sewer services that are provided to those who are presently customers of Stoddard County.

21. There is no contract or agreement of sale regarding the transfer of the subject assets. Attached hereto as Attachment C are a balance sheet and income statement of the transferee, R.D. Sewer, with adjustments showing the results of the acquisitions of the property.

The transfer of these regulated assets should have no impact on the tax revenues of the relevant political subdivisions, as both Stoddard County and R.D. Sewer are private entities.

Background and Ownership of Stoddard County

22. In 1979, the Commission granted a certificate of convenience and necessity to Stoddard County to provide sewer service in the Ecology Acres and Western Heights subdivisions located outside the city of Dexter, Missouri. A few years later, the Commission granted a second certificate of convenience and necessity to Stoddard County to provide sewer service to a nearby development known as Grant Apartments, also located outside the city of Dexter, Missouri.

23. When Stoddard County received its first certificate of convenience and necessity, in 1979, Carl S. Bien, Sr. owned all of the stock of Stoddard County. Mr. Bien continued to own all of Stoddard County's stock, and was also an officer and director of Stoddard County and was responsible for the management of virtually all of Stoddard County's affairs from that date until April 11, 2000, when he died.

24. At the time of his death, Mr. Bien owned all of the stock of Stoddard County, in his own name alone. Nearly one year later, on February 28, 2001, the Circuit Court of Stoddard County appointed Public Administrator Brenda Wilson as the personal representative of Mr. Bien's estate. On June 7, 2002, the court approved the final settlement of the estate and ordered that all stock of Stoddard County be distributed to Ruth Bien, the widow of Mr. Bien. On June 11, 2002, Ms. Wilson assigned all of Mr. Bien's interest in Stoddard County to Ruth Bien, who acknowledged receipt thereof of June 11 or 12, 2002.² Also on June 11 or 12, 2002, Ruth

² The text of the receipt that Mrs. Bien signed states that she received the assignment on June 11, 2002. However, the acknowledgment of her signature on the receipt is dated June 12, 2002.

Bien assigned all of her interest in Stoddard County to R.D. Sewer, one of the Applicants herein.³

25. On August 8, 2002, R.D. Sewer accepted Mrs. Bien's assignment of all her interest in Stoddard County, undertook the ongoing management of the sewer company, designated Rodger Owens as the manager of the sewer company, and authorized Mr. Owens to act on behalf of Stoddard County to conduct the day-to-day management of Stoddard Company's facilities and business.

Stoddard County Is Not Able to Adequately Serve Its Customers

26. Stoddard County is unable and/or unwilling to file annual reports for calendar years 1996 through 2000, or to pay Commission assessments for fiscal years prior to 2003, or to rescind the administrative dissolution of its corporate charter, and lacks the legal authority to take any action except to wind up its affairs, as authorized by § 351.476. The Commission would not be able to satisfy any judgment that it might obtain against Stoddard County.

27. In order to continue to provide safe and adequate service to its customers, Stoddard County would need to increase its rates and charges for sewer service. It is not able to seek an increase in its rates, however, because it has been administratively dissolved and is delinquent in filing its Commission annual reports and paying its Commission assessments. Neither Stoddard County, nor R.D. Sewer, nor any other entity known to the Joint Applicants is willing to invest enough funds in Stoddard County to enable Stoddard County to upgrade its sewer system or to seek a rate increase. It is therefore detrimental to the public interest for Stoddard County to continue to provide sewer service to its customers.

³ The text of the assignment that Mrs. Bien signed states that she assigned her interest to R.D. Sewer Co. on June 11, 2002. However, the acknowledgment of her signature on the assignment is dated June 12, 2002.

28. Stoddard County has no assets with which to pay its assessments; no legal authority to take actions which would generate the assets needed to pay its assessments; and no ability to obtain contributions from others for that purpose.

29. As a consequence of the foregoing, the Joint Applicants know of no way for Stoddard County to successfully continue its operations. Accordingly, the Joint Applicants submit that Stoddard County's certificate of convenience and necessity should be canceled, if another qualified entity is able and willing to provide service to the customers now served by Stoddard County.

30. Applicant Stoddard County desires that its certificates of convenience and necessity be canceled and that it be relieved of all of its rights and obligations arising thereunder, and it requests that its assets be transferred to R.D. Sewer.

R.D. Sewer Is Able to Serve Stoddard County's Customers

31. Applicant R.D. Sewer is willing to accept the assets of Stoddard County and to operate Stoddard County's system, but only on the condition that it not be held liable for the obligations Stoddard County incurred before R.D. Sewer acquired its stock. R.D. Sewer is able to provide safe and adequate service at just and reasonable rates to the customers now served by Stoddard County.

32. Applicant R.D. Sewer has not paid claims that Stoddard County incurred before R.D. Sewer acquired its stock on August 8, 2002. However, R.D. Sewer has managed the business and affairs of Stoddard County satisfactorily since then. For example, R.D. Sewer has paid Stoddard County's Commission assessments and submitted Stoddard County's Commission annual reports since that date, and, but for a few minor exceptions, has done so in a timely

manner. The Joint Applicants know of no obligation upon R.D. Sewer to contribute monies to Stoddard County for the payment of claims incurred prior to August 8, 2002.

33. R.D. Sewer will adopt Stoddard County's existing Commission-approved tariff, if the Commission issues it a certificate of convenience and necessity, and will operate under that tariff – except as specifically requested otherwise herein – until such time that the Commission approves changes to the tariff.

Information Required by Rule 4 CSR 240-3.305

34. Pursuant to Commission Rule 4 CSR 240-3.305, Applicant R.D. Sewer provides the information in Paragraphs 35-39 to the Commission.

35. Applicant R.D. Sewer requests a certificate of convenience and necessity to provide sewer service to the area presently served by Applicant Stoddard County. The legal description of this service area is identical to the legal description of Stoddard County's present service area, as contained in Stoddard County's tariff now on file with the Commission. A plat showing the said service area is also included in Stoddard County's tariff now on file with the Commission.

36. Sewer service is not currently available in the requested service area from any other entity, regulated or unregulated.

37. Attached hereto as Attachment D, is a list containing the names and addresses of ten persons who reside in the area to be served.

38. The facilities necessary for the operation of the sewer system already exist and are in operation. Applicant R.D. Sewer has operated the sewer facilities, as the sole owner of all stock of Applicant Stoddard County, since 2002, and has demonstrated that it has the technical, managerial, and financial skills necessary to continue to operate the sewer system. Applicant

R.D. Sewer therefore requests that the Commission waive the requirements of Rule 4 CSR 240-3.305 (1) (A) 5. However, it is likely that improvements to the facilities will be needed in order for the facilities to meet the requirements of the Missouri Department of Natural Resources, including improvements to increase the capacity of the sewage treatment plant. As a result, Applicant R.D. Sewer commits that it will conduct a treatment plant study within one year after the approval of this Joint Application is effective, to determine what improvements will be needed.

39. The Applicants do not have to provide any government approvals before the Commission grants the requested certificate.

The Requested Transfer Is Lawful

40. Section 393.190 provides that no sewer corporation may transfer any assets without having first obtained the consent of the Commission to do so. Any transfer that does not comply with this requirement is void. This statute does not, however, require Commission approval of the transfer of stock of a regulated sewer corporation. None of the transactions described in Paragraph 23 of this Joint Application violates any of the terms of § 393.190.

41. Neither § 393.190 nor any other statute or Commission rule requires that a regulated sewer company must be current on its obligations to file annual reports and to pay Commission assessments before the Commission may approve the transfer of its assets.

Purported Transfers of Security Interests in Stoddard County's Assets are Void

42. Stoddard County's assets include the following real estate:

Legal Description: All of Lot 1 and the North 35 feet of Lot 2 in Block 1 of Ecology Acres Subdivision, as recorded in Plat Book 8 at Page 4 in the Recorder of Deeds Office of Stoddard County, Missouri.

Date of Acquisition: December 28, 1979

Date Placed in Service:

43. Stoddard County's assets include the following personal property:

<u>Description of Property</u>	<u>Date of Acquisition</u>	<u>Placed in Service</u>
Sewer Plant Facility and Equipment (One 15 h.p. Electric Motor, one 5 h.p. Blower Motor)		
3-ABS 5 h.p. Grinder Pump, Rebuilt		
8300 ft. of 3" PVC Sewer Main		
11865 ft. of 8" PVC Sewer Main		
One 1000 gallon three-axle Fiberglass Sewage Tank Trailer		
One 16 ft., two-axle Flat Bed Trailer with Hydraulic Winch		
One 20" x 30" Aluminum Extension Ladder		
One Lot Rubber Air Up Test Plugs		
Two 18 x 25 x 52 Four-Drawer File Cabinets		
One Stand Light		

44. Each of the assets described in Paragraphs 42 and 43 hereof is now, and has, since the date it was placed in service, continuously been, a part of the franchise, works or system of Stoddard County, necessary or useful in the performance of Stoddard County's obligation to provide sewer service to the public.

45. The Joint Applicants have, however, become aware of documents that purport to convey a security interest in the assets described in Paragraphs 42 and 43 hereof to Clinton Enterprises, whose last known address is P.O. Box 766, Sikeston, Missouri 63801, or to others.

The said documents include, but are not necessarily limited to, the following:

- a. Promissory Note dated May 24, 1996, in the amount of \$100,000.00 payable to Clinton Enterprises;
- b. Deed of Trust and Security Agreement dated May 24, 1996, by and between Stoddard County Sewer Co., Inc. and Clinton Enterprises;
- c. Note dated June 3, 1997 in the amount of \$30,000.00 payable to Clinton Enterprises.

46. Neither Stoddard County, nor any other entity, has ever, at any time since Stoddard County acquired the real and personal assets described in Paragraphs 42 and 43 hereof, secured from the Commission an order authorizing it to sell, assign, lease, transfer, mortgage, or otherwise dispose of or encumber any of the assets that are described in Paragraphs 42 and 43 hereof.

47. Accordingly, pursuant to the provisions of § 393.190.1, RSMo 2000, any prior purported transfer of any security interest in the assets described in Paragraphs 42 and 43 hereof is void.

48. The Joint Applicants desire to effect the transfer of all of the assets described in Paragraphs 42 and 43 hereof from Stoddard County to R.D. Sewer, free and clear of any encumbrances.

49. The Joint Applicants request that the Commission give notice of this proceeding to Clinton Enterprises and to any other entity that is known to possibly claim either an ownership or a security interest in the assets described in Paragraphs 42 and 43 hereof.

The Requested Transfer Is Not Detrimental to the Public Interest

50. In the years following the death of Mr. Bien, the Staff has investigated the situation in Stoddard County's service territory, but has not been able to identify any alternative provider, other than R.D. Sewer. If the Commission does not approve the requested transfer of assets, the present customers may lose their sewer service, or may not receive safe and adequate sewer service.

51. If the Commission does approve the proposed transaction, Applicant Stoddard County would avoid and escape the obligation to pay assessments and to file annual reports with the Commission. This would not result in any detriment to the Commission, however, because it

is impossible for Stoddard County to provide accurate information for the past-due annual reports. Furthermore, Stoddard County does not have any assets with which to pay past-due assessments; therefore any judgment that the Commission might obtain against Stoddard County could not be collected from Stoddard County, nor from its former owner, his estate, or heirs or successors. Finally, the proposed transfer of assets would not result in a windfall to any party, because neither Mr. Bien, the former owner of the stock of Stoddard County, nor his estate, members of his family, heirs or successors, would receive any cash payment or other benefit for the assets that are to be transferred.

52. The requested transfer of assets will not be detrimental to the public interest, but will benefit the public interest, because the customers of Stoddard County will receive safe and adequate service from R.D. Sewer, and the services will be provided at just and reasonable rates as established by the Commission.

Request for Interim Rate Increase

53. Joint Applicants R.D. Sewer and the Staff both believe that a general rate increase for the customers of Stoddard County is necessary and justifiable, once R.D. Sewer acquires a certificate of convenience and necessity to serve them. As the basis of this belief, the Staff notes that it conducted an audit of Stoddard County in 2002, in connection with a Small Company Revenue Increase Request that was submitted on behalf of Stoddard County by Brenda Wilson, the personal representative of Mr. Bien, and the Staff is well-informed about the cost of service. New rates were never approved to become effective, however, because of Stoddard County's corporate status. If the Commission issues a certificate to R.D. Sewer, the Staff and R.D. Sewer request that the Commission establish new rates for R.D. Sewer immediately thereafter. In conjunction with that, R.D. Sewer commits that it shall promptly initiate a Small Company

Revenue Increase Request and shall diligently prosecute such request to its conclusion, even if that results in rates that are lower than the rates that the Commission initially establishes. Further, the Staff states its commitment that it will expedite the processing of such revenue increase request.

54. As noted above, in Paragraph 53, Stoddard County requested an increase in its operating revenues in 2002, and the Staff conducted an audit in connection therewith. Stoddard County's rates at that time were a flat rate of \$11.40 per month, and that rate still remains in effect today. In 2002, Stoddard County had requested a revenue increase of a little more than \$23,000 per year. The Staff's audit indicated that Stoddard County's cost of service was about \$26,000 greater than its revenues. The Staff was therefore prepared to recommend approval of the requested increase, which would have increased Stoddard County's rates by 100%, to a flat rate of \$22.80 per month. Stoddard County provided notice to its customers, in 2002, of its request to increase rates, and there was either very little or no opposition to the requested increase; only one customer responded to the notice. However, the requested increase never took effect, because, as noted previously, of Stoddard County's corporate status.

55. The existing rates are not sufficient to cover the cost of providing service to Stoddard County's current customers. If the Commission approves the transfer of assets as requested, R.D. Sewer will have an immediate need to increase its rates. There is no reason to suspect that the rates established pursuant to an audit in 2007 would be less than the rates that would likely have been established pursuant to the audit in 2002.

56. R.D. Sewer and the Staff therefore request that if the Commission approves transfer of the assets as requested, the rates shall be immediately increased in accordance with

the results of the 2002 audit, as adjusted to reflect both charges for depreciation occurring since 2002, and changes since 2002 in the number of customers served.

57. R.D. Sewer and the Staff further request that if the Commission approves the transfer of assets to R.D. Sewer and if it also establishes new rates for R.D. Sewer as requested, that it also order R.D. Sewer to submit, within 30 days after the effective date of the Commission's order, a revenue increase request pursuant to Commission Rule 4 CSR 240-3.330, and that it order R.D. Sewer to diligently prosecute such request to a conclusion, even if it results in a permanent rate that is lower than R.D. Sewer Co.'s initial rates.

58. R.D. Sewer and the Staff recognize that it is highly unusual, if not unique, for the Commission to establish new, higher rates, at the same time as assets are transferred to a new owner. However, they believe that the establishment of new rates is necessary because of the unusual circumstances surrounding Stoddard County, and they submit that it is in the public interest to authorize initial rates for R.D. Sewer, as discussed herein.

Request for Amendment to Tariff

59. Joint Applicants Stoddard County Sewer Co., Inc., R.D. Sewer Co., L.L.C., and the Staff of the Missouri Public Service Commission believe that it is necessary and justifiable to amend the terms of the existing tariff by:

- a. billing customers by monthly statement instead of the current practice of providing a yearly billing booklet; and
- b. charging customers a late fee of Five Dollars (\$5.00) if not paid by the 20th day after the bill date. This fee, and other service charges, would be subject to review during the informal rate case described in Paragraph 57, above.

Notice to Customers

60. In conjunction with the filing of this Joint Application, R.D. Sewer is providing notice of the Application, including information regarding the proposed establishment of new

rates and amendment to tariff, to Stoddard County's customers. A copy of that notice, which invites the customers to submit comments regarding this Application, will be filed with the Commission within 10 days after a case is opened for consideration of the Application.

WHEREFORE, Joint Applicants Stoddard County Sewer Co., Inc., R.D. Sewer Co., L.L.C., and the Staff of the Missouri Public Service Commission pray that the Commission enter its order:

(a) authorizing Stoddard County Sewer Co., Inc. to transfer all of its regulated utility assets to R.D. Sewer Co., Inc.;

(b) determining that Stoddard County has never secured from the Commission an order authorizing the sale, assignment, lease, transfer, mortgage or other disposition or encumbrance of the assets described in Paragraphs 42 and 43 hereof, and that any such purported transfer of an interest in the said assets after the date the asset was placed in service to the public is void;

(c) canceling the certificates of convenience and necessity heretofore issued to Stoddard County Sewer Co., Inc. in Case No. SA-79-11 and in Case No. SA-86-115, and all rights and obligations thereunder;

(d) waiving the requirement of Rule 4 CSR 240-3.305 (1) (A) 5 that R.D. Sewer provide the Commission with a feasibility study;

(e) issuing a new certificate of convenience and necessity to R.D. Sewer Co., L.L.C.;

(f) establishing the new rates that R.D. Sewer may charge, on an interim basis, until the complete processing of a Small Company Revenue Increase Request

(g) granting any other and further relief the Commission deems necessary and appropriate.

Respectfully Submitted,



Stephen W. Holden
Missouri Bar No. 26648

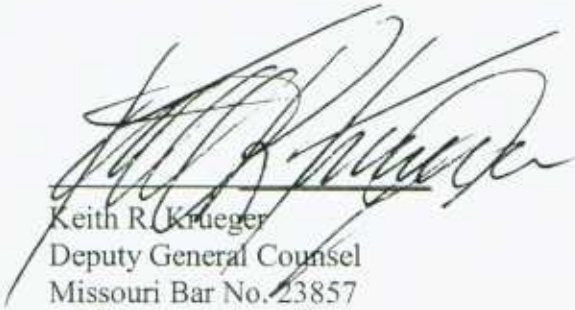
718 W. Business Highway 60
Dexter, MO 63841-0633
(573) 624-8901 (telephone)
(573) 624-8188 (facsimile)
steve@holdenlawoffices.com (e-mail)

ATTORNEY FOR STODDARD COUNTY SEWER CO., INC.



Stephen W. Holden
Missouri Bar No. 26648

718 W. Business Highway 60
Dexter, MO 63841-0633
(573) 624-8901 (telephone)
(573) 624-8188 (facsimile)
steve@holdenlawoffices.com (e-mail)
ATTORNEY FOR R.D. SEWER CO., L.L.C.


Keith R. Krueger
Deputy General Counsel
Missouri Bar No. 23857

P.O. Box 360
Jefferson City, MO 65102
573-751-4140 (telephone)
573-751-9285 (facsimile)
keith.krueger@psc.mo.gov (e-mail)

ATTORNEY FOR THE STAFF OF THE
MISSOURI PUBLIC SERVICE COMMISSION

AFFIDAVIT

STATE OF MISSOURI)
)
COUNTY OF STODDARD)

Rodger D. Owens, being on his oath duly sworn, deposes and states that he is the president of Stoddard County Sewer Co., Inc., that he has read the foregoing Joint Application of Stoddard County Sewer Co., Inc., R.D. Sewer Co., L.L.C, and the Staff of the Missouri Public Service Commission for an Order Authorizing Stoddard County Sewer Co., Inc. to Transfer its Assets to R.D. Sewer Co., L.L.C. and for an Interim Rate Increase, and that the facts stated therein are true and correct, to the best of his knowledge and belief.



RODGER D. OWENS

Subscribed and sworn to before me, a notary public this 5th day of December, 2007.



Notary Public

My Commission Expires: 3-20-2010



AFFIDAVIT

STATE OF MISSOURI)
)
COUNTY OF STODDARD)

Rodger D. Owens, being on his oath duly sworn, deposes and states that he is the president of R.D. Sewer Co., L.L.C., that he has read the foregoing Joint Application of Stoddard County Sewer Co., Inc., R.D. Sewer Co., L.L.C, and the Staff of the Missouri Public Service Commission for an Order Authorizing Stoddard County Sewer Co., Inc. to Transfer its Assets to R.D. Sewer Co., L.L.C. and for an Interim Rate Increase, and that the facts stated therein are true and correct, to the best of his knowledge and belief.

Rodger Owens

RODGER D. OWENS

Subscribed and sworn to before me, a notary public this 5th day of December, 2007.



Jennifer Guined

Notary Public

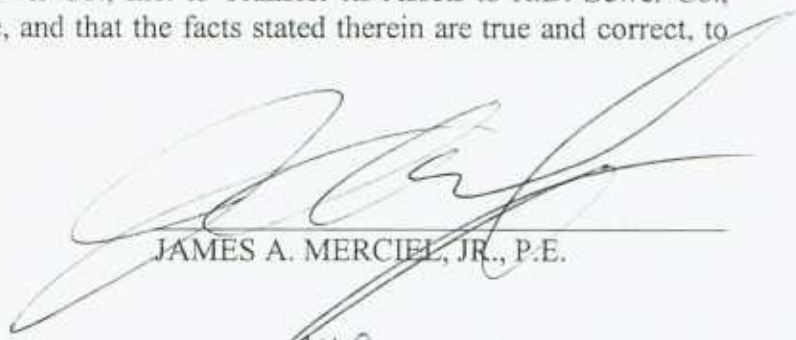
My Commission Expires: 3-20-2010

AFFIDAVIT

STATE OF MISSOURI)
)
COUNTY OF COLE)

Assistant Manager-Engineering
James A. Merciel, Jr., P.E., being on his oath duly sworn, deposes and states that he is the of the Water and Sewer Department of the Missouri Public Service Commission, that he has read the foregoing Joint Application of Stoddard County Sewer Co., Inc., R.D. Sewer Co., L.L.C, and the Staff of the Missouri Public Service Commission for an

Order Authorizing Stoddard County Sewer Co., Inc. to Transfer its Assets to R.D. Sewer Co., L.L.C. and for an Interim Rate Increase, and that the facts stated therein are true and correct, to the best of his knowledge and belief.



JAMES A. MERCIEL, JR., P.E.

Subscribed and sworn to before me, a notary public this 4th day of March, 2008.

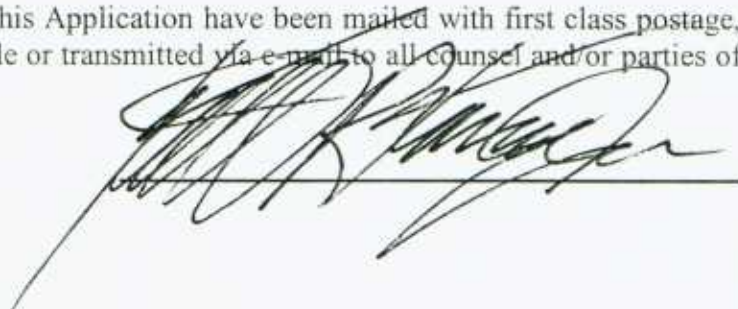
SHARON S. WILES
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: October 23, 2010
Commission Number: 06429091


Notary Public

My Commission Expires: _____

Certificate of Service

I hereby certify that copies of this Application have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 5th day of March, 2008.



SOS Home :: Business Services :: Business Entity Search

- Search**
- By Business Name
 - By Charter Number
 - By Registered Agent
 - For New Corporations
Verify
 - Verify Certification
Annual Report
 - File Online
File Fictitious Name
Registration
 - File Online
File LLC Registration
 - File Online
Online Orders
 - Register for Online
Orders
 - Order Good Standing
 - Order Certified Documents

Search Type: Starting With Search Criteria: stoddard county sewer company

Search Date: 2/26/2008 Search Time: 16:13

Click on the Business Entity Name or Charter Number to view more information.

Business Entity Name	Charter Number	Type	Status	Entity Creation Date
STODDARD COUNTY SEWER CO., INC.	00202382	General Business	Dissolved	7/19/1978

Records Returned 1 to 1

Attachment A

SOS Home :: Business Services :: Business Entity Search

Search

- By Business Name
- By Charter Number
- By Registered Agent
- For New Corporations
Verify
- Verify Certification
Annual Report
- File Online
File Fictitious Name
Registration
- File Online
File LLC Registration
- File Online
Online Orders
- Register for Online
Orders
- Order Good Standing
- Order Certified Documents

Filed Documents

Date: 2/26/2008 (Click above to view
filed documents that
are available.)

Business Name History

Name	Name Type
STODDARD COUNTY SEWER CO., INC.	Legal

General Business - Domestic - Information

Charter Number: 00202382
Status: Dissolved
Entity Creation Date: 7/19/1978
State of Business.: MO
Expiration Date: Perpetual
**Last Annual Report Filed
Date:**
Last Annual Report Filed: 0
Annual Report Month: January

Registered Agent

Agent Name: CARL BIEN
Office Address: HIGHWAY 60 WEST, P.O.
BOX 325
DEXTER MO 63841

Mailing Address:

SOS Home :: Business Services :: Business Entity Search

- Search**
- Ⓞ By Business Name
- Ⓞ By Charter Number
- Ⓞ By Registered Agent
- Ⓞ For New Corporations
Verify
- Ⓞ Verify Certification
Annual Report
- Ⓞ File Online
File Fictitious Name
Registration
- Ⓞ File Online
File LLC Registration
- Ⓞ File Online
Online Orders
- Ⓞ Register for Online
Orders
- Ⓞ Order Good Standing
- Ⓞ Order Certified Documents

All Annual Reports filed 1999 forward are available to view &/or print as well as all documents filed on or after 5-12-03.

Status of filed documents prior to 5-12-03: If the Creation Filing is not available to be viewed, the entire file may be incomplete because it has not been scanned. Therefore, there may be other types of filings associated with this entity.

Once a copy request and appropriate fees have been received on a specific entity the entire file is completely scanned and available online to view and/or print.

Date: 2/26/2008

Current Name: STODDARD COUNTY SEWER CO., INC.

Image	Date	Document
	7/19/1978	Creation Filing
	9/14/1999	With/Term/Dissolve

No Documents Available

SOS Home :: Business Services :: Business Entity Search

- Search
- By Business Name
- By Charter Number
- By Registered Agent
- For New Corporations
- Verify
- Verify Certification
- Annual Report
- File Online
- File Fictitious Name
- Registration
- File Online
- File LLC Registration
- File Online
- Online Orders
- Register for Online
- Orders
- Order Good Standing
- Order Certified Documents

Search Type: Starting With Search Criteria: R. D. Sewer, Inc.

Search Date: 2/26/2008 Search Time: 16:03

Click on the Business Entity Name or Charter Number to view more information.

Business Entity Name	Charter Number	Type	Status	Entity Creation Date
R.D. SEWER CO., L.L.C.	LC0066235	Limited Liability Company	Active	6/7/2002

Records Returned 1 to 1

Attachment B

SOS Home :: Business Services :: Business Entity Search

Search

- By Business Name
- By Charter Number
- By Registered Agent
- For New Corporations
- Verify
- Verify Certification
- Annual Report
- File Online
- File Fictitious Name
- Registration
- File Online
- File LLC Registration
- File Online
- Online Orders
- Register for Online
- Orders
- Order Good Standing
- Order Certified Documents



All Annual Reports filed 1999 forward are available to view &/or print as well as all documents filed on or after 5-12-03.


Status of filed documents prior to 5-12-03: If the Creation Filing is not available to be viewed, the entire file may be incomplete because it has not been scanned. Therefore, there may be other types of filings associated with this entity.

Once a copy request and appropriate fees have been received on a specific entity the entire file is completely scanned and available online to view and/or print.

Date: 2/26/2008

Current Name: R.D. SEWER CO., L.L.C.

Image	Date	Document
 	6/7/2002	Creation Filing
 	9/19/2007	Agent Change/Resign

 *View the images on-line!! Netscape users, use the  button.*

SOS Home :: Business Services :: Business Entity Search

- Search**
- By Business Name
 - By Charter Number
 - By Registered Agent
 - For New Corporations
Verify
 - Verify Certification
Annual Report
 - File Online
File Fictitious Name
Registration
 - File Online
File LLC Registration
 - File Online
Online Orders
 - Register for Online
Orders
 - Order Good Standing
 - Order Certified Documents

Filed Documents

Date: 2/26/2008 (Click above to view
filed documents that
are available.)

Business Name History

Name	Name Type
R.D. SEWER CO., L.L.C.	Legal

Limited Liability Company - Domestic -
Information

Charter Number:	LC0066235
Status:	Active
Entity Creation Date:	6/7/2002
State of Business.:	MO
Expiration Date:	12/31/2035

Registered Agent

Agent Name:	RODGER D. OWENS
Office Address:	406 S Allen Bernie MO 63822

Mailing Address:

Organizers

Name:	TERRY ALLEN
Address:	102 EAST HIGH STREETSTE 200 JEFFERSON CITY MO 65101



State of Missouri

Matt Blunt, Secretary of State

Corporations Division
P.O. Box 778, Jefferson City, MO 65102

James C. Kirkpatrick State Information Center
600 W. Main Street, Rm J22, Jefferson City, MO 65101

FILED

JUN 07 2002

Articles of Organization

(Submit in duplicate with filing fee of \$105)

Matt Blunt
SECRETARY OF STATE

1. The name of the limited liability company is:

R.D. Sewer Co., L.L.C.

(Must include "Limited Liability Company," "Limited Company," "LC," "L.C.," "LLC," or "LLC")

2. The purpose(s) for which the limited liability company is organized: The transaction of any and all lawful business for which the Limited Liability Company may be organized under Chapter 347 of the Missouri Limited Liability Company Act.

3. The name and address of the limited liability company's registered agent in Missouri is:

Rodger D. Owens 20499 State Highway 25 Bloomfield, MO 63825

Name

Street Address: May not use P.O. Box unless street address also provided

City/State/Zip

4. The management of the limited liability company is vested in one or more managers. Yes No

5. The events, if any, on which the limited liability company is to dissolve or the number of years the limited liability company is to continue, which may be any number or perpetual: December 31, 2035

(The answer to this question could cause possible tax consequences, you may wish to consult with your attorney or accountant)

6. The name(s) and street address(es) of each organizer (Post Office box alone not acceptable):

Terry Allen, 102 East High Street, Suite 200, Jefferson City, MO 65101

7. For tax purposes, is the limited liability company considered a corporation? Yes No

8. The effective date of this document is the date it is filed by the Secretary of State of Missouri, unless you

indicate a future date, as follows: _____

(Date may not be more than 90 days after the filing date in this office)

In Affirmation thereof, the facts stated above are true:

<u><i>Terry Allen</i></u>	<u>Terry Allen</u>	<u>6/7/02</u>
<i>(Organizer Signature)</i>	<i>(Printed Name)</i>	<i>(Date)</i>
_____	_____	_____
<i>(Organizer Signature)</i>	<i>(Printed Name)</i>	<i>(Date)</i>
_____	_____	_____
<i>(Organizer Signature)</i>	<i>(Printed Name)</i>	<i>(Date)</i>

No. LC0066235

STATE OF MISSOURI



Matt Blunt
Secretary of State

CERTIFICATE OF ORGANIZATION
LIMITED LIABILITY COMPANY

WHEREAS,

R.D. SEWER CO., L.L.C.

filed its ARTICLES OF ORGANIZATION with this office on the 7th day of JUNE, 2002, and that filing was found to conform to the Missouri Limited Liability Company Act;

NOW, THEREFORE, I, MATT BLUNT, Secretary of State of the State of Missouri, by virtue of authority vested in me by law, do certify and declare that on the 7th day of JUNE, 2002, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 7th day of JUNE, 2002.




Secretary of State

\$105.00



State of Missouri
Robin Carnahan, Secretary of State

Corporations Division
P.O. Box 778 / 600 W. Main Street, Rm 322
Jefferson City, MO 65102

File Number:
LC0066235
Date Filed: 09/19/2007
Robin Carnahan
Secretary of State

**Statement of Change of Business Office Address
by a Registered Agent of a
Foreign or Domestic For Profit or Nonprofit Corporation or a Limited Liability Company**

Instructions

1. This form is to be used by either a for profit or nonprofit corporation or a limited liability company to change either or both the name of its registered agent and/or the address of its existing registered agent.
2. There is a \$10.00 fee for filing this statement.
3. P.O. Box may only be used in conjunction with a physical street address.
4. Agent and address must be in the State of Missouri.
5. The corporation may not act as its own agent.

Charter No. _____

The undersigned registered agent, for the purpose of changing its business office in Missouri, represents that:

1. The name of the business entity is:
R.D. Sewer Co., LLC _____
2. The name of the registered agent is: Rodger D. Owens _____
3. The address, including street number, of the **present** business office of the registered agent is:
20499 State Highway 25, Bloomfield, MO 63825
Address *City/State/Zip*
4. The address, including street number, of the business office of the registered agent is hereby **changed to**:
406 S. Allen, Bernie, MO 63822 P.O. Box 24 Wappapello, MO 63966
Address *(P.O. Box may only be used in conjunction with a physical street address)* *City/State/Zip*
5. Notice in writing of the change has been mailed by the registered agent to the business entity named above.
6. The address of the registered office of the business entity named above and the business office of the registered agent, as changed, is identical.

In Affirmation thereof, the facts stated above are true and correct:
(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

Rodger Owens Rodger D. Owens 9-17-2007
Authorized Signature of Registered Agent *Printed Name* *month/day/year*

Name and address to return filed document:
Name: Holden Law Office, P.C.
Address: P.O. Box 633
City, State, and Zip Code: Dexter, MO 63841

State of Missouri
Change/Resignation of Agent 1 Page(s)

T0726306582

ATTACHMENT C

Balance Sheet and Income Statement

Attached are the Balance Sheet and Income Statement of Stoddard County Sewer Company, Inc. The Balance Sheet was prepared as of December 31, 2006, and the Income Statement covers Calendar Year 2006. This information is taken from the 2006 Annual Report of Stoddard County Sewer Company, as filed with the Commission in April 2007.

Under the terms of the proposed transaction, R.D. Sewer, Co., L.L.C. will acquire all of the utility assets and liabilities of Stoddard County Sewer Company, Inc. that are shown on the attached Balance Sheet, so the Balance Sheet for R.D. Sewer Co., L.L.C. after showing the results of the acquisitions of the property will be the same as the Balance Sheet for Stoddard County Sewer Company, Inc.

Under the terms of the proposed transaction, R.D. Sewer, Co., L.L.C. will take over all of the utility operations of Stoddard County Sewer Company, Inc. that are reflected on the attached Income Statement, so the Income Statement for R.D. Sewer Co., L.L.C. after showing the results of the acquisitions of the property will be the same as the Income Statement for Stoddard County Sewer Company, Inc.

As noted above, the attached financial statements were prepared for the Calendar Year 2006. Applicant R.D. Sewer Company will update the attached financial statements through the end of Calendar Year 2007, or later, if the Commission so requests.

These financial statements were prepared by Stoddard County Sewer Company and have been adopted by R.D. Sewer Company. The Staff did not participate in the preparation of these financial statements, has not audited them, and does not vouch for their accuracy or reliability.

Stoddard County Sewer Company, R.D. Sewer Company, and the Staff understand that neither the Staff nor the Commission would be prohibited in future rate cases from making adjustments, as deemed appropriate, to the balances that are shown in the attached financial statements.

2 Company Name: Stoddard County Sewer Company, Inc

NOTE: Please do not type over formulas. Totals will calculate automatically in this spreadsheet.

BALANCE SHEET
WATER AND SEWER OPERATIONS
ASSETS

	Account Description (a)	Amount (b)
3	Water Plant In Service (From Pg. W-5)	\$ -
4	LESS: Water Depreciation Reserve (From Pg. W-6)	\$ -
5	Net Water Plant in Service (ie., Water Plant In Service MINUS Water Depreciation Reserve)	\$ -
6	Water Materials and Supplies (From Pg. 11)	\$ -
7	Water Construction Work in Progress	
8	Water Plant Held for Future Use *	
9	Water Plant Acquisition Adjustment	
10	Sewer Plant in Service (From Pg. S-4)	\$ 255,664.00
11	LESS: Sewer Depreciation Reserve (From Pg. S-5)	\$ 133,338.34
12	Net Sewer Plant in Service (ie., Sewer Plant in Service MINUS Sewer Depreciation Reserve)	\$ 122,325.66
13	Sewer Materials and Supplies (From Pg. 11)	\$ 190.00
14	Sewer Construction Work in Progress	
15	Sewer Plant Held for Future Use *	
16	Sewer Plant Acquisition Adjustment	
17	Other Plant *	
18	Cash	\$ 130.90
19	Other Assets (Accounts Receivable, etc.) *	\$ 2,372.10
20	Total Assets**	\$ 125,018.66

* Please attach a detailed explanation for these items.

** Total Assets should balance with Total Equity and Liabilities on Page 5 (see instructions).
Difference between Equity & Liabilities and Assets (from Pg 5)

\$ (0.00)

Indicates link to another worksheet within workbook

Indicate formula cells

1

For the Year Ended December 31, 2006

2 Company Name: Stoddard County Sewer Company, Inc

NOTE: Please do not type over formulas. Totals will calculate automatically in this spreadsheet.

BALANCE SHEET
WATER AND SEWER OPERATIONS
ASSETS

Line 19	Accounts Receivable	\$ 2,372.10
---------	---------------------	-------------

2 Company Name: Stoddard County Sewer Company, Inc

NOTE: Please do not type over formulas. Totals will calculate automatically in this spreadsheet.

**BALANCE SHEET
WATER AND SEWER OPERATIONS
EQUITY AND LIABILITIES**

	Account Description (a)	Amount (b)
3	Capital Stock	\$ 42,710.00
4	Retained Earnings	\$ 20,820.65
5	Long-Term Debt to Affiliates (owners, other owner controlled companies, etc.)	
6	Short-Term Debt to Affiliates (owners, other owner controlled companies, etc.)	
7	Long-Term Debt (banks, etc.)	
8	Short-Term Debt (banks, etc.)	
9	Water Customer Deposits	
10	Water Advances for Construction	
11	Water CIAC (From Pg. 9)	\$ -
12	LESS: Water Amortization of CIAC (From Pg. 9)	\$ -
13	Net Water CIAC (ie., Water CIAC MINUS Water Amortization of CIAC)	\$ -
14	Sewer Customer Deposits	
15	Sewer Advances for Construction	
16	Sewer CIAC (From Pg. 9)	\$ 98,547.00
17	LESS: Sewer Amortization of CIAC (From Pg. 9)	\$ 38,820.33
18	Net Sewer CIAC (ie., Sewer CIAC MINUS Sewer Amortization of CIAC)	\$ 59,726.67
19	Deferred Taxes - ITC	
20	Deferred Taxes - Other *	
21	Other Liabilities (Accounts Payable, etc.) *	\$ 1,747.94
22	Total Equity and Liabilities**	\$ 125,018.66

* Please attach a detailed explanation for these items.

** Total Equity and Liabilities should balance with Total Assets on Page 4 (see instructions).
Difference between Equity & Liabilities and Assets (from Pg 4)

\$ 0.00

Indicates link to another worksheet within workbook

Indicate formula cells

1

For the Year Ended December 31,

2 Company Name: Stoddard County Sewer Company, Inc

NOTE: Please do not type over formulas. Totals will calculate automatically in this spreadsheet.

BALANCE SHEET
WATER AND SEWER OPERATIONS
EQUITY AND LIABILITIES

Line 21	Accounts Payable	Ozark Border	\$ 34.35
		Ameren UE	\$ 525.84
		PWSD #1	\$ 11.62
		Environmental Analysis	\$ 170.60
		Director of Revenue	\$ 472.64
		BPS	\$ 56.54
		US Post Office	\$ 60.00
		Rent	\$ 316.35
		Moore's	\$ 100.00
	Total		\$ 1,747.94

1

2 Company Name: Stoddard County Sewer Company, Inc

SEWER OPERATING REVENUES, EXPENSES AND STATISTICS

(a)	Amount (b)
3 Total Operating Revenues (From Page S-2)	\$ 22,130.40
<i>Operating Expenses</i>	
4 Salaries & Wages (From Page 7)	\$ 225.00
5 Employee Pensions and Benefits	\$ 520.00
6 Purchased Water	\$ 127.92
7 Plant Operations Expenses (From Page S-3)	\$ 12,143.73
8 Billing Expenses	
9 Supplies and Expenses	\$ 3,843.10
10 Transportation Expenses	\$ 160.33
11 Rent Expense *	\$ 1,958.05
12 Insurance Expense	\$ 427.49
13 Outside Services Employed (ie., Legal, Accounting, etc.) (From Page 8)	\$ 705.00
14 Regulatory Commission Expenses	\$ 1,894.04
15 Uncollectible Expenses (From Page 6)	\$ 2,676.90
16 Depreciation Expense (From Page S-5)	\$ 3,675.70
17 Amortization of Contributions in Aid of Construction (Page 9)	\$ (1,416.82)
18 Amortization Expense	
19 Tax Expenses (From Page S-3)	\$ 229.08
20 Interest Expense (From Page 10)	\$ -
21 Other Expenses *	\$ 56.51
22 Total Operating Expenses	\$ 27,026.03
23 Net Income (Loss)	\$ (4,895.63)

* Please attach a detailed explanation for these items.

Indicates link to another worksheet within workbook

Indicate formula cells

1

For the Year Ended December 31, 2006

2 Company Name: Stoddard County Sewer Company, Inc

SEWER OPERATING REVENUES, EXPENSES AND STATISTICS

Line 11 Office Rent \$ 1,958.05

Line 21 Donations \$ 56.51

1

2 Company Name: Stoddard County Sewer Company, Inc

SEWER OPERATING REVENUES, EXPENSES AND STATISTICS (Continued)

(Please indicate if metered amounts are in cubic feet measurements.)

(a)	No. of Customers		Gallons Sold 000's Omitted (d)	Revenue Amount (e)
	Beginning of Year (b)	End of Year (c)		
<i>Fiat Rate Sales</i>				
3 Residential - Single Family	115	115	XXXX	\$ 22,130.40
4 Residential - Apartments	57	57	XXXX	
5 Residential - Mobile Homes			XXXX	
6 Commercial			XXXX	
7 Other Sales to Public Authorities			XXXX	
8 Other *			XXXX	
9 Total Unmetered Sales	172	172	XXXX	\$ 22,130.40
<i>Metered Sales of Water</i>				
10 Commercial				
11 Other Sales to Public Authorities				
12 Other *				
13 Total Metered Sales	-	-	-	\$ -
<i>Other Operating Revenues</i>				
14 Late Payment Fees				
15 Inspection Fees				
16 Reconnect Fees				
17 Rent Income				
18 Income from Merchandising, Jobbing & Contract Work *				
19 Other Revenue *				
20 Total Other Operating Revenues				\$ -
21 Total Operating Revenues				\$ 22,130.40
				(Total to Pg. S-1)

* Please attach a detailed explanation for these items.

Indicate formula cells

2 Company Name: Stoddard County Sewer Company, Inc**SEWER OPERATING REVENUES, EXPENSES AND STATISTICS (Continued)**

(a)	Amount (b)
<u>Plant Operations Expenses</u>	
3 Contracted Maintenance Expenses	
4 Repairs of Sewer Plant - Pump Repair	\$ 2,340.81
5 Repairs of Sewer Plant - Treatment Repair	
6 Repairs of Sewer Plant - Collecting Sewers and Manhole Repair	
7 Repairs of Sewer Plant - Equipment Repair	\$ 683.48
8 Repairs of Sewer Plant - Other *	
9 Utility Bills	\$ 7,456.04
10 Chemicals	
11 Sludge Hauling Expenses	\$ 725.00
12 Effluent Testing Expenses	\$ 938.30
13 Total Plant Operations Expenses	\$ 12,143.73
	(Total to Page S-1)
<u>Tax Expenses</u>	
14 Tax Expense - Property Taxes	\$ 229.08
15 Tax Expense - Payroll Taxes	
16 Tax Expense - Franchise Taxes	
17 Tax Expense - Other Taxes *	
18 Tax Expense - Federal Income Taxes	
19 Tax Expense - State Income Taxes	
20 Tax Expense - Investment Tax Credits	
21 Total Tax Expenses	\$ 229.08
	(Total to Page S-1)

* Please attach a detailed explanation for these items.

Indicate formula cells.

1

For the Year Ended December 31, 2006

2 Company Name: Stoddard County Sewer Company, Inc

SEWER OPERATING REVENUES, EXPENSES AND STATISTICS (Continued)

Line 8	Supplies for Sewer Plant Repair	\$ 168.94
--------	---------------------------------	-----------

NAMES AND ADDRESSES OF TEN
PERSONS WHO RESIDE IN THE AREA TO BE SERVED

Joshua Clark	15263 County Road 604, Dexter, MO 63841
Tony Pixley	10851 Ranch House Lane, Dexter, MO 63841
Brian Lutmer	15468 Mustang Road, Dexter, MO 63841
Jesse Moore	15465 Arrowhead Lane, Dexter, MO 63841
Deborah Summers	15390 Arrowhead Lane, Dexter, MO 63841
David Smith	10594 Maverick Circle, Dexter, MO 63841
David Agey	25 East Stoddard, P. O. Box 175, Dexter, MO 63841
Aaron O'Connor	10695 Wagontrail, Dexter, MO 63841
Darrell Orr	10584 Ponderosa Park, Dexter, MO 63841
Dale Rowe	15457 Buckskin Lane, Dexter, MO 63841