

T H E
BLAUVELT
LAW FIRM, LLC

June 8, 2012

FILED

JUN 12 2012

Steven Reed, Secretary
Missouri Public Service Commission
200 Madison Street, PO Box 360
Jefferson City, MO 65102-0360

Missouri Public
Service Commission

Re: Application by The Raytown Water Company for Order Authorizing
Issuance of Water Facilities Refunding and Improvement Bonds

Dear Mr. Reed:

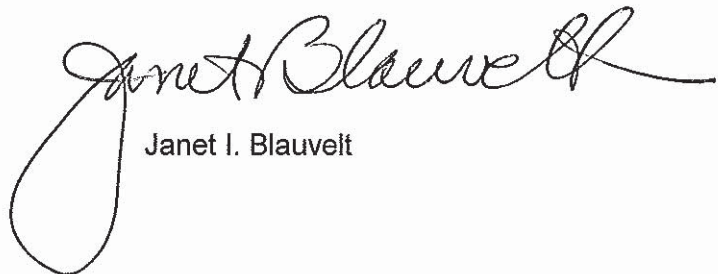
Enclosed are the original and one copy of an Application by The Raytown Water Company, made pursuant to §393.200 RSMo, seeking a financing Order authorizing the issuance of EIERA bonds.

Concurrently herewith, we are serving the Application and required Exhibits on the, Office of the General Counsel and on the Office of the Public Counsel.

Please contact the undersigned with any questions regarding this filing. Please return the extra copy of the Application marked "filed," for our records. Thank you for your cooperation.

Sincerely,

THE BLAUVELT LAW FIRM, LLC



Janet I. Blauvelt

JIB/

Enclosure

CC: Office of General Counsel
Office of Public Counsel
Neal Clevenger, The Raytown Water Company

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

JUN 12 2012

In the matter of the application of The)
Raytown Water Company for an Order)
Authorizing Issuance of Water Facilities)
Refunding and Improvement Bonds Series 2012)
)

Missouri Public
Service Commission

Case No.

APPLICATION

Comes now The Raytown Water Company (Applicant) pursuant to §393.200 RSMo., 4 CSR 240-2.060 and 4 CSR 240-3.615 and submits its application for authority to issue Notes or other evidences of indebtedness. In support of this application, Applicant states as follows:

1. The Applicant is a Missouri water corporation as defined in §386.020(58) of the Missouri Revised Statutes and subject to the jurisdiction of the Missouri Public Service Commission (the "Commission"). Applicant's address and principal place of business is 9820 East 63rd Street, Raytown, Missouri 64133.

2. Applicant is a Missouri corporation and a Certificate of Good Standing as of June 6, 2012 is attached hereto as Exhibit A to this application.

3. The business of the Applicant is the retail sale of water as a public utility in portions of the cities of Raytown and Kansas City, in Jackson County, Missouri.

4. Correspondence, communications, orders and decisions of the Commission in this matter should be sent to:

Neal Clevenger, President
The Raytown Water Company
9820 E. 63rd Street
Raytown, MO 64133
Telephone (816) 356-0333 ex. 107
Fax No. (816) 356-0331

Email: cthompson@raytownwater.net

And

Janet I. Blauvelt
The Blauvelt Law firm, LLC
1600 Genessee, Suite 818
Kansas City, Missouri 64102
Telephone: (816) 556-0818
Facsimile: (816) 556-0819
jb@blauveltlaw.com

5. 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, which has occurred within three (3) years of the date of this Application.

6. There are no annual reports or assessment fees overdue by Applicant.

7. A brief description of the securities Applicant desires to issue is as follows: Water Facilities Refunding and Improvement Bonds in a principal sum not to exceed \$1,015,000.00 or less, each bearing interest at a rate not to exceed Three and 25/100 percent (3.25%) per annum, all maturing on December 1, 2020 (the "Maturity"), interest to be paid on December 1, 2012, semi-annually thereafter and principal payments to be made on December 1, 2015 and annually thereafter, all accrued and unpaid interest and remaining balance of unpaid principal to be paid at maturity. The Bonds are to be issued as an Additional Obligation under, subject to and secured by the lien of, that certain Deed of Trust, Mortgage and Security Agreement pursuant to the Bond Trust Indenture and Loan Agreement among the Applicant, the Mortgage Trustee and the Missouri Environmental Improvement and Energy Resources Authority ("EI ERA")(the "Authority"). The bonds will be issued as Series 2012 bonds, depending on the year in which they are issued, within three (3) years of

the date of the Order of the Commission authorizing the issue of the Bonds becomes a final Order or decision.

8. The purpose for which the Bonds are to be issued and the use of the proceeds is (a) for the construction of a new water main in the Applicant's service territory inside of Raytown, Missouri to be installed within new infrastructure to be constructed by the City of Raytown, and Applicant will construct a new and large main than the existing one serving that area; (b) to fund any debt service reserve fund that may be required, and (c) to pay the costs and expenses of the issuance of the bonds including the costs and legal expenses of this application and proceeding for authorization to issue the Bonds, all as more specifically set out in Exhibit B attached hereto.

9. The bonds are to be sold to a private purchaser or purchasers.

10. A certified copy of the resolutions of the Board of Directors of applicant authorizing the issuance of these bonds is attached hereto as Exhibit C.

11. A balance sheet and income statement with adjustments showing the effects of the issuance of the proposed securities upon bonded and other indebtedness is attached hereto as Exhibit D.

13. The portion of the proposed issue that will be subject to the fee schedule in §386.300 RSMo. is \$1,015.00.

14. A five (5) year capital expenditure schedule as required by §393.200 RSMo. is attached hereto as Exhibit E.

STATE OF MISSOURI



Robin Carnahan
Secretary of State

**CORPORATION DIVISION
CERTIFICATE OF GOOD STANDING**

I, ROBIN CARNAHAN, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

**THE RAYTOWN WATER COMPANY
00293623**

was created under the laws of this State on the 24th day of September, 1986, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 6th day of June, 2012

A handwritten signature in cursive script that reads "Robin Carnahan".

Secretary of State



Certification Number: 14723846-1 Reference:
Verify this certificate online at <https://www.sos.mo.gov/businessentity/soskb/verify.asp>

State Environmental Improvement and Energy Resources Authority

Water Facilities Improvement Revenue Bonds

(Raytown Water Company Project)

Series 2012

Table of Contents

Report

Sources & Uses	i
Debt Service Schedule	2
Net Debt Service Schedule	3

State Environmental Improvement and Energy Resources Authority

Water Facilities Improvement Revenue Bonds

(Raytown Water Company Project)

Series 2012

Sources & Uses

Dated 09/01/2012 | Delivered 09/01/2012

Sources Of Funds

Par Amount of Bonds	\$1,015,000.00
Planned Issuer Equity contribution	18,925.00

Total Sources	\$1,033,925.00
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Uses Of Funds

Total Underwriter's Discount (1.000%)	10,150.00
Costs of Issuance	32,743.75
Deposit to Debt Service Reserve Fund (DSRF)	101,500.00
Deposit to Project Construction Fund	885,658.00
Rounding Amount	3,873.25

Total Uses	\$1,033,925.00
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State Environmental Improvement and Energy Resources Authority

Water Facilities Improvement Revenue Bonds

(Raytown Water Company Project)

Series 2012

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/01/2012	-	-	8,246.88	8,246.88
06/01/2013	-	-	16,493.75	16,493.75
12/01/2013	-	-	16,493.75	16,493.75
06/01/2014	-	-	16,493.75	16,493.75
12/01/2014	-	-	16,493.75	16,493.75
06/01/2015	-	-	16,493.75	16,493.75
12/01/2015	155,000.00	3.250%	16,493.75	171,493.75
06/01/2016	-	-	13,975.00	13,975.00
12/01/2016	160,000.00	3.250%	13,975.00	173,975.00
06/01/2017	-	-	11,375.00	11,375.00
12/01/2017	165,000.00	3.250%	11,375.00	176,375.00
06/01/2018	-	-	8,693.75	8,693.75
12/01/2018	170,000.00	3.250%	8,693.75	178,693.75
06/01/2019	-	-	5,931.25	5,931.25
12/01/2019	180,000.00	3.250%	5,931.25	185,931.25
06/01/2020	-	-	3,006.25	3,006.25
12/01/2020	185,000.00	3.250%	3,006.25	188,006.25
Total	\$1,015,000.00	-	\$193,171.88	\$1,208,171.88

Yield Statistics

Bond Year Dollars	\$5,943.75
Average Life	5.856 Years
Average Coupon	3.2500001%
Net Interest Cost (NIC)	3.4207677%
True Interest Cost (TIC)	3.4421491%
Bond Yield for Arbitrage Purposes	3.2506183%
All Inclusive Cost (AIC)	4.0766966%

IRS Form 8038

Net Interest Cost	3.2500001%
Weighted Average Maturity	5.856 Years

State Environmental Improvement and Energy Resources Authority

Water Facilities Improvement Revenue Bonds

(Raytown Water Company Project)

Series 2012

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	Existing D/S	Net New D/S
12/01/2012	-	-	8,246.88	8,246.88	(253.43)	126,247.00	134,240.45
12/01/2013	-	-	32,987.50	32,987.50	(1,015.00)	171,379.50	203,352.00
12/01/2014	-	-	32,987.50	32,987.50	(1,015.00)	172,823.00	204,795.50
12/01/2015	155,000.00	3.250%	32,987.50	187,987.50	(1,015.00)	-	186,972.50
12/01/2016	160,000.00	3.250%	27,950.00	187,950.00	(1,015.00)	-	186,935.00
12/01/2017	165,000.00	3.250%	22,750.00	187,750.00	(1,015.00)	-	186,735.00
12/01/2018	170,000.00	3.250%	17,387.50	187,387.50	(1,015.00)	-	186,372.50
12/01/2019	180,000.00	3.250%	11,862.50	191,862.50	(1,015.00)	-	190,847.50
12/01/2020	185,000.00	3.250%	6,012.50	191,012.50	(102,515.00)	-	88,497.50
Total	\$1,015,000.00	-	\$193,171.88	\$1,208,171.88	(109,873.43)	\$470,449.50	\$1,568,747.95

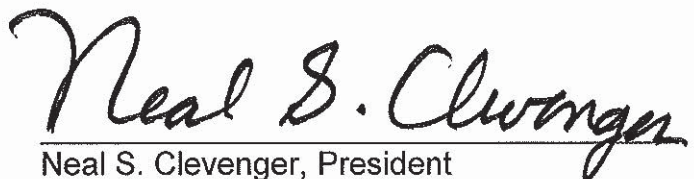
CORPORATE RESOLUTION

I, Neal S. Clevenger, President and General Manager of The Raytown Water Company, a corporation organized under the laws of the State of Missouri, do hereby certify that at a meeting of the Board of Directors of the said Corporation, held in accordance with its articles and by-laws on the 18th day of April, 2012, at which a quorum was present and acting, the following resolutions were duly adopted, that said resolutions have not been amended, rescinded or revoked, and are in no way in conflict with any of the provisions of the Articles of Incorporation or By-laws of said Corporation, henceforth referred to as RWC.

RESOLVED that in order to take advantage of the road construction occurring in the downtown of the City of Raytown, the company is authorized to seek financing for infrastructure and plant replacements throughout the affected area, such financing to be in the form of Water Facilities Refunding and Improvement Bonds through the Missouri Environmental Improvement and Energy Resources Authority (EIERA). The bonds will be issued by United Missouri Bank as Series 2012 bonds, which shall provide the RWC with more favorable interest rates that is generally available.

IT IS FURTHER RESOLVED that RWC shall make application to the Missouri Public Service Commission for approval of such bond issuance and shall take all steps necessary to accomplish such issuance and construction of infrastructure.

IN WITNESS WHEREOF, I have here unto affixed my hand this 7 day of June, 2012.



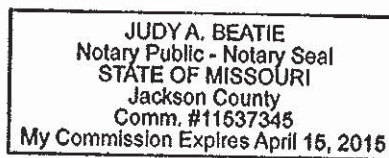
Neal S. Clevenger, President
The Raytown Water Company

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

The undersigned, a Notary Public in and for said state, hereby certifies that the foregoing was subscribed and sworn to by Neal S. Clevenger before me this ____ day of June, 2012.

Judy A. Beatie
Notary Public

My Commission Expires:



RAYTOWN WATER COMPANY
COMPILED PRO FORMA STATEMENTS
WITH
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT-
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011



MARR AND COMPANY, P.C.

Certified Public Accountants

AICPA®

Employee Benefit Plan Audit
Quality Center Member

Government Audit
Quality Center Member

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Raytown Water Company
Raytown, Missouri

We have compiled the accompanying pro forma financial information-regulatory basis of the Raytown Water Company as of December 31, 2011, reflecting the proposed issuance of Water Facilities Improvement Revenue Bonds. The historical condensed financial statements are derived from the historical audited financial statements of Raytown Water Company, which were audited by us. We have not audited or reviewed the accompanying compiled pro forma financial information and, accordingly, do not express an opinion or provide any assurance about whether the pro forma financial information is in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the pro forma financial information in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the pro forma financial information.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of pro forma financial information without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the pro forma financial information.

A compilation is limited to presenting in the form of a projection information that is the representation of management and does not include evaluation of the support for the assumptions underlying the projection. We have not examined the projection and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, even if bonds are issued and the plant replaced, there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Management has elected to omit substantially all of the disclosures and the statement of cash flows as required by accounting principles generally accepted in the United States of America.

Raytown Water Company
June 6, 2012
Page 2

The objective of this pro forma financial information is to show what the significant effects on the historical financial information might have been had the transaction occurred at an earlier date. However, the pro forma financial information is not necessarily indicative of the results of operations or related effects on financial position that would have been attained had the transaction actually occurred earlier.

The accompanying projection and this report are intended solely for the information and use of the Missouri Public Commission and Company management.

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
June 6, 2012

RAYTOWN WATER COMPANY

Pro-Forma Balance Sheet - Regulatory Basis December 31, 2011

	<u>12/31/2011</u>	<u>Pro-Forma Adjustments</u>		<u>Pro-Forma</u>
		<u>Debit</u>	<u>Credit</u>	<u>12/31/2011</u>
<u>ASSETS</u>				
Property, Plant & Equipment:				
Current Assets	\$6,481,860	\$ 0	\$ 0	\$6,481,860
Cash & Cash Equivalents	8,859	0	8,247	612
Restricted Cash	114,746	987,158	0	1,101,904
Other Current Assets	387,835	27,564	0	415,399
Other Assets	84,229	0	0	84,229
TOTAL ASSETS	<u>\$7,077,529</u>	<u>\$1,014,722</u>	<u>\$8,247</u>	<u>\$8,084,004</u>
<u>STOCKHOLDERS' INVESTMENT</u>				
Common Stock: par value \$1/share; 30,000 shares authorized; 11,616 shares outstanding	\$ 11,616	\$ 0	\$ 0	\$ 11,616
Treasury Stock (1577 shares redeemed)	(107,798)	0	0	(107,798)
Retained Earnings	<u>4,882,542</u>	<u>8,525</u>	<u>0</u>	<u>4,874,017</u>
TOTAL STOCKHOLDERS' INVESTMENT	4,786,360	8,525	0	4,777,835
<u>LIABILITIES</u>				
Long-term Debt:				
Revenue Bonds	415,000	0	1,015,000	1,430,000
Notes Payable	<u>25,410</u>	<u>0</u>	<u>0</u>	<u>25,410</u>
Total Long-term Debt	440,410	0	1,015,000	1,455,410
Current Liabilities:				
Current Maturities - long-term debt	191,791	0	0	191,791
Payables	483,622	0	0	483,622
Accrued Expenses	<u>9,062</u>	<u>0</u>	<u>0</u>	<u>9,062</u>
Total Current Liabilities	684,475	0	0	684,475
Other Liabilities:				
Deferred Credits	835,241	0	0	835,241
Contributions in Aid of Construction	<u>331,043</u>	<u>0</u>	<u>0</u>	<u>331,043</u>
Total Other Liabilities	<u>1,166,284</u>	<u>0</u>	<u>0</u>	<u>1,166,284</u>
TOTAL STOCKHOLDERS' INVESTMENTS AND LIABILITIES	<u>\$7,077,529</u>	<u>\$ 8,525</u>	<u>\$1,015,000</u>	<u>\$8,084,004</u>

See Summary of Significant Assumptions and Accountants' Report

RAYTOWN WATER COMPANY

Pro-Forma Balance Sheet - Regulatory Basis December 31, 2011

		Pro-Forma Adjustments		Pro-Forma
	<u>12/31/2011</u>	<u>Debit</u>	<u>Credit</u>	<u>12/31/2011</u>
Operating Revenues:				
Water Sales	\$2,857,523	\$ 0	\$0	\$2,857,523
Other Operating Revenues	<u>309,128</u>	<u>0</u>	<u>0</u>	<u>309,128</u>
Total Operating Revenues	3,166,651	0	0	3,166,651
Operating Expenses:				
Cost of Water	1,090,543	0	0	1,090,543
Storage & Distribution	352,483	0	0	352,483
Customer Service & Billing	279,739	0	0	279,739
General & Administrative	794,646	278	0	794,924
Depreciation & Amortization	276,890	0	0	276,890
Business Taxes	<u>171,127</u>	<u>0</u>	<u>0</u>	<u>171,127</u>
Total Operating Expenses	<u>2,965,428</u>	<u>278</u>	<u>0</u>	<u>2,965,706</u>
Operating Income	201,223	278	0	200,945
Other Income (Expense):				
Other Income	37,937	0	0	37,937
Interest Expense	<u>(51,842)</u>	<u>8,247</u>	<u>0</u>	<u>(60,089)</u>
Total Other Income (Expense)	<u>(13,905)</u>	<u>8,247</u>	<u>0</u>	<u>(22,152)</u>
Income Before Income Tax	187,318	8,525	0	178,793
Provision for Income Tax	<u>(27,000)</u>	<u>0</u>	<u>0</u>	<u>(27,000)</u>
NET INCOME	<u>\$ 160,318</u>	<u>\$8,525</u>	<u>\$0</u>	<u>\$ 151,793</u>

See Summary of Significant Assumptions and Accountants' Report

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Management is proposing a bond issue, Water Facilities Improvement Revenue Bonds (Raytown Water Company) Series 2012, in order to replace old water lines in the City of Raytown. These bonds would be issued through the State Environment Improvement and Energy Resource Authority.

\$1,015,000 in bonds would be issued at a rate of 3.25%. Repayment of principal would be on December 1, starting on December 1, 2015 and finalizing on December 1, 2020, in varying amounts. Repayment of interest would be on December 1 and June 1 starting on December 1, 2012 and finalizing on December 1, 2020. The following is a schedule of repayment.

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 8,247	\$ 0	\$ 8,247
2013	32,988	0	32,988
2014	32,988	0	32,988
2015	187,988	155,000	32,988
2016	187,950	160,000	27,950
2017	187,750	165,000	22,750
2018	187,388	170,000	17,388
2019	191,862	180,000	11,862
2020	<u>191,013</u>	<u>185,000</u>	<u>6,013</u>
	<u>\$1,208,174</u>	<u>\$1,015,000</u>	<u>\$193,174</u>

THE RAYTOWN WATER COMPANY
5 Year Capital Expenditure Schedule

Acct #	Description	Expenditure 5 Year	Annual Averag
343	Transmission & Distribution Mains	\$946,250*	\$189,250
345	Service Lines Main to Well	\$120,000*	\$ 24,000
346	Plastic Meters (Change @ 10 Yrs)	\$ 71,250	\$ 14,250
347	Meter Move- Read Outs to Well	\$170,000*	\$ 34,000
348	Hydrants – New or Replacements	\$242,000*	\$ 48,400
390	Structures & Improvements	\$ 12,000	\$ 2,400
391	Office Furniture & Equipment	\$ 9,000	\$ 1,800
391-10	Electronic Office Equipment	\$ 40,000	\$ 8,000
392	Transportation Equipment	\$ 30,000	\$ 6,000
394	Shop/Field/Pipe Line Equipment	\$ 30,000	\$ 6,000
396	Power Operated Equipment	\$ 80,000	\$ 16,000
397	Communication	\$ 20,000	\$ 4,000
	TOTALS	<u>\$1,770,500</u>	<u>\$354,100</u>

*NOTE: #343 Mains \$700,000 #345 Service Lines \$ 60,000
#347 Meter Move Outs \$ 60,000 #348 Hydrants \$ 80,000
These are included in the proposed financing and refunding of Raytown
Water Company's EIERA Bonds.

Please note the company's cash flows determine what is spent for plant. Our 2012
rate case filing may request rates to allow these numbers to increase.

EXHIBIT "E"

EXHIBIT E