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December 6, 2002

**VIA FEDERAL EXPRESS**

Mr. Dale Roberts  
Missouri Public Service Commission  
200 Madison Street  
Jefferson City, MO 65101

**FILED<sup>3</sup>**

DEC 09 2002

Missouri Public  
Service Commission

***Re: KMB Utility Corporation and Cedar Hill Estates Water Company, Inc.***

Dear Mr. Roberts:

Enclosed please find an original and one copy of the Application for Merger regarding the above two entities. Please file the original and send the file stamped copy to our office in the enclosed Federal Express envelope.

These entities are both owned by the same individual, Ann Rudy, who would like to merge the corporations into one company for simplicity sake. If at all possible, we would like to have approval before year end. If there is anything I can do to help in that process, please do not hesitate to contact me.

Thank you very much for your assistance in this matter.

Sincerely,



Mark A. McColl



Missouri Secretary of State on June 17, 1997. Its mailing address, phone number and fax number are as follows: 5108 Dulin Creek Road, House Springs, MO 63051; phone: (636) 671-0818; fax: (636) 671-0580.

3. KMB operates various water systems in Eastern Missouri under the auspices and regulation of the Missouri Public Service Commission.

4. Cedar Hill operates a water company that serves a mobile home park in Cedar Hill located in Jefferson County, Missouri, under the auspices and regulation of the Missouri Public Service Commission.

5. Cedar Hill is a wholly owned subsidiary of KMB.

6. For logistical and administrative purposes, the Applicants desire to merge Cedar Hill into KMB. Following the merger, KMB would carry on the operations of Cedar Hill.

7. Neither KMB nor Cedar Hill has any pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this application.

8. No annual report or assessment fees for either KMB or Cedar Hill are overdue.

9. The proposed merger is not detrimental to public interest because Cedar Hill will continue to be operated by the same management under the current method of operation and rate structure. The only difference will be that the invoice to the customers will be from a different entity.

10. For the reasons stated in Paragraph 9, above, the impact of the merger will be negligible.

11. The merger will not have any impact on the tax revenues of the political subdivision in which the Applicants are located.

12. A copy of the proposed plan and agreement of merger and consolidation, including an organizational chart, is attached hereto and incorporated herein as Exhibit C.

13. A certified copy of the resolution of the Board of Directors and Shareholders of each applicant approving the merger, pending Public Service Commission approval, is attached hereto and incorporated herein as Exhibit D.

14. Copies of the balance sheets and income statement of the Applicants, as well as an income statement of KMB as the surviving corporation following the merger, is attached hereto and incorporated herein as Exhibit E.

KMB Utility Corporation, a  
Missouri corporation

By: Ann Rudy  
Ann Rudy, President

Cedar Hill Estates Water Company,  
Inc., a Missouri corporation

By: Ann Rudy  
Ann Rudy, President

BLUMENFELD, KAPLAN & SANDWEISS, P.C.

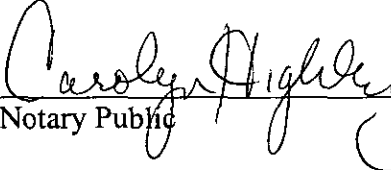
By: Mark Andrew McColl  
Mark Andrew McColl, MBE# 47557  
168 N. Meramec, Suite 400  
St. Louis, Missouri 63105-3763  
(314) 863-0800/Fax (314) 863-9388

363350.DOC;

STATE OF MISSOURI     )  
                                      ) SS  
COUNTY OF Jefferson     )

On this 6th day of Dec., 2002, before me personally appeared Ann C. Rudy, President of KMB Utility Corporation, a Missouri corporation, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same in her capacity as President of KMB UTILITY CORPORATION, as the free act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunder set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

  
\_\_\_\_\_  
Notary Public

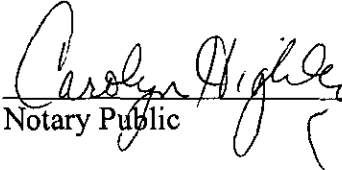


My Commission Expires:  
CAROLYN HIGHLEY  
NOTARY PUBLIC STATE OF MISSOURI  
JEFFERSON COUNTY  
MY COMMISSION EXP. APR. 28, 2003

STATE OF MISSOURI     )  
                                      ) SS  
COUNTY OF Jefferson     )

On this 6th day of Dec., 2002, before me personally appeared Ann C. Rudy, President of Cedar Hill Estates Water Company, Inc., a Missouri corporation, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same in her capacity as President of CEDAR HILL ESTATES WATER COMPANY, INC., as the free act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunder set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

  
\_\_\_\_\_  
Notary Public



My Commission Expires:  
CAROLYN HIGHLEY  
NOTARY PUBLIC STATE OF MISSOURI  
JEFFERSON COUNTY  
MY COMMISSION EXP. APR. 28, 2003

Certificate of Service

I hereby certify that the foregoing was sent via Federal Express delivery this 6<sup>th</sup> day of December, 2002, to:

Mr. Dale Roberts  
Missouri Public Service Commission  
200 Madison Street  
Jefferson City, Missouri 65101

  
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