

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 13th day of
February, 2013.

In the Matter of the Application of Emerald Pointe)	
Utility Company for Authority to Issue Up To and)	<u>File No. SF-2013-0346</u>
Including \$1,000,000 of Indebtedness)	

ORDER GRANTING AUTHORITY TO ISSUE INDEBTEDNESS

Issue Date: February 13, 2013

Effective Date: February 23, 2013

On December 27, 2012, Emerald Pointe Utility Company filed an application with the Missouri Public Service Commission seeking permission and authority to issue up to \$1 million aggregate of indebtedness to finance a new sewer line and related improvements. Subsequently, on January 22, 2013, Emerald Pointe supplemented its application by requesting authority to borrow an additional \$62,000 in a separate transaction to buy power generators to operate two lift stations along the new sewer line. Emerald Pointe wishes to finalize the financing transactions on or before March 1, 2013, and asks the Commission to expedite its consideration of its application,

On February 5, the Commission's Staff filed a Recommendation and Memorandum regarding Emerald Pointe's application. Staff recommends the Commission approve the application subject to two specified conditions. Emerald Pointe responded to Staff's recommendation on February 11, indicating its acceptance of the conditions specified by Staff. No other party responded to Staff's recommendation.

The Commission has reviewed and considered Emerald Pointe's application and the Recommendation and Memorandum of Staff and concludes the application should be

granted. The Commission will require Emerald Pointe to comply with the conditions requested by Staff.

As required by Section 393.200.1, RSMo 2000, the Commission finds that the money, property or labor to be procured or paid for by the issuance of the bonds proposed in Emerald Pointe's application is or will be reasonably required for the purposes specified in the application and that such purposes are not in whole, or in part reasonably chargeable to operating expenses or to income.

Because Emerald Pointe wishes to close the authorized transaction on March 1, the Commission will make this order effective ten days after it is issued.

THE COMMISSION ORDERS THAT:

1. Emerald Pointe Utility Company is authorized to enter into, execute, and deliver loan agreements with Hawthorne Bank to incur indebtedness provided that the aggregate principal amount of all such debt obligations shall not exceed \$1,000,000, collectively bearing a commercially reasonable interest rate, and having such designation and redemption, purchase, and other terms as shall be determined by Emerald Pointe.

2. Emerald Pointe Utility Company is authorized to create and make effective a first lien on all the franchises, certificates of convenience and necessity, plant and systems of Emerald Pointe, to secure its obligations under the loan as provided in Appendix 2HC of its application.

3. Emerald Pointe Utility Company is authorized to enter into, execute, and deliver loan agreements with White River Valley Electric Cooperative, Inc. to incur indebtedness provided that the aggregate principal amount of all such debt obligations shall not exceed \$62,000, collectively bearing a commercially reasonable interest rate, and having such

designation and redemption, purchase, and other terms as shall be determined by Emerald Pointe.

4. Emerald Pointe Utility Company is authorized to create and make effective a first lien on all the franchises, certificates of convenience and necessity, plant and systems of Emerald Pointe, to secure its obligations under the loan as provided in Appendix 2S of the supplement to its application.

5. Emerald Pointe Utility Company is authorized to enter into, execute, deliver, and perform the necessary promissory notes, loan agreements, and other documents necessary to effectuate the described transactions.

6. Emerald Pointe Utility Company is authorized to take such other actions as may be reasonably incidental, necessary, or appropriate to complete the transaction.

7. The authority granted in this order is subject to the following conditions:

A. Emerald Pointe Utility Company shall file with the Commission, within 30 days from the transaction date, all final terms and conditions of the proposed financing, including, but not limited to, the aggregate proceeds received, price information, and estimated expenses;

B. Nothing in this order is to be considered a finding by the Commission of the value of this transaction for ratemaking purposes, including, but limited to, Emerald Pointe's capital structure for ratemaking purposes. The Commission reserves the right to consider the ratemaking treatment to be afforded these financing transactions and their results in cost of capital in any later proceeding.

8. This order shall become effective on February 23, 2013.

BY THE COMMISSION

(S E A L)

A handwritten signature in cursive script, reading "Shelley Brueggemann".

Shelley Brueggemann
Acting Secretary

Gunn, Chm., Jarrett, R. Kenney, Stoll,
and W. Kenney, CC., concur.

Woodruff, Chief Regulatory Law Judge