

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Exh. 12

Staff of the Missouri Public Service Commission,
Complainant,
vs.
Osage Water Company,
Respondent.

Case No. WC-2001-195

NOTICE OF SETTLEMENT AGREEMENT AND MOTION FOR DISMISSAL OF COMPLAINT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), through one of its attorneys, and for its Notice of Mediation Settlement Agreement and Motion for Dismissal of Complaint, states to the Missouri Public Service Commission (Commission) the following:

1. On September 21, 2000, the Staff filed a Complaint with the Commission against Osage Water Company (Osage).
2. On October 12, 2000, Osage filed an Answer to the Complaint and also made a request for mediation.
3. On October 19, 2000, the Staff agreed to mediation, and on January 19, 2001, a mediation conference was held at the University of Missouri School of Law, Mediation Clinic, in Columbia, Missouri.

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4. As a result of the mediation conference, the parties above settled their respective differences. The terms of that settlement have been memorialized in a written Settlement Agreement, which is incorporated herein, labeled Appendix A, and attached hereto.

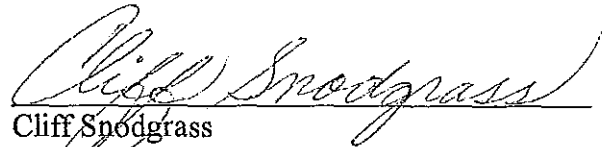
5. Since the matter has been settled to the satisfaction of the parties, the Staff would respectfully request that the Commission dismiss the Complaint filed by the Staff in this case.

WHEREFORE, the Staff requests that the Commission enter an Order which:

- A. Takes notice of the Settlement Agreement reached between the Staff and the Company.
- B. Dismisses the Complaint filed by the Staff in this case.

Respectfully submitted,

DANA K. JOYCE
General Counsel

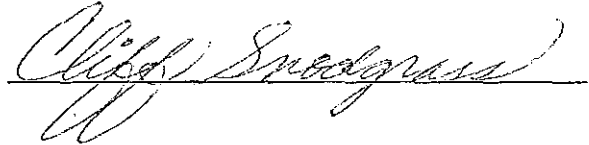


Cliff Snodgrass
Senior Counsel
Missouri Bar No. 52302

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 28th day of February, 2001.

A handwritten signature in cursive script, reading "Cliff Smedgrass", is written over a horizontal line. The signature is fluid and somewhat stylized, with the first letter of each name being capitalized and prominent.

SETTLEMENT AGREEMENT

WHEREAS, on January 19, 2001, the Staff of the Missouri Public Service Commission (Staff) and Osage Water Company (Company) (Staff and Company also being referred to as the “parties”) attended a mediation conference at the University of Missouri School of Law in Columbia, Missouri.

WHEREAS, the purpose of the mediation conference was to attempt settlement of the parties’ interests in connection with a Complaint filed with the Missouri Public Service Commission by the Staff against the Company on September 21, 2000, Case No. WC-2001-195.

WHEREAS, the parties settled the issues connected with the Complaint mentioned just above, and wish to memorialize that settlement in a written document that will be filed with the Missouri Public Service Commission.

WHEREAS, the parties acknowledge the sufficiency of the consideration contained within this agreement, and acknowledge by appropriate signature, the following terms:

Letter to Customers

The Company will draft and send a letter to each of the sixteen owners/occupants of a condominium building (referred to as Condominium "B") located in "Harbor Bay", Lake of the Ozarks, Missouri. The mailing address for identification purposes of this structure is HCR 77, Box 250, Sunrise Beach, Missouri, 65079. The contents of this letter will specify that:

1. A disruption of service occurred on July 24, 2000, until July 25, 2000.
2. The Company attempted to resolve the disruption in service to the best of its abilities and used its best judgment.
3. The Company is sorry for any inconvenience suffered by its customers, but the Company felt that circumstances required an immediate cessation of services.
4. The Company is exercising its best efforts to recover compensation for the disruption of services from another party.
5. The Company indicates that the customers can contact its business office with any questions and concerns connected with the disruption of service.

Record Keeping Responsibilities

The Company promises to reiterate and emphasize its Commission required record keeping responsibilities to all applicable Company employees. The Staff will draft and send a letter to the Company detailing the required record keeping responsibilities. Staff will offer any assistance it can related to the training of the Company's customer service employees.

Waiver of Attorney's Fees

The Company waives its request for attorney's fees and costs connected with Case No. WC-2001-195 and the mediation thereof.

Signed: *Cliff Snodgrass* Date: 2-27-2001
Cliff Snodgrass
Senior Counsel, Missouri Bar No. 52302
Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
(573) 751-3966

Signed: *Gregory D. Williams (by CES)* Date: 2-27-2001
Gregory D. Williams
Missouri Bar No. 32272
Attorney for Osage Water Company
Highway 5 at Lake Road 5-33
P.O. Box 431
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**Service List for
Case No. WC-2001-195
Revised: February 28, 2001 (SW)**

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