STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 30th day of January, 1991.

In the matter of the application of St. Louis County Water Company for authority to issue and deliver $25,000,000 aggregate principal amount of its First Mortgage Bonds, Series R, due 2021, to the Environmental Improvement and Energy Resources Authority, at an interest rate and discount to be negotiated.	)	Case No. WF-91-225

SUPPLEMENTAL ORDER

On December 14, 1990, the Commission issued an order granting St. Louis County Water Company (Applicant) conditional authority to issue twenty-five million dollars ($25,000,000) in bonds to secure obligations with respect to tax-exempt water facility revenue bonds to be issued by the State Environmental Improvement and Energy Resource Authority. The Commission gave conditional approval to the issuance pending approval of the final terms of the bond issue.

On January 30, 1991, Applicant informed the Commission's Financial Analysis Department of the final terms of the issuance. The Financial Analysis Department has filed a memorandum with the Commission recommending final approval of the bond issue at an interest rate of 6.9 percent and an underwriter's discount of 3.25 percent. Staff states that additional expenses include bond insurance of $307,000 and other expenses of $191,000, which will make the effective interest rate 7.28 percent.

The Commission approved the issuance of the $25,000,000 in bonds reserving final approval for review of the interest rate and discount rate. The interest rate has now been set and is below 8.5 percent, and the discount is not in excess of 4 percent which was found reasonable in the conditional order. The Commission finds the terms of issuance reasonable and will give final approval to the bond issue.

IT IS THEREFORE ORDERED:

1. That St. Louis County Water Company be hereby given final authority to issue twenty-five million dollars ($25,000,000) in bonds as originally proposed at an interest rate of 6.9 percent and a discount rate of 3.25 percent.

2. That the proceeds shall be applied for the purposes approved in the order issued December 14, 1990.

3. That this order shall become effective on the date hereof.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

Mueller, Rauch, McClure and
Letsch-Roderique, CC., concur.
Steinmeier, Chm., absent.