

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 16th
day of November, 2017.

In the Matter of the Application of Terre Du)	
Lac Utilities Corporation for Authority to)	
Assign, Transfer, Mortgage, or Encumber)	File No. WF-2018-0061
its Franchise, Works, or System, in Order)	
to Secure Financing)	

ORDER GRANTING FINANCING APPLICATION

Issue Date: November 16, 2017

Effective Date: December 18, 2017

On August 30, 2017, Terre Du Lac Utilities Corporation (“Terre Du Lac” or the “Company”) filed an Application with the Commission requesting authority to assign, transfer, mortgage, or otherwise encumber its franchise, works, or system, in order to secure \$126,000 in financing. Specifically, the Company seeks approval from the Commission to pledge 380 shares of stock and grant a security interest in all of the Company’s equipment, contracts, and receivables. Terre Du Lac is a Missouri corporation engaged in the business of providing water and sewer services to approximately 1,245 customers in Washington and St. Francois Counties, Missouri. Considered a “water corporation” and “sewer corporation,” pursuant to Section 386.020, RSMo,¹ Terre Du Lac is subject to the Commission’s jurisdiction.

¹ All statutory references are to the 2016 edition of the Missouri Revised Statutes, unless indicated otherwise.

Terre Du Lac requests approval to pledge all of its assets as security for a fifteen year promissory note issued to First State Community Bank. Terre Du Lac stated in its Application that the funds were needed to make improvements necessary to provide safe water and sewer service. Specifically, Terre Du Lac is using the loan to complete well number four, a well house, and replace three lift stations.

The Commission issued an order directing the Staff of the Commission to submit a recommendation. On October 31, 2017, Staff filed its recommendation. After reviewing the Company's Application, Staff found the purpose of the loan to be reasonable. Staff states that on January 31, 2017, Terre Du Lac obtained the loan at a variable interest rate not less than 4.25% or greater than 11%, and has already constructed or replaced the equipment described above. A review of the Company's construction project trial balance statements verified that funds from the notes line of credit were used for system improvements. Staff recommends the Commission approve the Application with the condition that nothing in the Commission's order be considered a finding by the Commission of the value of the transaction for ratemaking purposes. No responses to Staff's Recommendation were filed.

The Commission has reviewed and considered Terre Du Lac's Application and Staff's Recommendation. The Commission concludes that it is not detrimental to the public interest for Terre Du Lac to borrow up to \$126,000 in long-term secured debt, for the purposes specified by the Company. Therefore, subject to condition, the Commission approves Terre Du Lac's application.

Terre Du Lac states in its Application that the transaction will have no impact on the tax revenue of the political subdivisions in which any of the equipment, structures, or facilities belonging to the Company are located. Consistent with the requirements of Section 393.190.1, the Commission will provide this information to the appropriate county clerks.

Additionally, Terre Du Lac's application also asks the Commission to waive the 60-day notice requirement in 4 CSR 240-4.017(1). The Commission finds good cause exists to waive the notice requirement, and a waiver of 4 CSR 240-4.017(1) will be granted.

THE COMMISSION ORDERS THAT:

1. Terre Du Lac is authorized to assign, transfer, mortgage, or otherwise encumber its franchise, works, or system, through the previously executed secured loan in the amount of \$126,000.

2. The Commission grants a waiver of the 60 day notice requirement in 4 CSR 240-4.017(1).

3. Nothing in this order shall be considered a finding by the Commission of the value of this transaction for ratemaking purposes, which includes, but is not limited to the capital structure. The Commission reserves the right to consider the ratemaking treatment to be afforded this financing transaction and its effect on the cost of capital in any later proceeding.

4. The Commission's Data Center shall mail a copy of this order to the county clerks for Washington and St. Francois Counties, Missouri.

5. This order shall become effective on December 18, 2017.
6. This file shall close on December 28, 2017.

BY THE COMMISSION



A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney, Rupp, and
Coleman, CC., concur.

Clark, Regulatory Law Judge.

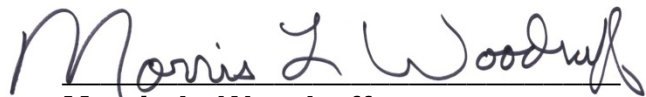
STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 16th day of November 2017.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

November 16, 2017

File/Case No. WF-2018-0061

**Missouri Public Service
Commission**

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**Terre Du Lac Utilities
Corporation**

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.