

EXHIBIT VWS-6

**DRAFT
JOINT USE AGREEMENT
BETWEEN
ROLLA MUNICIPAL UTILITIES
AND
INTERCOUNTY ELECTRIC COOPERATIVE
ASSOCIATION**

Draft 12/31/98

LICENSE AGREEMENT FOR JOINT USE
OF ELECTRIC SYSTEM WOOD POLES

FOR

ELECTRIC SERVICE ATTACHMENTS

BETWEEN

ROLLA MUNICIPAL UTILITIES

AND

INTERCOUNTY ELECTRIC COOPERATIVE ASSOCIATION

CONTRACT NUMBER: IECA-JUWP-020

DRAFT 12/31/98

LICENSE AGREEMENT FOR JOINT USE OF ELECTRIC SYSTEM
WOOD POLES FOR ELECTRIC SERVICE ATTACHMENTS

THIS AGREEMENT made and entered into the 1st day of February 1999, by and between Intercounty Electric Cooperative Association, a rural electric cooperative organized and existing pursuant to Chapter 394 RSMo, with its principal place of business in Licking, Missouri and with district offices in Mt. Grove, Missouri and Rolla, Missouri (hereinafter called "Intercounty"), and Rolla Municipal Utilities, a municipal electric and water system owned and controlled by the City of Rolla, Missouri pursuant to Chapter 91 RSMo (hereinafter called "RMU"), and jointly called the parties.

WITNESSETH:

WHEREAS, Intercounty (a distribution electrical cooperative) owns, operates and maintains lines of wood poles in parts of Crawford, Dent, Gasconade, Maries, Phelps, Pulaski, Shannon, Texas, Wright Counties in the State of Missouri; and RMU owns, operates and maintains lines of wood poles within the city limits of Rolla, Missouri, as the same may change from time to time; and

WHEREAS, each party desires to document and provide a system of dealing with certain attachments which have previously been made by each party on the other's facilities through oral agreement and to place certain lines, attachments and apparatus on certain poles of each other to provide electrical distribution service to those customers that they are lawfully entitled to serve and for the limited purpose of minimizing the duplication of facilities along certain right-of-ways; in compliance with any and all local, state or federal regulations; provided, that such provision of services or joint use does not interfere with the corporate purposes of the other party or interfere with the furnishing of electrical service to consumers of the other party, and where in pole owner's judgement, safety will not be adversely affected; and

WHEREAS, each party is willing to permit the other, to the extent they may lawfully do so, to place said lines, attachments, and apparatus on said wood poles in the geographic area shown on Exhibit "A" set forth below:

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto, for themselves, their successors and assigns, do hereby covenant and agree as follows:

1. DEFINITIONS

(a) For the purpose of this agreement, the phrase "joint use pole" shall mean a wood pole, conforming to or which exceeds, to the latest specifications of the American Standards Association.

(b) A "pole contact" or attachment is defined as any attachment by the non-owner (hereinafter called "the Renter"), authorized by this agreement, to a wood pole owned by the other party (hereinafter called "the Owner"). Attachments to poles other than wood poles are beyond the scope of this agreement.

2. SPECIFICATIONS

(a) The joint use poles covered by this agreement shall be placed and maintained in accordance with the most stringent requirements, specifications, rules, and regulation of the latest edition of the National Electrical Safety Code (NESC), the Occupational Safety and Health Act (OSHA), the Rural Utilities Service (RUS), National Rural Electric Cooperative Association (NRECA), and the rules and practices of Intercounty as set forth in Exhibit "B" if RMU is the Renter and the rules and practices of RMU as set forth in Exhibit "B1" if Intercounty is the Renter.

(b) It is understood and agreed between the parties that the rules and practices set out in Exhibit "B" may be changed by Intercounty and Exhibit "B1" may be changed by RMU

respectively, or new rules and practices may be adopted by either party, without resort to the provisions of Section 15, relating to supplementing or amending this agreement, and the parties agree to be bound by any such change or adoption if written notice of such change is served on the affected party pursuant to section 18 at least ninety (90) days prior to the effective date of such change. Any attachment made prior to the effective date of this agreement shall be "grand fathered" as a permitted but non-conforming attachment.

(c) If the Owner changes or adopts a new rule or practice, or rules and practices, for the joint use of poles by the Renter, the Owner shall give the Renter written notice of such change or adoption in the manner contemplated by Section 18 and the Renter agrees to make such changes or alterations in its installations or maintenance of its facilities as may be required in order to fully comply with the provisions of such notice. In the absence of a contrary provision in said notice, the Renter agrees to make all required changes or alterations within thirty (30) days after receipt, unless the requirements exceed the reasonable capabilities of the Renter's available workforce, in which case the changes or alterations shall be accomplished as soon as a reasonably practical as negotiated by the Renter and Owner.

(d) The Renter shall not have authority to place any tag, brand, sign or other device on any pole of the Owner, except a small tag or insignia which contains an identification number or shows the Renter to be a licensee of such pole and not the owner thereof, or both and which, in the opinion of the Owner, does not constitute a climbing hazard. Such a tag may be placed on such pole but only after obtaining the written consent of the Owner.

(e) The strength of poles covered by this Agreement shall be sufficient to withstand the traverse and vertical loads imposed upon them under the storm loadings of the National Electrical Safety Code assumed for the area in which they are located.

(f) Any unbalanced loading of the Owner's poles caused by the placement of the Renter's circuits shall be properly guyed and anchored by the Renter, at no expense to the Owner.

3. ESTABLISHING JOINT USE OF POLES

(a) Before the Renter shall make use of any of the Owner's poles under this agreement, it shall request permission in writing on the application form attached and identified as Exhibit C, and shall comply with the procedures set forth in this section.

(b) If, in the judgment of the Owner, joint use of a particular wood pole is undesirable, the Owner shall have the right to reject the application. In any event within thirty (30) days after the receipt of such application the Owner shall notify the Renter in writing whether the application is approved or rejected and with a written explanation of any rejection.

(c) After receipt of notice from the Owner regarding the approved application, the Renter shall furnish the Owner detailed construction plans and drawings for each pole line, together with necessary maps, indicating specifically the poles of the Owner to be used jointly, the number and character of the attachments to be placed on such poles, any rearrangement of the Owner's fixtures and equipment necessary for joint use, any relocations or replacements of existing poles, and any additional poles which may be required. The Owner shall, on the basis of such detailed construction plans and drawings, submit to the Renter within thirty (30) days a cost estimate (based on the Owner's method of computing costs) for all changes which may be required in each such pole line, including an estimated completion date for such changes. Such cost estimate shall disclose and include percentages used by the Owner for any "overheads" or other percentages applied by the Owner as additions to actual costs. Upon written notice by the Renter to the Owner of the cost estimate being approved, the Owner shall proceed with the necessary changes in the pole line covered by the referenced cost estimate. The Owner shall make every effort to complete this work at a mutually agreed upon completion date. Nothing shall preclude the parties from making any mutually agreeable arrangement for contracting or otherwise accomplishing the necessary changes. Upon completion of all changes, the Renter shall have the right to use the poles jointly and to make attachments in accordance with the terms of the application and of this Agreement. The Renter shall, at its own expense, make attachments in such manner as not to interfere with the service of the Owner, and shall place guys and anchors to sustain any unbalanced loads caused by its attachments.

(d) Upon completion of all changes in each pole line to be used jointly, the Renter shall pay to the Owner the cost of making such changes. The obligations of the Renter shall not be limited to amounts shown on estimates made by the Owner. Costs include materials less salvage,

labor, engineering, supervision, overheads, relocation costs of other joint use parties, and tree trimming. (Engineering includes design, proper conductor spacing and bonding, and calculations to determine proper ground clearances and pole and downguy strength requirements for horizontal and transverse loading). An itemized statement of the actual costs of all such changes shall be submitted by the Owner to the Renter, in a form mutually agreed upon. Each party shall have the right to perform any necessary tree trimming, or cutting incidental thereto, in order to maintain their attachments in a safe and serviceable condition at their own expense.

(e) Insofar as practical, one party will coordinate tree trimming efforts with the other party and share costs in tree trimming efforts, as mutually agreed by both parties. The Renter may request tree trimming be done on a pole on which renter has an attachment. Any tree trimming by a Renter or its agents or contractors shall be at the sole expense and liability of the Renter and it shall fully indemnify and hold harmless the Owner in the event of any injuries or damages occasioned by such tree trimming.

(f) All poles jointly used under this agreement shall remain the property of the Owner, and any payments made by the Renter, whether for annual rental or for changes in pole lines under this agreement, shall not entitle the Renter to ownership or title of any of said poles.

(g) The Owner reserves the right to exclude any of its facilities from joint use.

(h) Since Intercounty is already attached to some RMU poles, and RMU is attached to some Intercounty poles, pursuant to previous oral agreements, the parties agree to the following procedure to be used to inventory and document the existing attachments. Within twenty (20) working days after the execution of this agreement by both parties, each shall designate personnel to perform a joint visual drive-by survey of existing attachments by either to the other and notify the other party of the personnel so designated. The joint survey shall be completed within thirty (30) days after such designation. The survey shall document, in a manner reasonably acceptable to both parties, the location of all existing attachments in a manner which will enable each party to document the nature of and later locate each of the attachments. This shall be a visual survey only for purposes of determining the locations and number of such attachments, and neither party shall be required to conduct any tests, measurements, or physical inspections of the attached facilities to determine whether they are in compliance with any applicable codes. However, if any safety concerns or code violations are readily apparent on such a drive-by visual inspection, the inspectors shall both report such concerns to their respective employer and the party responsible therefor shall take such corrective actions as may be appropriate under the circumstances. At the end of the thirty (30) day period, the inspectors shall produce a written document for each party which reasonably describes the nature of each attachment and records the number of such attachments for billing purposes under this Agreement. The inspectors shall attach their signatures to the document and verify that the inspections were done in a reasonable and workmanlike manner and, to the best of their knowledge, fully and fairly represents the full extent of attachments to each party's poles and other facilities as of the date of completion of the joint survey.

(i) Neither the joint survey nor any other aspect of this agreement shall be considered a "joint venture" of RMU and Intercounty.

(j) If, at any time after the completion of the joint survey, conditions are found on the poles subject to the survey which require the replacement or rearrangement of facilities, such replacements or rearrangements shall take place in the manner otherwise set forth in this agreement as if the affected party were making an initial application for attachment to the pole.

4. EASEMENTS AND RIGHTS-OF-WAY FOR THE RENTER'S ATTACHMENTS

Each party shall be responsible for obtaining its own easements or rights-of-way. The Owner does not warrant or assure to the Renter any right-of-way privilege or easements. If the Renter shall at any time be prevented from placing or maintaining its attachments on the Owner's poles, or ordered to remove its attachments as a result of such lack of authority or permission, no liability shall attach to the Owner from the Renter or anyone claiming an interest on the Renter's behalf.

5. MAINTENANCE OF POLES, ATTACHMENTS AND RIGHT-OF-WAY

(a) The Owner shall, at its own expense, inspect and maintain the poles in accordance with industry practices and the specifications mentioned in section 2, and shall replace, reinforce or repair such poles as are determined by the Owner to be defective.

(b) Whenever right-of-way considerations or public regulations make relocation of a pole necessary, such relocation shall be made by the Owner at its own expense, except that the Renter shall be responsible for and bear the cost of transferring its own attachments.

(c) Whenever it is necessary to replace or relocate a jointly used pole, the Owner shall, before making such replacement or relocation, give sixty (60) days notice in writing (except in case of emergency, when oral notice may be given and shall subsequently be confirmed in writing) to the Renter, specifying in such notice the time of such proposed replacement or relocation. The Renter shall transfer its attachments to the new or relocated pole. Should the Renter fail to transfer its attachments to the new or relocated pole at the time specified for such transfer of attachments, the Owner may elect to do such work or abandon the pole, and the Renter shall pay the Owner the cost of the pole and facilities associated with the pole. In the event the Renter fails to transfer its attachments and the Owner does such work, the Owner shall not be liable for any loss or damage to the Renter's facilities which may result, except to the extent such loss or damage is the result of negligence by the Owner, its agents or assigns.

(d) Except as otherwise provided in (c) of this Section, each party shall at all times maintain all of its attachments in accordance with the applicable specifications mentioned in Section 2 and shall keep them in thorough repair.

(e) Any existing joint use construction of the parties which does not conform to the applicable specifications mentioned in Section 2 shall be brought into conformity as soon as practical. When such existing construction shall have been brought into conformity with said specifications, it shall at all times thereafter be maintained as provided in (a) and (d) of this Section. Should the Renter fail to comply, after written notice of same, the Owner may elect to do such work and in such event the Renter shall pay the Owner the cost thereof upon being billed therefor.

(f) The Renter expressly assumes responsibility for determining the condition of all poles to be climbed or worked upon by its employees, contractors, or employees of contractors. The Owner disclaims any warranty or representation regarding the condition and safety of the poles in service. The Owner agrees that, upon written notification, it will replace any pole that has become unserviceable.

6. RECOVERY, REARRANGING OR RELOCATION OF FACILITIES

(a) In the event it is necessary for the Owner to use the space on poles occupied by the Renter, the Renter, shall upon receipt of a sixty (60) day written notice, either vacate the space by the removal or relocation of its attachments, at the discretion of the Owner, or shall authorize the Owner to replace the affected poles at the expense of the Renter and the Renter shall pay for said replacements as provided for in Section 6(b). This provision shall only apply in those situations where the Renter has not previously paid for the replacement of such.

(b) Under this agreement in order to accommodate the Renter's attachment once a pole has been replaced under this agreement and paid for by the Renter, subsequent replacements shall be at the sole cost of the party requesting the replacement. In any case where the facilities of the Owner or others are required to be rearranged on the poles of the Owner to accommodate the attachments of the Renter, the requesting Renter shall pay to the Owner the total costs incurred by the Owner in rearranging such facilities. The requesting the Renter shall also reimburse other users on such poles for their costs of rearrangement to provide space or clearance for the facilities of The Renter.

(c) Whenever it is necessary to replace or change the location of a joint use pole, for reasons other than those set out in Sections 6(a) and 6(b), and over which the Renter has no control, the Owner shall, before making such change, give due notice to the Renter, specifying in such notice the time of such proposed change, and the Renter shall promptly begin to transfer or remove its attachments. In case of any such pole replacement or relocation where the Owner has transferred or removed its attachments and the Renter has not transferred or removed its

attachments within sixty (60) days after receipt of such written notice, the Renter shall become liable for such old pole as provided in Section 8(a).

(d) In the event of any changes contemplated under Sections 6(a), 6(b) or 6(c), the Renter shall pay the entire cost of any removal, transfers or installation of its own attachments.

7. INDEMNIFICATION

(a) The Renter shall indemnify, protect, save harmless and insure the Owner from, and against any and all claims and demands for damages to property, and for injury or death to persons, including payments made under any Workers' Compensation Law or under any plan for employees' disability and death benefits, and including all expenses incurred in defending against any such claims or demands, which may arise out of or be caused by the erection, maintenance, presence, use, rearrangement or removal of the attachments of the Renter's equipment to the Owner's poles or by the proximity of the Renter's cables, wires, apparatus and appliances to those of the Owner or by any act of the Renter, its agents and employees on or in the vicinity of the Owner's poles. The Renter shall carry insurance in such form and in such companies as are satisfactory to the Owner to protect the parties from and against any and all claims, demands, actions, judgements, costs, expenses and liabilities of every name and nature which may arise or result directly or indirectly from or by reason of such loss, injury or damage, and in minimum amounts as provided in this agreement.

(b) The Renter shall take out and maintain throughout the period during which this Agreement shall remain in effect insurance conforming with the RUS requirements in the following respects:

- (i) Workers' compensation and employers' liability insurance, as required by law, covering all their employees who perform any of the obligations of the Renter under the contract. If any employer or employee is not subject to workers' compensation laws of the governing state, then insurance shall be obtained voluntarily to extend to the employer and employee coverage to the same extent as though the employer or employee were subject to the workers' compensation laws.
- (ii) Public liability insurance covering all operations under the contract shall have limits for bodily injury or death of not less than \$1 million each occurrence, limits for property damage of not less than \$1 million each occurrence, and \$1 million aggregate for accidents during the policy period. A single limit of \$1 million of bodily injury and property damage is acceptable. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form.
- (iii) Automobile liability insurance on all motor vehicles used in connection with the agreement, whether owned, non-owned, or hired, shall have limits for bodily injury or death of not less than \$1 million each occurrence; and property damage limits of \$1 million for each occurrence. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form.

(c) The Renter shall furnish to the Owner a certificate evidencing compliance with the above requirements. This certificate will note specific cancellation language, as follows: "In the event of cancellation of any of the said policies, the insuring company shall give the party to whom this certificate is issued fifteen (15) days, prior notice of such cancellation."

8. ABANDONMENT OF JOINT USE POLES

(a) If the Owner desires at any time to abandon any joint use pole, it shall give the Renter notice in writing to that effect at least sixty (60) days prior to the date on which it intends to abandon such pole. If, at the expiration of said period the Owner shall have no attachments on such pole but the Renter shall not have removed all of its attachments, such pole shall become the property of the Renter, and the Renter shall hold harmless the Owner from every obligation, liability, or cost, and from all damages, expenses or charges incurred thereafter, arising out of, or because of, the presence of or the condition of such pole or any attachments; and shall pay to the Owner a sum equal to the present value in place of such abandoned pole or

poles, or such other equitable sum or consideration as may then be agreed upon between the parties, and the Owner shall provide the Renter with a properly authorized bill of sale for such pole.

(b) The Renter may at any time abandon the use of a joint use pole by giving the Owner due notice in writing of such abandonment, as provided in Section 18, and removing from such pole all attachments that the Renter may have, and in case of such abandonment of the use of any such pole, the Renter shall pay to the Owner the full rental for the current year for the space on said pole set aside for the use of the Renter.

9. RENTALS, CHARGES and RATES

(a) On or about February 1st of each year, the parties, acting in cooperation, shall tabulate the total number of joint poles in use as of the preceding day. This tabulation shall indicate the number of poles on which rentals are to be paid. The rental for each of the first five (5) yearly rental periods (1999, 2000, 2001, 2002, and 2003) under this agreement shall be computed on the basis of \$6.50 six dollars and fifty cents (\$6.50) per annum, for each jointly used pole. The rental for any subsequent rental period shall be negotiated when the agreement is renewed.

(b) The yearly rental period covered by this agreement shall be the twelve month period between February 1st and January 31st. Rental payable for each such rental period during the continuance of this agreement shall be due and payable before February 1, following the end of the rental period. The annual rental per pole for all poles jointly used prior to February 1, 1999 shall be waived.

(c) In the event that the Renter requires a source of electrical energy for power supply to a cable system which constitutes a part of the licensed attachments and apparatus, such energy will be supplied by the Owner in accordance with the provisions of its standard service extension policies and approved rates and tariffs.

(d) All other amounts payable under this agreement, such as for erection, rearrangement, relocation or abandonment, shall be due and payable within thirty (30) days of billing by the Owner.

10. DEFAULTS

(a) If the Renter shall fail to comply with any of the provisions of this agreement or should default in any of its obligations under this agreement, and shall fail within thirty (30) days after written notice from the Owner to correct such noncompliance or default, the Owner may, at its option, and without further notice, declare this Agreement to be terminated in its entirety, or may terminate the permit covering the pole or poles in respect to which such default or noncompliance shall have occurred. In case of such termination, no refund of accrued rental shall be made.

(b) If the Renter shall make default in the performance of any work which it is obligated to do under this agreement, the Owner may elect to do such work, and the Renter shall reimburse the Owner for the cost upon being billed therefor.

(c) If the Renter shall make default in any of its obligations under this Agreement and it becomes necessary for the Owner to obtain the services of an attorney, who is not a salaried employee of the Owner, to enforce such obligations, the Renter agrees to pay all reasonable attorney fees, court costs and other costs of litigation associated with the enforcement of such obligations provided the Owner prevails in the litigation.

11. UNAUTHORIZED ATTACHMENT

(a) If any of the Renter's facilities for which no license has been issued shall be found attached to the Owner's poles, the Owner may, without prejudice to its other rights or remedies under this agreement, including termination, require the Renter to submit, within fifteen (15) days after the date of written or oral notification from the Owner of the unauthorized attachment, a pole attachment license application. If such application is not received by the Owner within the specified time period, the Renter shall immediately remove its unauthorized

attachment, or the Owner may remove the unauthorized facilities without liability, and the expense of such removal shall be borne by the Renter by the owner billing the Renter therefor.

(b) No act or failure to act by the Owner with regard to said unauthorized attachment shall be deemed as a ratification or the licensing of the unauthorized attachment. If any license should be subsequently issued, said license shall not operate retroactively or constitute a waiver by the Owner of any of its rights or privileges under this Agreement; provided, however, that the Renter shall be subject to all liabilities, obligations and responsibilities of this agreement from its inception in regard to said unauthorized attachment.

12. RIGHTS OF OTHER PARTIES

(a) Nothing herein shall be construed to limit the right of the Owner, by contract or otherwise, to confer upon others, not parties to this agreement, rights or privileges to use the joint use poles covered by this agreement. Nothing in this agreement is designed to confer any rights on anyone not a party to this agreement.

(b) The Owner reserves to itself, its successors and assigns, the right to maintain its poles and operate its facilities thereon in such manner as will best enable it to fulfill its own service requirements. The Owner shall not be liable to Renter, its customers, or any others, for any interruptions of service beyond the control of the Owner, to the Renter.

13. TERM OF AGREEMENT

(a) This agreement shall continue in force and effect for an initial period of five (5) years from and after the date of this agreement, and thereafter from year to year unless terminated by either party by giving written notice to the other party of its intention to not renew the agreement not less than one hundred and twenty (120) days prior to the end of any period.

(b) Upon the termination of this agreement, the Renter shall remove its attachments from the poles of the Owner within one hundred (100) days after the effective date of such termination. Should the Renter fail to comply, the Owner may elect to do such work and the Renter shall pay the Owner the cost thereof upon being billed therefor.

14. WAIVER OF TERMS OR CONDITIONS

The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but such conditions and terms shall be and remain at all times in full force and effect.

15. SUPPLEMENTAL AGREEMENTS

(a) This agreement may be amended or supplemented at any time upon written agreement by the parties hereto. Should either an amendment or supplement become necessary, the party desiring such amendment or supplement shall give thirty (30) days written notice to the other party setting out in detail the changes or additions desired.

(b) In the event that the Renter desires to add or reduce the number of pole contacts, Section 15(a) shall not apply, but in each case a sketch, map, or other mutually acceptable notice shall be submitted to the Owner, setting out in detail the pole numbers and exact locations of the poles, and the quantity of poles involved in the addition or subtraction.

16. PAYMENT OF TAXES

Each party shall pay all taxes and assessments lawfully levied on its own property upon said jointly used poles, and the taxes and the assessments which are levied on said joint use poles shall be paid by the Owner thereof, but any tax, fee or charge levied on the Owner's poles solely because of their use by the Renter shall be paid by the Renter.

17. INTEREST AND PAYMENTS

All amounts to be paid by the Renter to the Owner under this Agreement shall be due and payable within thirty (30) days after an itemized statement is presented to the Renter. Any payment not made within thirty (30) days from the due date shall bear interest at the monthly rate of 1.5 Percent (18%) per annum, until paid.

18. NOTICES

Any notice, request, consent, demand or statement which is contemplated to be made upon either party by the other party under any of the provisions of this agreement, shall be in writing and shall be treated as duly delivered when it is either:

(a) personally delivered to the office of the Owner in the case of a notice to be given to the Owner, or personally delivered to the office of the Renter in the case of a notice to be given to the Renter, or

(b) deposited in the United States mail and properly addressed to the party to be served as follows:

(i) If notice is to Intercounty Electric Cooperative Association:

Intercounty Electric Cooperative Association.
Attention: Manager of Engineering
102 Maple Avenue, P.O. Box 209
Licking, Missouri 65542-0209

(ii) If notice is to Rolla Municipal Utilities:

Rolla Municipal Utilities
Attention: Joint Use Department
P.O. Box 767
Rolla, Missouri 65402-0767

19. SUPPLYING INFORMATION

(a) It is understood and agreed between the parties that the Renter shall furnish to the Owner within sixty (60) days after the execution of this agreement a detailed sketch or map upon which will be shown the precise locations by streets or roads of the joint use poles covered by this agreement, showing the facilities installed or to be installed upon the joint use poles and the pole numbers upon which these facilities are to be attached. Such sketch or map shall be reviewed by, and approved, commented upon, or rejected by the engineers of the Owner, and the Renter agrees to make any and all such changes in said sketch or map as are reasonably requested by said engineers. The Renter shall not begin the installation of any new attachments covered by this agreement until engineering approval by the Owner is granted.

(b) Within sixty (60) days after the completion of the initial installation of the facilities, as set forth on the above mentioned sketch or map, the Renter shall furnish to the Owner a revised copy of said sketch or map showing the precise location of each power supply, pole contact, and other attachment of the Renter which is actually installed on poles of the Owner. Such revised sketch or map shall be verified by the Owner and shall be the basis for determining the initial number of pole contacts.

(c) The Renter shall promptly report to the Owner any changes made in the number of poles of the Owner contacted by the Renter.

(d) Upon request of the Owner or the Renter, but not sooner than five (5) years after the execution of this agreement, and every five (5) years thereafter, or as may be mutually agreed upon, the parties shall make a joint field check to verify the accuracy of contact records. If, as a result of any such joint field check, it is found that the Renter is occupying any poles of the Owner without having advised the Owner as provided in Section 15, the Renter shall pay

to the Owner the rental for such poles from the date that the Renter's attachments were installed on such poles, or if dates of installation cannot be determined to the satisfaction of both parties, the installations shall be presumed to have occurred at the same rate as those reported throughout the entire period since the last field check was made.

20. CONSTRUCTION OF AGREEMENT

This agreement is deemed executed in the State of Missouri and shall be construed under the laws of the State of Missouri.

21. PRIOR AGREEMENTS SUPERSEDED

This agreement supersedes and replaces any and all previous agreements entered into by and between the Owner and the Renter with respect to the subject matter of this agreement.

22. ASSIGNMENT OF AGREEMENT

Neither party shall assign or otherwise transfer this Agreement or any of its rights and interests therein to any firm, corporation or individual, without the prior written consent of the other party, which shall not be unreasonably withheld. However, no such assignment as may be permitted by this provision shall operate or be construed to entitle the successor in interest to any greater rights under this agreement than the original party had.

23. NOTICE OF DAMAGE OR CLAIMS

Each party shall promptly notify the other of any physical damage caused to the other's facilities, or of any claims of any kind associated with the attachments under this agreement.

24. INTERFERENCE

In the event that the installation or operation of Renter's attachments, or any part thereof, interferes with telephone, telegraph, radio or television reception or other regularly used communication or signaling arrangements, the Renter shall immediately proceed to eliminate, at its sole expense, the cause of such interference by altering, rearranging, changing or removing the installation or operation of its attachments.

In witness whereof, the parties have caused this Agreement to be duly executed.

ATTEST:

INTERCOUNTY ELECTRIC COOPERATIVE ASSOCIATION

BY: _____

TITLE: _____ PRESIDENT

ATTEST:

ROLLA MUNICIPAL UTILITIES

BY: _____

TITLE: _____ PRESIDENT

EXHIBIT "A"

Attach here as Exhibit "A" a map or sketch entitled "Location of the System Service Area", stating the corporate name of the Renter, and showing, outlined in red, the service area of the Renter as required on page 1 of this agreement. This map shall be marked Exhibit "A", should be no larger than 30" x 30", shall be properly folded to the size of 8 1/2" x 11" for inclusion in this Agreement and stapled to the Agreement in the upper left corner. This Exhibit need not show location of poles and lines, (see Section 19); but should illustrate the area in which contacts are planned.

EXHIBIT "B"

RULES AND PRACTICES FOR
ELECTRICAL SYSTEM ATTACHMENTS
TO INTERCOUNTY'S POLES

1. All RMU's facilities attached to Intercounty's poles shall be installed in a manner to ensure compliance with the requirements of the "National Electrical Safety Code", in effect at the time of installation.
2. The location of all cables or power supplies on Intercounty's poles shall be approved in writing by Intercounty. No attachments shall be made without prior approval of Intercounty. All Intercounty facilities are to be assumed as energized.
3. All RMU's cables and power supplies shall be located on the same side of each pole as any existing telephone cable, and be a minimum of 48 inches from any energized circuit or device of Intercounty's, or as designated by Intercounty.
4. On jointly used poles where Intercounty has secondary conductors, all RMU's cables and power supplies shall be located on the side of the pole opposite the secondary conductors, or as designated by Intercounty.
5. RMU's service connections to its customers shall be installed and maintained so as to provide at least a forty (40) inch square climbing space directly over and corresponding to the climbing space provided for and through any telephone service connections or drops.
6. RMU shall cause all equipment, cabinets and enclosures to be grounded by bonding to their separate system neutral or existing pole ground with #6 solid, bare, soft drawn copper wire. There will not be any commingling of facilities between RMU's and Intercounty's facilities including neutrals or pole grounds.
7. No power supply shall be installed on any of Intercounty's poles on which are already installed transformers, underground electric services, capacitor banks, or sectionalizing equipment.
8. No bolt used by RMU to attach its facilities shall extend or project more than one (1) inch beyond its nut.
9. All attachments or facilities of RMU shall have at least two (2) inches clearance from unbonded hardware.
10. All RMU's wires shall have at least forty-eight (48) inches clearance under the effectively grounded parts of Intercounty's transformers, transformer platforms, capacitor banks and sectionalizing equipment and at least forty-eight (48) inches clearance under the current carrying parts of such equipment (energized at 8700 volts or less). Clearances not specified in this rule shall be determined by reference to the "National Electrical Safety Code".
11. RMU may, with the prior written approval of Intercounty, install cross-arms, alley arms, or cable extension arms for the support of any of its facilities. However, RMU shall not use any cross-arm or alley arm brace above the arm which it supports.
12. RMU shall install and maintain any and all of its facilities in a neat and workmanlike manner consistent with the maintenance of the overall appearance of the jointly used pole, and all subject to the approval of Intercounty, provided that RMU shall be solely responsible for compliance with the specifications referred to in Section 5 of this License Agreement.
13. All down guys, head guys or messenger dead ends installed by RMU shall be attached to jointly used poles by the use of "thru" bolts. Such bolts placed in a "bucking" position shall have at least three inches vertical clearance. Under no circumstances shall RMU install down guys, head guys or messenger dead ends by means of encircling jointly used poles with such attachments. All guys and anchors shall be installed prior to installation of any wire or cables.

14. In the event that any of RMU's proposed facilities are to be installed upon poles already jointly used by Intercounty and other parties, without in any way modifying the clearance requirements set forth in these Rules and Practices, RMU shall negotiate with such other parties, as to clearances between its facilities and the spans of RMU and such other parties.

15. In the event RMU desires to request a change in the number of pole contacts, it shall do so by submitting to Intercounty the standard form suitable for that purpose.

16. RMU shall provide a written statement signed by a Professional Engineer or Supervisory employee representing RMU, that its facilities, including protective devices, as installed are fully in compliance with the rules of the NESC, other codes and requirements, and good engineering design. This inspection shall be made within (30) days after installation has been completed. Failure to comply will result in termination of this Agreement as outlined in Section 10(a), 10 (b) and 10(c).

EXHIBIT "B"

RULES AND PRACTICES FOR
ELECTRICAL SYSTEM ATTACHMENTS
TO ROLLA'S POLES

1. All Intercounty's facilities attached to RMU's poles shall be installed in a manner to ensure compliance with the requirements of the "National Electrical Safety Code", in effect at the time of installation.
2. The location of all cables or power supplies on RMU's poles shall be approved in writing by RMU. No attachments shall be made without prior approval of RMU. All RMU facilities are to be assumed as energized.
3. All Intercounty's cables and power supplies shall be located on the same side of each pole as any existing telephone cable, and be a minimum of 48 inches from any energized circuit or device of RMU's, or as designated by RMU.
4. On jointly used poles where RMU has secondary conductors, all Intercounty's cables and power supplies shall be located on the side of the pole opposite the secondary conductors, or as designated by RMU.
5. Intercounty's service connections to its customers shall be installed and maintained so as to provide at least a forty (40) inch square climbing space directly over and corresponding to the climbing space provided for and through any telephone service connections or drops.
6. Intercounty shall cause all equipment, cabinets and enclosures to be grounded by bonding to their separate system neutral or existing pole ground with #6 solid, bare, soft drawn copper wire. There will not be any commingling of facilities between Intercounty's and RMU's facilities including neutrals or pole grounds.
7. No power supply shall be installed on any of RMU's poles on which are already installed transformers, underground electric services, capacitor banks, or sectionalizing equipment.
8. No bolt used by Intercounty to attach its facilities shall extend or project more than one (1) inch beyond its nut.
9. All attachments or facilities of Intercounty shall have at least two (2) inches clearance from unbonded hardware.
10. All Intercounty's wires shall have at least forty-eight (48) inches clearance under the effectively grounded parts of RMU's transformers, transformer platforms, capacitor banks and sectionalizing equipment and at least forty-eight (48) inches clearance under the current carrying parts of such equipment (energized at 8700 volts or less). Clearances not specified in this rule shall be determined by reference to the "National Electrical Safety Code".
11. Intercounty may, with the prior written approval of RMU, install cross-arms, alley arms, or cable extension arms for the support of any of its facilities. However, Intercounty shall not use any cross-arm or alley arm brace above the arm which it supports.
12. Intercounty shall install and maintain any and all of its facilities in a neat and workmanlike manner consistent with the maintenance of the overall appearance of the jointly used pole, and all subject to the approval of RMU, provided that Intercounty shall be solely responsible for compliance with the specifications referred to in Section 5 of this License Agreement.
13. All down guys, head guys or messenger dead ends installed by Intercounty shall be attached to jointly used poles by the use of "thru" bolts. Such bolts placed in a "bucking" position shall have at least three inches vertical clearance. Under no circumstances shall Intercounty install down guys, head guys or messenger dead ends by

means of encircling jointly used poles with such attachments. All guys and anchors shall be installed prior to installation of any wire or cables.

14. In the event that any of Intercounty's proposed facilities are to be installed upon poles already jointly used by RMU and other parties, without in any way modifying the clearance requirements set forth in these Rules and Practices, Intercounty shall negotiate with such other parties, as to clearances between its facilities and the spans of Intercounty and such other parties.

15. In the event Intercounty desires to request a change in the number of pole contacts, it shall do so by submitting to RMU the standard form suitable for that purpose.

16. Intercounty shall provide a written statement signed by a Professional Engineer or Supervisory employee representing Intercounty, that its facilities, including protective devices, as installed are fully in compliance with the rules of the NESC, other codes and requirements, and good engineering design. This inspection shall be made within (30) days after installation has been completed. Failure to comply will result in termination of this Agreement as outlined in Section 10(a), 10 (b) and 10(c).

EXHIBIT "C"

APPLICATION AND PERMIT FOR THE JOINT USE OF WOOD POLES

Application No. _____ Contract Number: IECA-JUWP-020 Date _____

In accordance with the terms of the Agreement dated December 31, 1998, application is hereby made for _____ to make attachments to _____ poles located in or near _____ in the County of Phelps and the State of Missouri.

The poles, including proposed construction by the Owner if necessary for which permission is requested are listed by pole number on the attached Exhibit "C1" and further identified on the attached map. Detailed construction plans and location drawings, will be furnished.

RENTER

By: _____

Title: _____

I hereby certify that upon final inspection (which will be made within 30 days after construction is complete) the attachments fully comply with the National Electrical Safety Code (NESC), latest edition, and no poles or facilities of _____ will be in violation of NESC as the result of said attachments.

Registration Number (State)

Engineer's Signature

Permission for construction granted _____, _____, subject to: (1) your approval of the following changes and rearrangements at an estimated cost to you of \$ _____, (2) the necessary third-party rearrangements are done satisfactorily, and (3) that the Renter construct according to standards.

By: _____

Title: _____

OWNER

The above estimates for make-ready changes and rearrangements approved _____, _____. The Renter intends to construct plant within 120 days after make-ready work is complete.

PERPETUAL INVENTORY OF POLES

Current Balance _____

Added or (Removed) _____

New Balance _____

By: _____

Title: _____

RENTER

EXHIBIT "C1"

ATTACHMENTS TO BE INSTALLED
Contract Number: IECA-JUWP-020

RENTER:

OWNER:

POLE
NUMBER

COMMENTS - MAKE-READY

PERMISSION
GRANTED

ESTIMATED COST
OF MAKE-READY

EXHIBIT "D"

NOTIFICATION OF REMOVAL OF JOINT USE FACILITIES

Contract Number: IECA-JUWP-020

Date _____

In accordance with the terms of the Agreement dated December 31, 1998, application is given to _____ for the removal of attachments from _____ poles located in or near _____ in the County of Phelps and the State of Missouri.

The poles from which attachments have been removed are listed below:

Exhibit D1 and further identified on the attached map.

POLE
NUMBER

USE

POLE
NUMBER

USE

Rolla Municipal Utilities

By: _____

Title: _____

Notice Acknowledged

PERPETUAL INVENTORY OF POLES

Current Balance _____

Added or (Removed) _____

New Balance _____

Intercounty Electric Cooperative Assn.

By: _____

Title: _____

EXHIBIT VWS-7

**RATE COMPARISON
INTERCOUNTY ELECTRIC COOPERATIVE
ASSOCIATION
WITH
ROLLA MUNICIPAL UTILITIES**

**RATE COMPARISON
INTERCOUNTY ELECTRIC COOPERATIVE
ASSOCIATION
WITH
ROLLA MUNICIPAL UTILITIES
JANUARY 01, 2000**

	INTERCOUNTY	ROLLA		INTERCOUNTY (with discounts & patronage)		
		Winter	Summer	1997	1998	1999
<u>RESIDENTIAL</u>						
Minimum Bill	\$11.50	\$5.00	\$5.00	\$10.02	\$9.55	\$10.56
500 KWH	\$43.50	\$35.00	\$35.00	\$36.69	\$34.48	\$38.30
1,000 KWH	\$75.50	\$65.00	\$65.00	\$63.38	\$59.42	\$66.04
2,500 KWH	\$156.50	\$120.00	\$132.00	\$130.37	\$121.76	\$135.49
5,000 KWH	\$291.50	\$220.00	\$252.00	\$242.02	\$225.68	\$251.25
<u>SMALL COMMERCIAL</u>						
Minimum Bill	\$18.90	\$10.00	\$10.00	\$16.46	\$15.70	\$17.35
500 KWH	\$50.90	\$41.50	\$41.50	\$43.14	\$40.63	\$45.10
1,000 KWH	\$82.90	\$73.00	\$73.00	\$69.83	\$65.56	\$72.84
2,500 KWH	\$163.90	\$133.50	\$141.00	\$136.81	\$127.91	\$142.29
5,000 KWH	\$298.90	\$251.00	\$271.00	\$248.46	\$231.83	\$258.04
<u>LARGE POWER</u>						
75 KW DEMAND						
5,000 KWH	\$571.00	\$686.25	\$815.00	\$485.43	\$457.79	\$507.88
20,000 KWH	\$1,226.00	\$1,166.25	\$1,445.00	\$1,020.31	\$952.55	\$1,060.08
50,000 KWH	\$2,336.00	\$2,126.25	\$2,705.00	\$1,915.90	\$1,775.98	\$1,980.86
100,000 KWH	\$4,186.00	\$3,726.25	\$4,805.00	\$3,408.54	\$3,148.38	\$3,515.50
<u>LARGE POWER</u>						
100 KW DEMAND						
5,000 KWH	\$683.00	\$855.00	\$1,010.00	\$582.97	\$550.80	\$610.71
20,000 KWH	\$1,388.00	\$1,335.00	\$1,640.00	\$1,161.40	\$1,087.08	\$1,208.83
50,000 KWH	\$2,498.00	\$2,295.00	\$2,900.00	\$2,056.98	\$1,910.51	\$2,129.61
100,000 KWH	\$4,348.00	\$3,895.00	\$5,000.00	\$3,549.62	\$3,282.91	\$3,664.24
<u>LARGE POWER</u>						
250 KW DEMAND						
5,000 KWH	\$1,355.00	\$1,867.50	\$2,180.00	\$1,168.22	\$1,108.85	\$1,227.73
20,000 KWH	\$2,060.00	\$2,347.50	\$2,810.00	\$1,746.64	\$1,645.13	\$1,825.84
50,000 KWH	\$3,470.00	\$3,307.50	\$4,070.00	\$2,903.50	\$2,717.70	\$3,022.07
100,000 KWH	\$5,320.00	\$4,907.50	\$6,170.00	\$4,396.14	\$4,090.10	\$4,556.71
<u>INDUSTRIAL</u>						
1000 KW DEMAND						
5,000 KWH	\$4,420.00	\$6,930.00	\$8,030.00	\$3,837.52	\$3,654.15	\$4,041.94
20,000 KWH	\$5,080.00	\$7,410.00	\$8,660.00	\$4,376.75	\$4,153.05	\$4,598.74
50,000 KWH	\$6,400.00	\$8,370.00	\$9,920.00	\$5,455.23	\$5,150.88	\$5,712.33
100,000 KWH	\$8,600.00	\$9,970.00	\$12,020.00	\$7,252.68	\$6,813.94	\$7,568.33
<u>SECURITY LIGHTS</u>	\$6.93	\$5.25	\$5.25	\$6.02	\$5.73	\$6.34
<u>STREET LIGHTS</u>	\$2.10	\$5.25	\$5.25	\$1.83	\$1.73	\$1.92

EXHIBIT VWS-8

**INTERCOUNTY ELECTRIC COOPERATIVE
ASSOCIATION**

**FINANCIAL AND STATISTICAL REPORT
PART C, BALANCE SHEET**

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

USDA-RUS		BORROWER DESIGNATION MO018	
FINANCIAL AND STATISTICAL REPORT		PERIOD ENDED 1999 Annual	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B - 2			
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	71,903,699	30. Memberships.....	111,850
2. Construction Work in Progress.....	266,556	31. Patronage Capital.....	28,182,464
3. Total Utility Plant (1+2).....	72,170,255	32. Operating Margins - Prior Years.....	0
4. Accum. Provision for Depreciation and Amort..	20,426,369	33. Operating Margins - Current Year.....	1,696,785
5. Net Utility Plant (3-4).....	51,743,886	34. Non-Operating Margins.....	550,411
6. Non-Utility Property (Net).....	6,000	35. Other Margins and Equities.....	0
7. Investments in Subsidiary Companies.....	2,100	36. Total Margins & Equities (30 thru 35)	30,541,510
8. Invest. In Assoc. Org. - Patronage Capital.....	9,656,751	37. Long-Term Debt - RUS (Net).....	29,127,006
9. Invest. In Assoc. Org. - Other - General Funds	0	(Payments-Unapplied \$	0)
10. Invest. In Assoc. Org. - Oth. - Nongen. Funds..	1,196,903	38. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
11. Investments in Economic Development Projects	0	39. Long-Term Debt - Other - REA Guaranteed.....	0
12. Other Investments.....	0	40. Long-Term Debt - Other (Net)	10,012,649
13. Special Funds.....	0	41. Total Long-Term Debt (37 thru 40).....	39,139,655
14. Total Other Property and Investments (6 thru 13)	10,861,754	42. Obligations Under Capital Leases - Noncurrent	0
15. Cash - General Funds.....	70,069	43. Accumulated Operating Provisions.....	4,521,643
16. Cash - Construction Funds - Trustee.....	0	44. Total Other Noncurrent Liabilities (42+43).....	4,521,643
17. Special Deposits.....	0	45. Notes Payable.....	1,257,889
18. Temporary Investments.....	11,692,102	46. Accounts Payable.....	1,759,076
19. Notes Receivable (Net).....	0	47. Consumers Deposits.....	332,803
20. Accounts Receivable - Sales of Energy (Net)..	2,461,569	48. Other Current and Accrued Liabilities.....	317,347
21. Accounts Receivable - Other (Net).....	62,444	49. Total Current & Accrued Liabilities (45 thru 48)	3,667,115
22. Materials and Supplies - Electric and Other.....	692,289	50. Deferred Credits.....	100,238
23. Prepayments.....	56,002	51. Accumulated Deferred Income Taxes.....	0
24. Other Current and Accrued Assets.....	243,696	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24)	15,278,171	(38+41+44+49 thru 51).....	77,970,161
26. Regulatory Assets.....	0	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	86,350	53. Balance Beginning of Year.....	858,330
28. Accumulated Deferred Income Taxes.....	0	54. Amounts Received This Year (Net).....	30,604
29. Total Assets and Other Debits (5+14+25 thru 28)	77,970,161	55. Total Contributions in Aid of Construction.....	888,934
PART D. NOTES TO FINANCIAL STATEMENTS			
THIS SPACE IS PROVIDED FOR IMPORTANT DISCLOSURE NOTES TO THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. REPORT ITEMS CONTAINED IN THE INSTRUCTIONS AND ADDITIONAL MATERIAL ITEMS. (A SEPERATE SHEET MAY BE USED IF ADDITIONAL SPACE IS NEEDED.)			
Cash Received From Patronage Capital Refunds: 0			
Cash received from patronage capital refunds: \$284,070			
Unbilled revenue estimated from December 15 to December 3, 1999: \$1,382,732			
Deferred compensation/pension plans--employer: Net Periodic pension cost FAS 87: \$421,586 Net periodic postretirement benefit cost FAS 106: \$947,028			

EXHIBIT VWS-9

**FRANCHISE AGREEMENT
BETWEEN
THE CITY OF MOUNTAIN GROVE AND
INTERCOUNTY ELECTRIC COOPERATIVE
ASSOCIATION**

AN ORDINANCE GRANTING A FRANCHISE TO INTERCOUNTY ELECTRIC COOPERATIVE ASSOCIATION, A MISSOURI CORPORATION, TO CONSTRUCT, ACQUIRE, OPERATE AND MAINTAIN ELECTRIC FACILITIES IN THE CITY OF MOUNTAIN GROVE, MISSOURI, FOR A PERIOD OF TWENTY (20) YEARS, AND TO FURNISH ELECTRICITY TO THE CITY AND INHABITANTS THEREOF AND TO USE THE STREETS, ROADS, ALLEYS AND OTHER PUBLIC PLACES WITHIN THE CITY FOR SAID PURPOSES.

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF MOUNTAIN GROVE, MISSOURI, AS FOLLOWS:

SECTION 1: That the City of Mountain Grove, Missouri, hereinafter called the "City", does hereby grant unto Intercounty Electric Cooperative Association, a Missouri corporation, hereinafter called "Intercounty", and its successors, and assigns, the right, permission, authority, privilege and franchise to locate, erect, install, construct, reconstruct, maintain, repair, own, operate, manage, and control within the present and future corporate limits of the City, for a period of twenty (20) years from and after April 10, 1998, an electric distribution system and such facilities as may be necessary, convenient or proper in providing the City and its inhabitants with electric service. Upon expiration of the initial twenty (20) year term the franchise will continue to renew on a recurring five(5) year extension unless canceled in writing by the City or by Intercounty, with a minimum of one (1) years notice to the other party before the end of any five (5) year extension.

This franchise is granted to Intercounty in accordance with the provisions of Section 394.080 RSMo, as amended by the laws of 1994, and any prior franchises, or extensions thereof are hereby superceded by this ordinance.

SECTION 2: That the providing of electric service by Intercounty to the inhabitants of the City shall be subject to the provisions of the Articles of Incorporation, the By-Laws, the Rules and Regulations of Intercounty, and the rates charged by Intercounty shall be set by the Board of Directors of Intercounty. That in furnishing electric service to the inhabitants of the City, Intercounty, as a cooperative, has the right to require that any person, firm, association, corporation or body politic or subdivision thereof, must be a member of Intercounty in order to obtain and receive electric service from Intercounty. The customers of Intercounty in the City shall be charged the same rates as other members of Intercounty not located within the City of Mountain Grove,

Missouri, except for any franchise tax passed on or charged to said customers.

SECTION 3: That, for the purposes aforesaid, the City hereby grants and conveys to Intercounty the right and authority to enter upon and use all of the streets, lanes, avenues, alleys, sidewalks, bridges and public grounds of the City during the aforesaid period.

SECTION 4: That Intercounty shall hold the City free and harmless of and from any and all liability, claims, causes of action, and actions caused by or resulting from the negligence of Intercounty in the erection, installation, construction, maintenance, repairing, operation, management or control of said electric distribution system in the City.

SECTION 5: That, during the location, erection, installation, construction, maintenance, repairing and operation of said electric distribution system, Intercounty shall not unnecessarily impede public travel on the streets, lanes, avenues, alleys, sidewalks, bridges and public grounds of the City.

SECTION 6: That on or before the 15th day of each month during the aforesaid twenty (20) year period, Intercounty shall pay the City in cash an amount equal to five percent (5%) of the aggregate sum received by Intercounty, during the previous month for electric energy furnished by Intercounty for gross city revenue service to residential and commercial customers and excluding industrial customers within the corporate limits of the City; and that on or before the 15th day of each month during the aforesaid twenty (20) year period, the City shall pay to Intercounty, in cash, an amount equal to the charges for street lights being furnished by Intercounty to the City for the previous month, said amount to be based upon rate schedules as set and approved by the Board of Directors of Intercounty.

SECTION 7: That the monthly payments to be made by Intercounty under Section 6 hereof, shall be in lieu of all taxes or assessments, licenses, license taxes or license fees, occupation taxes, rental taxes or charges, or charges for police supervision, inspection or protection, except general property taxes, which the City otherwise might now or hereafter during the aforesaid twenty (20) year period be empowered to levy upon, assess against, or collect from Intercounty, except those charges, fees, taxes, or assessments, by whatever name they may be called, which may be passed on or charged to the customers of Intercounty in the City.

SECTION 8: Intercounty shall not sell, transfer or assign this franchise to any person or corporation other than to one approved by the City. The City will not unreasonably withhold approval of any such sale, transfer or assignment.

SECTION 9: That if any section or part of a section of this Ordinance shall be declared null and void by a competent authority, the remaining portions hereof shall not be affected thereby.

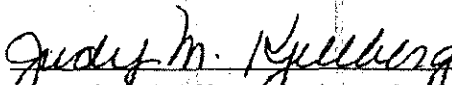
SECTION 10: That all ordinances or resolutions, or parts thereof, heretofore adopted by the City which are or may be in conflict with the terms hereof, are hereby repealed and for naught held.

SECTION 11: That this Ordinance shall take effect from and after its passage and approval, and the consent thereto by the majority of the Board of Aldermen of the City and the approval of the Mayor of the City.

PASSED AND APPROVED BY THE BOARD OF ALDERMEN THIS 20th DAY OF April 1998.


Delbert Crewse, Mayor

ATTEST:


Judy Kjellberg, City Clerk

FIRST READING April 20th, 1998
SECOND READING April 20th, 1998

EXHIBIT VWS-10

**TERRITORIAL AGREEMENT
LETTERS**

Intercounty Electric Cooperative Association

P.O. BOX 209, LICKING, MISSOURI 65542-0209 / (573) 674-2211 / FAX (573) 674-2888



January 20, 1999

Mr. Dan A Watkins, General Manager
Rolla Municipal Utilities
P.O. Box 767
Rolla, Missouri 65402-0767

RE: Service Territory Agreement

Dear Mr. Watkins:

I appreciate the opportunity Dwayne and I had to meet with you, Mayor Morgan and the City Administrator, John Butz, last Tuesday. I found the meeting to be informative.

As noted at the meeting, I have enclosed a copy of the proposed agreement I had earlier submitted for the City's review. I would suggest that the discussion continue with this draft of a territorial agreement as a starting point. Intercounty has some reservations on the subject of a franchise which we can discuss at our next meeting. Since there appeared to be some interest in the subject, I have also enclosed a copy of a recently executed franchise agreement.

I also understood from the meeting that there was no problem with the next meeting being held on January 26, 1999, at 7:00 P.M., at the same place. If you have any questions or if I can be of assistance, please feel free to contact me.

Sincerely,

Vernon W. Strickland
General Manager

cc: Intercounty/RMU Committee
Attorneys
Mayor J. Morgan
Mr. John Butz, City Administrator

Intercounty Electric Cooperative Association

P.O. BOX 209, LICKING, MISSOURI 65542-0209 / (573) 674-2211 / FAX (573) 674-2888



December 17, 1998

Mr. Dan A Watkins, General Manager
Rolla Municipal Utilities
P.O. Box 767
Rolla, Missouri 65402-0767

RE: Territorial Agreement

Dear Mr. Watkins:

I received your letter dated December 15, 1998 yesterday which expressed your concerns over the ongoing negotiations. I was a little perplexed by the substance and tone of your letter as I was expecting a follow-up letter from you agreeing to an extension of the statutory time limit for an additional six months. Please let me know if it is your intention to not agree to an extension so that we may begin preparation on the other options allowed under the statute. This agreement for an extension was part of the consensus of those participating in the meeting held on November 10, 1998.

Intercounty perspective on events to-date areas follows:

- 1). It was agreed that a joint-use agreement between Intercounty and RMU would be beneficial.
- 2). Draft joint-use agreements have been reviewed twice by the IECA/RMU committee.
- 3). Intercounty returned a reconciled copy of the draft joint-use agreement with areas to be discussed indicated to the IECA/RMU committee on December 14, 1998. Any delay in returning the updated draft could have been explained with a telephone call.
- 4). Intercounty has made known to the City of Rolla and RMU that it is interested in negotiating a territorial agreement that would be of benefit to both the City and Intercounty.
- 5). Intercounty has made several attempts to begin the discussion of a territorial agreement in the past five years only to be met with non-productive responses from the former City Administrator and RMU manager.

- 6). Since joint-use agreements are negotiated regularly throughout the industry it was Intercounty's impression that it would be easier to "break the ice" with a straight forward approach to the overall negotiations of both RMU's and Intercounty's areas of interest in the Rolla area. I am also enclosing a copy of the agenda that was agreed to by the Intercounty/RMU committee at their first meeting which shows both territorial agreement and franchise arrangement as items to be discussed.
- 7). The City of Rolla has stated that it intends to expand its electric service territory into the recently annexed 1,400 acre south-side area. City of Rolla officials in their public presentations throughout the annexation effort repeatedly stated that Intercounty would not be a part of the annexation. While these positions can be mutually exclusive, the current actions by RMU appears to bring them into conflict which may have to be resolved in another forum.
- 8). Intercounty's preliminary estimates of the "fair and reasonable compensation" elements outlined in the requirements of RSMo §386.800.5 for the 1,400 acre annexation are as follows:
 - (1) The present-day reproduction cost, new, of the properties and facilities serving the annexed areas, less depreciation computed on a straight-line basis = \$648,690.
 - (2) An amount equal to the reasonable and prudent cost of detaching the facilities To be transferred to the municipally owned electric utility = \$2,184,000.
 - (3) Four hundred percent of gross revenues less gross receipt taxes received normalized to produce a representative usage from customers at the subject structures in the annexed area = \$2,339,860.
 - (4) Any federal, state and local taxes which may be incurred as a result of the transaction, including recapture of any deduction or credit = Unknown (will need to have our auditors define the potential tax exposure)
 - (5) Any other costs reasonably incurred by the affected electric supplier in connection with the transaction = \$1,667,000.
- 9). If you want to acquire some smaller subset of the annexed area we will need to have maps showing your area of interest. The preliminary costs identified in 8) vary significantly depending on the areas under consideration.
- 10). At the first meeting of the IECA/RMU committee you were asked by the committee to provide to them a definition, in writing, of your concept of a "straight-line" or "living" boundary

agreement as you had in the past proposed. We are still interested in your definition and wonder if it will be available at the next meeting.

If it is your intention to abrogate the will of the Intercounty/RMU committee and the City of Rolla and to exercise the City's right under the current "180 day" window to bring this matter to the Public Service Commission (PSC), please let me know so that we may begin preparation to have the materials required under the law made available to the PSC.

It is Intercounty's intention to continue the discussion of the agenda agreed to by the committee and if you desire to modify the agenda I recommend that you bring it before the committee at their next scheduled meeting on January 26, 1998.

If you have any questions or if I can be of assistance, please feel free to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "V. W. Strickland". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Vernon W. Strickland
General Manager

cc: Intercounty/RMU Committee
Attorneys

RMU/IECA MEETING

The meeting between the Rolla Municipal Utilities/City of Rolla and Intercounty Electric Cooperative Association will meet from 7:00 - 9:00 p.m., **Monday, September 28, 1998**, at the Rolla office of Intercounty Electric Cooperative Association, located at 1310 S. Bishop Avenue, Rolla, MO.

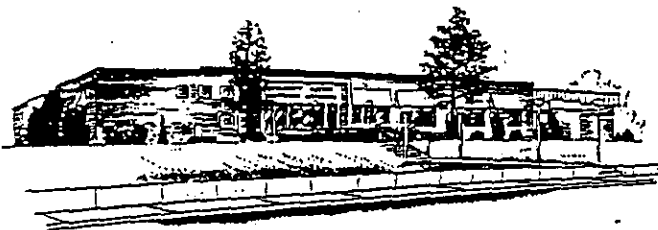
AGENDA

- 1) Pole Contact Agreement
- 2) Use of Public Right-of-Way in the City of Rolla
- 3) Franchise Fees/Gross Receipts Tax
- 4) Territorial Agreement
- 5) City's purchase of Intercounty Electric's facilities in the south side annexation area.

ACTION

Intercounty Electric Cooperative Associatio

P.O. BOX 209, LICKING, MISSOURI 65542-9989 / (314) 674-2211



November 8, 1994

Mr. Elwyn E. Wax, Mayor
City of Rolla
Ninth and Elm Streets
Rolla, Missouri 65401

RE: PROPOSAL FOR AN ELECTRIC SERVICE TERRITORY AGREEMENT

Dear Mayor Wax:

I appreciate the time you made available to discuss the concerns shared by the City and Intercounty. As we previously discussed, I am enclosing a draft service territory agreement proposal for your consideration. I have also enclosed a recent correspondence covering some of the history of territorial agreements received from Mr. Washburn of the Public Service Commission.

As you are aware, definition of the electric service areas will end the possibility of future conflict during annexation and will improve Intercounty's ability to work with the City to help generate growth. It is my intention to work towards stronger partnership arrangements with the municipalities where Intercounty provides electrical service or has a defined service territory.

I am looking forward to discussing this subject with you and your staff at your earliest convenience. If you have any questions or if I can be of assistance please feel free to contact me.

Sincerely,

V. W. Strickland

Vernon W. Strickland
General Manager

enclosures

TERRITORY AGREEMENT

This Agreement, made and entered into this ____ day of _____, 1994, by and between Intercounty Electric Cooperative Association, a Missouri Corporation with principal offices located at 101 W. Maple, Licking, Missouri 65542 ("Intercounty"), and the City of Rolla, a Class Four Municipality with principal offices located at Ninth and Elm Streets, Rolla, Missouri 65401 ("Rolla").

WITNESSETH:

WHEREAS, Intercounty and Rolla are authorized by law to provide electric service to persons not receiving electric service within certain areas of Phelps County, Missouri; and

WHEREAS, Intercounty and Rolla desire to promote the orderly development of retail electric service within a specified portion of Phelps County, Missouri, prior to any potential annexation by Rolla, and in so doing, to avoid unnecessary duplication of electric facilities and to assist in minimizing the potential for territorial disputes; and

WHEREAS, Intercounty and Rolla may achieve certain efficiencies and economies by, being able to plan system improvements and additions with reference to a more clear line of demarcation designating their respective areas of service responsibility; and

WHEREAS, There is no previously existing boundary to use for such planning and service responsibility purposes; and

WHEREAS, Sections 386.800 and 394.312 RSMo. provide that competition to provide retail electric service as between municipally-owned utilities and Rural Electric Cooperatives, may be displaced by written territorial agreements.

THEREFORE, Intercounty and Rolla, in consideration of the mutual covenants and

agreements herein contained the adequacy and sufficiency of which are hereby acknowledged, agree as follows:

1. Establishment of Operational Boundary.

A. Service area. This Agreement applies to the parcels depicted in cross-hatching on EXHIBIT 1 (MAP), the outside perimeter of which is described in EXHIBIT 2 (LEGAL DESCRIPTION) attached hereto and made a part hereof. As used in the attached exhibits, the land description shall control over the map.

B. Existing services and structures. Each party shall have the continuing right and obligation to serve members at and subsequent occupants of all the structures that party is presently serving or has served in the past. For purposes of this Agreement the references to "structures" have the same meaning as the statutory definition of the term structure found in § 394.315 RSMo (Supp 1992.) in effect at the relevant time.

C. New Structures. The parties have exchanged copies of their respective system maps updated to the present date which accurately represent the location of their presently existing lines, facilities and services. After the date of this Agreement each party will extend new services only to new structures located or to be located within its own service territory. The location of a structure for purposes of this Agreement is the location at which electric power and energy is used, regardless of the point of delivery.

D. Indirect Provision of Service. The intent of this Agreement is to designate an exclusive provider for electric service for structures located in areas where the two systems are in close proximity to each other. Neither party shall furnish, make available, assist in providing, render or extend electric service to a structure which that party would

not be permitted to serve directly pursuant to this Agreement, by indirect means such as through a subsidiary corporation or through another entity, or by metering electricity outside of the boundaries for delivery inside.

E. Neither party shall take any actions to induce anyone lawfully receiving service pursuant to this Agreement to change suppliers.

F. Intercounty has service areas outside of the area designated in this Agreement and this Agreement shall have no effect upon the service provided in those areas.

G. If a portion of the area not current within the corporate limits of Rolla is subsequently annexed, Rolla shall not take any actions which cause Intercounty's operations in the area to be disadvantaged. Rolla shall also permit Intercounty to occupy and cross public rights of way subsequently created in the area in the same manner other utilities are permitted to occupy and cross public rights of way within the corporate limits of Rolla.

2. Deviation from Agreement.

Intercounty and Rolla may agree in writing, on a case by case basis, to allow any structure to receive service from one party even though the structure is located, or required to be served, in the area of the other party when the interests of both parties and the owner of the structure are thereby advanced or some other special condition exists. Such deviations shall be dealt with on a case by case basis, and shall not be deemed to be a precedent for any future similar situations or be construed to waive either party's right to serve or not serve other structures under the normal operation of Section 1., Paragraph B above.

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A. Each such agreement shall be treated as an Addendum to this Agreement and a copy thereof shall be submitted to the Secretary of the Public Service Commission and a copy submitted to the Office of the Public Counsel. There will be no filing fee for the submission of such Addendums.

B. These Addendums apply to new structures only, and not to structures receiving service on the effective date of the Commission's order approving the Territorial Agreement.

C. Each addendum shall be accompanied by a notarized statement indicating that the two affected electric service providers support the Addendum.

D. Each Addendum shall be accompanied by a notarized statement, signed by the customer to be served, which acknowledges such customer's receipt of notice of the contemplated electric service to be provided and that the Addendum represents an exception to the territorial boundaries approved by the Public Service Commission, and shall indicate the customer's consent to be served by the service provider contemplated by the Addendum.

E. Each Addendum shall include, or be accompanied by an explanation of the justification that electric service should be provided in the agreed manner.

F. If the Staff or the Office of the Public Counsel, or the Commission on its own motion, does not submit a pleading objecting the Addendum within sixty (60) days of the filing thereof, the Staff shall file a recommendation with the Commission and the Commission may then issue an Order approving the Addendum. However, if a pleading in opposition to the Addendum is filed, then the Commission shall schedule an evidentiary hearing at the earliest reasonable opportunity to determine whether the Addendum should

be approved.

G. Each party, pursuant to an executed Agreement, shall have the right to provide temporary service, as defined in Section 393.106 RSMO., until the Commission approves or disapproves the Addendum. No party shall be required to remove any facilities installed pursuant to an Agreement until the effective date of a final and nonappealable order of the Commission or a court regarding the removal of same.

3. Term.

The initial term of this Agreement shall be thirty-five (35) years from and after the day and year first above written. If either party wishes to terminate this Agreement at the expiration of the initial term it shall give written notice to the other of such intent to terminate not less than four (4) years prior to the end of the initial term. If no such notice to terminate is given then this Agreement shall automatically be renewed for successive ten (10) year terms with the anniversary date being the date of execution of this Agreement. Termination during one of the renewal terms shall be under the same notice requirement as the initial terms.

4. Modifications.

Neither the boundaries described by this agreement nor any term of this agreement may be modified, repealed or changed except by a writing mutually approved by the respective governing bodies of the parties and by the Missouri Public Service commission.

5. Franchise Fee.

Intercounty agrees that Rolla may establish a Franchise Fee or tax uniformly applied throughout the City for energy sales within the corporate limits of the City of Rolla. Rolla agrees that any Franchise Fee, or tax, will not apply to energy sales for offices or properties that belong to Rolla, Intercounty, Phelps County, the State of Missouri, or the United States of America.

6. Transfer of Interest.

This agreement shall be binding upon both parties and all subsidiaries, successors in interest and assigns of both Intercounty and Rolla. Should the electric system of Rolla be offered for sale, Intercounty will have the right of first refusal to purchase the system. Should the electrical system of Intercounty be purchased by an outside entity, Rolla will have the right to purchase the services and facilities of Intercounty within the corporate limits of the City.

DRAFT

In Witness Whereof, the parties have executed this Agreement the day and year first above written.

INTERCOUNTY ELECTRIC
COOPERATIVE ASSN.

ATTEST:

by: _____
President

Secretary
(Seal)

CITY OF ROLLA

ATTEST:

by: _____
Mayor

Secretary
(Seal)

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE GRANTING A FRANCHISE TO INTERCOUNTY ELECTRIC COOPERATIVE ASSOCIATION, A MISSOURI CORPORATION, TO CONSTRUCT, ACQUIRE, OPERATE AND MAINTAIN ELECTRIC FACILITIES IN THE CITY OF _____, MISSOURI, FOR A PERIOD OF TWENTY (20) YEARS, AND TO FURNISH ELECTRICITY TO THE CITY AND INHABITANTS THEREOF AND TO USE THE STREETS, ROADS, ALLEYS AND OTHER PUBLIC PLACES WITHIN THE CITY FOR SAID PURPOSES.

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF _____, MISSOURI, AS FOLLOWS:

SECTION 1: That the City of _____, Missouri, hereinafter called the "City", does hereby grant unto Intercounty Electric Cooperative Association, a Missouri corporation, hereinafter called "Intercounty", and its successors, and assigns, the right, permission, authority, privilege and franchise to locate, erect, install, construct, reconstruct, maintain, repair, own, operate, manage, and control within the present and future corporate limits of the City, for a period of twenty (20) years from and after April 10, 1998, an electric distribution system and such facilities as may be necessary, convenient or proper in providing the City and its inhabitants with electric service. Upon expiration of the initial twenty (20) year term the franchise will continue to renew on a recurring five(5) year extension unless canceled in writing by the City or by Intercounty, with a minimum of one (1) years notice to the other party before the end of any five (5) year extension.

This franchise is granted to Intercounty in accordance with the provisions of Section 394.080 RSMo, as amended by the laws of 1994, and any prior franchises, or extensions thereof are hereby superceded by this ordinance.

SECTION 2: That the providing of electric service by Intercounty to the inhabitants of the City shall be subject to the provisions of the Articles of Incorporation, the By-Laws, the Rules and Regulations of Intercounty, and the rates charged by Intercounty shall be set by the Board of Directors of Intercounty. That in furnishing electric service to the inhabitants of the City, Intercounty, as a cooperative, has the right to require that any person, firm, association, corporation or body politic

or subdivision thereof, must be a member of Intercounty in order to obtain and receive electric service from Intercounty. The customers of Intercounty in the City shall be charged the same rates as other members of Intercounty not located within the City of _____, Missouri, except for any franchise tax passed on or charged to said customers.

SECTION 3: That, for the purposes aforesaid, the City hereby grants and conveys to Intercounty the right and authority to enter upon and use all of the streets, lanes, avenues, alleys, sidewalks, bridges and public grounds of the City during the aforesaid period.

SECTION 4: That Intercounty shall hold the City free and harmless of and from any and all liability, claims, causes of action, and actions caused by or resulting from the negligence of Intercounty in the erection, installation, construction, maintenance, repairing, operation, management or control of said electric distribution system in the City.

SECTION 5: That, during the location, erection, installation, construction, maintenance, repairing and operation of said electric distribution system, Intercounty shall not unnecessarily impede public travel on the streets, lanes, avenues, alleys, sidewalks, bridges and public grounds of the City.

SECTION 6: That on or before the 15th day of each month during the aforesaid twenty (20) year period, Intercounty shall pay the City in cash an amount equal to five percent (5%) of the aggregate sum received by Intercounty, during the previous month for electric energy furnished by Intercounty for gross city revenue service to residential and commercial customers and excluding industrial customers within the corporate limits of the City; and that on or before the 15th day of each month during the aforesaid twenty (20) year period, the City shall pay to Intercounty, in cash, an amount equal to the charges for street lights being furnished by Intercounty to the City for the previous month, said amount to be based upon rate schedules as set and approved by the Board of Directors of Intercounty.

SECTION 7: That the monthly payments to be made by Intercounty under Section 6 hereof, shall be in lieu of all taxes or assessments, licenses, license taxes or license fees, occupation taxes, rental taxes or

charges, or charges for police supervision, inspection or protection, except general property taxes, which the City otherwise might now or hereafter during the aforesaid twenty (20) year period be empowered to levy upon, assess against, or collect from Intercounty, except those charges, fees, taxes, or assessments, by whatever name they may be called, which may be passed on or charged to the customers of Intercounty in the City.

SECTION 8: Intercounty shall not sell, transfer or assign this franchise to any person or corporation other than to one approved by the City. The City will not unreasonably withhold approval of any such sale, transfer or assignment.

SECTION 9: That if any section or part of a section of this Ordinance shall be declared null and void by a competent authority, the remaining portions hereof shall not be affected thereby.

SECTION 10: That all ordinances or resolutions, or parts thereof, heretofore adopted by the City which are or may be in conflict with the terms hereof, are hereby repealed and for naught held.

SECTION 11: That this Ordinance shall take effect from and after its passage and approval, and the consent thereto by the majority of the Board of Aldermen of the City and the approval of the Mayor of the City.

PASSED AND APPROVED BY THE BOARD OF ALDERMEN THIS _____ DAY OF _____ 1998.

Mayor

ATTEST:

City Clerk

FIRST READING _____

SECOND READING _____

EXHIBIT VWS-11

**PUBLIC INTEREST
SURVEY**

SUMMARY OF UTILITY PREFERENCE IN ANNEXED AREA SURVEY

During July 27th through 28th, 1998, Intercounty Electric Cooperative employees conducted a door to door survey of the residents of the newly annexed area of the City of Rolla, Mo. The primary purpose of the survey was to determine the preference of the residence/property owner/voter of the property between Rolla Municipal Utilities and Intercounty Electric Cooperative Association.

Nature of the Survey

Residences were surveyed during the days of July 27 and 28th, and on the evening of July 28th. Every home, and business, in the annexed area was visited at least twice during the day and at least twice in the evening hours, or until a survey was completed. After making at least four visits to each household, the remaining un-surveyed households were mailed a postage-paid postcard to return their survey answers back to Intercounty. This resulted in reaching 147 of the property owners in the area (or 57.2%), and 194 of the 258 Intercounty members (or 76.5%). The main reason for the difference between these two groups' percentages is the number of renters verses property owners in the annexed area. The survey also included 159 of the registered voters in the annexed area. It is impossible to determine what percentage of the total number that might be because the annexed area was gerrymandered into 6 different precincts of the city when it was brought into the city. Each voter survey response represented one household, not one person, therefore, married couples with voting age children were all counted as one response.

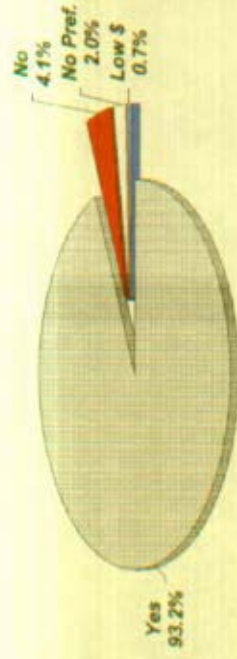
Results of the Survey

As can be seen from the three attached pie charts of those that responded to the survey: over 93.2% of the property owners, 93.8 % of the members, and 93.7% of the registered voters responded favorably to the question, "do you prefer to continue to receive electrical and other services from Intercounty Electric Cooperative Association." The remainder, on average, had either no preference (approximately 2.7%) in the supplier or would be willing to change (approximately 3.3%) to another electric provider.

DO YOU WISH TO CONTINUE TO RECEIVE SERVICE FROM INTERCOUNTY?

	Number of Respondents		
	Yes	No	No Pref.
Property Owners	137	6	3
Voters	149	6	3
Members	182	6	4
			Low \$
			1
			1
			2

Property Owners



Members



Voters

