WEST VIRGINIA CODE: §24-2-12A

§24-2-12a. Issuance of stock; requirement of applying to commission for orders authorizing issuance; hearing and investigation on application; order; when issuance is void.

The power of public utilities to issue stocks and stock certificates or other evidence of interest or ownership is a special privilege, the right of supervision, regulation, restriction and control of which is vested in the state, and such power shall be exercised as provided by law under such rules and regulations as the commission may prescribe.

No public utility may issue stocks and stock certificates, or other evidence of interest or ownership unless, in addition to the other requirements of law, it shall first have secured from the commission an order authorizing the issue, stating the amount thereof and the purposes to which the issue or the proceeds thereof are to be applied, and that, in the opinion of the commission, the issue is reasonably required for the purposes specified in the order: Provided, That the issuance of stocks and stock certificates or other evidence of interest or ownership by a corporation which devotes one or more of its divisions to the provision of a public service shall be exempted from the requirements hereof when the gross revenues generated by all such divisions represent less than twenty-five percent of the gross revenues generated by the corporation.

Preferred stock which has no voting rights for the election of directors or which has such voting rights only upon the failure of the corporation to meet its obligation to pay dividends on such stock and, in either case, which preferred stock is not capable of conversion into common equity shall not be subject to the provisions of this section.

To enable the commission to determine whether it will issue such order, the commission may hold a hearing and may make such additional inquiry or investigation, examine such witnesses, books, papers, documents and contracts and require the filing of such data as it deems of assistance. The commission may by its order grant permission for the issue of such stocks or stock certificates or other evidence of interest or ownership in the amount applied for, or in a lesser amount, or refuse such permission, or grant it subject to such conditions as it deems reasonable and necessary. All stock and every stock certificate or other evidence of interest or ownership of a public utility issued without an order of the commission authorizing the issue thereof or not conforming in its provisions to any of the provisions which it is required by the order of authorization to contain is void.

WV Legislature