

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

In the Matter of Lake Region Water and)	
Sewer Co. for Authority to Borrow Up)	Case No. WF-2013-0118
to \$2,000,000 in Long-Term, Secured Debt)	

**LAKE REGION WATER & SEWER COMPANY'S
RESPONSE TO ORDER DIRECTING FILING AND
CONTINGENT MOTION FOR LEAVE TO FILE RESPONSE OUT OF TIME**

Comes now Lake Region Water and Sewer Co. (Lake Region) and for its response to order submits the following to the Missouri Public Service Commission (the "Commission"):

1. ORDERED Paragraph 6 of the Commission's February 13, 2013 Order Approving Application to Borrow Long Term, Secured Debt (the "Order") in this matter provides:

Lake Region Water & Sewer Co. 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.

Final Terms and Conditions, Price Information

2. The final terms and conditions of, and any price information related to, the transaction are reflected in the following documents which are attached as Exhibits 1 through 8:

- a. Exhibit 1 Promissory Note dated May 10, 2013 in which Lake Region is Borrower and Alterra Bank (the Bank) is Lender in the principal amount of \$1,400,000; Loan Number 7017889.
- b. Exhibit 2 Commercial Security Agreement dated May 10, 2013 for Loan Number 7017889.

- c. Exhibit 3 Business Loan Agreement dated May 10, 2013 for Loan Number 7017889.
- d. Exhibit 4 Corporate Resolution to Borrow / Grant Collateral dated May 10, 2013 for Loan Number 7017889.
- e. Exhibit 5 Deed of Trust dated May 10, 2013 in which Lake Region is Borrower and the Bank is Lender in the principal amount of \$1,400,000.¹
- f. Exhibit 6 Agreement to Provide Insurance dated May 10, 2013 for Loan Number 7017889.
- g. Exhibit 7 Notice of Insurance Requirements dated May 10, 2013 for Loan Number 7017889.
- h. Exhibit 8 Disbursement Request and Authorization dated May 10, 2013 for Loan Number 7017889.

Aggregate Proceeds Received

3. On or about June 18, 2013, the following disbursements were authorized:

Amount paid to Lake Region directly: \$7,527.79

Other Disbursements: \$1,392,339.21

Pay Down Loan 7016782

Other Charges Financed: \$83.00

\$73.00 Recording Fees- Camden County MO

\$10.00 UCC Search/Recording Fees

Total Financed Prepaid Finance Charges: \$50.00

¹ This deed of trust has not been recorded as of the date of this response.

Flood Certification Fee – Corelogic

Note Principal:

\$1,400,000.00

Expenses

4. In addition to miscellaneous fees scheduled in the foregoing paragraph, Lake Region incurred in connection with the acquisition of this financing attorneys fees in the sum of \$5,735.50, and Lake Region anticipates that it will be charged \$300 for title review and examination.

Contingent Motion to Accept Filing Out of Time

5. Although the promissory note and the other related financing documents attached as Exhibits 1 through 8 were dated effective May 10, 2013, they were not executed by the affected parties on that date. The documents as dated were first circulated among stakeholders for approval. No disbursements under the Note were made until all the Bank's conditions on making the loan were satisfied. Those conditions were fulfilled to the satisfaction of the Bank on or about June 18, 2013. The aggregate proceeds from the approved transaction were not discernible prior to that date and this Response to Order is being filed within the 30 day period following the Company's confirmation that disbursements pursuant to the terms and conditions of the Note and related documents had been made.

6. To the extent the Commission's Order required Lake Region to report on the final terms and conditions of the transaction earlier than the date of this filing, Lake Region respectfully requests that the Commission, pursuant to 4 CSR 240.2.050(3), extend the time within which the Company was required to comply, or alternatively accept this response to order out of time. The Company timed the filing of this Response to Order based upon a good faith interpretation of the Order.

7. This contingent request for an extension is not made for purposes of delay, spite or ill will but rather for good cause, and on the basis of circumstances the Company asks the Commission to deem excusable.

WHEREFORE, Lake Region Water and Sewer Co. respectfully requests that the Commission accept its response to order, and if necessary, accept the same out of time.

Respectfully submitted

/s/ Mark W. Comley

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Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via e-mail on this 18th day of July, 2013, to Amy Moore at Amy.Moore@psc.mo.gov; General Counsel's Office at gencounsel@psc.mo.gov; and Office of Public Counsel at opcservice@ded.mo.gov.

/s/ Mark W. Comley