

**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       )       Case No. WF-2014-0211  
and including \$73,000 of Indebtedness.       )

**THE OFFICE OF THE PUBLIC COUNSEL’S RESPONSE AND  
OBJECTION TO STAFF’S RECOMMENDATION**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Response to and Objection to Staff’s Recommendation states as follows:

1.       On January 17, 2014, Roy-L Utilities, Inc. (Roy-L) filed an Application with the Missouri Public Service Commission (Commission) requesting authority to issue \$73,000 of secured indebtedness to allow Roy-L to make needed physical and operational improvements to its water and sewer systems.

2.       On February 11, 2014, the Staff of the Missouri Public Service Commission (Staff) filed its Recommendation with an attached Staff’s Memorandum which recommended that the Commission approve the Application of Roy-L, but with the following condition:

That nothing in the Commission’s order shall be considered a finding by the Commission of the value of this transaction for rate making purposes, which includes, but is not limited to, the capital structure, and that the Commission reserves the right to consider the rate making treatment to be afforded these financing transactions, and their effect on cost of capital, in any later proceeding.

3.       Public Counsel has reviewed the Application by Roy-L, Staff’s Recommendation and attached Memorandum, as well as other documents which have been provided to Public Counsel. Per this review, Public Counsel now states that, based on the attached letter (Attachment A – HC) which has been designated as Highly Confidential, it has concerns that Staff’s

Recommendation may not be based on the terms applicable to the loan approved by HNB National Bank for Roy-L.

4. With the full understanding that Roy-L has requested expedited treatment in this matter, Public Counsel is making every effort to meet with Staff to clarify its concerns in as short a timeframe as possible. However, many of the pertinent Staff members and members of Public Counsel will be participating in an upcoming evidentiary hearing for most of the next week. As a result, Public Counsel does not expect to be able to resolve its concerns within the expedited timeframe for responding to Staff's Recommendation.

5. Therefore, Public Counsel states that it objects to Staff's Recommendation, and thus the Application by Roy-L, at this time. Public Counsel will continue to seek clarifications to its concerns with the hope of obtaining a resolution to Roy-L's request as expediently as possible.

**WHEREFORE**, Public Counsel submits its Response and Objection.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

**/s/ Christina L. Baker**

By: \_\_\_\_\_

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 14<sup>th</sup> day of February 2014:

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**/s/ Christina L. Baker**

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Attachment A

has been deemed

“Highly Confidential”

in its entirety