

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Joint Application of)
Public Water Supply District No. 3 of)
Franklin County, Missouri and the City of)
St. Clair, Missouri for Approval of a)
Water Service Area Territorial Agreement)
In Franklin County, Missouri.)

Case No. _____

**JOINT APPLICATION FOR APPROVAL OF A
WATER AND SANITARY SEWER SERVICE AREA TERRITORIAL
AGREEMENT**

COME NOW Public Water Supply District No. 3 of Franklin County, Missouri (“District”) and the City of St. Clair, Missouri (“St. Clair”) (collectively the “Joint Applicants”), pursuant to Section 247.172 RSMo 2000, 4 CSR 240-2.060, and 4 CSR 240-3.625, and for their Joint Application For Approval of a Water and Sanitary Sewer Service Area Territorial Agreement, respectfully state as follows:

1. Applicant District is a public water supply district organized and existing under Chapter 247 RSMo 2000. The District provides water and sanitary sewer service at retail and at wholesale to customers located within the District service area in Franklin County, Missouri. The District is a political subdivision of the State of Missouri and is otherwise not regulated by the Commission except for the purposes of this Joint Application. The District’s principle office and place of business is located 150 Old Highway 100, Villa Ridge, Missouri 63089, 636-742-5200 (Phone), 636-742-0224 (Facsimile), bobh@alliancewater.com.

2. Applicant St. Clair is a city of the fourth class organized and existing under Chapter 79 RSMo 2000. St. Clair owns and operates a waterworks public utility and provides water and sanitary sewer service to the public pursuant to Chapter 91 RSMo

2000 and Chapter 250 RSMo 2000. St. Clair is a political subdivision of the State of Missouri and is otherwise not subject to regulation by the Commission except for purposes of this Joint Application. St. Clair's principle office and place of business is located at #1 Paul Parks Drive, St. Clair, Missouri 63077, 636-629-0333 (Phone), 636-629-6467, mayor@ci.saint-clair.mo.us.

3. All communications, correspondence, notices, orders and decisions regarding this Joint Application should be addressed to:

Charles Brent Stewart
STEWART & KEEVIL, L.L.C.
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4. On May 22, 2006 the Joint Applicants, pursuant to Section 247.172 RSMo 200 executed a Territorial Agreement ("the Agreement") concerning their respective water and sanitary sewer service territories in Franklin County, Missouri. A copy of the Agreement is attached hereto and incorporated herein as **Appendix A**.

5. The Agreement specifically designates the mutually agreed to water and sanitary sewer service areas of the Joint Applicants. The Agreement also sets forth any

and all powers granted to the District by the City to operate within the corporate municipal boundaries of the City and any and all powers granted to the City to operate within the boundaries of the District for purposes of the Agreement.

6. The Agreement will not result in a change of water or sanitary sewer service supplier for any customer so 4 CSR 240-3.625(1)(D) is not applicable.

7. The Agreement will enable the Joint Applicants to avoid wasteful and costly duplication of water and sanitary sewer utility services within the specified service areas, is consistent with the provisions of Section 247.172 RSMo 2000, and is not, therefore, detrimental to the public interest. In fact, the Agreement is in the public interest because it displaces destructive competition to the benefit of the Joint Applicants' respective ratepayers.

8. The Agreement in no way affects or diminishes the rights and duties of any water or sanitary sewer supplier not a party to the Agreement to provide service within the boundaries designated in the Agreement.

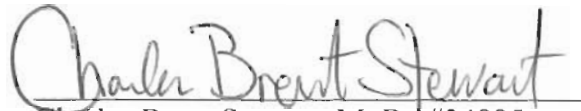
9. Because Joint Applicants are publicly-owned political subdivisions of the State of Missouri and are not otherwise not subject to regulation by the Commission, the provisions of 4 CSR 240-3.625(1)(B) and 4 CSR 240-2.060(1)(K) and (L) do not apply for purposes of this Joint Application.

10. Concurrent with this filing, Joint Applicants have submitted a check in the amount of five hundred sixteen dollars and fifty cents (\$516.50) pursuant to 4 CSR 240-3.630.

WHEREFORE, Joint Applicants Public Water Supply District No. 3 of Franklin County, Missouri and the City of St. Clair, Missouri respectfully request that the

Commission approve Joint Applicants' water and sanitary sewer service territorial agreement.

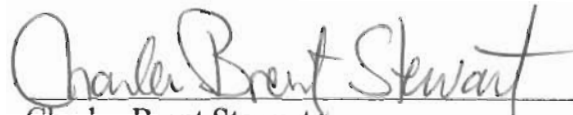
Respectfully submitted,



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the forgoing Joint Application and appendices thereto have been sent to the Office of the Public Counsel and to the Commission's General Counsel's Office, via electronic transmission this 21st day of June, 2006.



Charles Brent Stewart

VERIFICATION

COUNTY OF BOONE)
) SS
STATE OF MISSOURI)

On this date before me appeared the undersigned, Charles Brent Stewart, to me personally known, who, being duly sworn, did verify that he has been retained and duly authorized by the Joint Applicants to prepare and make the foregoing filing before the Missouri Public Service Commission on their behalf, and that the information contained in the Joint Application is true to the best of his information, knowledge and belief.

Charles Brent Stewart
Charles Brent Stewart, MoBar #34885
Attorney for Joint Applicants

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on June 21, 2006.



[seal]

Shawna M. Schulte
Notary Public

Shawna M. Schulte
Notary Public Notary Seal
State of Missouri
Boone County
My Commission Expires: May 17, 2008

My commission expires: May 17, 2008