

the preferred stock issued, and to follow-up with semi-annual reports. No other responses to Raytown's application or Staff's recommendation of approval subject to conditions were received.

The Commission allowed time for responses to OPC's proposed sixth condition. On January 19, 2021, Raytown responded its agreement to OPC's proposed sixth condition, but noted it will need OPC's assistance in meeting that condition. Staff did not respond to OPC's motion.

Section 393.200, RSMo, and Commission Rule 20 CSR 4240-10.125 require Raytown to obtain the Commission's authority to issue debt securities. *In Re Laclede Gas Co. v. Public Serv. Comm'n.*,³ states that Sections 393.180 and 393.200, RSMo, authorize public utilities to issue long-term financing when necessary for the purposes enumerated in the statute.⁴ If Raytown's request falls within the enumerated purposes and is necessary or reasonably required, the Commission may grant the request.⁵

After review of Raytown's application and of Staff's recommendations, the Commission concludes that granting Raytown's request accords with its stated purposes, and that the financing authorization proposed in the application is or will be reasonably required for those stated purposes. The Commission, accordingly, finds that the request satisfies Section 393.200, RSMo. Raytown's unopposed request for financing

³ 526 S.W.3d 245 (Mo. App. W.D. 2017).

⁴ "The power of gas corporations, electrical corporations, water corporation, or sewer corporations to issue stocks, bond, notes and other evidences of indebtedness and to create liens upon their property situated in this state is a special privilege, the right of supervision, regulation, restriction and control of which is and shall continue to be vested in the state, and such power shall be exercised as provided by law and under such rules and regulations as the commission may prescribe." Section 393.180 RSMo.

⁵ *In re: Laclede Gas Co.v. Mo. Pub. Serv. Com'n.* 526 S.W.3d 245 (Mo. App. 2017).

authorization will be granted subject to Staff's and OPC's unopposed recommended conditions.

Finally, the Commission will grant Raytown's request for waiver of the sixty-day case filing notice requirement under 20 CSR 4240-4.017. The Commission finds good cause exists for waiver based on Raytown's verified declaration that it had no communication with the Commission regarding substantive issues likely to arise in this file within 150 days before filing its application.

THE COMMISSION ORDERS THAT:

1. The sixty-day notice of case filing requirement is waived for good cause found pursuant to 20 CSR 4240-4.017(1)(D).

2. Raytown's request for financing authorization is granted subject to Staff's recommended conditions, set out as follows (including OPC's sixth condition):

1. Nothing in this order shall be considered a finding by the Commission of the value of this transaction for rate making purposes. The Commission reserves the right to consider the rate making treatment to be afforded the financing transaction and its impact on cost of capital, in a later rate proceeding;

2. Raytown is authorized to issue preferred stock provided that the Company shall not be authorized to use any portion of the \$5 million for any purpose other than for the exclusive benefit of Raytown's regulated operations;

3. Raytown shall file with the Commission within ten days of issuance of any financing authorized pursuant this order, a report including the amount of preferred stock issued, date of issuance, variable rate, and other general and special terms, if any, including use of proceeds and estimated expenses. In addition, Raytown shall also provide the analysis, to include but not be limited to indicative pricing information provided by investment banks it performed to determine that the terms for the preferred stock it decided to issue were the most reasonable at the time;

4. Raytown shall file with the Commission any information concerning communication with credit rating agencies in regards with any such issuance; and

5. Raytown shall file with the Commission as a non-case related submission in EFIS under “Resources” - “Non-Case Related Query” - “Ordered Submission” any credit rating agency reports published on Raytown’s credit quality or the credit quality of its securities.

6. Raytown shall exercise due diligence to determine any options it has to refinance the preferred stock issued pursuant to this order and provide semi-annual updates to the Commission, to be filed in this docket, as to the due diligence it has performed pursuant to this condition.

3. Raytown is authorized to execute all documents and take all actions necessary for the above-described transactions.

4. This order shall become effective on February 26, 2021.

5. This file may be closed on February 27, 2021.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and
Holsman CC., concur.

Hatcher, Regulatory Law Judge