

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Joint Application of Silverleaf)
Resorts, Inc., and Algonquin Water Resources of)
Missouri, LLC, for Authority for Silverleaf Resorts,)
Inc., to Sell Certain Assets to Algonquin Water)
Resources of Missouri, LLC, and, in Connection)
Therewith, Certain Other Related Transactions.)

Case No. WO-2005-0206

ORDER SETTING PREHEARING CONFERENCE
AND REQUIRING FILING OF PROCEDURAL SCHEDULE

On January 4, 2005, Silverleaf Resorts, Inc., and Algonquin Water Resources of Missouri, LLC, filed their Joint Applications with the Missouri Public Service Commission, pursuant to Section 393.190, RSMo 2000, requesting authority to transfer all of Silverleaf's Missouri water and sewer system assets to Algonquin; to grant or transfer the necessary certificates to Algonquin so that it may operate the transferred systems; to authorize the Joint Applicants to perform according to their Asset Purchase Agreement; and to perform any other lawful acts necessary to complete the proposed transactions.

On January 6, the Commission issued its Order Directing Notice, Consolidating Cases, Setting Date for Submission of Intervention Requests, and Directing Filing in which, among other things, it directed its Staff to file a Memorandum and Recommendation regarding the Joint Application. Staff filed its Memorandum and Recommendation on March 28, advising the Commission that an acquisition premium issue existed such that Staff was not able to recommend approval of the proposed transaction. Instead, Staff advised the Commission to set a Settlement Conference and to require the parties to

inform it within ten days thereafter, whether or not an evidentiary hearing would be required.

On April 7, the Joint Applicants responded to Staff's Memorandum and Recommendation, stating that they were eager to participate in a Settlement Conference, although they did not agree that any of the appellate decisions cited by Staff were relevant.

This matter is now at issue and it is standard Commission practice to order a prehearing conference and procedural schedule to ensure its prompt resolution. The Settlement Conference suggested by the parties can be conducted as part of the prehearing conference.

The parties shall jointly file a proposed procedural schedule one week after the prehearing conference. The proposed procedural schedule shall establish dates for the filing of a list of the issues to be determined by the Commission and statements by the parties of their position on each such issue. The proposed procedural schedule shall also include a date for the filing of a list of the witnesses to be called on each day of hearing, the order in which they shall appear and the order of cross-examination agreed upon by the parties. The proposed procedural schedule shall also establish dates for the hearing of this matter.

IT IS THEREFORE ORDERED:

1. That a prehearing conference shall be held on Wednesday, April 27, 2005, beginning at 10:00 a.m. The prehearing conference shall be held at the Commission's offices at the Governor Office Building, 200 Madison Street, Jefferson City, Missouri, Room 310. The Governor Office Building is a facility that meets the accessibility requirements of the Americans with Disabilities Act. Any person who needs additional

accommodations to participate in the prehearing conference should call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or dial 711 for Relay Missouri.

2. That the parties shall jointly prepare and file a proposed procedural schedule no later than 4:00 p.m. on Wednesday, May 4, 2005.

3. That this order shall become effective on April 13, 2005.

BY THE COMMISSION

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Kevin A. Thompson, Deputy Chief
Regulatory Law Judge, by delegation
of authority pursuant to
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 13th day of April, 2005.