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January 3, 2002

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ROBERT SCHALLENBERG
Director, Utility Services
DONNA M. PRENGER
Director, Administration
DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge
DANA K. JOYCE
General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. WO-2002-208

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **UNANIMOUS STIPULATION AND AGREEMENT**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Cliff E. Snodgrass
Senior Counsel
(573) 751-3966
(573) 751-9285 (Fax)

CES:sw
Enclosure
cc: Counsel of Record

**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.

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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.

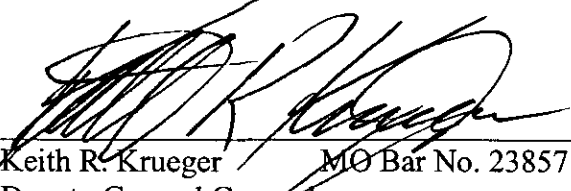
WHEREFORE, the parties respectfully request that the Commission issue its Order approving the Joint Application, the Territorial Agreement and this Stipulation.

Respectfully submitted,

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General Counsel


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

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