

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

In the matter of the application of Roy-L Utilities, Inc.,)
for authority to issue up to and including \$73,000) Case No. _____
of indebtedness.)

APPLICATION AND MOTION FOR EXPEDITED TREATMENT

COMES NOW Roy-L Utilities, Inc., (“Roy-L” or the “Applicant”) by and through its undersigned counsel, pursuant to §§393.180, 393.190 and 393.200 RSMo, and Missouri Public Service Commission (“Commission”) rules 4 CSR 240-2.060, 2.080, 3.310, 3.320, 3.605 and 3.615 for its application to issue up to and including an aggregate of \$73,000 of secured indebtedness as described further below, states as follows:

APPLICANT

1. Roy-L is a corporation duly organized and existing under the laws of the State of Missouri with its principal office and place of business located at 366 Hwy., F, High Hill, Missouri, 63350. Applicant provides water and sewer service to the public in accordance with certificates of public convenience and necessity issued by the Commission in Cases Nos. 16,379 and 16,380. Roy-L is a “water corporation,” “sewer corporation” and “public utility” as those terms are defined in §386.020(43), (49) and (59), RSMo, and is subject to the jurisdiction, control and regulation of the Commission as provided by law. A copy of Roy-L’s certificate of good standing is attached hereto as **Appendix A**. Applicant has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates having occurred within three years from the date of this Application. Applicant has no annual report or assessment fees that are currently overdue.

2. Communications respecting this Application should be addressed to the

undersigned counsel and:

Marie Rock, Secretary
Roy-L Utilities, Inc.
366 Hwy. F
High Hill, Missouri 63350
(636) 358-6150

AUTHORITY SOUGHT

3. The Company seeks an order from the Commission granting it the authority to issue up to and including \$73,000.00 of secured indebtedness as more fully described below.

FINANCING DETAIL

4. A certified copy of a Corporate Resolution authorizing the financing transactions contemplated by this Application and as more particularly described herein is included as **Appendix B** and incorporated herein by reference.

5. Roy-L Utilities, Inc. obtained a loan disbursement authorization from HNB National Bank ("Bank") for a term loan providing for monthly principal and interest payments based on a ten (10) year amortization. The loan agreement provides for prepayment of some or all out the outstanding balance of the loan without penalty. Attached as **Appendix C** is a Promissory Note setting forth the principal terms of the agreement including the loan amount and applicable interest rate.

6. The loan will result in a first lien on substantially all of the properties currently owned and subsequently acquired by Applicant, including its certificates of convenience and necessity. Pursuant to a Deed of Trust (**Appendix D** hereto), the loan obligations will be secured by a lien or encumbrance on Roy-L's existing utility franchises, property, plant and system that are used to provide service to its customers, and also as an encumbrance against any additional plant and assets.

7. The net proceeds from the loan will be added to Applicant's general funds for use in connection with the acquisition of property the construction, completion or improvement of its plant or system, or the improvement or maintenance of water and sewer services. Generally, the proceeds from the loan will allow Roy-L to make needed physical and operational improvements to the pump house, to purchase and install a new water pressure tank and to make Missouri Department of Natural Resources-mandated improvements to a sewage lagoon. The money, property or labor to be procured or paid for by the loan is reasonably required for the purposes specified in this application and such purposes are not in whole or in part reasonably chargeable to operating expense or income.

8. The costs associated with the authorization and issuance of the term loan referenced herein, including legal, administrative, filing and mailing costs associated with the \$73,000 loan are estimated to be \$4,100. Applicant will amortize the expenses incident to authorization and issuance of the loan over the life thereof.

FILING REQUIREMENTS AND RELATED MATERIALS

9. Marked as **Appendix E**, attached hereto and made a part hereof for all purposes, is information regarding Roy-L's financial information for the twelve month period ending December 31, 2013. Marked as **Appendix F** and attached hereto and made part hereof for all purposes, are financial statements with adjustments showing the *pro forma* effect of the contemplated financing. Marked as **Appendix G** is a schedule of capitalization expenditures for the prior five years. The issue is subject to the fee schedule in §386.300, RSMo.

10. Incurring the additional indebtedness and subjecting Applicant's operating properties to the lien as security therefor will not be detrimental to the public interest, and in fact will be beneficial to the public interest because the public health, safety and welfare will be

served by the ability of Applicant to obtain access to the financing on the most favorable terms available in order to make needed service improvements. The proposed financing transactions will have no material impact on the tax revenues of the political subdivisions in which any of the structures, facilities or equipment of the companies involved are located.

MOTION FOR EXPEDITED TREATMENT

11. Applicant desires to finalize this transaction on or before March 5, 2014, or as soon thereafter as possible, and pursuant to 4 CSR 240-2.080(16), it respectfully seeks expedited treatment of this matter and requests that the Commission act by March 5, 2014, or as soon as possible thereafter. As explained herein, the loan will finance imminent and needed projects for Roy-L. Additionally, Applicant has pending rate increase requests for its regulated water and sewer operations (Case Nos. WR-2013-0543 and SR-2013-0544, respectively) and the satisfactory resolution of that case is dependant to some extent to obtaining the Commission's authority to undertake the described debt financing.

NOT A CONTESTED CASE - CONTINGENT REQUEST FOR WAIVER

12. The Company states that this matter is not a contested case because no hearing is required by statute. *See*, §536.010(4) RSMo., Supp. 2012. Accordingly, Roy-L was not required to file a 60-day Notice of Filing pursuant to 4 CSR 240-4.020(2). However, to the extent that a 60-day Notice of Filing could otherwise be required under 4 CSR 240-4.020(2), Applicant requests that such notice requirement be waived for good cause as the Company has filed this Application within a within a short period of time after having reached a loan commitment with a lender.

WHEREFORE, the Company requests that the Commission approve this Application as described herein, and issue an order by not later than March 4, 2014 that:

(a) Authorizes Roy-L to enter into, execute, deliver and perform in accordance with the Promissory Note, Deed of Trust with HNB Bank to incur indebtedness provided that the aggregate principal amount of all such debt obligations shall not exceed \$73,000, bearing an interest rate of 5% per annum and having such designation and redemption, purchase and other terms as shall be determined by Roy-L;

(b) Authorizes Roy-L to create and make effective a first lien on all of the franchises, certificates of convenience and necessity, property, plant and system of Roy-L, to secure its obligations under the Bank Loan all in accordance with the terms of the Deed of Trust;

(c) Authorizes Roy-L to enter into, execute, deliver and perform other documents necessary to fully effectuate the described transactions;

(d) Authorizes Roy-L to take such other actions as may be reasonably incidental, necessary or appropriate to complete the transaction; and

further finding that the money, property or labor to be procured or paid for by the term loan is reasonably required for the purposes specified in this application and such purposes are not in whole or in part reasonably chargeable to operating expense or income.

Respectfully submitted,

/s/ Paul A. Boudreau

Paul A. Boudreau MBE# 33155

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ATTORNEYS FOR ROY-L UTILITIES, INC.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been sent by electronic mail this 17th day of January, 2014, to:

Office of the Staff General Counsel
Missouri Public Service Commission
Governor State Office Building
Jefferson City, Missouri 65101
gencounsel@psc.mo.gov

Office of the Public Counsel
Governor State Office Building
Jefferson City, Missouri 65101
opcservice@ded.mo.gov

/s/ Paul A. Boudreau
Paul A. Boudreau

AFFIDAVIT

State of Missouri)
)
County of Cole)
) ss

I, Jean Longstreet, having been duly sworn upon my oath, state that I am the President of Roy-L Utilities, Inc., that I am duly authorized to make this affidavit on behalf of the company, and that the matters and things stated in the foregoing application and appendices thereto are true and correct of the best of my information, knowledge and belief.

Jean Longstreet

Subscribed and sworn before me this 17th day of January, 2014.

Patricia Hulse
Notary Public

My Commission Expires 6/28/2014

