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SARAH J. MAXWELL
CHARLES E. SMARR
MARK G. ANDERSON
DEAN L. COOPER

May 22, 1996

FILED

MAY 22 1996

**MISSOURI
PUBLIC SERVICE COMMISSION**

David L. Rauch
Executive Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Re: Emerald Pointe Utility Company

Dear Mr. Rauch:

I deliver herewith for filing with the Missouri Public Service Commission on behalf Emerald Pointe Utility Company, an original and fourteen copies of an application for authority to borrow an amount not to exceed \$600,000 from Gary A. Snadon and Patsy A. Snadon and in connection therewith to execute a Promissory Note.

Two copies of this application will be provided this date to the Office of Public Counsel.

Would you please see that this filing is brought to the immediate attention of the appropriate Commission personnel.

Thank you very much for your cooperation in this matter.

Very truly yours,

Brydon, Swearengen & England P. C.

By:



Sondra B. Morgan

/nh

cc: Office of the Public Counsel

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the Application of EMERALD)
POINTE UTILITY COMPANY for authority)
to borrow an amount not to exceed \$600,000) Case No. WF-96-403
from Gary A. Snadon and Patsy A. Snadon and)
in connection therewith to execute a Promissory)
Note.)

APPLICATION

Comes now Emerald Pointe Utility Company (hereinafter "Emerald Pointe" or "Applicant") and pursuant to § 393.200, RSMo 1994, and 4 CSR 240-2.060(8), states to the Missouri Public Service Commission ("Commission") as follows:

1. Applicant is a Missouri corporation duly organized and existing under the laws of the State of Missouri with its principal office and place of business located at 102 South Commercial, Branson, Missouri 65616. Emerald Pointe's Application for a certificate of convenience and necessity to provide water and sewer service was granted by the Commission on May 9, 1996, effective May 21, 1996, Case No. WA-96-96. Emerald Pointe is a "public utility" as that term is defined in § 386.020(32), RSMo 1994, and subject to the jurisdiction, control and regulation of the Commission. A copy of Emerald Pointe's certificate of incorporation and articles of incorporation were marked as Exhibit 1 and attached to its Application in Case No. WA-96-96 filed with the Commission on September 25, 1995.

2. Communications in regard to this Application should be addressed to:

Gary W. Snadon, President
Emerald Pointe Utility Company
102 South Commercial
Branson, Missouri 65616
(417) 334-5186

FILED
MAY 22 1996
MISSOURI
PUBLIC SERVICE COMMISSION

Handwritten mark

W. R. England, III
Sondra B. Morgan
Brydon, Swearingen & England
312 East Capitol
P.O. Box 456
Jefferson City, Missouri 65102
(573) 635-7166

3. Applicant proposes to borrow certain sums, not to exceed \$600,000, from Gary W. Snadon and Patsy A. Snadon ("Lenders") in order to finance the development and construction of the water and sewer system recently certificated by the Commission in Case No. WA-96-96.

4. The borrowing referred to in paragraph three, supra, will be used by Applicant generally to finance the acquisition of property, the construction, completion, extension or improvement of its facilities or improvement of its service within the state or for the discharge or lawful refunding of its obligations, or reimbursement of monies actually expended from the income from any source within the last five years; specifically, the proceeds of the loan have been used or will be used to construct the water and sewer systems; to purchase and install equipment; to finance the operating needs of Applicant; and for any other appropriate purposes.

5. Applicant proposes to execute and deliver a promissory note payable to Lenders in the aggregate principal amount of \$600,000 bearing interest at the rate of twelve percent and providing for payment of the indebtedness evidenced thereby within ten (10) years from the date thereof, substantially in the form of the Promissory Note marked Exhibit 1, attached hereto and made a part hereof for all purposes.

6. Marked Exhibit 2, attached hereto and made a part hereof for all purposes, is an original certified copy of the Resolution of the Board of Directors of Emerald Pointe Utility Company which approves the making of the loan and the execution of the Promissory Note.

7. Marked Exhibit 3, attached hereto and made a part hereof for all purposes, are a pro forma balance sheet and pro forma income statement of Applicant showing the effect of the proposed financing upon bonded and other indebtedness which are substantially the same pro forma financials attached to Applicant's earlier Application modified to reflect the debt contemplated herein. These statements have not been modified to reflect the rates agreed to by Staff and Applicant and approved by the Commission.

8. Since Applicant is a new company recently certificated, a (5) year capitalization expenditure schedule as required by § 393.200 RSMo 1994, is not available.

9. The entire amount of the proposed financing will be subject to the fee schedule as set forth in § 386.300 RSMo 1994.

WHEREFORE, Applicant prays this Commission enter its order:

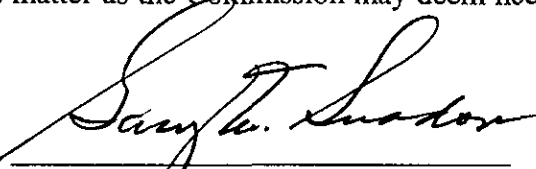
A. Approving and authorizing the transactions as set forth in this Application and authorizing Applicant to:

1. Borrow from Gary W. Snadon and Patsy A. Snadon
an amount not to exceed \$600,000;
2. Execute and deliver a promissory note evidencing the loan, substantially in the form of the Promissory Note attached hereto as Exhibit 1, in the total sum not to exceed \$600,000;
3. Do and perform or cause to be done and performed all such other acts and things, as well as to make, execute and deliver any and all documents as may be necessary, advisable or proper to the end that the intent and purposes of this financing may be fully effectuated;

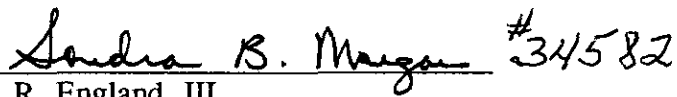
B. Finding that the money, property and labor to be procured by said transaction is reasonably required for the purposes specified above, and that no part of the proceeds shall be reasonably chargeable to operating expenses or to income; and,

C. Granting such further relief in this matter as the Commission may deem necessary.

By:



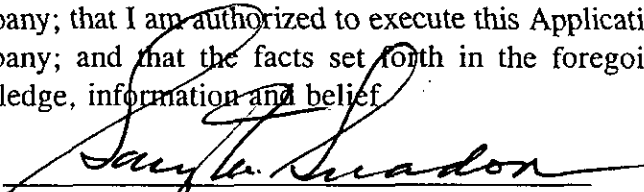
Gary W. Shadon
President



W. R. England, III
Sondra B. Morgan
BRYDON, SWEARENGEN & ENGLAND P.C.
312 East Capitol Avenue
P. O. Box 456
Jefferson City, Missouri 65102
(573) 635-7166
Attorneys for Applicant

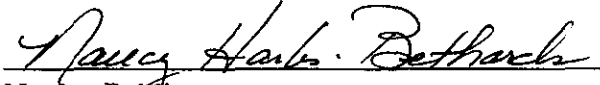
STATE OF MISSOURI)
) ss
COUNTY OF Cole)

I, Gary W. Snadon, of lawful age, being first duly sworn upon my oath, state that I am the President of Emerald Pointe Utility Company; that I am authorized to execute this Application on behalf of Emerald Pointe Utility Company; and that the facts set forth in the foregoing Application are true to the best of my knowledge, information and belief.



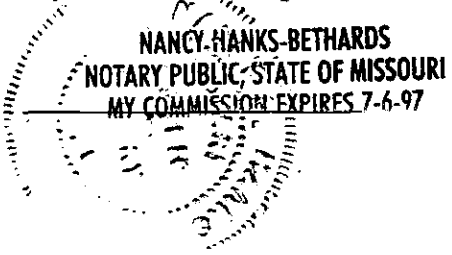
Gary W. Snadon

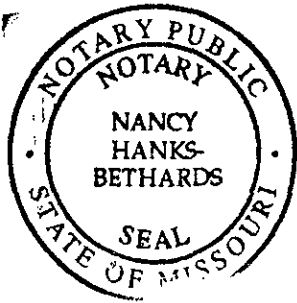
Subscribed and sworn to before me this 22nd Day of May, 1996.



Notary Public

My Commission expires:


NANCY HANKS-BETHARDS
NOTARY PUBLIC, STATE OF MISSOURI
MY COMMISSION EXPIRES 7-6-97


NOTARY PUBLIC
NOTARY
NANCY
HANKS-
BETHARDS
SEAL
STATE OF MISSOURI

PROMISSORY NOTE

\$600,000

Branson, Missouri

_____, 1996

FOR VALUE RECEIVED, Emerald Pointe Utility Company promises to pay to the order of Gary W. Snadon and Patsy A. Snadon, the sum of Six Hundred Thousand Dollars (\$600,000), with interest thereon from date at the rate of twelve percent (12%) per annum, principal and interest payable in installments as follows: \$8,608 on _____, 1996, and on the _____ of each and every month thereafter until principal and interest are fully paid. From each installment shall be deducted the amount of interest then due and the balance shall be credited to principal.

If default be made in the payment of any _____ installment of principal or of any interest and said installments remains overdue and unpaid, then both principal and interest shall become due and payable upon the option of the holders of this note.

Privilege is given of making prepayments in any amount at any time without penalty.

Should the makers sell or transfer any of the property or an interest therein which is pledged as security for the payment of this note, without the consent of the holder or holders, and including, but not limited to, a "contract for deed" or "contract for sale," or similar documentation, excluding (a) a transfer by devise, descent or by operation of law upon the death of a joint tenant, or (b) the grant of any leasehold interest of three (3) years or less not containing an option to purchase, the holder may, at his or her option, declare all sums due under this note immediately due and payable. The holder shall have waived such option to accelerate if, prior to the sale or transfer, he or she and the person to whom the property is to be sold or transferred reached agreement, in writing, that the credit of such person is satisfactory to the holder, and that the interest due on the sum represented by this note shall be at such rate as the holder shall request.

The makers, sureties, endorsers and guarantors of this note severally waive presentment for payment, notice of non-payment, protest, and notice of protest and diligence in bringing suit against any party hereto, and consent that time of payment may be extended without notice thereof; and further severally agree that in case payment of this note shall not be made at maturity and the same is placed in the hands of an attorney at law for collection, to pay the costs of collecting this note, including an attorney's fee of ten percent (10%) of the principal and interest hereof remaining unpaid.

Emerald Pointe Utility Company

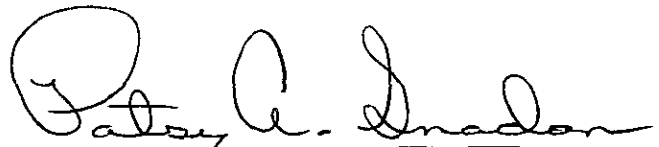
By:

Gary W. Snadon
President

CERTIFICATE OF SECRETARY

I, Patsy A. Snadon, do hereby certify that: I am the secretary of Emerald Pointe Utility Company (hereinafter called the "Corporation"); the attached is a correct copy of the original Unanimous Written Consent, entered in the minute book of the Corporation, which was executed by its board of directors on May 10, 1996; the forms of the documents annexed to the attached copy of the Unanimous Written Consent are correct copies of the forms thereof authorized by the Board of Directors to be executed; and, none of the resolutions contained in the attached copy of the Unanimous Written Consent has been rescinded or modified.

IN WITNESS WHEREOF I have hereunto set my hand this 10th day of May, 1996.


Patsy A. Snadon, Secretary

**UNANIMOUS WRITTEN CONSENT
OF THE BOARD OF DIRECTORS OF
EMERALD POINTE UTILITY COMPANY**

We, the undersigned, being the Directors of Emerald Pointe Utility Company, a Missouri corporation (hereinafter "Emerald Pointe"), acting pursuant to Section 351.340 of the General Business Corporation Law of Missouri, hereby consent to and adopt the following resolutions:

WHEREAS, Emerald Pointe desires to borrow \$600,000 from Gary W. Snadon and Patsy

A. Snadon ("Lenders") in order to develop, construct and operate the water and sewer company.

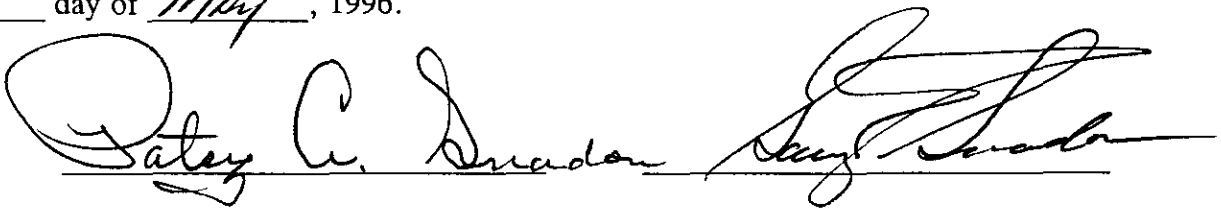
NOW THEREFORE, be it resolved as follows:

1. The president, Gary W. Snadon, is hereby authorized on behalf of Emerald Pointe to make and deliver a promissory note in the form of the Promissory Note attached to this Consent.

2. All of the officers of Emerald Pointe are authorized, on behalf of the Corporation, to execute and deliver all documents and to take all actions which they, in their discretion, deem necessary or expedient to ensure that the above transaction is completed.

IN WITNESS WHEREOF, the undersigned directors have executed this Resolution on this

10th day of May, 1996.


Patsy A. Snadon Gary W. Snadon

Being all of the Directors of Emerald Pointe Utility Company, without exception.

"Pro Forma" Balance Sheet & Income Statements

A balance sheet and income statement for Emerald Pointe Utility Company based on the preceding information is provided on the following pages. It is important to note that the cost information is based on the best information available at the time this study was prepared. A significant point to consider is the income estimate made the very liberal assumption of 100% occupancy of the units. This was done to develop a complete portrayal of this phase of the development. In establishing service rates, it may have been advantageous to assume a lesser occupancy, such as 80%. Company management will discuss this aspect with regulatory staff in their discussions regarding rate - setting for Emerald Pointe Utility Company.

BALANCE SHEET
EMERALD POINTE UTILITY COMPANY
"PRO FORMA"

ASSETS AND OTHER DEBITS

| | | |
|----------------------------|----------------|----------------|
| UTILITY PLANT | | |
| UTILITY PLANT IN SERV. | \$1,193,587.00 | |
| ACCUM. DEPR. PLANT SERV. | 00.00 | |
| | ----- | |
| TOTAL UTILITY PLANT ASSETS | | \$1,193,587.00 |
| OTHER PROPERTY & INVEST | 00.00 | |
| | ----- | |
| TOTAL OTHER PROP. ASSETS | | \$ 00.00 |
| CURRENT & ACCRUED ASSETS | | |
| CASH | \$ 6,413.00 | |
| ACCOUNTS RECEIVABLE | 00.00 | |
| | ----- | |
| TOTAL CURRENT ASSETS | | \$ 6,413.00 |
| DEFERRED DEBITS | 00.00 | |
| | ----- | |
| TOTAL DEFERRED DEBITS | | \$ 00.00 |
| | | ----- |
| TOTAL ASSETS/OTHER DEBITS | | \$1,200,000.00 |

BALANCE SHEET
EMERALD POINTE UTILITY COMPANY
"PRO FORMA"

| | | | |
|---------------------------------|----|--------------|--|
| EQUITY CAPITAL | | | |
| OTHER PAID-IN CAPITAL | \$ | 600,000.00 | |
| UNAPPROPR. RETAIN. EARN | | 00.00 | |
| | | ----- | |
| TOTAL EQUITY CAPITAL | \$ | 600,000.00 | |
| LONG TERM DEBT | \$ | 600,000.00 | |
| | | ----- | |
| TOTAL LONG TERM DEBT | \$ | 600,000.00 | |
| CURRENT/ACCRUED/ LIABILITY | \$ | 00.00 | |
| | | ----- | |
| TOTAL CURRENT/ACCRD. LIAB. | \$ | 00.00 | |
| DEFERRED CREDITS | \$ | 00.00 | |
| | | ----- | |
| TOTAL DEFERRED CREDITS | \$ | 00.00 | |
| OPERATING RESERVES | \$ | 00.00 | |
| | | ----- | |
| TOTAL OPERATING RESERVES | \$ | 00.00 | |
| CONTRIBUTIONS IN AID OF CONSTR. | \$ | 00.00 | |
| | | ----- | |
| TOTAL CIAC | \$ | 00.00 | |
| ACCUM. DEFERRED INCOME TAX | \$ | 00.00 | |
| | | ----- | |
| TOTAL ACCUM. DEFER. INC. TAX | \$ | 00.00 | |
| | | ----- | |
| TOTAL LIABILITY \$ NET WORTH | \$ | 1,200,000.00 | |

| | | |
|--------------------------|--------------|---------------|
| TRAVEL/EXPENSES | 75.00 | 900.00 |
| ON-SITE VEHICLE EXPENSES | 170.00 | 2,040.00 |
| O & M MATERIALS | 100.00 | 1,200.00 |
| SLUDGE DISPOSAL | 850.00 | 10,200.00 |
| SAMPLING/TESTING | 100.00 | 1,200.00 |
| INSURANCE | 75.00 | 900.00 |
| OUT-SIDE PROF. SERVICES | 75.00 | 900.00 |
| PERMITS | 20.00 | 240.00 |
| | ----- | ----- |
| TOTAL OPERATING EXPENSES | \$ 12,477.79 | \$ 149,733.48 |
| OTHER OPERATING EXPENSES | 8,608.00 | 103,296.00 |
| (DEBT SERVICE) | ----- | ----- |
| NET INCOME | \$ 3,394.38 | \$ 40,732.56 |