

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 23<sup>rd</sup> day of  
February, 2022.

In the Matter of the Application of The )  
Raytown Water Company for an Order )  
Authorizing Issuance of Water Facilities )  
Refunding and Improvement Bonds )  
Series 2021 )

**File No. WF-2021-0427**

**ORDER APPROVING FINANCE AUTHORITY**

Issue Date: February 23, 2022

Effective Date: March 25, 2022

On November 23, 2021, The Raytown Water Company (Raytown) filed an application with the Commission requesting authority to issue Water Facilities Refunding and Improvement Bonds through the Environmental Improvement and Energy Resources Authority (EIERA) not to exceed \$5 million at an interest rate not to exceed 3.25% per year.

On page 3 of its application, Raytown describes the purpose of the bonds and the use of the loan proceeds:

(a) to update the entire water metering system to AMI [Advanced Metering Infrastructure] by replacing all manually read meters with radio readers (as shown on Exhibit A attached hereto); (b) to upgrade meter wells as needed; (c) to install new data collectors; (d) to update metering software and make live metering information available to customers through the company website; (e) to purchase new trucks; (g) to replace the roof on the main office and install a back-up generator; (h) to construct a new garage to house company-owned vehicles (as shown on Exhibit D attached hereto); and (i) to pay the costs and expenses of the issuance of 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 C attached hereto.

On January 28, 2022, the Staff of the Commission (Staff) filed its recommendation that the Commission approve Raytown's application with certain conditions.

On February 15, 2022, Raytown filed an *Amendment to Application* in which it substituted paragraph 7 of the application filed on November 23<sup>rd</sup> with an updated paragraph 7 which included updated terms for the securities it seeks approval to issue.

The updated paragraph 7 states:

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 \$5,000,00000 [sic] or less, each bearing initial interest at a rate not to exceed Four Percent (4.0%) per annum, all maturing on twenty (20) years from the date of any Order approving this Application, approximately, June 1, 2042 (the "Maturity"), with interest to be paid on June 1, 2022, semi-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 [EIERA]. The bonds will be issued as Series 2022 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.

On February 17, 2022, Staff recommended that the Commission approve Raytown's application, as amended, subject to the same conditions Staff listed in its January 28<sup>th</sup> recommendation. No responses to Staff's recommendations were filed.

Section 393.200, RSMo, and Commission Rule 20 CSR 4240-10.125 require Raytown to obtain the Commission's authority to issue debt securities. Sections 393.180 and 393.200, RSMo, authorize public utilities to issue long-term financing when necessary for the purposes enumerated in the statute.<sup>1</sup> If the utility's request falls within the

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<sup>1</sup> Section 393.180, RSMo 2016, states:

The power of gas corporations, electrical corporations, water corporations, or sewer corporations to issue stocks, bonds, notes and other evidences of indebtedness and to create liens upon their property situated in this state is a special privilege, the right of

enumerated purposes and is necessary or reasonably required, the Commission may grant the request.<sup>2</sup>

After review of Raytown's application and Staff's recommendations, the Commission concludes that granting Raytown's request accords with Raytown's stated purposes, that the issuance of the debt securities proposed in the application is or will be reasonably required for those stated purposes, and that such purposes are not in whole, or in part, reasonably chargeable to operating expenses or to income. Accordingly, the Commission finds that the request satisfies Section 393.200, RSMo. Raytown's application for authority to issue debt securities will be granted, subject to Staff recommendations.

**THE COMMISSION ORDERS THAT:**

1. Raytown is authorized to issue Water Facilities Refunding and Improvement Bonds through EIERA not to exceed \$5 million at an interest rate not to exceed 4.0% per year. The loan proceeds shall be used as follows:

(a) to update the entire water metering system to AMI by replacing all manually read meters with radio readers (as shown on Exhibit A attached hereto); (b) to upgrade meter wells as needed; (c) to install new data collectors; (d) to update metering software and make live metering information available to customers through the company website; (e) to purchase new trucks; (g) to replace the roof on the main office and install a back-up generator; (h) to construct a new garage to house company-owned vehicles (as shown on Exhibit D attached hereto); and (i) to pay the costs and expenses of the issuance of 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 C attached hereto.

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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.

<sup>2</sup> *In re Laclede Gas Co.v. Mo. Pub. Serv. Com'n.* 526 S.W.3d 245 (Mo. App. 2017).

2. Raytown's application filed on November 23, 2021, as amended on February 15, 2022, is granted subject to the following conditions:

- A. Nothing in this Order shall be considered a finding by the Commission of the prudence of this transaction for rate making purposes, and 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 any later rate proceeding;
- B. Raytown shall file with the Commission, within 30 days of issuance of any financing authorized pursuant to this Order, a report including the amount of secured indebtedness issued, date of issuance, interest rate (initial rate if variable), maturity date, redemption schedules or special terms, if any, use of proceeds, estimated expenses; and loan or indenture agreement concerning each issuance;
- C. Raytown shall file with the Commission any information concerning communication with credit rating agencies concerning any such issuance;
- D. 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 corporate credit quality or the credit quality of its securities;

- E. Raytown shall file a five-year capitalization expenditure schedule in future finance cases; and
- F. The Commission's grant of authority shall expire three years from the effective date of this Order.

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 March 25, 2022.



**BY THE COMMISSION**

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

Morris L. Woodruff  
Secretary

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

Seyer, Regulatory Law Judge


**STATE OF MISSOURI**

**OFFICE OF THE PUBLIC SERVICE COMMISSION**

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

**WITNESS** my hand and seal of the Public Service Commission,  
at Jefferson City, Missouri, this 23<sup>rd</sup> day of February, 2022.



  
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**Morris L. Woodruff**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**February 23, 2022**

**File/Case No. WF-2021-0427**

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**Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).**

**Sincerely,**



**Morris L. Woodruff  
Secretary**

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Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.