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OF COUNSEL  
RICHARD T. CIOTTON

December 13, 2004

**VIA HAND DELIVERY**

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

**FILED<sup>2</sup>**  
**DEC 13 2004**  
**Missouri Public  
Service Commission**

**Re: In the matter of the application of North Suburban Public Utility Company, Inc. to  
acquire all of the outstanding capital stock of Lake Region Water & Sewer Company  
Case No. \_\_\_\_\_**

Dear Mr. Roberts:

On behalf of North Suburban Public Utility Company, Inc., I deliver herewith an original and eight (8) copies of an **Application** for filing with the Commission in the referenced matter. I would appreciate it if you would see that the copies are distributed to the appropriate Commission personnel. Service copies have been mailed or hand-delivered this date.

I have also enclosed two (2) extra copies of the document which I request that you stamp "Filed" and return to the person delivering it to you.

Thank you for your attention in this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:



Paul A. Boudreau

PAB/ccp

Enclosures

cc: Mr. Dana K. Joyce  
Mr. John B. Coffman

FILED<sup>2</sup>

DEC 13 2004

Missouri Public  
Service Commission

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

In the matter of the application of North )  
Suburban Public Utility Company, Inc. to )  
acquire all of the outstanding capital stock )  
of Lake Region Water & Sewer Company )

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

**APPLICATION**

Comes now North Suburban Public Utility Company, Inc. ("North Suburban" or "Applicant"), by and through its counsel, and for its application pursuant to Section 393.190.2 RSMo 2000, 4 CSR 240-2.060, and 4 CSR 240-3.125 for permission to acquire more than ten percent (10%) of the capital stock of Lake Region Water & Sewer Company ("Lake Region"), respectfully states as follows:

1. The legal name of Applicant is North Suburban Public Utility Company, Inc. Its principal office is located at 10777 Barkley Suite 210, Overland Park, Kansas 66211.

2. North Suburban is a corporation duly incorporated under the laws of the State of Illinois. It is engaged, generally, in the business of owning and operating water and sewer public utility companies. North Suburban owns the capital stock of The Meadows Water Company and Ozark Shores Water Company, each of which are regulated by the Missouri Public Service Commission ("Commission"). Its ownership of the equity interests of both utilities was authorized by the Commission in its Case No. WM-2000-314.<sup>1</sup> North Suburban is not itself a regulated Missouri utility.

3. A certified copy of Applicant's Certificate of Authority to do business in the State of Missouri as a foreign corporation is marked **Appendix A**, attached hereto and

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<sup>1</sup> See, *Order Approving Acquisition of Stock* dated December 16, 1999.

incorporated herein for all purposes. Because the Applicant is not a regulated Missouri utility, it has no pending or final judgments or decisions against it from any state or federal agency or court which involve its customer service or rates within the three (3) years immediately preceding the filing of this Application. Likewise, North Suburban has no overdue Commission annual reports or assessment fees.<sup>2</sup>

4. All correspondence, communications, notices, order and decisions of the Commission with respect to this matter should be sent to:

Robert P. Schwermann, President  
North Suburban Public Utility Company, Inc.  
10777 Barkley  
Suite 210  
Overland Park, Kansas 66211  
Tel: 913-385-1555  
Fax: 913-385-3688

Paul A. Boudreau, Attorney at Law  
Brydon, Swearingen & England P.C.  
312 East Capitol Avenue  
P.O. Box 456  
Jefferson City, Missouri 65102-0456  
Tel: 573 635-7166  
Fax: 573 635-0427

5. The Applicant wishes to obtain an order from the Commission which will allow it to acquire all of the outstanding capital stock of Lake Region, a Commission-regulated water and sewer corporation providing such services to customers on portions of Shawnee Bend at the Lake of the Ozarks in those areas certificated to it by the Commission.<sup>3</sup> Lake Region is a Missouri-chartered corporation. Such stock, in the form of 150,000 shares, is presently owned by Sally J. Stump, and RPS Properties (a limited

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<sup>2</sup> Although not required by Commission rule 4 CSR 240-2.060, Applicant further states that Lake Region has no pending or final judgments or decisions against it involving customer service or rates and, also, it has no overdue Commission annual reports or assessment fees.

<sup>3</sup> Lake Region (formerly Four Seasons Lakesites Water & Sewer Company) was granted a certificate of convenience and necessity to serve an area generally comprising the eastern half of Shawnee Bend located in portions of Camden and Miller Counties. See, Case No. WA-95-164.

partnership owned and controlled by Robert P Schwermann, his wife and two children). Subject to the approval of the Commission, the shares will be transferred to North Suburban by Stump and RPS.

6. Applicant proposes to acquire all of these shares at the same cost as they were acquired by Stump and RPS. Because Stump and RPS ( Robert P. Schwermann) are also principals of North Suburban, no formal statement of offer to purchase has been made by Applicant and no formal agreement has been entered into.

7. A certified copy of the resolution of the directors of Applicant authorizing the acquisition of the shares is attached hereto and marked as **Appendix B**.

8. Although not required by 4 CSR 240-3.125, Applicant has included a *pro forma* financial statement showing the effect on Applicant of the acquisition of the Lake Region shares described above. This document is attached hereto and marked as **Appendix C**.

9. The proposed acquisition of this stock by Applicant is not detrimental to the public interest. The Applicant and the principals of Applicant have extensive experience in the operation, management, maintenance and financing of water and sewer public utilities. No detrimental effect on the service provided by Lake Region is likely to occur from this transaction. There will be no change in the rate schedules or terms and conditions of service as are set forth in the tariff sheets of Lake Region which are on file with and approved by the Commission. The water and sewer operations of Lake Region will continue to be subject to the supervision and regulation of the Commission. As the *pro forma* financial statement shows, the Applicant has sufficient resources to be the share owner of these public utility companies.

10. The individuals who propose to transfer the shares involved in this application do not wish to hold the shares and they acquired them only temporarily with the intent to transfer the shares, at their cost, to Applicant. The individuals purchased the shares in order to close that transaction quickly since no regulatory approvals are required for individuals or partnerships to purchase such shares.

WHEREFORE, Applicant requests an order from the Commission finding that the proposed transaction is not detrimental to the public interest and granting it permission to acquire all of the capital stock of Lake Region.

Respectfully submitted,



Paul A. Boudreau MBE #33155  
BRYDON, SWEARENGEN & ENGLAND P.C.  
312 East Capitol Avenue  
P.O. Box 456  
Jefferson City, Missouri 65102-0456  
(573) 635-7166  
(573) 635-0427 (facsimile)

Attorneys for North Suburban Public Utility  
Company, Inc.

VERIFICATION

STATE OF Texas )  
COUNTY OF Brewster ) ss

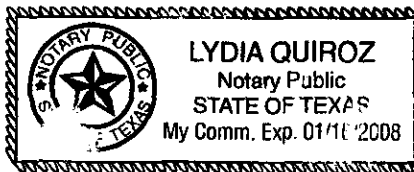
On the 3<sup>rd</sup> day of December, 2004, before me appeared Sally J. Stump, to me personally known, who, being by me first duly sworn, states that he is the corporate Secretary of Applicant and acknowledged that he had read the above and foregoing document and believes that the allegations therein are true and correct to the best of his information, knowledge and belief, and that the above designated attorneys are authorized to file said application on behalf of Applicant.

Sally J. Stump  
Sally J. Stump

Subscribed and sworn to before me this 3<sup>rd</sup> day of December, 2004.

Lydia Quiroz  
Notary Public

My Commission expires: Jan 16, 2008



### CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing was served by hand delivery or U.S. Mail to the persons listed below on this 13<sup>th</sup> day of December, 2004.

Mr. Dana K. Joyce, General Counsel  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102-0360

John B. Coffman, Public Counsel  
Office of the Public Counsel  
200 Madison Street, Suite 650  
P.O. Box 2230  
Jefferson City, MO 65102-2230



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Paul A. Boudreau

# STATE OF MISSOURI



Matt Blunt  
Secretary of State

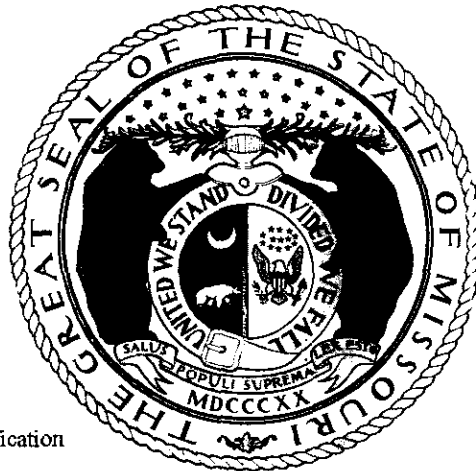
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## CERTIFICATE OF CORPORATE RECORDS

NORTH SUBURBAN PUBLIC UTILITY CO.

I, MATT BLUNT, Secretary of the State of the State of Missouri and Keeper of the Great Seal thereof, do hereby certify that the annexed pages contain a full, true and complete copy of the original documents on file and of record in this office for which certification has been requested.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 17th day of November, 2004



Certification Number: 7176196-1 Reference:  
Verify this certificate online at <http://www.sos.mo.gov/businessentity/verification>





# State of Missouri

Rebecca McDowell Cook, Secretary of State

P.O. Box 778, Jefferson City, Mo. 65102

Corporation Division

## Application for Foreign Corporation For a Certificate of Authority

(Submit in duplicate with filing fee of \$155.00)

- (1) The corporation's name is North Suburban Public Utility Co.  
and it is organized and existing under the laws of Illinois
- (2) The name it will use in Missouri is North Suburban Public Utility Co
- (3) The date of its incorporation was 12/29/87, and the period of its duration is Indefinite  
month/day/year
- (4) The address of its principal place of business 10777 Barkley St 210 Overland Park Ms  
Address City/State/Zip 60211
- (5) The name and address of its registered agent and office in the State of Missouri is  
Vernon L. Stump 14881 Wren School Rd Harburg Mo 65039  
Name Address City/State/Zip
- (6) The specific purpose(s) of its business in Missouri are:  
Operation of residential water system
- (7) The name of its officers and directors and their business addresses are as follows:
- | (Officers)     | Name                        | Address                     | City/State/Zip                |
|----------------|-----------------------------|-----------------------------|-------------------------------|
| President      | <u>Vernon L. Stump</u>      | <u>14881 Wren School Rd</u> | <u>Harburg Mo 65039</u>       |
| Vice President |                             |                             |                               |
| Secretary      | <u>Robert P. Schuermann</u> | <u>10460 Mockingbird</u>    | <u>Overland Park Ms 66201</u> |
| Treasurer      |                             |                             |                               |
- (Board of Directors)
- |          |                             |
|----------|-----------------------------|
| Director | <u>Vernon L. Stump</u>      |
| Director | <u>Robert P. Schuermann</u> |
| Director |                             |
| Director |                             |
- (8) The effective date of this document is the date it is filed by the Secretary of State of Missouri unless you indicate a future date, as follows: \_\_\_\_\_  
(Date may not be more than 90 days after the filing date in this office)

**FILED**  
AND CERTIFICATE OF  
AUTHORITY ISSUED  
DEC 1 1999

Rebecca McDowell Cook  
SECRETARY OF STATE

In affirmation thereof, the facts stated above are true.

Robert P. Schuermann  
(Authorized signature of officer or chairman of the board)

Secretary  
(Title)

11/22/99  
(Date of Signature)

Note: You must have a current certificate of good standing or certificate of existence with this application. This may be obtained from the Secretary of State or other authority that issues corporate charters.



**To all to whom these Presents Shall Come, Greeting:**

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that*

**NORTH SUBURBAN PUBLIC UTILITY COMPANY, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE DECEMBER 29, 1987, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE FILING OF ANNUAL REPORTS AND PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS\*\*\*\*\***



**In Testimony Whereof, I, hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 17TH day of NOVEMBER A.D. 1999.**

*Jesse White*

SECRETARY OF STATE

# STATE OF MISSOURI



**Rebecca McDowell Cook**  
**Secretary of State**

CORPORATION DIVISION - CERTIFICATE OF AUTHORITY

WHEREAS,  
**NORTH SUBURBAN PUBLIC UTILITY CO.**

USING IN MISSOURI THE NAME  
**NORTH SUBURBAN PUBLIC UTILITY CO.**

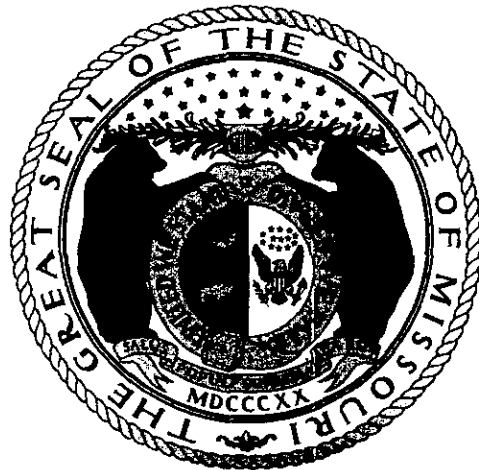
HAS COMPLIED WITH THE GENERAL AND BUSINESS CORPORATION LAW WHICH GOVERNS FOREIGN CORPORATIONS; BY FILING IN THE OFFICE OF THE SECRETARY OF STATE OF MISSOURI AUTHENTICATED EVIDENCE OF ITS INCORPORATION AND GOOD STANDING UNDER THE LAWS OF THE STATE OF ILLINOIS.

NOW, THEREFORE, I, REBECCA McDOWELL COOK, SECRETARY OF STATE OF THE STATE OF MISSOURI, DO HEREBY CERTIFY THAT SAID CORPORATION IS FROM THIS DATE DULY AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE, AND IS ENTITLED TO ALL RIGHTS AND PRIVILEGES GRANTED TO FOREIGN CORPORATIONS UNDER THE GENERAL AND BUSINESS CORPORATION LAW OF MISSOURI

IN TESTIMONY WHEREOF, I HAVE SET MY HAND  
AND IMPRINTED THE GREAT SEAL OF THE STATE  
OF MISSOURI, ON THIS, THE 14<sup>TH</sup> DAY OF  
DECEMBER, 1999.

*Rebecca McDowell Cook*  
Secretary of State

\$155.00



STATEMENT OF UNANIMOUS CONSENT IN LIEU OF SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF  
NORTH SUBURBAN PUBLIC UTILITY COMPANY,  
AN ILLINOIS CORPORATION

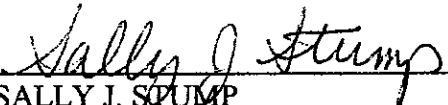
The undersigned, constituting all of the Board of Directors of North Suburban Public Utility Company, an Illinois corporation, do hereby waive notice of a special meeting of the Board of Directors of said corporation and do hereby unanimously adopt as a Resolution of the Board of Directors, the following:

RESOLVED: That the corporation negotiate for, and make and enter into a contract to purchase all of the issued and outstanding stock of Lake Region Water & Sewer Co. on such terms and conditions as are acceptable to this corporation's Board of Directors; and, be it further

RESOLVED: That the officers of the corporation be, and they are hereby authorized and directed to make, enter into and execute any and all contracts and other documents and writings reasonably necessary to carry out this transaction.

IN WITNESS WHEREOF, this Statement of Unanimous Consent has been executed by the undersigned as of the 1st day of DECEMBER, 2004.

  
ROBERT P. SCHWERMANN

  
SALLY J. SPUMP

North Suburban Public Utility Company  
Cash Flow Income Statement

12 Month Projection

	<u>Current</u> <u>12 Month Projection</u>	<u>After Acquisition</u> <u>12 Month Projection</u>
<b>Income</b>		
Return on investment	99,500.00	99,500.00
Contract management	509,988.00	743,808.00
Interest	<u>115,800.00</u>	<u>115,800.00</u>
Total Income	725,288.00	959,108.00
<b>Expenses</b>		
Operating expense	240,000.00	240,000.00
Loan Payment	269,988.00	503,808.00
Other	<u>100,000.00</u>	<u>100,000.00</u>
Total Expenses	<u>609,988.00</u>	<u>843,808.00</u>
Net Income	<u><u>115,300.00</u></u>	<u><u>115,300.00</u></u>

North Suburban Public Utility Company  
Balance Sheet

	12/31/2003 <u>Balance Sheet</u>	Pro Forma Balance Sheet <u>After Acquisition</u>
<b>Assets</b>		
<u>Current Assets</u>		
Checking-Gold Bank	114,410.00	114,410.00
Other Receivable	105,973.00	105,973.00
Interest receivable	<u>38,613.00</u>	<u>38,613.00</u>
Total current assets	258,996.00	258,996.00
<u>Fixed assets</u>		
OSWC & Meadows stocks	3,977,902.00	3,977,902.00
Land	321,228.00	321,228.00
Buildings	185,303.00	185,303.00
Lake Region Stocks	<u>                    </u>	<u>3,044,317.00</u>
Total fixed assets	4,484,433.00	7,528,750.00
Note Receivable	<u>2,343,835.00</u>	<u>2,343,835.00</u>
Total Assets	<u>7,087,264.00</u>	<u>10,131,581.00</u>
<b>Liabilities and Stockholders Equity</b>		
<u>Liabilities</u>		
Current Liabilities	59,927.00	59,927.00
Total long term Liabilities	<u>3,243,190.00</u>	<u>5,943,190.00</u>
Total Liabilities	3,303,117.00	6,003,117.00
<u>Stockholders equity</u>		
Common Stock	225,000.00	225,000.00
Other paid in capital	2,169,549.00	2,513,866.00
Retained earnings	<u>1,389,598.00</u>	<u>1,389,598.00</u>
Total Stockholders equity	<u>3,784,147.00</u>	<u>4,128,464.00</u>
Total liabilities and equity	<u>7,087,264.00</u>	<u>10,131,581.00</u>