

ANDERECK, EVANS, MILNE, PEACE & JOHNSON, L.L.C.

ATTORNEYS AT LAW

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700 EAST CAPITOL AVENUE

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P.O. BOX 1438

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KELLIE R. NILGES

NICOLE D. LINDSEY

OF COUNSEL

MARVIN J. SHARP

PATRICK A. BAUMHOER

GREGORY C. STOCKARD (1904-1993)

PHIL HAUCK (1924-1991)

May 23, 2003

FILED³

MAY 23 2003

**Missouri Public
Service Commission**

Secretary of PSC
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

Re: Joint Application for Customer Exchange

Dear Secretary:

Enclosed please find an original and five (5) copies of the Joint Application for Customer Exchange for City of Thayer, Missouri and Howell-Oregon Electric Cooperative, Inc. If you should have any questions or concerns, please do not hesitate to contact me.

Thank you for seeing this filed.

Sincerely,



Lisa Cole Chase

LCC:sw

Enc.

Cc: Dan Singletary
Harvey Allen
Allen Deckard
Office of Public Counsel
General Counsel, Mo. Public Service
Commission

Trenton Office
9th And Washington
Trenton, Missouri 64683
660-359-2244
Fax 660-359-2116

Springfield Office
1111 S. Glenstone
P.O. Box 4929
Springfield, Missouri 65808
417-864-6401
Fax 417-864-4967

Princeton Office
207 North Washington
Princeton, Missouri 64673
660-748-2244
Fax 660-748-4405

Smithville Office
119 E. Main Street
P.O. Box 654
Smithville, Missouri 64089
816-532-3895
Fax 816-532-3899

FILED³

MAY 23 2003

Missouri Public
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the Joint Application)
of City of Thayer, Missouri and Howell-Oregon)
Electric Cooperative, Inc. for an order approving) Case No. _____
the change in electric supplier for certain customers)
for reasons in the public interest.)

JOINT APPLICATION

COMES NOW, the City of Thayer, Missouri ("City"), a Missouri city of the fourth class located in Oregon County, Missouri, and Howell-Oregon Electric Cooperative, Inc.

("Cooperative"), hereinafter referred to collectively as "Applicants," and for their Joint Application to the Missouri Public Service Commission ("Commission"), for an order approving Applicants' proposed customer exchange pursuant to Section 394.315, RSMo 2000, which provides for a change in the electric supplier for the Thayer High School located on East Highway 142 in Thayer, Missouri from City to Cooperative pursuant to Sections 91.025 and 394.315 RSMo 2000, and state as follows:

1. **The Applicants** -- City is a municipality organized and existing under the laws of the State of Missouri, in good standing in all respects, with its principal office and place of business located at City of Thayer, P.O. Box 76, Thayer, Missouri 65791. City is a municipal electrical utility subject to the jurisdiction of the Commission and engaged in the sale and distribution of electricity in the City of Thayer, Missouri, located in Oregon County.

Cooperative is a corporation organized and existing under the laws of the state of Missouri and has its principal office at 6327 N. US 63, P.O. Box 649, West Plains, Missouri 65775. It is a Chapter 394 rural electric cooperative corporation engaged in the distribution of

electric energy and service to its members within Howell, Oregon, Shannon, Ozark, Douglas, and Texas Counties in Missouri.

2. **Correspondence and Communication** -- Correspondence, communications, orders and decisions in regard to this Application should be directed to:

For City

Mr. Harvey Allen, Esq.
221 Chestnut Street
Thayer, MO 65791
(417) 264-7203
(417) 264-3796 (fax)

Mr. Allen Deckard
Mayor, City of Thayer
P.O. Box 76
Thayer, MO 65791

For Cooperative

Victor S. Scott, Esq.
Lisa Cole Chase, Esq.
Andereck, Evans, Milne, Peace
& Johnson LLC
700 E. Capital Avenue
P.O. Box 1438
Jefferson City, MO 65102-1438
(573) 634-3422
(573) 634-7822 (fax)

Mr. Dan Singletary
Manager
Howell-Oregon Electric
Cooperative, Inc.
6327 N. US 63, P.O. Box 649
West Plains, MO 65775

3. **Change in Supplier** -- City currently supplies retail electric energy through permanent facilities to the Thayer High School which is owned or occupied by the Thayer R-II School District. Specifically, Applicants are requesting to transfer from City to Cooperative approximately 1 structure in Oregon County, the Thayer High School, and its related electric service accounts. The Thayer R-II School District approached the City and the Cooperative for the exchange of service for reasons other than a rate differential. Attached as **Exhibit 1** is the Thayer R-II School District's February 3, 2003 letter indicating that the School District requested a change of supplier for electric service from the City to the Cooperative at the School District's location on East Highway 142. Attached as **Exhibit 2** is the January 30, 2003 letter from the

City of Thayer, Missouri stating that the Alderman voted to approve the release of the Thayer High School electric services at the January 14th Thayer City Council Regular Meeting, indicating that Howell-Oregon has expressed an interest in furnishing the electric services for the Thayer School District, and that the City would like to do what is in the best interest of the Thayer School system. Applicants seek an order from the Commission approving a change in supplier as to this structure from City to Cooperative pursuant to Sections 91.025 and 394.315 RSMo 2000.

4. **The Customer Exchange** -- Applicants file a Customer Exchange, which simply transfers the right of providing electric service to the Thayer High School from the City to the Cooperative. Attached as **Exhibit 3**. Applicants do not change the boundaries, as set forth in the existing Territorial Agreement between Applicants, for the exclusive electric service territories of each electric service supplier with respect to service to the Thayer High School located on East Highway 142 in Thayer, Missouri.

5. **Resolutions of Boards of Directors** -- A certified copy of the resolution of the Board of Directors of Cooperative authorizing the consummation of the transaction contemplated by this Joint Application is also attached hereto as **Exhibit 4**, is incorporated by reference and made a part hereof for all purposes.

A certified copy of the ordinance of the Board of Alderman of the City of Thayer, Missouri authorizing the consummation of the transaction contemplated by this Joint Application is attached hereto as **Exhibit 5**, is incorporated by reference and made a part hereof for all purposes.

6. **Articles of Incorporation** -- A certified copy of Cooperative's Articles of Incorporation and Certificate of Incorporation from the Secretary of State are attached hereto as **Exhibit 6**. The City of Thayer is a city of the fourth class.

7. **Tax Impact Statement** -- The exchange of this customer will not have a tax impact. Applicants will not be transferring any line mileage. Both Applicants have facilities abutting Thayer High School. The transfer of service will simply involve discontinuing the drop line used by the City of Thayer to service Thayer High School, and utilizing a different drop line from Cooperative's facilities to Thayer High School.

8. **Right to Serve** -- The Cooperative has, pursuant to § 394.312 RSMo., the authority to serve the Thayer High School under Addendum No. 1 to the Territorial Agreement, which has been duly executed by the Applicants with a copy being supplied to the Commission. Attached as **Exhibit 7**.

9. **The Customer Exchange is in the Public Interest** -- The Customer Exchange is in the public interest because it establishes exclusive service for new and existing structures of the Thayer R-II School District under one electric supplier, Howell-Oregon Electric Cooperative, Inc. The Thayer R-II School District is in the process of building a new elementary school at the location of the Thayer High School. The establishment of exclusive service for the new and existing structures of the Thayer R-II School District will promote efficiencies in providing services to the Thayer R-II School District, it requires no duplication of electric service facilities as Thayer High School borders the existing Territorial Agreement boundaries, the Cooperative presently has facilities located near the School from which it could provide electric service, and the Thayer R-II School District in constructing new buildings will benefit from the Cooperative's ground source heat pump rebate program. The exchange of this facility and customer will aid

both Applicants in the consolidation of facilities and bring efficiencies and savings to the Thayer R-II School District. The Customer Exchange will also allow emergency personnel to know with certainty the supplier of electric service to the different structures of the Thayer R-II School District located on East Highway 142 in the City of Thayer, Missouri.

10. **Judgments, Actions and Fees** -- City has no final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates, which judgments or decisions have occurred within three (3) years of the date of this Joint Application. Further, City has no actions in state and federal agencies and courts involving customer service or rates. City has no annual report or assessment fees that are overdue to this Commission.

Cooperative also has no final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates, which judgments or decisions have occurred within three (3) years of the date of this Joint Application. Further, Cooperative has no actions in state and federal agencies and courts involving customer service or rates. Cooperative has no annual report or assessment fees that are overdue to this Commission.

WHEREFORE, City and Cooperative respectfully request that the Commission issue an order:

(1) finding that the designated electric service of the Applicants as set forth in the Customer Exchange, which is attached as **Exhibit 3** hereto, is not detrimental to the public interest, and approving the Customer Exchange which provides for the change in electric

supplier for the Thayer High School from City to Cooperative for reasons other than rate differential; and

(2) granting such other relief as is deemed necessary to accomplish the purposes of this Joint Application.

Respectfully submitted,

CITY OF THAYER, MISSOURI

By Harvey A. Allen
Harvey Allen, Mo Bar # 33913
221 Chestnut Street
Thayer, MO 65791
(417) 264-7203
(417) 264-3796 (fax)
HSAllen@Ozarks.com

ATTORNEY FOR CITY
OF THAYER, MISSOURI

ANDERECK, EVANS, MILNE, PEACE
& JOHNSON L.L.C.

By Victor S. Scott
Victor S. Scott, Mo Bar # 42963
Lisa Cole Chase, Mo Bar # 51502
700 East Capital
P.O. Box 1438
Jefferson City, MO 65102
(573) 634-3422
(573) 634-7822 (fax)
vscott@aepmb.com

ATTORNEYS FOR HOWELL-OREGON
ELECTRIC COOPERATIVE, INC.

EXHIBITS TO JOINT APPLICATION

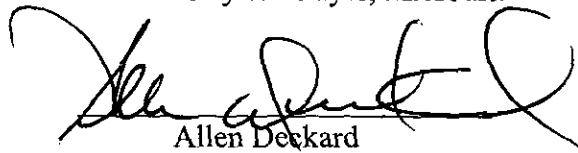
Exhibit Number – Description

1. Thayer R-II School District's February 3, 2003 letter
2. City of Thayer's January 30, 2003 letter
3. Customer Exchange Agreement
4. Howell-Oregon Electric Cooperative's Resolution of the Board of Directors
5. City of Thayer's Ordinance passed by the Board of Alderman
6. Howell-Oregon Electric Cooperative's Articles of Incorporation
7. Addendum No. 1 to the Territorial Agreement

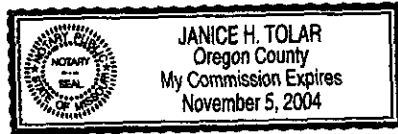
VERIFICATION

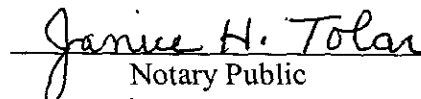
STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

On this 21st day of APRIL, 2003, I, Allen Deckard, Mayor of Thayer, Missouri, being first duly sworn upon my oath, state that I have read the foregoing **Joint Application** of the City of Thayer, Missouri and Howell-Oregon Electric Cooperative, that the facts stated therein are true and correct to the best of my knowledge, information and belief, and that the above attorney is authorized to file such document on behalf of the City of Thayer, Missouri.


Allen Deckard

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date first written above.

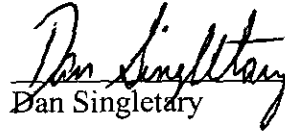



Notary Public
JANICE H. TOLAR

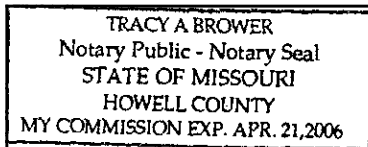
VERIFICATION

STATE OF MISSOURI)
) SS
COUNTY OF ~~COLE~~)
 Howell

On this 28th day of April, 2003, I, Dan Singletary, Manager of Howell-Oregon Electric Cooperative, Inc., being first duly sworn upon my oath, state that I have read the foregoing **Joint Application** of the City of Thayer, Missouri and Howell-Oregon Electric Cooperative, Inc., that the facts stated therein are true and correct to the best of my knowledge, information and belief, and that as attorney for Howell-Oregon Electric Cooperative, Inc. I am authorized to file such document on behalf of Howell-Oregon Electric Cooperative, Inc.


Dan Singletary

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date first written above.




Notary Public

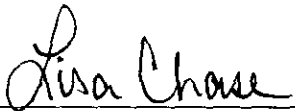
CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing has been served on all Parties of Record, via first-class U.S. Mail, postage prepaid, on this 23rd day of May, 2003.

General Counsel
Office of the Public Counsel
P.O. Box 7800
Jefferson City, Missouri 65102

General Counsel
Missouri Public Service Comm'n
Governor Office Building
200 Madison Street – Suite 100
Jefferson City, Missouri 65101

Harvey Allen, Esq.
221 Chestnut Street
Thayer, Missouri 65791



Lisa Cole Chase

02/03/2003 15:12 2647261

PAGE 03

Phone (417) 264-7261

Noel Willbanks, President
Bill Franz, Vice President
Jed Underwood, Secretary
Keith Smith, Treasurer



401 E. Walnut
Thayer, MO 65791

Fax (417) 264-4608

Shelley Hollis, Member
Betty Morris, Member
Randy Ward, Member
Janet Grooms, Secretary to the Board

Ed Sholes
Elementary Principal

Bill Garrison
Superintendent

Kevin Hedden
Secondary Principal

February 3, 2003

To Whom It May Concern:

Howell-Oregon Electric was contacted by the Thayer R-II School District administration to see if they could be the supplier of electricity for the District at their location on East Highway 142. The district is in the process of building a new elementary school at this location and relocation of electric lines will be necessary.

At this point officials from Howell-Oregon stated that they could not do anything unless the City of Thayer would approve the change in our supplier for electricity.

The District requested the release from the City of Thayer for electrical services and was granted this release from the City.

Sincerely,

Bill Garrison, Superintendent
Thayer R-II School District

02/03/2003 15:12 2647261

PAGE 02

Allen Deckard, Mayor
Earl D. (Buddy) Rogers, Alderman
Robert (Bob) Grimes, Alderman

Steve Hall, Alderman
Fern Hickinbotham, Alderman
Ronella Simpson, City Clerk

City of Thayer
P.O. BOX 76, THAYER, MO. 65791
417-264-3921 FAX 417-264-3324

January 30, 2003

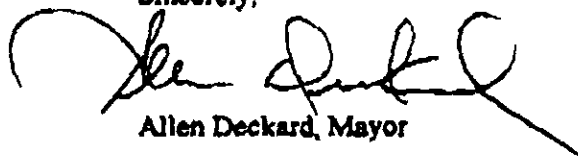
Mr. Bill Garrison
Thayer High School
Thayer, MO 65791

Dear Mr. Garrison:

At the January 14th Thayer City Council Regular Meeting, the Aldermen voted to approve the release of the Thayer High School electric services. As Howell-Oregon has expressed an interest in furnishing the electric services for the Thayer School District.

We would like to do what is in the best interest of our School system.

Sincerely,



Allen Deckard, Mayor

Victor Scott
573-634-7822

CUSTOMER EXCHANGE

Between

CITY OF THAYER, MISSOURI

and

HOWELL-OREGON ELECTRIC COOPERATIVE, INC.

CUSTOMER EXCHANGE AGREEMENT

This Agreement is made and entered into as of the 21st day of APRIL, 2003, by and between CITY OF THAYER, MISSOURI (hereinafter "City") and HOWELL-OREGON ELECTRIC COOPERATIVE, INC. (hereinafter "Cooperative").

RECITALS

- A. City is authorized by law to provide municipally owned electric service within the City of Thayer, State of Missouri;
- B. Cooperative is authorized by law to provide electric service within the State of Missouri, including all of Oregon County;
- C. The Missouri Legislature provides for a change in electric supplier from City to Cooperative pursuant to Sections 91.025 and 394.315 RSMo 2000; and
- D. City and Cooperative desire to transfer the electric service of the Thayer High School from City to Cooperative at the request of the Thayer R-II School District. On January 14, 2003, at the Thayer City Council Regular Meeting, the Aldermen voted to approve the release of the Thayer High School electric services in an effort to do what is in the best interest of the Thayer School system.
- E. City and Cooperative desire to establish exclusive service for any new structures and existing structures of the Thayer R-II School District which are located on 35 acres on East Highway 142. This transfer will promote efficiencies in providing services to the Thayer R-II School District, it requires no duplication of electric service facilities as Thayer High School borders the existing Territorial Agreement boundaries, the Cooperative presently has facilities located near the School from which it could provide electric service, and the Thayer R-II School District in constructing new buildings will benefit from the Cooperative's ground source heat pump rebate program. The exchange of this facility and customer will aid both Applicants in the consolidation of facilities and bring efficiencies and savings to the Thayer R-II School District. The Addendum No. 1 to the Territorial Agreement will also allow emergency personnel to know with certainty the supplier of electric service to the different structures of the Thayer R-II School District.

AGREEMENT

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree to the following customer exchange:

1. Pursuant to Sections 91.025 and 394.315 RSMo 2000, City and Cooperative desire to transfer the electric service of the Thayer High School from City to Cooperative at the request of the Thayer R-II School District. (**Attachment No. 2**, 02-03-03 letter from Thayer R-II School District). On January 14, 2003, at the Thayer City Council Regular Meeting, the Aldermen voted to approve the release of the Thayer High School electric services in an effort to do what is in the best interest of the Thayer School system (**attachment No. 3**, 01-30-03 letter from Mayor Deckard).

2. Pursuant to Sections 91.025 and 394.315 RSMo 2000, City and Cooperative desire to transfer exclusive electric service from City to Cooperative for the Thayer High School District located on East Highway 142. The parties agree to transfer, upon receiving the appropriate Missouri Public Service Commission approval, the electric service from the City to Cooperative for the Thayer High School. This exchange of the Thayer High School, and Addendum No. 1 to the existing Territorial Agreement between these two parties, will aid the City and Cooperative in the consolidation of facilities and bring efficiencies and savings to the Thayer R-II School District. This transfer will promote efficiencies in providing services to the Thayer R-II School District, it requires no duplication of electric service facilities as Thayer High School borders the existing Territorial Agreement boundaries, and the Cooperative presently has facilities located near the School from which it could provide electric service. The Customer Exchange will also allow emergency personnel to know with certainty the supplier of electric service to the different structures of the Thayer R-II School District located on East Highway 142.

3. The parties agree to undertake all actions reasonably necessary to implement this Agreement. Cooperative will pay the cost of obtaining administrative approval of the proposed Customer Exchange. The City of Thayer shall have no responsibility for any fee, tax, cost or other expense of any kind resulting from the transfer, or application for transfer, of right to provide electric service to the Thayer High School property, except that City shall pay its own attorney fees connected therewith. Howell-Oregon Electric Cooperative shall pay or indemnify City for any such expenses incurred. Each party will cooperate in presenting a joint application showing such Customer Exchange Agreement to be in the public interest. If the Public Service Commission does not approve the Customer Exchange, then it shall be nullified and of no legal effect between the parties, and the Cooperative shall continue to have the right to serve all new structures which are built and located on 35 acres of the Thayer R-II School District, located on East Highway 142.

4. This Customer Exchange shall be binding upon the parties and all subsidiaries, successors in interest and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement this 21st day of APRIL, 2003.

ATTEST: Barbara Simpson

ATTEST: Don Smith

CITY OF THAYER

By: [Signature]
Mayor

HOWELL-OREGON ELECTRIC
COOPERATIVE, INC.

By: [Signature]
President



Howell-Oregon Electric Cooperative, Inc.

P.O. Box 649, West Plains, Missouri 65775-0649

Phone (417) 256-2131 Fax (417) 256-4571

1-888-HOE-POWER 1-888-463-7693

I, DON NIELSEN, do hereby certify that: I am the secretary of Howell-Oregon Electric Cooperative (hereinafter called the "Cooperative"), the following is a true and correct copy of a resolution duly adopted by the board of directors of the Cooperative at the regular meeting held on APRIL 23, 2003 and entered in the minute book of the Cooperative; the meeting was duly and regularly called and held in accordance with the bylaws of the Cooperative, and said resolution has not been rescinded or modified.

RESOLVED, that the proposed Addendum No. 1 to the Territorial Agreement and Customer Exchange between Howell-Oregon Electric Cooperative and the City of Thayer, Missouri (hereinafter called the "City"), substantially in the form presented to this meeting, be and the same are hereby approved; and

BE IT FURTHER RESOLVED, that the President, General Manager, General Counsel, and the Law Firm of Andereck, Evans, Milne, Peace and Johnson, L.L.C. are authorized and directed to act according to their best judgment to carry out the intentions of this resolution, said authority to include making such addendum to the Territorial Agreement and filing the appropriate Customer Exchange Application with the Missouri Public Service Commission as may be needed for the approval of said customer exchange and so as to comply with any Order issued by the Public Service Commission.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Corporation this 23RD day of APRIL, 2003.



Don Nielsen
Secretary



Live Better Electrically with Your Electric Cooperative

www.hoecoop.org

Exhibit 4

CERTIFICATE

STATE OF MISSOURI)
) ss
COUNTY OF OREGON)

The undersigned hereby certifies that she is the City Clerk of the City of Thayer, Missouri, and that as such she is custodian of the records of the municipality and keeper of the journal of proceedings of the City Council; and

She further certifies that the foregoing is a true and accurate copy of the Ordinance No. 960 duly enacted by the City Council of the said city at a special meeting thereof on the 21st day of April, 2003, and passed on roll call vote as shown on the foregoing.

DATED this 21st day of April, 2003.



City Clerk
City of Thayer, Missouri

(City Seal)

	yeas	nays
Alderman Grimes	<u>✓</u>	_____
Alderman Hall	<u>✓</u>	_____
Alderman Rogers	<u>✓</u>	_____
Alderman Hickenbotham	<u>✓</u>	_____

Ordinance No. 960

Council Bill 958

AN ORDINANCE OF THE CITY OF THAYER, MISSOURI, AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS NECESSARY TO CARRY OUT THE INTENT OF THIS ORDINANCE ON BEHALF OF THE CITY OF THAYER, MISSOURI, AN ADDENDUM TO THE TERRITORIAL AGREEMENT BETWEEN HOWELL-OREGON ELECTRIC COOPERATIVE AND THE CITY OF THAYER, MISSOURI, AUTHORIZING CITY ATTORNEY HARVEY ALLEN TO EXECUTE AND SUBMIT SUCH LEGAL DOCUMENTS AS ARE NECESSARY THEREFOR.

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF THAYER, MISSOURI, as follows:

WHEREAS, the City of Thayer has agreed to enter into an Addendum No. 1, a copy of which is attached as Exhibit "A" and incorporated as a part of this Ordinance the same as if set forth here verbatim, to the existing Territorial Agreement with Howell-Oregon Electric Cooperative allowing Howell-Oregon to serve the Thayer High School property and the City has further agreed to exchange and transfer the electric service of Thayer High School, a copy of which is attached as Exhibit "B" and incorporated as a part of this Ordinance the same as if set forth here verbatim.

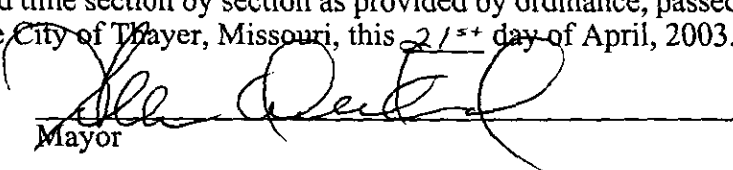
THEREFORE, the Addendum No. 1 to the Territorial Agreement with Howell-Oregon Electric Cooperative is approved and accepted and the Mayor is authorized to sign for and on behalf of the City of Thayer, Missouri.

THEREFORE, the Customer Exchange with Howell-Oregon Electric Cooperative is approved and accepted and the Mayor is authorized to sign for and on behalf of the City of Thayer, Missouri.

City Attorney Harvey Allen is authorized and directed to execute and submit on behalf of City such legal documents as are necessary to carry out the intent of this ordinance.

THIS ORDINANCE SHALL BECOME IN FORCE AND EFFECT FROM AND AFTER ITS PASSAGE AND APPROVAL.

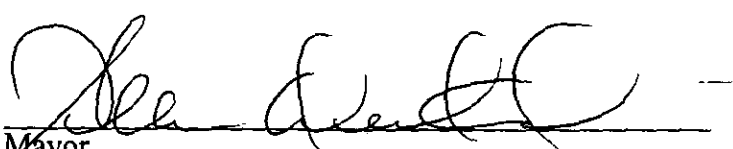
Read twice by caption, and the third time section by section as provided by ordinance, passed and approved by the Board of Aldermen of the City of Thayer, Missouri, this 21st day of April, 2003.


Mayor

Attest:


City Clerk

Approved this 21st day of April, 2003.


Mayor

Attest:


City Clerk

No. 62803

STATE OF MISSOURI

Certificate of



Incorporation

Whereas, An association organized under the name of
Howell-Oregon Electric Cooperative, Inc.

has filed in the office of the Secretary of State Articles of Association
 on Agreement in writing, as provided by law, and has in all respects
 complied with the requirements of law governing the formation of
 Co-operative Associations for

CO-OPERATIVE AGRICULTURAL PURPOSES:

Now, Therefore, I, DWIGHT H. BROWN, Secretary of State of
 the State of Missouri, in virtue and by authority of law, do hereby
 certify that said association has, on the date hereof become a body corporate,
 duly organized under the name of Howell-Oregon Electric
Cooperative, Inc. located at West Plains

and is entitled to all the rights and privileges granted to Co-operative
 Associations under the laws of this State for a term of perpetual
 years, and that the amount of the Capital Stock of said corporation is
Ten Thousand Dollars.

In Testimony Whereof, I hereunto set my hand and affix
 the Great Seal of the State of Missouri. Done at the City of
 Jefferson, this 4th day of August
1939, A. D. Nineteen Hundred and Thirty-nine

Dwight H. Brown
 SECRETARY OF STATE

H. Holman
 CHIEF CLERK

ARTICLES OF ASSOCIATION

OF

Howell - Oregon

ELECTRIC COOPERATIVE, INC.

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned, for the purpose of forming a cooperative association under and pursuant to the provisions of Article 29, Chapter 87, of the Revised Statutes of Missouri, 1929, and amendments thereto, do hereby associate ourselves as a cooperative association and do adopt the following articles of association.

First. The name of the Cooperative shall be Howell - Oregon Electric Cooperative, Inc.

Second. The names and places of residence of the incorporators of the Cooperative are:

NAME	RESIDENCE
Chas. O. Gurn	Thomasville, Mo.
J. W. Fortune	Myrtle, Mo.
Raymond Bell	Alton, Mo.
Voyd C. Hall	Alton, Mo.
D. O. Bryan	Willow Springs, Mo.
H. F. Koonee	Mt. View, Mo.
L. L. Bryan	Willow Springs, Mo.
K. L. Bryan	Willow Springs, Mo.
W. N. Riley	Willow Springs, Mo.
A. Stumpf	Pomona, Mo.
Frank LeBaron	Mt. View, Mo.
C. S. Eckard	Thayer, Mo.
Joe R. Hinds	Hutton Valley, Mo.
J. N. Florea	Alton, Mo.
Rich Lucas	Mountain View, Mo.
Albert W. Harbold	Thayer, Mo.
L. H. McCullough	Alton, Mo.

Third. The conduct of the business of the Cooperative shall be upon the cooperative plan and the purposes for which it is formed are:

- (a) to generate, manufacture, purchase, acquire and accumulate electric energy for its shareholders and to transmit, distribute, furnish, sell and dispose of such electric energy to its shareholders only, and to construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and electric transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any or all of the foregoing purposes;
- (b) to acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the Cooperative;
- (c) to purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, use, convey, sell, lease as lessor, exchange, mortgage, pledge or otherwise dispose of any and all real and personal property or any interest therein necessary, useful or appropriate to enable the Cooperative to accomplish any or all of its purposes;
- (d) to assist its shareholders to wire their premises and install therein electrical and plumbing appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character (including, without limiting the generality of the foregoing, such as are applicable to water supply and sewage disposal) and, in connection therewith and for such purposes, to purchase, acquire, lease, sell, distribute, install and repair

electrical and plumbing appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character (including, without limiting the generality of the foregoing, such as are applicable to water supply and sewage disposal) and to receive, acquire, endorse, pledge, guarantee, hypothecate, transfer or otherwise dispose of notes and other evidences of indebtedness and all security therefor;

- (e) to borrow money, to make and issue bonds, notes and other evidence of indebtedness, secured or unsecured, for moneys borrowed or in payment for property acquired, or for any of the other objects or purposes of the Cooperative; to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges or permits of the Cooperative, wheresoever situated, acquired or to be acquired; and
- (f) to do and perform, either for itself or its shareholders, any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes, or as may be permitted by the Act under which the Cooperative is formed.

The enumeration of the foregoing purposes shall not be held to limit or restrict in any manner the general powers of the Cooperative, and the Cooperative shall be authorized to exercise and enjoy all of the powers, rights and privileges granted to or conferred upon cooperatives of the character of this Cooperative by the laws of the State of Missouri now or hereafter in force.

Fourth. The principal place of business of the Cooperative shall be located in West Plains in the County of Howell, State of Missouri.

Fifth. The amount of the authorized capital stock of the Cooperative shall be Ten Thousand & no/100 Dollars, (\$ 10,000⁰⁰), divided into Two Thousand (2,000) shares of the par value of Five & no/100 Dollars (\$ 5⁰⁰) each. The shares of authorized capital stock may be issued from time to time and shall be paid for at such times and in such manner as the bylaws of the Cooperative shall provide.

Sixth. The duration of the Cooperative shall be perpetual.

Seventh. The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber any of its property other than:

- (a) property which in the judgment of the board of directors neither is nor will be necessary or useful in operating and maintaining the Cooperative's system and facilities; provided, however, that all sales of such property shall not in any one (1) year exceed in value ten per centum (10%) of the value of all of the property of the Cooperative;
- (b) services of all kinds, including electric energy; and
- (c) personal property acquired for resale,

unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members by the affirmative vote of at least two-thirds (2/3) of the members voting thereon at such meeting in person or by proxy, and the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board of directors, without authorization by the members, shall have full power and authority to borrow money from the United States of America, or any agency or instrumentality thereof, and in connection with such borrowing to authorize the making and issuance of bonds, notes or other evidences of indebtedness and, to secure the payment thereof, to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds of trust upon, or the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, all upon such terms and conditions as the board of directors shall determine.

IN TESTIMONY WHEREOF, we have hereunto set out hands this
1st day of August, 1939.

As/ Chas. O. Gum
J. W. Fortune
Raymond Bell
Voyd C. Hall
D. O. Bryan
H. F. Koonce
L. L. Bryan
K. L. Bryan
W. N. Riley
A. Stumpf
Frank LeBaron
C. S. Eckard
Joe R. Hinds
J. N. Florea
Rich Lucas
Albert W. Herbold
L. H. McCullough

STATE OF MISSOURI }
COUNTY OF HOWELL } SS:

On this 1st day of August, 1939, before me personally appeared
Chas. O. Gum, J. W. Fortune, D. O. Bryan
_____, H. F. Koonce and L. L. Bryan
five of the incorporators who subscribed the foregoing articles of
incorporation, to me known to be five of the persons described in
and who executed the said instrument and acknowledged that they
executed the same as their free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed

my notarial seal the day and year last above written.

My commission expires July 15th, 1941.

/s/ J. Elmer Kellett

Notary Public.

(Seal)

FILED for Record this 2nd day of August, 1939 at 1 o'clock 00 minutes P.M.

STATE OF MISSOURI)

ss

IN THE RECORDER'S OFFICE

COUNTY OF HOWELL)

I, R. S. Rodgers, Clerk of the Circuit Court and Ex-Officio Recorder of Deeds within and for said County, hereby certify that the above and foregoing is a true copy Articles of Association of Howell-Oregon Electric Cooperative, Inc., with acknowledgment thereon as the same appears of record in my office, in Book 199 of Miscellaneous Record at page 462.

Witness my hand as Recorder of Deeds, and the seal of said office.

Done at office in West Plains, Missouri, this 2 day of August, 1939.

R. S. Rodgers
Recorder of Deeds.

By R. C. Heseltine Deputy.

FILED AND CERTIFICATE OF
INCORPORATION ISSUED

AUG 4 1939

Dwight H. Brown
Secretary of State

ADDENDUM NO. 1
TO THE
TERRITORIAL AGREEMENT

Between

CITY OF THAYER, MISSOURI

and

HOWELL-OREGON ELECTRIC COOPERATIVE, INC.

ADDENDUM NO. 1 TO THE TERRITORIAL AGREEMENT

This Agreement is made and entered into as of the 21st day of APRIL, 2003, by and between CITY OF THAYER, MISSOURI (hereinafter "City") and HOWELL-OREGON ELECTRIC COOPERATIVE, INC. (hereinafter "Cooperative").

RECITALS

- A. City is authorized by law to provide municipally owned electric service within the City of Thayer, State of Missouri;
- B. Cooperative is authorized by law to provide electric service within the State of Missouri, including all of Oregon County;
- C. The Missouri Legislature by RSMo Section 394.312 2000, has authorized municipally owned utilities and rural electric cooperatives to enter into written territorial agreements;
- D. On February 9, 1992, City and Cooperative entered into a written territorial agreement designating the boundaries of each Applicant's exclusive service area for existing and new structures in the City of Thayer, Missouri (the "Territorial Agreement", **attachment No. 1**) and said agreement was approved by the Missouri Public Service Commission ("Commission") in Case No. EM-92157 by Report and Order filed on February 28, 1992.
- E. Now, City and Cooperative desire to transfer the electric service of the Thayer High School from City to Cooperative at the request of the Thayer R-II School District. (**Attachment No. 2**, 02-03-03 letter from Thayer R-II School District). Thayer R-II School District is in the process of building a new elementary school near the existing Thayer High School and would prefer to have one utility supply electric service to these two structures. On January 14, 2003, at the Thayer City Council Regular Meeting, the Aldermen voted to approve the release of the Thayer High School electric services in an effort to do what is in the best interest of the Thayer School system (**attachment No. 3**, 01-30-03 letter from Mayor Deckard); and
- F. City and Cooperative desire to establish exclusive service for any new structures and the existing the structures of the Thayer R-II School District which are located on 35 acres on East Highway 142. This transfer will promote efficiencies in providing services to the Thayer R-II School District, it requires no duplication of electric service facilities as Thayer High School borders the existing Territorial Agreement boundaries, the Cooperative presently has facilities located near the School from which it could provide electric service, and the Thayer R-II School District in constructing new buildings will benefit from the Cooperative's ground source heat pump rebate program. The exchange of this facility and customer will aid both Applicants in the consolidation of facilities and bring efficiencies and savings to the Thayer R-II School District. The Addendum No. 1 to the Territorial Agreement will also allow emergency personnel to know with certainty

the supplier of electric service to the different structures of the Thayer R-II School District.

AGREEMENT

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree to the following modification of the Territorial Agreement entered into on February 9, 1992 as follows:

1. Pursuant to paragraph 8 of the Territorial Agreement, the Parties "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 in the territory of the other party. Each such instance will be treated as an addendum to this Agreement and a copy of the addendum supplied to the Public Service Commission."

2. Pursuant to paragraph 8, the City and Cooperative hereby exercise their option under their Territorial Agreement to transfer the right to be the exclusive electric service provider to an elementary building being constructed by Thayer R-II School District and any other buildings to be built on approximately 35 acres of property owned by the Thayer R-II School District located on East Highway 142. This transfer will promote efficiencies in providing services to the Thayer R-II School District, it requires no duplication of electric service facilities as Thayer High School borders the existing Territorial Agreement boundaries, the Cooperative presently has facilities located near the School from which it could provide electric service, and the Thayer R-II School District will benefit from the Cooperative's ground source heat pump rebate program. The parties further agree to transfer, upon receiving the appropriate Missouri Public Service Commission approval, the electric service from the City to Cooperative for the Thayer High School. This addendum and the exchange of the Thayer High School will aid the City and

Cooperative in the consolidation of facilities and bring efficiencies and savings to the Thayer R-II School District. The Addendum No. 1 to the Territorial Agreement will also allow emergency personnel to know with certainty the supplier of electric service to the different structures of the Thayer R-II School District.

3. The parties agree to undertake all actions reasonably necessary to implement this Agreement. Cooperative will pay the cost of obtaining administrative approval of the proposed Customer Exchange. Each party will cooperate in presenting a joint application showing such Customer Exchange Agreement to be in the public interest. If the Public Service Commission does not approve the Customer Exchange, then it shall be nullified and of no legal effect between the parties, and the Cooperative shall continue to have the right to serve all new structures which are built and located on 35 acres of the Thayer R-II School District, located on East Highway 142.

4. This Addendum No. 1 shall be binding upon the parties and all subsidiaries, successors in interest and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement this 21st day of

APRIL, 2003.

ATTEST:

Rosella Simpson

ATTEST:

Don Shipton

CITY OF THAYER

By: [Signature]
Mayor

HOWELL-OREGON ELECTRIC
COOPERATIVE, INC.

By: [Signature]
President