Exhibit No.

Issue:

Approval of

Territorial

Agreement

Witness:

Steve Yates

Sponsoring Party:

Aquila, Inc.

Type of Exhibit:

Direct Testimony

Case No.:

EO-2004-0603

Date Testimony Prepared:

July 30, 2004

## MISSOURI PUBLIC SERVICE COMMISSION

**DIRECT TESTIMONY** 

OF

**STEVE YATES** 

ON BEHALF OF

AQUILA, INC.

2	A.	My name is Steve Yates. My current business address is 1300 SE Hamblen
3		Road, Lee's Summit MO 64081. I hold the position of Operations Manager-West
4		District at Aquila Networks-MPS ("Aquila").
5	Q.	On whose behalf are you filing testimony in this case?
6	A.	I am offering testimony on behalf of Aquila Networks-MPS.
7	Q.	Mr. Yates, please provide the Missouri Public Service Commission
8		("Commission") with a brief description of your educational background,
9		professional designations and business experience.
10	A.	I graduated from the University of Southern Illinois with a Bachelor of Science
11		degree in Electrical Engineering Technology. I started with Aquila (formerly

Missouri Public Service) in 1980 as a Distribution Field Engineer, and then

worked as an Operation Supervisor from 1988 to 1997, before accepting my

What is the nature of your responsibilities as Operations Manager with Aguila

I'm accountable for leading work teams in the construction, maintenance and

operations of Aquila's distribution electric facilities for the Missouri West District

Please state your name, business address and position.

current position as Operations Manager.

(Belton and Lee's Summit Work Centers).

Are you familiar with the subject matter of this case?

Networks-MPS?

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Q.

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Q.

Q.

1 A. Yes, I am. This case involves the joint application of Aguila and Osage Valley 2 Electric Cooperative ("Osage") for an order approving a Territorial Agreement 3 between Aguila and Osage affecting three parcels of property in the town of 4 Peculiar, Cass County, Missouri. This document is being filed as Exhibit 1 to the 5 prepared testimony of Osage witness Jon McClure. I have become familiar with 6 the circumstances giving rise to the Territorial Agreement by virtue of my job 7 responsibilities and my discussions with some of the affected landowners and 8 representatives of Osage. 9 Q. What is the purpose of your testimony? 10 The purpose of my testimony is to explain the scope of Aguila's service territory A. 11 in Cass County, Missouri, including the town of Peculiar. Second, I will describe 12 generally the limited purpose and objectives of the Territorial Agreement which 13 has been submitted for approval to the Commission. Finally, I will elaborate 14 about each of the three affected parcels of property and the circumstances to 15 demonstrate that the Territorial Agreement is in the public interest. 16 Q. Can you please describe the nature of the operations of Aguila Networks-MPS? 17 A. Yes. Aguila Networks-MPS is one of two public utility operating divisions of 18 Aguila, Inc. doing business in the State of Missouri. It provides regulated electric 19 and natural gas utility service to residential, commercial and industrial customers 20 in the State of Missouri, primarily in the central west region of the state in those 21

areas certificated to it by the Commission.

1	Q.	Does Aquila Networks-MPS provide regulated electric service to customers
2		located in Cass County, Missouri?
3	A.	Yes it does. By virtue of a Report and Order entered by the Commission in its
4		Case No. 9470 on January 18, 1938, the Commission granted to a predecessor
5		company, the Missouri Public Service Corporation ("MPSC"), a certificate of
6		convenience and necessity (the "Certificate") to provide electric service to the
7		public in a described area of the state including the whole of Cass County,
8		Missouri. Thereafter, the Commission issued a Report and Order in its Case No.
9		11892 dated April 28, 1950 whereby the corporate rights of MPSC, including the
10		certificate granted in 9470, were transferred to Missouri Public Service Company
11		(now, Aquila). At all times since the issuance of the original certificate, Aquila or
12		its predecessors have exercised its rights and privileges to provide electric
13		service throughout Cass County, Missouri in accordance with the terms set forth
14		in the Certificate.
15	Q.	Does Aquila Networks-MPS provide regulated electric service within the
16		corporate boundaries of the town Peculiar, Missouri?
17	A.	Yes, it does. Peculiar is located in Cass County and Aquila provides electric
18		service to approximately 1700 residential and commercial customers within the
19		city limits.
20	Q.	Is Aquila proposing any revisions to any of its tariffs or rate schedules as part of
21		this case?

1	A.	No. Since the Territorial Agreement does not change the present areas of
2		Aquila's certificated area and, further, because its existing electric rate schedules
3		remain in full force and effect for service provided to residents of the town of
4		Peculiar, no modification to Aquila's tariff sheets are being proposed.
5	Q.	Are Aquila's operations in Peculiar, Missouri undertaken in accordance with a
6		valid existing franchise agreement with the town of Peculiar?
7	A.	Yes they are. UtiliCorp United Inc., (now Aquila) signed an electric franchise with
8		the city of Peculiar in 2000 for a period of five years, with an optional renewal for
9		additional five-year periods to a maximum of 20 years, to generate, supply, sell,
10		distribute and furnish electric power. A copy of that franchise (Ordinance No.
11		011800) is attached hereto as <u>Schedule SY-1</u> .
12	Q.	What is the population of the town of Peculiar, Missouri?
13	A.	According to the 2003-2004 Official Manual of the State of Missouri, the 2000
14		decennial census recorded the population at 2,604 persons.
15	Q.	Are there any other electric service providers providing electric utility service to
16		residents of the town of Peculiar, Missouri?
17	A.	Yes, Osage provides electric service to a number of residents who are located
18		within the town of Peculiar. Osage serves approximately 100 customers in
19		Peculiar, who are located for the most part on the Southeast and East area of
20		town. The city of Peculiar has been very active in their annexation and over the
21		past few years, has annexed these areas that Osage served into the city.

1	Q.	Is there any currently existing territorial agreement by and between Aquila and
2		Osage?
3	A.	No. Aquila and Osage provide service to customers within their respective
4		service areas except where otherwise limited by law. Where those areas
5		overlap, Aquila and Osage may compete for electric service customers.
6	Q.	Is there any lawful limitation on the authority of Osage to provide service to new
7		customers located within the town of Peculiar?
8	A.	It is my general understanding that rural electric cooperatives, like Osage, may
9		only provide electric service in rural areas which are defined as those areas not
10		included within the boundaries of any city, town or village having more than 1,500
11		inhabitants. Because the population of Peculiar is in excess of that number, I
12		believe that Osage is not generally authorized to extend service to any new
13		customer within that town other than in accordance with a Commission-approved
14		territorial agreement.
15	Q.	What is the purpose of the Territorial Agreement that the joint applicants are
16		submitting to the Commission for approval?
17	A.	Generally, the Territorial Agreement identifies three (3) parcels of property within
18		the town of Peculiar, Cass County, Missouri by metes and bounds description
19		and proposes to designate each of these parcels as separate exclusive service
20		territories of Osage. Although the Territorial Agreement, by its terms, is limited in
21		application to the geographic area defined by the boundaries of Cass County,
22		Missouri, the three parcels described on Exhibit A to the agreement are all

- located within the town of Peculiar. The Territorial Agreement may in the future
  be amended to include other exclusive service territories circumstances may
  justify.
- 4 Q. Are you generally familiar with the circumstances that gave rise to the Territorial Agreement?
- 6 A. Yes I am.

- 7 Q. Would you please describe them for the Commission?
  - A. Osage contacted Aquila in the first part of 2003 to inform us that Richard Smith had contacted them about getting power to a new residential development along 211<sup>th</sup> Street (Parcel A in Exhibit A) in Peculiar. Osage believed they could not serve this property legally, because the property is located within the city limits of Peculiar, even though Osage had existing electric facilities along 211<sup>th</sup> Street and an overhead line going through the middle of this development. Aquila concluded it made sense for Osage to serve this development (subject, of course, to the Commission's approval) and in June of 2003, Mr. Smith filed an application for Change of Electric Service Provider with the Commission to permit his property to be served by Osage. That application was docketed as Case No. EO-2003-0543. Aquila and Osage supported Mr. Smith's application. Ultimately, the Commission's staff recommended that the application be denied, stating that a territorial agreement would be the appropriate method to address the relief sought by Mr. Smith. On December 4, 2003, the Commission denied the

1		Change of Electric Service Provider Application. Aquila and Osage
2		representatives thereafter met and developed this Territorial Agreement.
3	Q.	Will the Territorial Agreement require the transfer of any facilities or customers
4		between the applicants?
5	A.	No. Any facilities used to serve customers within the three (3) described parcels
6		will be new facilities extended to them by Osage. No real estate, easements,
7		facilities or equipment are being transferred by Aquila to Osage.
8	Q.	Would you please address the reasons for designating Parcel A on Exhibit A as
9		an exclusive territory for Osage?
10	A.	Yes. Parcel A (Harvest Hill) is located on the South side of 211th Street in
11		Peculiar, Missouri. Aquila's electric facilities are located approximately 3,000 feet
12		to the West of this parcel. Osage has an overhead along the North side of 211 <sup>th</sup>
13		Street and in back of the homes (served by Osage) along the South side of 211 <sup>th</sup>
14		Street. If Aquila were to serve this parcel, we would extend overhead facilities
15		along the South side of 211 <sup>th</sup> Street, which would result in trimming trees in front
16		of the homes (served by Osage) along 211 <sup>th</sup> Street. Also, per Aquila's Line
17		Extension Agreement, there would be significant charges to the customer for the
18		overhead line extension along 211 <sup>th</sup> Street. Osage has an overhead line in front
19		of this parcel along 211 <sup>th</sup> . Street, so no extension would be required to serve this
20		development.
21	Q.	Would you please explain the reasons for describing Parcel B on Exhibit A as an
22		exclusive territory as Osage?

1	A.	Yes. Parcel B is owned by David Arnall and is located on the East side of Old
2		Town Road, just South of J-Hwy. Osage has an overhead 3 phase line running
3		along the East side of Old Town Road in front of parcel B and Aquila's nearest
4		electric facilities are located approximately 1,500 feet to the West, along J-Hwy.
5		An electric extension from Aquila would involve tree trimming/removal, significant
6		line extension cost to the customer and Aquila's new facilities crossing Osage
7		existing facilities to serve this development.
8	Q.	Would you please explain the reasons for describing Parcel C on Exhibit A as an
9		exclusive territory as Osage?
10	A.	Yes. Parcel C (Peculiar Industrial Park) is owned by the city of Peculiar and is
11		located on the East Outer Road of 71 Hwy, approximately 1.2 miles south of J-
12		Hwy. Osage has an overhead 3-phase line running along the East Outer road of
13		71 Hwy in front of Parcel C. Aquila's 3-phase facilities is located over a mile away
14		and an Aquila extension to this property would need to cross 71 Hwy and then
15		parallel Osage facilities for some distance before reaching Parcel C. Due to this
16		length of extension by Aquila, there would be significant cost to the customer.
17	Q.	Do the property owners want to take electric service from Osage?
18	A.	Yes. Each of the landowners is in support of Osage providing electric service.
19	Q.	Do you believe that the terms and provisions of the Territorial Agreement are in
20		the public interest?
21	A.	Yes, under the circumstances presented. This Territorial Agreement will aid the
22		landowners from a line extension cost standnoint, since a landowner will be able

1		to utilize the facilities of the nearest utility (upon mutual consent from both
2		utilities). The landowners are in support of Osage providing electric service. The
3		general public will benefit from this Agreement also because this Agreement will
4		aid in the prevention of having duplicate electric facilities installed along roads
5		and will help preserve trees that would need to be trimmed or cut for the new
6		power line extensions.
7	Q.	Is this being done for reasons other than rate differential?
8	A.	Yes, as I have explained above, rate differential as between Aquila and Osage is
9		not the basis for seeking approval of the Territorial Agreement.
10	Q.	Has any party intervened in this case?
11	A.	No.
12	Q.	Are you asking the Commission to approve the Territorial Agreement?
13	A.	Yes.
14	Q.	Does this conclude your testimony?
15	A.	Yes it does.

Exhibit No. Issue:

Approval of Territorial Agreement **Steve Yates** 

Witness:

Sponsoring Party: Type of Exhibit:

**Direct Testimony** 

Case No.:

EO-2004-0603

Aquila, Inc.

#### AFFIDAVIT OF STEVE YATES

STATE OF MISSOURI ) ss. COUNTY OF JACKSON

Steve Yates, of lawful age, on my oath states, that I have participated in the preparation of the foregoing direct testimony in question and answer form, consisting of 9 pages, to be presented in this case; that the answers in the foregoing testimony were given by me; that I have knowledge of the matters set forth in such answers; and that such matters are true to the best of my knowledge and belief.

Subscribed and sworn to before me this 30th day of July

My Commission Expires:

LAURA HILLMAN Notary Public - Notary Seal State of Missouri Jackson County My Commission Expires July 10, 2005 Ordinance No. 011800

An ordinance granting Missouri Public Service
a division of UtiliCorp United Inc., a Delawarc corporation,
its successors and assigns, a renewal electric franchise for a period
of five (5) years, with an optional renewal for additional five (5) year periods
to a maximum of 20 years, and the authority to generate, supply, sell,
distribute and furnish electric power and energy, and granting the right
to use the streets, alleys, and other public places within the present
or future corporate limits of the City of Peculiar, Missouri

Be it ordained by the Board of Aldermen of the City of Peculiar, Missouri, as follows:

#### FRANCHISE GRANTED

The City of Peculiar, Missouri, (hereinafter referred to as "Grantor") hereby grants a non-exclusive franchise to Missouri Public Service, a division of UtiliCorp United Inc., a Delaware corporation, (hereinafter called "Grantee"), its lessees, successors and assigns. This renews the franchise previously granted by Ordinance No. 277. Grantee is hereby granted the right, privilege, franchise, permission and authority to construct, maintain, operate and extend in the present and future streets, alleys, avenues, bridges, public rights-of-way and public places as are now within the present or future limits of said Grantor, an electric distribution system and all facilities necessary for the production, transmission and distribution of electrical power and energy for the purpose of carrying on a general power and light business and other operations connected therewith or incident thereto for all purposes to the inhabitants of said Grantor and consumers in the vicinity thereof, and for the distribution of electric power and energy from or through said Grantor to points beyond the limits thereof. Grantor further grants Grantee the right, permission and authority to construct, maintain, operate and extend electrical facilities and to trim and remove trees upon, over, across and along all of the streets, alleys, avenues, bridges, public rights-of-way and public places of Grantor. Such facilities shall include, but not be limited to, poles, transmission lines, distribution lines, anchors, guy wires, cables, conduits, street lighting poles, transformers and all other apparatus and appliances incident thereto for all purposes for which it may be used, and to do all other things necessary and proper in providing electric service to the inhabitants of Grantor and in carrying on such business.

#### TERM

The rights and privileges granted by this Ordinance shall remain in effect for an initial period of five (5) years from the effective date thereof. The contract shall automatically renew for an additional five (5) years upon expiration and each five (5) years thereafter for a maximum period of twenty (20) years unless Grantor, through its Clerk, shall notify Grantee in writing at least one hundred and eighty (180) days before the expiration of each five (5) term, that Grantor, for good cause, desires not to renew the franchise, and such notice shall specify Grantor's reasons.

### GOVERNING RULES AND REGULATIONS

This Ordinance is granted subject to all conditions, limitations and immunities now provided for, or as hereafter amended, and applicable to the operations of a public utility, by the laws of the State of

Missouri. The rates to be charged by Grantee for service within the present or future corporate limits of Grantor and the rules and regulations regarding the character, quality and standards of service to be furnished by Grantee shall be under the jurisdiction and control of such regulatory body or bodies as may, from time to time, be vested by law with authority and jurisdiction over the rates, regulations and quality and standards of service to be supplied by Grantee. Provided however, should any judicial, regulatory or legislative body, having proper jurisdiction, take any action that precludes Grantee from recovering from its customers any cost associated with services provided hereunder, then Grantee and Grantor shall renegotiate the terms of this Ordinance in accordance with the action taken, so as to allow Grantee to be made whole economically. In determining the rights and duties of the Grantee, the terms of this franchise Ordinance shall take precedence over any conflicting terms or requirements contained in any other Ordinance enacted by the Grantor.

#### CONSTRUCTION

Any pavements, sidewalks or curbing taken up and any and all excavations made shall be done in such a manner as to cause only such inconvenience to the inhabitants of Grantor and to the general public as is reasonably necessary; and repairs and replacements shall be made promptly by Grantee, leaving such properties in as good as condition as existed immediately prior to excavation.

#### MAINTENANCE

Grantee agrees that for the term of this grant, it will use its best efforts to maintain facilities and equipment sufficient to meet the current and future energy requirements of Grantor, its inhabitants and industries. While maintaining its facilities and equipment, Grantee shall obtain permits as required by ordinance, except that in emergency situations, Grantee shall take immediate unilateral actions as it determines are necessary to protect the public health, safety, and welfare; in which case, Grantee shall notify Grantor as soon as reasonably possible.

### EXTENSION OF COMPANY FACILITIES

Upon receipt and acceptance of a valid application for service, Grantee shall, subject to its own economic feasibility criteria, make reasonable extensions of its distribution facilities to serve customers located within the current or future corporate limits of Grantor; provided however, nothing in this franchise shall require Grantee to install new facilities underground. In the event that Grantor shall order or request Grantee to install facilities underground along any street, alley, avenue, bridge, public right-of-way or public place, Grantee shall have the right to recover from Grantor the difference in cost between placing facilities overhead and placing new facilities underground. No obligation shall extend to, or be binding upon, Grantee to install new facilities underground unless Grantee is able to obtain an easement for such facilities on adjoining private property that is adjacent to the public right-of-way. No obligation shall extend to, or be binding upon, Grantee to extend its facilities if Grantee is, for any reason, unable to obtain and deliver an adequate energy supply.

### RELOCATION OF COMPANY FACILITIES

If Grantor elects to change the grade of or otherwise alter any street, alley, avenue, bridge, public rights-of-way or public place for a public purpose, Grantee, upon reasonable notice from Grantor, shall remove and relocate its facilities or equipment situated in the public rights-of-way, if such removal is necessary to prevent interference and not merely for the convenience of the Grantor, at the cost and expense of Grantee; provided however, that nothing in this franchise shall require

Grantee to relocate facilities underground. In the event that Grantor shall order or request Grantee to install facilities underground along any street, alley, avenue, bridge, public right-of-way or public place; Grantee shall have the right to recover from Grantor the difference in cost between placing facilities overhead and placing new facilities underground. No obligation shall extend to or be binding upon Grantee to install new facilities underground unless Grantee is able to obtain an easement for such facilities on adjoining private property adjacent to the public right-of-way. If Grantor orders or requests Grantee to relocate its facilities or equipment primarily for non-public purposes or the primary benefit of a commercial or private project, or as a result of the initial request of a commercial or private developer or other non-public entity, and such removal is necessary to prevent interference and not merely for the convenience of the Grantor, Grantee shall receive reimbursement for the cost of such relocation as a precondition to relocating its facilities or equipment. Grantor shall consider reasonable alternatives in designing its public works projects so as not arbitrarily to cause Grantec unreasonable additional expense in exercising its authority under this section. Grantee shall also provide a reasonable alternative location for Grantee's facilities.

#### CONFIDENTIAL INFORMATION

Grantor acknowledges that certain information it might request pursuant to this franchise may be of a proprietary and confidential nature. If Grantee requests that any information provided by Grantee to Grantor be kept confidential due to such proprietary or commercial value, Grantor and its employees, agents and representatives shall maintain the confidentiality of that information. If Grantor is requested or required by legal or administrative process to disclose any such confidential information, Grantor shall promptly notify Grantee of such request or requirement so that Grantee may seek an appropriate protective order or other relief. Grantor shall use all reasonable efforts to ensure that the confidentiality of Grantee's confidential information is maintained.

#### FORCE MAJEURE

It shall not be a breach or default under this franchise if either party fails to perform its obligations hereunder due to Fórce Majeure. Force Majeure shall include, but not be limited to, the following:

1) physical events such as acts of God, landslides, lightning, earthquakes, fires, freezing, storms, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery, equipment or distribution or transmission lines; 2) acts of others such as strikes, work-force stoppages, riots, sabotage, insurrections or wars; 3) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, executive order, or regulation promulgated by a governmental authority, having jurisdiction; and any other causes, whether of the kind herein enumerated or otherwise not reasonably within the control of the affected party to prevent or overcome. Each party shall make reasonable efforts to avoid Force Majeure and to resolve such event as promptly as reasonably possible once it occurs in order to resume performance; provided however, that this provision shall not obligate a party to settle any labor strike.

#### HOLD HARMLESS

Grantee, during the term of this Ordinance, agrees to save harmless Grantor from and against all claims, demands, losses and expenses arising directly out of the negligence of Grantee, its employees or agents, in the constructing, operating, and maintaining of distribution and transmission facilities or appliances of Grantee; provided however, that Grantee need not save harmless Grantor from claims, demands, losses and expenses arising out of the negligence of Grantor, its employees or agents.

#### SEVERABILITY

If any clause, sentence or section of this Ordinance is deemed invalid, the remaining provisions shall not be affected.

#### NON WAIVER

Any waiver of any obligation or default under this franchise shall not be construed as a waiver of any future defaults. whether of like or different character.

### REPEAL CONFLICTING ORDINANCES

All ordinances or parts of ordinances in conflict herewith are hereby repealed.

### EFFECTIVE DATE AND ACCEPTANCE

This Ordinance shall be completed in the form in which it is finally passed and remain on file with the City Clerk for public inspection for thirty (30) days. It shall become effective upon its final passage and approval by Grantor, in accordance with applicable laws and regulations, and upon acceptance by Grantee by written instrument within sixty (60) days of passage by the governing body, and filed with the City Clerk of the City of Peculiar, Missouri. If Grantee does not, within sixty (60) days following passage of this Ordinance express in writing its objections to any terms or provisions contained therein, or reject this ordinance in its entirety, Grantee shall be deemed to have accepted this ordinance and all of its terms and conditions.

#### NOTICES

Any notices required to be given hereunder shall be sent to the following:

If to Grantee: Vice President

Community Services UtiliCorp United Inc. 20 West 9th Street

Kansas City, Missouri 64105

If to Grantor: City Clerk

City of Peculiar 600 Schug Ave.

Peculiar, Missouri, 64078

Passed and approved by the Board of Aldermen of the City of Peculiar, Missouri, on this Lorday J. C. Shores.

## CERTIFICATE

State of Missouri	)			
County of Cass	) )			
of Peculiar, in said Cohereby certify that the	ounty of Cass, and the case foregoing is a true, con read two times and pa	official custodian of the rrect and complete cop assed in the manner rec	quired by law at a meeting of	
the Board of Alderme approved and signed	en, of said municipality on the <u>1844</u> day (	held on the 1999 fixuary, 1999 said ordinatice appear	day of, 1999 and recorded on the s from the records in my cast and recorded on the	, 200ò
records in my office	was as follows:		, cast and rooting on his	
For the Ordinance:	Haver Munic Muker C	Dirgiekiei Lopustow		<del>-</del>
	Mikel.	Souders		<u>-</u>
Against the Ordinano	:e:			- - -
			•	
I further certification for at least	fy that Ordinance No t thirty (30) days before	OIIOO, remai final passage or adopt	ined on file with me for publication.	
Given under my hand	d and the corporate seal	of said municipality th	his <u>1846</u> day of	
1 - W-	T) 2.000	Attest:	Qia L. Dodge City Clerk	

## **MINUTES**

It was moved by@	Leve Thrailein and seconded by 14 for Johns You
	ntroduced and read one time in full. Motion carried. Bill No
was read one time in full.	
It was moved by 📈	kue Chrackweard seconded by Mike Joliuston
that the rules be suspended	and that Bill No <u>327-0</u> /be placed on second reading by title only.
Motion carried by unanimo	us vote. Bill No. <u>3000-01</u> was read the second time by title
only.	
It was moved by 🌊	Leve Ouralbur and seconded by Mike Golmen ou!
that Bill No <u>3000-01</u> be ]	placed upon final passage. Thereupon Bill No Roca = 01 was placed
upon final passage with the	following roll call vote showing for and against individually:
For the Ordinance:	Leu Murailsie
	Miles ( le Man You)
	Wike Sauders
Against the Ordinance:	
	and the continue hoolens
Bill No <i>3000</i>	O - O / was declared adopted and placed in the Ordinance book as
Ordinance No. OUSO	<u>o</u> .

Acceptance by Missouri Public Service, a division of UtiliCorp United, Inc., a Delaware corporation, of the terms and provisions of Ordinance No. 011800, of the City of Peculiar, Missouri, granting a franchise to said company.

Missouri Public Service, a division of UtiliCorp United Inc., a Delaware corporation, hereby accepts for itself, its successor and assigns, all of the terms, conditions and provisions of Ordinance No. 011800 , passed by the Board of Aldermen of the City of Peculiar, Missouri, on the 18th day of January, 2000, granting a franchise to said Missouri Public Service, a division of UtiliCorp United Inc., a Delaware corporation.

IN WITNESS WHEREOF, Missouri Public Service, a division of UtiliCorp United Inc., a Delaware corporation, has caused these documents to be executed by the Vice President of Customer Operations, under the business segment UtiliCorp Energy Delivery, on this 28th day of February 2000.

MISSOURI PUBLIC SERVICE
A Division of UTILICORP UNITED INC.

By Wice President
Customer Operations

Received this 3dd day of Mancal J, 2000.

Received this 3dd day of Mancal J, 2000.