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DON G. BUSCH, OF COUNSEL  
ANDREW K. BENNETT, OF COUNSEL  
JOHN M. CARNAHAN, JR (1915-1998)

\*ALSO ADMITTED IN FLORIDA  
\*\*ALSO ADMITTED IN OREGON  
\*\*\*ALSO ADMITTED IN TEXAS

January 27, 2004

**PRIVILEGED & CONFIDENTIAL**

Mr. Dale Hardy Roberts, Executive Secretary  
Missouri Public Service Commission  
Governor Office Building  
200 Madison Street  
Jefferson City, MO 65102

**FILED<sup>2</sup>**

MAR 02 2004

Missouri Public  
Service Commission

Re: Application of DOD-CO Enterprise, L.L.C. to sell its sewer assets and its water assets to the Shell Rock Not-for-Profit Sewer Corporation and the Shell Rock Not-for-Profit Water Corporation respectively

Dear Mr. Roberts:

Enclosed find herewith one (1) original and eight (8) copies of the Application of DOD-CO Enterprise, L.L.C. requesting approval to sell its sewer utility assets and its water utility assets to Shell Rock Not-for-Profit Sewer Corporation and to Shell Rock Not-for-Profit Water Corporation respectively. Please file the enclosed Application with the Public Service Commission.

DOD-CO has been in a continuing dispute with the Department of Natural Resources of the State of Missouri with regard particularly to its sanitary sewer utility operations. The dispute being presently before the Circuit Court of Barry County, Missouri. The Department of Natural Resources and the Circuit Court have indicated that the sale of the assets of the water and sewer company as requested herein will resolve the difficulties with the Department of Natural Resources and with the Court.

This Application contains the litany of circumstances by which DOD-CO claims to be the owner of the sewer and water assets which had previously been certificated by the Public Service Commission to the Shell Knob Estates Utilities, Inc. Your records will not reflect any approval of the sale of the assets of Shell Knob Utilities, Inc. but as the Application shows in fact that sale occurred, and in fact the operation of the utilities has for some years been by successors to Shell Knob Utilities, Inc.

CARNAHAN, EVANS, CANTWELL & BROWN, P.C.

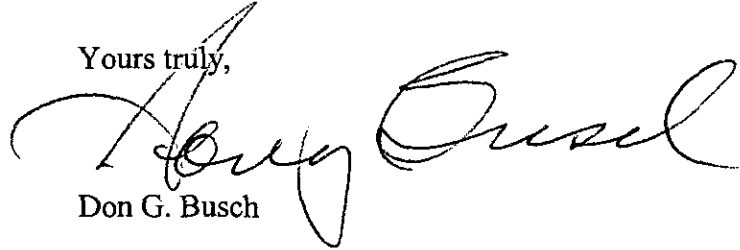
Letter to Dale Hardy Roberts

Page 2

January 27, 2004

It is the applicant's position that the current Application, given the historical past, is the most reasonable and practical way to resolve the problem providing for water and sewer service to the customers in the Shell Knob, Missouri area.

Yours truly,

A handwritten signature in cursive script, appearing to read "Don G. Busch".

Don G. Busch

DGB:kl

cc: Tom Cardin  
Harry Bozoian

kk\0742002Ltr-Roberts.doc  
January 27, 2004

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

**FILED<sup>2</sup>**

**MAR 02 2004**

**Missouri Public  
Service Commission**

In the Matter of the joint application of: )  
DOD-CO Enterprise, L.L.C., Shell Rock Not-for- )  
Profit Sewer Corporation and Shell Rock Not-for- )  
Profit Water Corporation for permission for )  
DOD-CO Enterprise, L.L.C. to sell and transfer its )  
assets of its sewer and water utilities previously )  
owned by Shell Knob Estates Utilities, Inc. to Shell )  
Rock Not-for-Profit Sewer Corporation and Shell )  
Rock Not-for-Profit Water Corporation respectively )

Case No. \_\_\_\_\_

**APPLICATION**

**COMES NOW**, DOD-CO Enterprise, L.L.C. (hereinafter DOD-CO) and Shell Rock Not-for-Profit Sewer Corporation (hereinafter Sewer Buyer) and Shell Rock Not-for-Profit Water Corporation (hereinafter Water Buyer) and for their joint Application herein and pursuant to Section 393.190 RSMo. state to the Commission as follows:

1. DOD-CO is a Missouri company with its principal office and principal place of business located in and about Shell Knob, Barry County, Missouri.
2. DOD-CO operates a sanitary sewer utility and water system utility in Barry County, Missouri, acquired by purchase and transfer of the assets of Shell Knob Estates Utilities, Inc.; Shell Knob Estates Utilities, Inc. was at that time of purchase operating under a certificate issued by the Commission. DOD-CO is subject to the jurisdiction, supervision and control of the Commission.
3. Applicant Shell Rock Not-for-Profit Sewer Corporation and Shell Rock Not-for-Profit Water Corporation formed pursuant to the provisions of Section 393.825 et. seq. RSMo and Section 393.900 et. seq. RSMo respectively were both formed for the purposes of acquiring the assets of the sewer utility and the assets of the water utility of DOD-CO before referred to respectively.

4. Buyers will not be subject to this jurisdiction of the Commission with respect to the operation of the sewer system or the water system but join in this Application in order that they may acquire the assets of DOD-CO sewer system and water system which is required by Section 393.190 RSMo.

5. DOD-CO has agreed to sell the assets of the sewer utility and of the water utility to the Sewer Buyer and Water Buyer respectively for the total sum of Two Dollars (\$2.00). The executed contracts of sale from DOD-CO to the Sewer Buyer and Water Buyer are attached as **Exhibits A and B**. The By-Laws of the Buyers are attached as **Exhibits C and D**.

6. Buyers will charge their customers sufficient amounts to pay for the operation and maintenance of the acquired assets of the two utilities including necessary administrative expenses and including in the case of the sewer utility certain expenses advanced by the customers thereof who will now be the customers of the Shell Rock Not-for-Profit Sewer Corporation in order that the sewer system heretofore could continue to operate and provide the service.

7. The initial monthly cost for a residential customer of said Sewer Buyer will be \$35.00 per month while the initial monthly cost for a residential customer of Water Buyer will be \$10.55 per month for the first 2000 gallons used plus \$1.71 per each 1000 gallons additional, while commercial customers will be at a rate of \$20.00 per month for the first 2000 gallons used and \$2.00 per each 1000 gallons additional. Current sewer rates are \$14.78 per month, while current water rates are \$10.55 per month for the first 2000 gallons used and \$1.71 for each 1000 gallons used.

8. DOD-CO is currently involved in legal proceedings with the Department of Natural Resources of the State of Missouri in Barry County, Missouri with respect to the alleged violations of the clean water act in the State of Missouri with regard to the operation of its sewer utility.

9. The sale of the assets of the sewer utility and water utility by DOD-CO to the Sewer Buyer and Water Buyer respectively will resolve concerns of the Department of Natural Resources of the State of Missouri with regard to the DOD-CO sewer utility. The Department of Natural Resources of the State of Missouri favors the proposed sale of the sewer utility and water utility of DOD-CO upon the terms set forth in the contracts attached hereto as **Exhibits A and B**.

10. The members of the Shell Rock Not-for-Profit Sewer Corporation will be the customers thereof and the members of the Shell Rock Not-for-Profit Water Corporation will be the customers of the Shell Rock Not-for-Profit Water Corporation. Under the statutes of the State of Missouri, the customers as members of the corporations will elect their Board of Directors and their Board of Directors will be responsible for the operation of the utilities respectively and for the setting of necessary rates and providing of necessary services.

11. There should be no measurable loss of tax revenues to Barry County as a result of the transfer of the sewer and water assets to the Buyers as DOD-CO owns no real estate in connection with its utility operations.

12. DOD-CO Enterprise L.L.C. has obtained title to the assets of Shell Knob Estates Utilities, Inc., the last utility operation certificated by the public service commission, through a series of transactions which are as follows:

a. The stock of Shell Knob Estates Utilities, Inc. was owned by Windsor Bay, L.L.C. doing business as Shell Knob Estates Utilities, Inc.;

b. On the 31<sup>st</sup> day of December 1998 one of the two members of Windsor Bay, L.L.C. to wit Robert D. Baird, purported to transfer the water plant and sewer treatment plant of Shell Knob Estates Utilities, Inc. to DOD-CO Enterprise, see **Exhibits E and E-1**

attached;

c. At the time of the transfer mentioned in subparagraph 12.b., DOD-CO Enterprise was a registered fictitious name in the State of Missouri for Betty A. Dodson whose address was Route 1 Box 1348, Shell Knob, Missouri 65747, see **Exhibit F** attached;

d. Thereafter, Betty A. Dodson transferred her interest in Shell Knob Estates Utilities, Inc. secured from Windsor Bay, L.L.C. to DOD-CO Enterprise, L.L.C. a Missouri Limited Liability Company organized by William E. Dodson the husband of Betty A. Dodson, see **Exhibits G and H** attached;

e. Since the sale of the Shell Knob Estates Utilities, Inc. assets on December 31, 1998, Betty A. Dodson and her husband William E. Dodson have consistently operated the water and sewer utilities which were previously operated by Shell Knob Estates Utilities, Inc. as a certificated utility by the Public Service Commission;

f. In Case No. SR-2001-83 the State of Missouri Public Service Commission through an informal rate procedure entered an order increasing the rates charged by Shell Knob Estates Utilities, Inc. that order becoming effective on October 2, 2000. The application for the rate increase was made on behalf of Shell Knob Estates Utilities, Inc. by William A. Dodson as President;

g. Robert D. Baird, one of the two members of the Windsor Bay, L.L.C. has since deceased, and his widow and his children have released any interest which they may still have through Robert D. Baird in the sewer and water assets of Shell Knob Estates Utilities, Inc. to DOD-CO Enterprise, L.L.C., which proposes to convey its interests in the water and sewer assets to the joint applicants herein Shell Rock Not-for-Profit Sewer

Corporation and Shell Rock Not-for-Profit Water Corporation respectively, see **Exhibits I, A and B** attached.

h. William Cree, the other surviving member of the Windsor Bay, L.L.C. has executed a Quit Claim Deed to the property upon which the sewer plant is located to William E. Dodson, who has executed a quit claim deed to the same property to DOD-CO Enterprises, L.L.C., which proposes to deliver its quit claim deed for the property to Shell Rock not- for- profit sewer corporation, see **Exhibits J, K and L** attached;

i. William Cree has released as the managing member any interest which Windsor Bay L.L.C. might have in any of the assets of Shell Knob Estates Utilities, Inc. to DOD-CO Enterprise, Inc., which in turn proposes to transfer to Shell Rock not-for-profit sewer corporation and to Shell Rock not-for-profit water corporation the sewer and water assets respectively, see **Exhibits M, A and B** attached.

13. The following are the persons to whom correspondence, communications, orders and decisions should be addressed, sent or contacted:

Don G. Busch  
Carnahan, Evans, Cantwell & Brown, P.C.  
2805 S. Ingram Mill Road  
Springfield, Missouri 65804  
Telephone number: (417) 447-4400

Tom W. Cardin  
Cardin & Payne  
607 Main Street  
Cassville, MO 65625  
Telephone number: (417) 847-4559

Barry Gilbert  
Missouri Attorney General Office  
Broadway Building, 8<sup>th</sup> Floor  
P.O. Box 899  
Jefferson City, MO 65102

14. Several of the customers of the water and sewer utilities here in issue have spent over \$20,000.00 in the aggregate to keep their utility services in tact over the last several months while

this situation has been before the courts at the instigation of the Department of Natural Resources of the State of Missouri, and all of the customers of the utilities and DOD-CO Enterprise Inc. need the relief sought herein so as to resolve the continuing disputes over service. The Department of Natural Resources has indicated it also favors the relief sought in this application.

**WHEREFORE**, DOD-CO and Sewer Buyer and Water Buyer respectfully request the Commission to issue an Order:

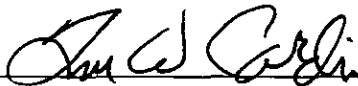
- a. Approving the sale and transfer of the sewer utility assets previously owned and operated by Shell Knob Estates Utilities, Inc. and by DOD-CO Enterprise, L.L.C. to Shell Rock Not-for-Profit Sewer Corporation for the sum of One Dollar (\$1.00);
- b. Approving the sale and transfer of the water utility assets previously owned and operated by Shell Knob Estates Utilities, Inc. and by DOD-CO Enterprise, L.L.C. to Shell Rock Not-for-Profit Water Corporation for the sum of One Dollar (\$1.00);
- c. Authorizing DOD-CO and Shell Knob Estates Utilities, Inc. to discontinue providing sewer utility and water utility services in the certificated area in Barry County, Missouri, as of the date of the closing of the sale and transfer of the assets of the sewer utility and water utility to the Sewer Buyer and Water Buyer respectively; and
- d. For such other and further relief as might be deemed appropriate and proper to accomplish the purposes of this Application.

**DOD-CO ENTERPRISE, L.L.C.**

By: Betty Ann Dodson  
Betty Ann Dodson, Sole Owner and Only Member

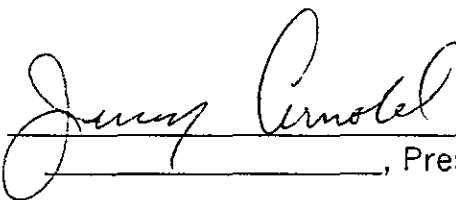
**CARDIN & PAYNE**



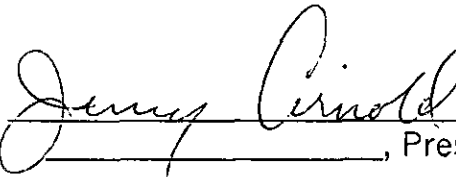
By:   
Tom W. Cardin, Esq.  
Missouri Bar # 25042  
607 Main Street  
Cassville, MO 65625  
Phone: (417) 847-4559  
Fax: (417) 847-4230

Attorneys for DOD-CO Enterprise, L.L.C.


**SHELL ROCK NOT-FOR-PROFIT SEWER CORPORATION**

By: , President

**SHELL ROCK NOT-FOR-PROFIT WATER CORPORATION**

By: , President

**CARNAHAN, EVANS, CANTWELL & BROWN, P.C.**

By:   
Doh G. Busch  
Missouri Bar No. 16510  
2805 S. Ingram Mill Road  
P.O. Box 10009 G.S.S.  
Springfield, MO 65804-0009  
PH: (417) 447-4400  
FAX: (417) 447-4401

Attorneys for Shell Rock Not-for-Profit Sewer Corporation  
and Shell Rock Not-for-Profit Water Corporation

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January 5, 2004

**AFFIDAVIT**

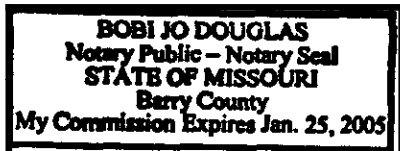
STATE OF MISSOURI     )  
                                      )  
COUNTY OF Barry     )     SS.

**COMES NOW** Betty Ann Dodson who being first put upon her oath, deposes and states that she is the sole owner and only member of DOD-CO Enterprise, L.L.C., an applicant of the within application for sale of the sewer system assets and water system assets of DOD-CO Enterprise, L.L.C., and states that its attorney, Tom W. Cardin of Cardin & Payne has been authorized by appropriate action of the undersigned on behalf of DOD-CO Enterprise, L.L.C. to file the within application on its behalf.

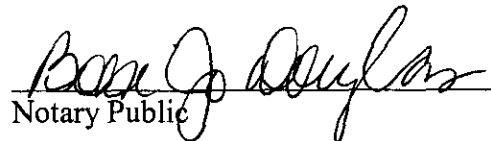
**FURTHER AFFIANT SAYETH NOT.**

  
BETTY ANN DODSON

Subscribed and sworn to before me this 30<sup>th</sup> day of October, 2003.



My Commission Expires:

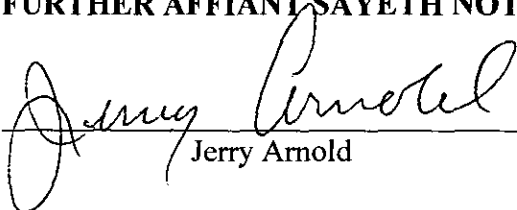
  
Notary Public

**AFFIDAVIT**

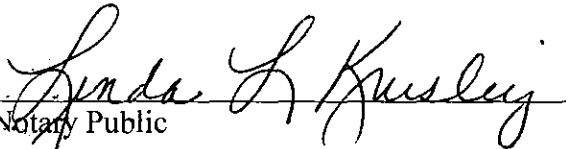
STATE OF MISSOURI     )  
                                      )  
COUNTY OF Barry     )     SS.

**COMES NOW** Jerry Arnold who being first put upon his oath, deposes and states that he is the President of Shell Rock Not-for-Profit Sewer Corporation and of Shell Rock Not-For-Profit Water Corporation, applicants in the within application for sale of the sewer system and water system assets of DOD-CO Enterprise, L.L.C., and states that their attorney, Don G. Busch of Carnahan, Evans, Cantwell & Brown, P.C. has been authorized by appropriate action of the Board of Directors of the aforesaid Not For Profit Sewer and Water Corporations to file the within application on their behalf.

**FURTHER AFFIANT SAYETH NOT.**

  
\_\_\_\_\_  
Jerry Arnold

Subscribed and sworn to before me this 9<sup>th</sup> day of October, 2003.

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

My Commission Expires: Sept 7 2007

