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# Rules of Department of Economic Development

## Division 240—Public Service Commission Chapter 3—Filing and Reporting Requirements

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**Title 4—DEPARTMENT OF  
ECONOMIC DEVELOPMENT  
Division 240—Public Service Commission  
Chapter 3—Filing and Reporting  
Requirements**

**4 CSR 240-3.010 General Definitions**

*PURPOSE: This rule sets forth the definitions of certain terms used in rules 4 CSR 240-3.015 through 4 CSR 240-3.030, and also includes the definitions of general terms used within this chapter of the commission's rules. Definitions of additional terms used in certain utility-specific rules are found in 4 CSR 240-3.100, 4 CSR 240-3.200, 4 CSR 240-3.300, and 4 CSR 240-3.500. All definitions found in this chapter supplement those definitions found in Chapters 386, 392 and 393 of the Missouri Revised Statutes.*

(1) Applicant means any person or public utility, as defined herein, on whose behalf an application is made.

(2) Bill means a written or electronic demand for payment for service or equipment and the taxes, assessments, and franchise fees related thereto.

(3) Commission means the Missouri Public Service Commission as created by Chapter 386 of the Missouri Revised Statutes.

(4) Commission staff means all personnel employed by the commission whether on a permanent or contractual basis who are not attorneys in the general counsel's office, who are not members of the commission's research department, or who are not law judges.

(5) Complaint means an informal or formal complaint under 4 CSR 240-2.070.

(6) Corporation includes a corporation, company, association, or joint stock company or association, or any other entity created by statute which is allowed to conduct business in the state of Missouri.

(7) Customer means any person, firm, partnership, corporation, municipality, cooperative, organization, governmental agency, etc., that accepts financial and other responsibilities in exchange for services provided by one (1) or more public utilities.

(8) Delinquent charge means a charge remaining unpaid by a monthly billed customer at least twenty-one (21) days and for at least sixteen (16) days by a quarterly billed customer from the rendition of the bill by the

utility or a charge remaining unpaid after the preferred payment date selected by the customer.

(9) Deposit means a money advance to a utility for the purpose of securing payment of delinquent charges which might accrue to the customer who made the advance.

(10) Electric utility means an electrical corporation as defined in section 386.020(15), RSMo.

(11) Financing means acquisition of equity or debt interests, loans, guarantees of loans, advances, sale and repurchase agreements, sale and leaseback agreements, sales on open account, conditional or installment sales contracts or other investments or extensions of credit.

(12) Gas utility means a gas corporation as defined in section 386.020(18), RSMo.

(13) Guarantee means a written promise from a third party to assume liability up to a specified amount for delinquent charges which might accrue to a particular customer.

(14) Municipality means a city, village or town.

(15) Person means any individual, firm, joint venture, partnership, corporation, association, county, state, municipality, political subdivision, cooperative association or joint stock association, and includes any trustee, receiver, assignee or personal representative of them.

(16) Pleading means any application, complaint, petition, answer, motion, staff recommendation, or other similar written document, which is not a tariff or correspondence, and which is filed in a case. A brief is not a pleading under this definition.

(17) Political subdivision means any township, city, town, village, and any school, road, drainage, sewer and levee district, or any other public subdivision, public corporation or public quasi-corporation having the power to tax.

(18) Premises means a tract of land or real estate, including buildings and other appurtenances thereon, to which utility service is provided to a customer.

(19) Public counsel means the Office of the Public Counsel as created by the Omnibus State Reorganization Act of 1974, and

includes the assistants who represent the public before the commission.

(20) Public utility means public utility as defined in section 386.020(42), RSMo.

(21) Regulated electrical corporation means every electrical corporation as defined in section 386.020, RSMo, subject to commission regulation pursuant to Chapter 393, RSMo.

(22) Regulated gas corporation means every gas corporation as defined in section 386.020, RSMo, subject to commission regulation pursuant to Chapter 393, RSMo.

(23) Regulated heating company means every heating company as defined in section 386.020, RSMo, subject to commission regulation pursuant to Chapter 393, RSMo.

(24) Rule means all of these rules as a whole or the individual rule in which the word appears, whichever interpretation is consistent with the rational application of this chapter.

(25) Service means service as defined in section 386.020(47), RSMo.

(26) Sewer utility means a sewer corporation as defined in section 386.020(48), RSMo.

(27) Steam heating utility means a heating company as defined in section 386.020(20), RSMo.

(28) Tariff means a document published by a public utility, and approved by the commission, that sets forth the services offered by that utility and the rates, terms and conditions for the use of those services.

(29) Telecommunications company means a telecommunications company as defined in section 386.020(51), RSMo.

(30) Utility company means an electric utility, a gas utility, a sewer utility, a steam heating utility, a telecommunications company or a water utility, either individually or collectively, as those terms are defined herein.

(31) Variance means an exemption granted by the commission from any applicable standard required pursuant to this chapter.

(32) Water utility means a water corporation as defined in section 386.020(58), RSMo.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*



\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.

**4 CSR 240-3.015 Filing Requirements for Utility Company Applications for Waivers or Variances**

*PURPOSE: This rule provides a reference to the commission's practice and procedure rule regarding this subject.*

(1) The requirements for filing applications for waivers or variances from commission rules and tariff provisions, as well as those statutory provisions that may be waived, are contained in Chapter 2 of the commission's rules in rule 4 CSR 240-2.060.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.

**4 CSR 240-3.020 Filing Requirements Regarding Utility Company Name Changes**

*PURPOSE: This rule provides a reference to the commission's practice and procedure rule regarding this subject.*

(1) The requirements for filings regarding utility company name changes are contained in Chapters 2 and 3 of the commission's rules in rules 4 CSR 240-2.060, 4 CSR 240-3.520, 4 CSR 240-3.525 and 4 CSR 240-3.545.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed March 19, 2004, effective Nov. 30, 2004.*

\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.

**4 CSR 240-3.025 Utility Company Tariff Filings Which Create Cases**

*PURPOSE: This rule provides a reference to the commission's practice and procedure rule regarding this subject.*

(1) The commission's rule regarding tariff filings which create cases, which includes various filing requirements, is contained in Chapter 2 of the commission's rules in rule 4 CSR 240-2.065.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.

**4 CSR 240-3.030 Minimum Filing Requirements for Utility Company General Rate Increase Requests**

*PURPOSE: This rule prescribes the information which must be filed by all electric utilities, all large local exchange telecommunications companies, all large gas, water and sewer utilities, and all steam heating utilities when filing for a general company-wide increase in rates. Additional requirements regarding this subject matter are also found in 4 CSR 240-3.160 for electric utilities and 4 CSR 240-3.235 for gas utilities.*

(1) This rule applies to all electric utilities; to all local exchange telecommunications companies with more than five thousand (5,000) access lines; to all gas utilities with more than one thousand five hundred (1,500) customers; to all water utilities with more than five thousand (5,000) customers; to all sewer utilities with more than five thousand (5,000) customers; and to all steam heating utilities, under the jurisdiction of the commission.

(2) A general rate increase request is one where the company or utility files for an overall increase in revenues through a company-wide increase in rates for the utility service it provides, but shall not include requests for changes in rates made pursuant to an adjustment clause or other similar provisions contained in a utility's tariffs.

(A) With regard to any telecommunications company subject to this rule, any increase in revenues as a result of an increase in rates within a previously approved rate band for a transitionally competitive or competitive service pursuant to sections 392.500 and 392.510, RSMo will not be considered a general rate increase and thereby not be subject to these minimum filing requirements.

(3) At the time a tariff(s) is filed by any company or utility subject to this rule which contains a general rate increase request, an original and fourteen (14) copies of the following information shall be filed with the secretary of the commission and two (2) copies shall be provided to the Office of the Public Counsel:

(A) A letter transmitting the proposed tariff changes to the secretary of the commission of the Missouri Public Service Commission;

(B) General information concerning the filing which will be of interest to the public and suitable for publication, including:

1. The amount of dollars of the aggregate annual increase and the percentage of increase over current revenues which the tariff(s) proposes;

2. Names of the counties and communities affected;

3. The number of the customers to be affected in each general category of service and in all rate classifications within each general category of service;

4. The average change requested in dollars and percentage change from current rates for each general category of service and for all rate classifications within each general category of service;

5. The proposed annual aggregate change by general categories of service and by rate classification within each general category of service including dollar amounts and percentage of change in revenues from current rates;

6. Copies of any press releases relative to the filing issued by the company or utility prior to or at the time of the filing; and

7. A summary of the reasons for the proposed changes or a summary explanation of the reasons the additional rate is needed.

(4) For good cause shown, the commission may grant a waiver of any of the provisions of this rule.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.

**4 CSR 240-3.050 Small Utility Rate Case Procedure**

*PURPOSE: This rule provides procedures whereby certain small utilities may request increases in their overall annual operating revenues, without complying with the rules pertaining to general rate cases set forth elsewhere in this chapter.*

(1) Notwithstanding the provisions of any other commission rule to the contrary, a gas utility serving ten thousand (10,000) or fewer customers, a water or sewer utility serving eight thousand (8,000) or fewer customers, or a steam heat utility serving fewer than one hundred (100) customers shall be considered a small utility under this rule.



(2) A small utility may initiate a rate case by filing a letter requesting an increase in its overall annual operating revenues with the secretary of the commission. A utility filing such a request shall specify the amount of the revenue increase that it is seeking, but shall not submit any proposed tariff revisions with the request. A utility that provides service in multiple, non-interconnected service areas or that provides more than one kind of utility service may only submit a company-wide request applicable to all of its services in all of its service areas.

(3) When a small utility's letter is filed, the secretary shall cause a rate case to be opened, but no specific actions shall be taken in that case, pending completion of the process set out in this rule, including the possible mediation or arbitration of issues among the parties. The regulatory law judge assigned to the case may be asked at any time to mediate disputes that may arise while the case is pending. If the commission staff (staff) and the utility do not reach agreement on a full resolution of the utility's revenue increase request, they may elect to arbitrate unresolved issues. Such arbitration shall allow the utility, the staff and the public counsel to present their positions on the unresolved issues to the regulatory law judge, who shall establish, on a case-by-case basis, procedures for identification and submission of issues and the presentation of the parties' positions. Parties need not be represented by counsel during arbitration, and each issue shall be determined using the "final offer" method, under which the position of one of the parties shall be adopted based upon the evidence presented and commission precedent. The regulatory law judge shall issue a written opinion resolving all issues presented for arbitration within twenty (20) days of the close of the arbitration proceeding. The arbitration decision and any partial, unanimous or non-unanimous disposition agreement shall be submitted to the commission for its consideration in issuing its decision regarding the resolution of the utility's revenue increase request.

(4) If it is found that a utility was not current on the payment of all of its commission assessments, the submission of its most recently required commission annual report or annual statement of operating revenue, or that it was not in good standing with the Missouri secretary of state, if applicable, at the time it filed its request then the commission may dismiss the case. The commission may also dismiss the case at any time if the utility fails to be in current compliance regarding commission assessments, annual reports or

annual statements of operating revenue, fails to remain in good standing with the Missouri secretary of state, if applicable, or fails to timely provide the staff or the public counsel with the information needed to investigate the utility's request.

(5) Within one (1) week after a case is opened, the staff shall file a timeline under which the case will proceed, specifying, at a minimum, due dates for the activities required by sections (9), (10) and (11).

(6) After a case is opened, the staff shall, and the public counsel may, conduct an investigation of the utility's request. This investigation may include a review of any and all information and materials related to the utility's cost of providing service and its operating revenues, the design of the utility's rates, the utility's service charges or fees, all provisions of the utility's tariffs, and any operational or customer service issues that are discovered during the investigation. If the public counsel wishes to conduct an independent investigation of the request, it must do so in a time frame that will not result in a delay in the utility's and the staff's resolution of the utility's request.

(7) No later than thirty (30) days after a case is opened, the utility shall mail written notice of the request to each of its customers. The notice, which must be approved by the staff and the public counsel prior to being mailed, shall invite the customers to submit comments about the utility's rates and quality of service within thirty (30) days after the date shown on the notice, and shall include instructions as to how comments can be submitted electronically, by telephone or in writing. When the utility mails the notice to its customers, it shall also send a copy to the staff and the staff shall file a copy in the case file. For small steam heating utility requests, the notice shall also be sent to each gas service and each electric service provider in the area affected by the request.

(8) For small steam heating utility requests, any customer, gas service provider or electric service provider that timely responds to the notice required by section (7) shall be entitled to copies of all filings subsequently made in the utility's case, except that information classified as highly confidential or proprietary will only be available under the terms of a commission issued protective order, and may participate in any conferences or hearings related to the case.

(9) No later than ninety (90) days after a case is opened, the staff shall provide a preliminary report of its investigation and audit to the utility and the public counsel.

(10) No later than one hundred twenty (120) days after a case is opened, the staff shall provide a settlement proposal to the utility and the public counsel. This proposal shall include the staff's recommended changes pertaining to the following: the utility's annual operating revenues; the utility's customer rates; the utility's service charges and fees; the utility's plant depreciation rates; the utility's tariff provisions; the operation of the utility's systems; and the management of the utility's operations. The staff shall also provide the following with its settlement proposal: draft revised tariff sheets reflecting the staff's recommendations; a draft disposition agreement reflecting the staff's recommendations; its audit workpapers; its rate design workpapers; and any other documents supporting its recommendations. A disposition agreement is a document that sets forth the signatories' proposed resolution of some or all of the issues pertaining to the utility's revenue increase request.

(11) No later than one hundred fifty (150) days after a case is opened, the staff shall file a disposition agreement between at least the staff and the utility providing for a full or partial resolution of the utility's revenue increase request. At any time prior to the filing of the disposition agreement, the assigned regulatory law judge may be called upon to meet with the participants and mediate discussions to assist them in reaching at least a partial agreement. If the disposition agreement filed by the staff provides for only partial resolution of the utility's request, it may contain provisions whereby the signatories request that the assigned regulatory law judge initiate an arbitration procedure regarding unresolved issues identified in the agreement.

(12) The staff and the small utility may agree that the deadlines set out in sections (9), (10) and (11) be extended for up to two (2) months. If an extension is agreed upon, the staff shall file a written agreement regarding the extension and an updated timeline reflecting the extension in the case file.

(13) If the disposition agreement filed by the staff provides for a full resolution of the utility's request and is executed by the utility, the staff and the public counsel, the utility shall file new and/or revised tariff sheets, bearing an effective date that is not fewer than thirty (30) days after they are filed, to implement





the agreement. In such a situation, a local public hearing will not be held unless ordered by the commission.

(14) If the disposition agreement filed by the staff provides for a full resolution of the utility's request but is executed by only the utility and the staff, the utility shall file new and/or revised tariff sheets, bearing an effective date that is not fewer than forty-five (45) days after they are filed, to implement the agreement. No later than five (5) working days after it makes its tariff filing, the utility shall mail written notice of the proposed tariff revisions, including a summary of the proposed rates and charges and the impact of the rates on an average residential customer's bill, to each of its customers. The notice must be approved by the staff and the public counsel prior to being mailed, shall invite customers to submit comments on the proposed tariff changes within twenty (20) days after the date of the notice, and shall include comment submission instructions as described in section (7). When the utility mails the notice to its customers, it shall also send a copy to the staff and the staff shall file a copy in the case file.

(15) No later than five (5) working days after the end of the comment period for the notice referenced in section (14), the public counsel shall file a pleading stating its position regarding the utility/staff agreement and the related tariff revisions, or requesting that the commission hold a local public hearing or an evidentiary hearing, and providing the reasons for its position or request.

(16) If the disposition agreement filed by the staff provides for only a partial resolution of the utility's request and for the use of an arbitration process to resolve specified issues, the utility shall file new and/or revised tariff sheets, bearing an effective date that is not fewer than forty-five (45) days after they are filed, that reflect the terms of the agreement and its position on the issues to be arbitrated. No later than five (5) working days after it makes its tariff filing, the utility shall mail written notice of the proposed tariff revisions, including a summary of the proposed rates and charges and the impact of the rates on an average residential customer's bill, to each of its customers. The notice must be approved by the staff and the public counsel prior to being mailed, shall invite customers to submit comments on the proposed tariff changes within twenty (20) days after the date of the notice, and shall include comment submission instructions as described in section (7). When the utility mails the notice to its customers, it shall also send a copy to the staff and the staff shall file a copy in the case file.

(17) No later than five (5) working days after the end of the comment period for the notice referenced in section (16), the public counsel shall file a pleading stating its position regarding the utility/staff agreement and the related tariff revisions, and providing the reasons for its position, and stating whether it will participate in the proposed arbitration process. The public counsel's request for a local public hearing or an evidentiary hearing, and the reasons for its request, shall also be included in this pleading.

(18) If a local public hearing is set, the utility shall mail written notice of that hearing to its customers. The notice must be consistent with the order setting the hearing and must be approved by the staff and the public counsel before it is mailed. When the utility mails the notice to its customers, it shall also send a copy to the staff and the staff shall file a copy in the case file.

(19) If a local public hearing is held, the staff shall file a pleading no later than five (5) working days after the hearing indicating whether any material information not previously available was provided at the local public hearing and stating whether that information might result in changes to the utility/staff disposition agreement. No later than ten (10) working days after the local public hearing, the public counsel shall file a pleading stating its position regarding the utility/staff agreement and the related tariff revisions, or requesting that the commission hold an evidentiary hearing, and providing the reasons for its position or request.

(20) If the public counsel files a request for an evidentiary hearing, the request shall include a specified list of issues that the public counsel believes should be the subject of the hearing. The utility's pending tariff revisions shall then be suspended, and the utility's case shall be resolved through contested case procedures conducted in the time remaining in the rate case process, consistent with the requirements of section (24), the requirements of due process, and fairness to the participants in the matter and the utility's ratepayers.

(21) If at any time after a case is opened it becomes clear to the utility or the staff that agreements cannot be reached on even a portion of the issues related to the utility's request, even through the use of mediation or arbitration, either may file a motion asking that the utility's request be resolved through contested case procedures conducted in the time remaining in the rate case process, consistent with the requirements of section (24), the requirements of due process, and fairness

to the participants in the matter and the utility's ratepayers.

(22) If the commission approves tariff revisions resulting from a small utility rate case, the utility shall mail written notice of that approval, including a summary of the revised rates and charges and the impact of the revised rates on an average residential customer's bill, to each of its customers. The notice must be approved by the staff and the public counsel prior to being mailed and shall be mailed to the customers prior to or with the first billing issued under the revisions. When the utility mails the notice to its customers, it shall also send a copy to the staff and the staff shall file a copy in the case file.

(23) If at any time after a case is opened the utility and the staff agree that an increase in the utility's annual operating revenues is not necessary, or if the utility advises the staff that it no longer wishes to pursue an increase, the staff shall file a verified statement to that effect in the case file, whereupon the regulatory law judge shall issue a notice closing the case.

(24) The proposed full resolution of a small utility rate case must be finally presented to the commission no later than nine (9) months after the case is opened, regardless of how it is presented, and the commission's decision and order regarding the case shall be issued and effective no later than eleven (11) months after the case was opened.

(25) The commission shall set just and reasonable rates, which may result in a revenue increase more or less than the increase originally sought by the utility, or which may result in a revenue decrease. In doing so, the commission may approve, reject or alter a disposition agreement, or an arbitration opinion and any related partial disposition agreement.

*AUTHORITY: sections 386.040, 386.250, 393.140 and 393.290, RSMo 2000, and 393.291, RSMo Supp. 2007.\* Original rule filed Nov. 15, 2007, effective May 30, 2008.*

*\*Original authority: 386.040, RSMo 1939; 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 393.140, RSMo 1939, amended 1949, 1967; 393.290, RSMo 1993, amended 1967; and 393.291, RSMo 2003.*

#### **4 CSR 240-3.100 Definitions Pertaining Specifically to Electric Utility Rules**

*PURPOSE: This rule sets forth the definitions of certain terms used in rules 4 CSR*



240-3.105 through 4 CSR-3.190, which are in addition to the definitions set forth in rule 4 CSR 240-3.010 of this chapter.

(1) Affiliate means any person who, directly or indirectly, controls or is controlled by or is under common control with an electric utility.

(2) Appliance or equipment means any device which consumes electric energy and any ancillary device required for its operation.

(3) Avoided costs means the incremental costs to an electric utility of electric energy or capacity or both which, but for the purchase from the qualifying facility or qualifying facilities, that utility would generate itself or purchase from another source.

(4) Consideration shall be interpreted in its broadest sense and shall include any cash, donation, gift, allowance, rebate, discount, bonus, merchandise (new or used), property (real or personal), labor, service, conveyance, commitment, right or other thing of value.

(5) Control (including the terms “controlling,” “controlled by,” and “common control”) means the possession, directly or indirectly, of the power to direct, or to cause the direction of the management or policies of an entity, whether such power is exercised through one (1) or more intermediary entities, or alone, or in conjunction with, or pursuant to an agreement with, one (1) or more other entities, whether such power is exercised through a majority or minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, affiliated entities, contract or any other direct or indirect means. The commission shall presume that the beneficial ownership of ten percent (10%) or more of voting securities or partnership interest of an entity constitutes control for purposes of this rule. This provision, however, shall not be construed to prohibit a regulated electrical corporation from rebutting the presumption that its ownership interest in an entity confers control.

(6) Cost-effective means that the present value of life-cycle benefits is greater than the present value of life-cycle costs to the provider of an energy service.

(7) Decommissioning means those activities undertaken in connection with a nuclear generating unit’s retirement from service to ensure that the final removal, disposal, entombment or other disposition of the unit and of any radioactive components and mate-

rials associated with the unit, are accomplished in compliance with all applicable laws, and to ensure that the final disposition does not pose any undue threat to the public health and safety. Decommissioning includes the removal and disposal of the structures, systems and components of a nuclear generating unit at the time of decommissioning.

(8) Decommissioning costs means all reasonable costs and expenses incurred in connection with decommissioning, including all expenses to be incurred in connection with the preparation for decommissioning, including, but not limited to, engineering and other planning expenses; and to be incurred after the actual decommissioning occurs, including, but not limited to, physical security and radiation monitoring expenses, less proceeds of insurance, salvage or resale of machinery, construction equipment or apparatus the cost of which was charged as a decommissioning expense.

(9) Demand-side resource means any inefficient energy-related choice that can be influenced cost-effectively by a utility. The meaning of this term shall not be construed to include load-building program.

(10) Energy service means the need that is served or the benefit that is derived by the ultimate consumer’s use of energy.

(11) Inefficient energy-related choice means any decision that causes the life-cycle cost of providing an energy service to be higher than it would be for an available alternative choice.

(12) Load-building program means an organized promotional effort by a utility to persuade energy-related decision makers to choose the form of energy supplied by that utility instead of other forms of energy for the provision of energy service or to persuade customers to increase their use of that utility’s form of energy, either by substituting it for other forms of energy or by increasing the level or variety of energy services used. This term is not intended to include the provision of technical or engineering assistance, information about filed rates and tariffs or other forms of routine customer service.

(13) Promotional practices means any consideration offered or granted by an electric utility or its affiliate to any person for the purpose, express or implied, of inducing the person to select and use the service or use additional service of the utility or to select or install any appliance or equipment designed to use the utility service, or for the purpose

of influencing the person’s choice or specification of the efficiency characteristics of appliances, equipment, buildings, utilization patterns or operating procedures. The term promotional practices shall not include the following activities:

(A) Making any emergency repairs to appliances or equipment of customers;

(B) Providing appliances or equipment incidental to demonstrations of sixty (60) days or less in duration;

(C) Providing light bulbs, street or outdoor lighting service, wiring, service pipe or other service equipment or appliances, in accordance with tariffs filed with and approved by the commission;

(D) Providing appliances or equipment to an educational institution for the purpose of instructing students in the use of the appliances or equipment;

(E) Merchandising appliances or equipment at retail and, in connection therewith, the holding of inventories, making and fulfillment of reasonable warranties against defects in material and workmanship existing at the time of delivery and financing; provided that the merchandising shall not violate any prohibition contained in 4 CSR 240-14.020;

(F) Inspecting and adjusting of appliances or equipment by an electric utility;

(G) Repairing and other maintenance to appliances or equipment by an electric utility if charges are at cost or above;

(H) Providing free or below-cost energy audits or other information or analysis regarding the feasibility and cost-effectiveness of improvements in the efficiency characteristics of appliances, equipment, buildings, utilization patterns or operating procedures;

(I) Offering to present or prospective customers by an electric utility technical or engineering assistance; and

(J) Advertising or publicity by an electric utility which is under its name and on its behalf and which does not in any manner, directly or indirectly, identify, describe, refer to, mention or relate to any architect, builder, engineer, subdivider, developer or other similar person, or which mentions no less than three (3) existing projects, developments or subdivisions.

(14) Purchase means the purchase of electric energy or capacity or both from a qualifying facility by an electric utility.

(15) Qualifying facility means a cogeneration facility or a small power production facility which is a qualifying facility under Subpart B of Part 292 of the Federal Energy Regulatory



Commission's (FERC) regulations.

(16) Sale means the sale of electric energy or capacity or both by an electric utility to a qualifying facility.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.105 Filing Requirements for Electric Utility Applications for Certificates of Convenience and Necessity**

*PURPOSE: Applications to the commission requesting that the commission grant a certificate of convenience and necessity must meet the requirements of this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications by an electric utility for a certificate of convenience and necessity shall include:

(A) If the application is for a service area—

1. A statement as to the same or similar utility service, regulated and nonregulated, available in the area requested;

2. If there are ten (10) or more residents or landowners, the name and address of no fewer than ten (10) persons residing in the proposed service area or of no fewer than ten (10) landowners in the event there are no residences in the area, or, if there are fewer than ten (10) residents or landowners, the name and address of all residents and landowners;

3. The legal description of the area to be certificated;

4. A plat drawn to a scale of one-half inch (1/2") to the mile on maps comparable to county highway maps issued by the Missouri Department of Transportation or a plat drawn to a scale of two thousand feet (2,000') to the inch; and

5. A feasibility study containing plans and specifications for the utility system and estimated cost of the construction of the utility system during the first three (3) years of construction; plans for financing; proposed rates and charges and an estimate of the number of customers, revenues and expenses during the first three (3) years of operations;

(B) If the application is for electrical transmission lines, gas transmission lines or electrical production facilities—

1. A description of the route of construction and a list of all electric and telephone lines of regulated and nonregulated utilities, railroad tracks or any underground facility, as defined in section 319.015, RSMo, which the proposed construction will cross;

2. The plans and specifications for the complete construction project and estimated cost of the construction project or a statement of the reasons the information is currently unavailable and a date when it will be furnished; and

3. Plans for financing;

(C) When no evidence of approval of the affected governmental bodies is necessary, a statement to that effect;

(D) When approval of the affected governmental bodies is required, evidence must be provided as follows:

1. When consent or franchise by a city or county is required, approval shall be shown by a certified copy of the document granting the consent or franchise, or an affidavit of the applicant that consent has been acquired; and

2. A certified copy of the required approval of other governmental agencies; and

(E) The facts showing that the granting of the application is required by the public convenience and necessity.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.110 Filing Requirements for Electric Utility Applications for Authority to Sell, Assign, Lease or Transfer Assets**

*PURPOSE: Applications to the commission for the authority to sell, assign, lease or transfer assets must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to sell, assign, lease or transfer assets shall include:

(A) A brief description of the property involved in the transaction, including any

franchises, permits, operating rights or certificates of convenience and necessity;

(B) A copy of the contract or agreement of sale;

(C) The verification of proper authority by the person signing the application or a certified copy of resolution of the board of directors of each applicant authorizing the proposed action;

(D) The reasons the proposed sale of the assets is not detrimental to the public interest;

(E) If the purchaser is subject to the jurisdiction of the commission, a balance sheet and income statement with adjustments showing the results of the acquisitions of the property; and

(F) A statement of the impact, if any, the sale, assignment, lease or transfer of assets will have on the tax revenues of the political subdivisions in which any structures, facilities or equipment of the companies involved in that sale are located.

(2) If the purchaser is not subject to the jurisdiction of the commission, but will be subject to the commission's jurisdiction after the sale, the purchaser must comply with these rules.

(3) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.115 Filing Requirements for Electric Utility Applications for Authority to Merge or Consolidate**

*PURPOSE: Applications to the commission for the authority to merge or consolidate must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to merge or consolidate shall include:

(A) A copy of the proposed plan and agreement of corporate merger and consolidation, including organizational charts depicting the relationship of the merging entities before and after the transaction;



(B) A certified copy of the resolution of the board of directors of each applicant authorizing the proposed merger and consolidation;

(C) The balance sheets and income statements of each applicant and a balance sheet and income statement of the surviving corporation;

(D) The reasons the proposed merger is not detrimental to the public interest;

(E) An estimate of the impact of the merger on the company's Missouri jurisdictional operations relative to the merger and acquisition in question; and

(F) A statement of the impact, if any, the merger or consolidation will have on the tax revenues of the political subdivision in which any structures, facilities or equipment of the companies involved are located.

(2) If the purchaser is not subject to the jurisdiction of the commission, but will be subject to the commission's jurisdiction after the sale, the purchaser must comply with these rules.

(3) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.120 Filing Requirements for Electric Utility Applications for Authority to Issue Stock, Bonds, Notes and Other Evidences of Indebtedness**

*PURPOSE: Applications to the commission for the authority to issue stock, bonds, notes or other evidences of indebtedness must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to issue stock, bonds, notes and other evidences of indebtedness shall contain the following:

(A) A brief description of the securities which applicant desires to issue;

(B) A statement of the purpose for which the securities are to be issued and the use of the proceeds;

(C) Copies of executed instruments defining the terms of the proposed securities—

1. If these instruments have been previously filed with the commission, a reference to the case number in which the instruments were furnished;

2. If these instruments have not been executed at the time of filing, a statement of the general terms and conditions to be contained in the instruments which are proposed to be executed; and

3. If none of these instruments is either executed or to be executed, a statement of how the securities are to be sold;

(D) A certified copy of resolutions of the directors of applicant authorizing the issuance of the securities;

(E) A balance sheet and income statement with adjustments showing the effects of the issuance of the proposed securities upon—

1. Bonded and other indebtedness; and

2. Stock authorized and outstanding;

(F) A statement of what portion of the issue is subject to the fee schedule in section 386.300, RSMo; and

(G) A five (5)-year capitalization expenditure schedule as required by section 393.200, RSMo.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.125 Filing Requirements for Electric Utility Applications for Authority to Acquire the Stock of a Public Utility**

*PURPOSE: Applications to the commission for the authority to acquire the stock of a public utility must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to acquire the stock of a public utility shall include:

(A) A statement of the offer to purchase stock of the public utility or a copy of any agreement entered with shareholders to purchase stock;

(B) A certified copy of the resolution of the directors of applicant authorizing the acquisition of the stock; and

(C) Reasons why the proposed acquisition of the stock of the public utility is not detrimental to the public interest.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.130 Filing Requirements and Schedule of Fees for Applications for Approval of Electric Service Territorial Agreements and Petitions for Designation of Electric Service Areas**

*PURPOSE: This rule establishes requirements and schedule of fees that applications to the commission for approval of territorial agreements between electric service providers and petitions for designation of electric service areas must meet. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for commission approval of territorial agreements and petitions for designation of electric service areas shall include:

(A) A copy of the proposed territorial agreement and a specific designation of the requested boundaries, including maps showing the requested boundaries and a schedule of the applicable Townships, Ranges and Sections, by county. If the requested boundary cannot reliably be ascertained from the information supplied by the applicant, such applicant shall provide additional information as requested by the commission or its staff, if necessary, including the legal description of the area that is the subject of the application or petition;

(B) A list of other electric utilities that serve in the affected area(s), if any;

(C) An illustrative tariff which reflects any changes in a regulated utility's operations or certification;

(D) An explanation as to why the territorial agreement is not detrimental to the public interest or the proposed electric service area designation(s) is in the public interest; and



(E) A list of all persons and structures whose utility service would be changed by the proposed agreement at the time of filing.

(2) If any of the information required by subsections (1)(A)–(E) of this rule is unavailable at the time the application is filed, the application must be accompanied by a statement of the reasons the information is currently unavailable and a date by which it will be furnished. All required information shall be furnished prior to the granting of the authority sought.

(3) The application or petition shall be accompanied by an initial filing fee in the amount of five hundred dollars (\$500).

(4) An application for commission review of proposed amendment(s) to an existing territorial agreement between electric service providers shall not be subject to the fee of five hundred dollars (\$500). However, the applicants shall be responsible for the payment of a fee which reflects necessary hearing time (including the minimum hearing time charge) and the transcript costs as specified in section (5) of this rule.

(5) In addition to the filing fee, the fee for commission review is set at six hundred eighty-five dollars (\$685) per hour of hearing time, subject to a minimum charge for hearing time of six hundred eighty-five dollars (\$685). There is an additional charge of three dollars and fifty cents (\$3.50) per page of transcript. These fees are in addition to the fees authorized by section 386.300, RSMo.

(6) The parties shall be responsible for payment of any unpaid fees on and after the effective date of the commission's report and order relating to the electric territorial agreement or petition for designation of service areas. The executive director shall send an itemized billing statement to the applicants on or after the effective date of the commission's report and order. Responsibility for payment of the fees shall be that of the parties to the proceeding as ordered by the commission in each case.

(7) On July 1 of each year, the filing fee and the fee per hour of evidentiary hearing time may be modified to match any percentage change in the Consumer Price Index for the twelve (12)-month period ending December 31 of the preceding year.

*AUTHORITY: sections 386.250 and 394.312, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed Feb. 24, 2005, effective Oct. 30, 2005.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; and 394.312, RSMo 1988, amended 1989.*

#### **4 CSR 240-3.135 Filing Requirements and Schedule of Fees Applicable to Applications for Post-Annexation Assignment of Exclusive Service Territories and Determination of Compensation**

*PURPOSE: This rule establishes the requirements that must be met and a schedule of fees for applications to the commission for post-annexation assignment of exclusive service territories and determination of compensation. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), municipally owned electric utility applications for post-annexation assignment of exclusive service territories and determination or compensation shall include:

(A) An explanation as to why the requested relief is in the public interest;

(B) A specific designation of the proposed exclusive electric service territory boundary including maps showing the boundary and a schedule of the applicable Townships, Ranges, and Sections, by county. If the requested boundary cannot reliably be ascertained from the information supplied by the applicant, such applicant shall provide additional information as requested by the commission or its staff, if necessary, including the legal description of the area;

(C) The electric rates that will be charged if the proposed change of supplier is allowed;

(D) The municipal electric utility's estimate of the fair and reasonable compensation to be paid to the affected electric supplier for the existing distribution system within the proposed exclusive electric service territory, for any proposed acquisitions or transfers, including the valuation formulas and factors used to calculate fair and reasonable compensation;

(E) Any effect on the municipal electric utility's system operation, including, but not limited to, how the increased load will be served;

(F) Any power contracts that the municipality has agreed to with the affected electric supplier to serve the annexed area;

(G) Any issues on which the municipally owned electric utility and the affected electric supplier agree;

(H) A copy of the newspaper notification, as well as notifications sent to any affected supplier; and

(I) Affirmation of compliance with the deadlines for negotiation as outlined in section 386.800, RSMo.

(2) If any of the information required by subsections (1)(A)–(I) of this rule is unavailable at the time the application is filed, the application must be accompanied by a statement of the reasons the information is currently unavailable and a date by which it will be furnished. All required information shall be furnished prior to the granting of the authority sought.

(3) The commission shall notify the affected electric suppliers within ten (10) days of receipt of an application from a municipally owned electric utility and, that the affected electric suppliers are made parties to the proceeding and shall file with the commission within twenty (20) days of the notice the following information:

(A) A response to the applicant's requested relief;

(B) The current electric rates that are charged in the proposed exclusive electric service territory;

(C) The electric supplier's estimate of the fair and reasonable compensation to be paid by the applicant for the existing distribution system within the proposed exclusive electric service territory, for any proposed acquisitions or transfers, including the valuation formulas and factors used to calculate fair and reasonable compensation;

(D) Any effect on the electric supplier's system operation, including, but not limited to, loss of load and loss of revenue; and

(E) Affirmation of compliance with the deadlines for negotiation as outlined in section 386.800, RSMo.

(4) If any of the information required by subsections (3)(A)–(E) of this rule is unavailable within twenty (20) days of the notice, the responsive pleading must be accompanied by a statement of the reasons the information is currently unavailable and a date by which it will be furnished.

(5) The application shall be accompanied by an initial filing fee in the amount of five hundred dollars (\$500).

(6) In addition to the filing fee, the fee for commission review of the application is set at six hundred eighty-five dollars (\$685) per hour of hearing time, subject to a minimum charge for hearing time of six hundred eighty-five dollars (\$685). There is an additional charge of three dollars and fifty cents (\$3.50) per page of transcript. These fees are in addition to the fees authorized by section 386.300, RSMo.



(7) The parties shall be responsible for payment of any unpaid fees on and after the effective date of the commission's report and order relating to the application. The executive director shall send an itemized billing statement to the applicants on or after the effective date of the commission's report and order. Responsibility for payment of the fees shall be that of the parties to the proceeding as ordered by the commission in each case.

(8) On July 1 of each year, the filing fee and the fee per hour of evidentiary hearing time may be modified to match any percentage change in the Consumer Price Index for the twelve (12)-month period ending December 31 of the preceding year.

*AUTHORITY: sections 386.250 and 386.800, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed Feb. 24, 2005, effective Oct. 30, 2005.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 386.800, RSMo 1991.*

#### 4 CSR 240-3.140 Filing Requirements for Applications for Authority for a Change of Electrical Suppliers

*PURPOSE: Applications to the commission for the approval of a change of electrical suppliers must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for the approval of a change in electrical suppliers shall include:

(A) A description of the type of structure where the change of supplier is sought, and the street address, if any, of the structure;

(B) The name and address of the electrical supplier currently providing service to the structure;

(C) The name and address of the electrical supplier to which the applicant wishes to change;

(D) The applicant's reasons for seeking a change of supplier;

(E) If the applicant's reasons involve service problems, a description of the problems and dates of occurrence, if known;

(F) If the applicant's reasons involve service problems, a description of the contacts which applicant has had with the current supplier regarding the problems, if any, and what efforts the current supplier has made to solve the problems, if any;

(G) The reasons a change of electrical suppliers is in the public interest;

(H) If the current electrical supplier and the requested electrical supplier agree to the requested change, a verified statement for each supplier with the application, indicating agreement; and

(I) If the applicant is an electrical supplier, a list of the names and addresses of all customers whose electrical supplier is proposed to be changed.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.145 Filing Requirements for Electric Utility Rate Schedules

*PURPOSE: This rule prescribes the form and procedures for filing and publishing schedules of rates of all electric utilities under the jurisdiction of the Public Service Commission.*

(1) Every electrical corporation, as defined in section 386.020, RSMo, engaged in the manufacture, generating, furnishing or transmission of electricity for light, heat or power within Missouri is directed to have on file with this commission not later than October 15, 1913, a schedule of all rates, rentals and charges of whatever nature made by the electrical corporation for each kind of service it renders which were in force on April 15, 1913, together with proper supplements covering all changes in rate schedules authorized by this commission, if any, since April 15, 1913.

(2) Every electrical corporation is directed on and after October 15, 1913, to publish all of its schedules of rates with this commission as follows:

(A) To keep all of its schedules of rates established and filed with this commission and in its main or principal operating office and in each division office which is now or may be established;

(B) To keep at each of its branch business offices where contracts for service are made or payment for customer's service is received, copies of all of its established schedules of rates which apply within the area served; and

(C) That all schedules of rates at all times during business hours shall be readily accessible to the public and shall be immediately produced for inspection upon the demand of any person. The production for inspection of schedules of rates shall be accompanied by such assistance on the part of the proper representative of the electrical corporation having a schedule to determine accurately the rate or charge applicable to any particular kind of electrical service.

(3) All schedules of rates, rentals and charges, or rules relating and applying to service rendered in connection with the supplying of electrical energy for light, heat and power or for any service rendered in connection with electrical energy supply, lawfully on file with the commission and in force on April 15, 1913, will be considered as continuing in force and may be amended in the manner provided in this rule.

(4) All schedules of rates on file with this commission and in effect April 15, 1913, not in accordance with this rule shall be reprinted in the manner prescribed by this rule and filed on or before October 15, 1913. All new schedules of rates issued after April 15, 1913, must conform to this rule or they will be subject to rejection by the commission when tendered for filing. The commission reserves the right to direct the reprinting of any schedule at any time.

(5) In classifying rates for electrical service the following uniform system of classification will be followed as closely as practical:

(A) All lighting rates for residences, business places, theaters, public buildings, and the like will be placed under the head of commercial lighting;

(B) All power rates, including rates for battery charging, will be placed under the head of commercial power; and

(C) All rates for street lighting, including municipal street lighting and the free lighting of public buildings as is done in connection with street lighting will be placed under the head of street lighting.

(6) All schedules of rates should be on a good serviceable quality of paper and, if in the discretion of the commission, the volume of schedule justifies it, a schedule shall not be accepted for filing until printed.

(7) All schedules of rates filed with the commission shall bear a number with the following prefix: PSC Mo. Rate schedules shall be numbered in consecutive serial order commencing with a No. 1 for each electrical corporation (for example, the first schedule PSC



Mo., No. 1). The prefixes and numbers shall be printed on schedules as required by section (9) of this rule. For convenience the prefix is referred to as PSC.

(8) All schedules of rates shall be in book, sheet or pamphlet form of size eight and one-half inches by eleven inches (8 1/2" × 11"). A loose-leaf plan may be used so that changes may be made by reprinting and inserting a single leaf. When the loose-leaf plan is used, all sheets except the title page must show in the marginal space at the top of page or sheet, the name of the electrical corporation issuing the PSC No., the number of the schedule and the number of the page or sheet. At the bottom of the sheet in the marginal space must be shown, the date of issue and effective date and the name, title and address of the officer by whom the schedule is issued.

(9) The title page or sheet, if loose leaf, of every schedule of rates shall show—

(A) The full corporate name of the issuing electrical corporation;

(B) The PSC number of the schedule in bold type in the center of the marginal space at top of the page and immediately under it in small type the PSC number(s) canceled;

(C) A brief description of the service areas from and to or within which the schedule applies;

(D) When a schedule rate is governed by a general publication, the reference to the general publication by its PSC number must be given. The following phraseology, as the case may be, will be used: "Governed except as otherwise provided herein by schedule PSC Mo. No., which schedule, revised and added pages or sheets or superseding issues thereof is hereby made a part of this schedule." The rate publication referred to must be on file with the commission and be kept at every place where the schedule making reference is to be kept for public inspection;

(E) The date of issue and the date effective. If the schedule or any portion is made to expire on a specified date, the following clause must be used: "expires, unless sooner changed, canceled or extended";

(F) On every schedule, supplement or revised or added sheet issued on less than thirty (30) days' notice, by permission of the commission, the following notation must be shown: "Issued on \_\_\_ days' notice to the public and the commission under special permission of the Public Service Commission of Missouri, No. \_\_\_ of date \_\_\_." If issued in compliance with an order of the commission, the following notation must be shown: "Issued on \_\_\_ days' notice to the public and the commission under order of the Pub-

lic Service Commission of Missouri, of date \_\_\_, in Case No. \_\_\_," when issued by authority of any section of this rule, the notice must be that required by the particular section granting permission;

(G) On the upper left-hand corner of a schedule of fewer than three (3) pages and on schedules issued in loose-leaf form, the words, "No supplement to this tariff will be issued except for the purpose of canceling this tariff." A schedule, not in loose-leaf form, of three (3) or more pages shall include the words, "Only one supplement to this schedule will be in effect at any one time"; and

(H) On the marginal space at the bottom of page will be given the name, title and address of the officer by whom the schedule is issued, the date of issue and the effective date.

(10) The schedule shall contain in the order named:

(A) Table of Contents. Provide full and complete statement in alphabetical order of the exact location where information under the general headings or subjects will be found, specifying the page of item numbers. If the schedule contains so small a volume of matter that its title page or interior arrangement plainly may disclose its contents, the table of contents may be omitted;

(B) Description of Territory. A more lengthy description of the territory to be served than can be briefly set forth on the title page will often be necessary; any items in this category which bear any relation to the various rates should be explained under this heading;

(C) Classification of Service. Under this heading the kind of service separately grouped for commercial lighting, commercial power and street lighting will be set forth in the order named together with a detailed statement of the rate(s) in connection with same. A definite separation must be made between prompt payment discount and quantity discount and stating the manner in which they are computed clearly. If guarantees of any nature are required or a minimum charge made, the principles upon which they are based must be stated. In this case give the company's charges or deposits for meters. If penalties for delayed payments are exacted, the same must be stated. State whether current is estimated or metered and if so, how. State the company's practice in regard to lamp renewals. If a charge is made to the consumer for installing and connecting the service wires, this should be stated. State the character of the service, whether twenty-four (24)-hour or limited until midnight, whether the service is limited to certain hours of the

day, on-peak, off-peak, optional service, auxiliary service, breakdown service, and the like. The kind of current, such as alternating or direct, together with the voltage, phase and frequency must be given in all cases;

(D) Rules. Under this heading will be set forth all rules which apply to contracts for furnishing electrical energy for light, heat and power, and all of the company's rules in any way relating to service, together with any particular regulations relating to a special contract for service rendered which have not already been stated in connection with the description of rates under section (5) of this rule; and

(E) Definition and Explanation of Reference Marks. Under this heading, as its name implies, shall be given the necessary description of any reference marks employed in connection with the rate tables, that is, explain the meaning of watt, kilowatt hour, horsepower, and the like. If symbols or abbreviations are used, explain their meanings, such as kilowatt hour for K.W.H.; ampere for amp. When ratings are used based on capacity installation or a percentage of capacity installation, a table of equivalents for estimating these ratings must be given. For example, one (1) sixteen (16)-candle power carbon filament lamp equals about fifty-five (55) watts. If terms maximum demand, load factor, rated capacity, peak, and the like, are used in the schedule, these should be explained under this caption. All definitions of terms and explanation of terms or symbols, abbreviations or reference marks should be arranged in logical sequence and in a manner that they will be readily understood.

(11) If a schedule or supplement to a schedule is issued which conflicts with a part of another schedule or supplement of a schedule which is in force at the time and which is not canceled in full, it specifically shall state the portion of the other schedule which is canceled and the other schedule, at the same time, shall be correspondingly amended, effective on the same date, in the regular way; and the supplement to the amended schedule shall be filed at the same time and in connection with the schedule which contains the new rates, rentals or charges.

(12) If a schedule is canceled with the purpose of canceling entirely the rates, rentals or charges named in the schedule or when through error or omission, a later issue failed to cancel the previous issue and a schedule is canceled for the purpose of perfecting the record, the cancellation notice must not be given a new PSC number, but must be issued as a supplement to the schedule which it



cancels, even though the schedule at the time may have a supplement in effect.

(13) If a schedule or a part of a schedule is canceled, the cancellation notice shall make specific notice to the PSC number of the schedule in which the rates, rentals or charges will be found; or if no rates, rentals or charges are in effect, it shall state so. Cancellation of a schedule also cancels a supplement to the schedule in effect, if any. If a schedule is canceled by a similar schedule to take its place, the cancellation notice must not be given by supplement, but by notice printed in a new schedule.

(14) A change in a schedule shall be known as an amendment and excepting amendments to schedules issued in loose-leaf form, shall be printed in a supplement to the schedule which it amends, specifying the schedule by its PSC number. The supplement shall be reissued each time an amendment is made and shall always contain all the amendments to the schedule that are in force. Supplements to schedules shall be numbered consecutively as supplements to the schedules and shall not be given new or separate PSC numbers. An amendment must always be printed in the supplement in its entirety as amended.

(15) A schedule which contains reissued items brought forward from a previous issue which has not been in effect thirty (30) days or a supplement which brings forward reissued items without change from a former supplement or schedule, must bear the notation "Effective \_\_\_\_\_, except as noted in individual items." "Example: Issued \_\_\_\_\_, 20\_\_\_\_; effective \_\_\_\_\_, 20\_\_\_\_, except as noted in individual items." Reissued items brought forward without change must show in a conspicuous form and convenient manner the following: "Reissue" in black face type; the effective or the date upon which it becomes effective; in PSC Mo. No. \_\_\_\_\_ "or in supplement No. \_\_\_\_\_ to PSC Mo. No. \_\_\_\_\_." When the reissued item became effective in a former supplement to the same schedule, the PSC number may be omitted, but the supplement number must be given.

(16) Except as otherwise provided in this rule, there shall be at no time more than one (1) supplement in effect to any schedule and the effective supplement to a schedule of twenty (20) or more pages may not contain more than twenty percent (20%) of the number of pages or sheets in the schedule, including the title page, a supplement to a schedule of fewer than twenty (20) pages or ten (10)

sheets may not contain more than four (4) pages or two (2) sheets, including the title page.

(17) All changes in and additions to schedules issued in loose-leaf form must be made by reprinting both pages of the leaf or sheet upon which the change is made. When no change or addition is made on one (1) of the pages reprinted, it must bear the notation, "No change in this page." Those pages or sheets shall not be given supplement numbers, but must be designated "First revised page or sheet," "Second revised page or sheet," and the like and must show the name of the issuing corporation and the PSC number of the schedule, the issued and effective dates and the name, title and address of officer by whom issued.

(18) If a new schedule is filed on statutory notice canceling another schedule and after that filing and prior to the effective date of the new schedule, a supplement to the schedule to be so canceled should be lawfully issued, the rates, rentals or charges in that supplement could not continue in effect for the thirty (30) days required by law because the cancellation of the schedule also cancels the supplement to it. In this case the supplement containing changes not included in the schedule that is to become effective may be issued as a supplement both to the schedule in effect and to the schedule on file that will effect a cancellation and be given both PSC numbers. In other words, such an issue must be a supplement of each of the schedules and copies must be filed accordingly. A supplement issued under this rule containing reissued items shall note in connection with each item, in addition to the effective date required by this rule, that the reissued items expire on the date on which the new schedule will apply in lieu thereof; and the reissued items must not be brought forward in a subsequent supplement to the new schedule. This supplement may not contain any changes except those lawfully made by supplement to the schedule which is to be canceled by the schedule that has been filed and that is also supplemented; and no other kind of a supplement to a schedule that is on file and not yet effective may be made effective within thirty (30) days from the effective date of the schedule without special permission of the commission.

(19) The provisions of section (17) of this rule as to the number of supplements to a schedule that may be in effect at any time and the volume of supplemental matter they may contain need not be observed in connection

with a supplement issued under sections (15)–(19) of this rule.

(20) In case of change of ownership and operation of any electrical corporation's property or of the electrical corporation in possession and operating the property, the electrical corporation taking over the operation of the properties, if the existing rates would otherwise remain legally effective, shall issue immediately and file with the commission, with PSC number, an adoption notice substantially as follows:

(A) "The (name of the electrical corporation) hereby adopts, ratifies and makes its own, in every respect as if the same had been originally filed by it, all schedules, rules, notices, concurrences, schedule agreements, divisions, authorities or other instruments whatsoever, filed with the PUBLIC SERVICE COMMISSION, State of Missouri, by the (name of the electrical corporation), prior to (date), the beginning of its possession. By this notice it also adopts and ratifies all supplements or amendments to any of the above schedules, etc., which (name of the electrical corporation) has heretofore filed with said commission. This notice may be made effective as of the date it is filed with the commission";

(B) In the event that the successor corporation does not intend to adopt some of those schedules, rates, rules, notices, concurrences, authorities or other instruments, the notice shall specify those which are not adopted, and the successor corporation as to such exceptions shall give the cancellation or withdrawal notice provided in this rule;

(C) The adoption notice shall stand and be effective as to all of the local issues of the predecessor electrical corporation; and

(D) In case of a receivership, the receiver shall be deemed as continuing in force the schedules and rules of the corporation whose property s/he has in charge.

(21) Schedules and schedule supplements shall be filed with the commission by the proper officer of the electrical corporation designated to perform that duty; and supplements must be on file with the commission or accompany the schedule or supplement.

(22) All changes in rates, charges or rentals or in rules that affect the rates, charges or rentals shall be filed with the commission at least thirty (30) days before the date upon which they are to become effective. The title page of every rate schedule or supplement and the reissue on any page or sheet must show a full thirty (30) days' notice except as otherwise provided in this rule. The proposed





change shall be accompanied by a brief summary, approximately one hundred (100) words or less, of the effect of the change on the company's customers. A copy of any proposed change and summary shall also be served on the public counsel and be available for public inspection and reproduction during regular office hours at the general business office of the utility.

(23) Each electrical corporation has the duty of filing with the commission all its schedules of rates and supplements or any rule relative to them which may be announced by the commission, under penalty for failure to do so. The commission will give consistent assistance as it can in this respect, but the fact that the receipt of a rate schedule or a supplement to a rate schedule is acknowledged by the commission, or the fact that a rate schedule or supplement to a rate schedule is in the files of the commission, will not serve or operate to excuse the electrical corporation or municipality from its responsibility or liability for any violation of the law or of any ruling lawfully made which may have occurred in connection thereunder with the construction of filing of a rate schedule or supplement.

(24) Thirty (30) days' notice to the commission is required as to every publication relating to electrical rates or service except where publications are made effective on less than statutory notice by permission, regulation or requirement of the commission.

(25) Except as is otherwise provided, no schedule or supplement will be accepted for filing unless it is delivered to the commission free from all charges or claims for postage, the full thirty (30) days required by law before the date upon which the schedule or supplement is stated to be effective. No consideration will be given to or for the time during which a schedule or supplement may be held by the post office authorities because of insufficient postage. When a schedule or a supplement is issued and as to which the commission is not given the statutory notice, it is as if it had not been issued and a full statutory notice must be given of any reissue. No consideration will be given to telegraphic notices in computing the thirty (30) days' notice required. In these cases the schedule will be returned to the sender and correction of the neglect or omission cannot be made which takes into account any time elapsing between the date upon which that schedule or supplement was received and the date of the attempted correction. For rate schedules and supplements issued on short notice under special permission of the commission, literal

compliance with the requirements for notice named in any order, regulation or permission granted by the commission will be exacted.

(26) When a schedule is rejected by the commission as unlawful, the records will so show and that schedule should not in the future be referred to as canceled, amended or otherwise except to note on the publication issued in lieu of that rejected schedule, "In lieu of \_\_\_\_\_, rejected by the commission;" nor shall the number which it bears be used again.

(27) Rates, charges or rentals or regulations relating to them, prescribed by the commission in its decisions and orders, after hearings upon formal complaints, shall in every instance be promulgated by the electrical corporation against which those orders are entered, in duly published and filed rate schedules, supplements or revised pages or sheets of schedules, and notice shall be sent to the commission that its order in Case No. \_\_\_\_\_ has been complied with in item \_\_\_\_\_, page \_\_\_\_\_, of schedule PSC Mo. No. \_\_\_\_\_; or supplement to schedule PSC Mo. No. \_\_\_\_\_; or reissued page or sheet No. \_\_\_\_\_ to schedule PSC Mo. No. \_\_\_\_\_.

(28) Schedules and supplements shall be filed in numerical order of PSC numbers. If in any instance this procedure is not observed as required by these rules, a memorandum must accompany the schedule so filed with the commission explaining omission of missing number(s).

(29) Electrical corporations are directed, in filing schedules, to transmit one (1) copy of each rate schedule, supplement or other charges or regulations for the use of the commission. Schedules sent for filing must be addressed to Public Service Commission, PO Box 360, Jefferson City, MO 65102.

(30) All schedules filed with the commission shall be accompanied by a letter of transmittal, in duplicate if receipt is desired, which shall be prepared consistent with the format designated by the commission.

*AUTHORITY: sections 386.250 and 393.140, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 393.140, RSMo 1939, amended 1949, 1967.*

#### 4 CSR 240-3.150 Filing Requirements for Electric Utility Promotional Practices

*PURPOSE: Electric utilities with promotional practices must meet the filing requirements in this rule prior to offering a promotional practice.*

(1) Any promotional practices offered by an electric utility must meet the requirements set out in the commission's rules regarding utility promotional practices (4 CSR 240-14).

(2) No electric utility or its affiliate shall offer or grant any additional promotional practice or vary or terminate any existing promotional practice, directly or indirectly, or in concert with others, or by any means whatsoever, until a tariff filing showing the addition or variation or termination in the form prescribed by this rule has been made with the commission and a copy furnished to each other electric utility providing the same or competing utility service in any portion of the service area of the filing utility.

(A) The utility shall provide the following information on the tariff sheets:

1. The name, number or letter designation of the promotional practice;
2. The class of persons to which the promotional practice is being offered or granted;
3. Whether the promotional practice is being uniformly offered to all persons within that class;
4. A description of the promotional practice and a statement of its purpose or objective;
5. A statement of the terms and conditions governing the promotional practice;
6. If the promotional practice is offered or granted, in whole or in part, by an affiliate or other person, the identity of the affiliate or person and the nature of their participation; and
7. Other information relevant to a complete understanding of the promotional practice.

(3) The utility shall provide the following supporting information for each promotional practice:

(A) A description of the advertising or publicity to be employed with respect to the promotional practice;

(B) For promotional practices that are designed to evaluate the cost-effectiveness of potential demand-side resources, a description of the evaluation criteria, the evaluation plan and the schedule for completing the evaluation; and

(C) For promotional practices that are designed to acquire demand-side resources, documentation of the criteria used and the analysis performed to determine that the demand-side resources are cost-effective.



*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.155 Requirements for Electric Utility Cogeneration Tariff Filings

*PURPOSE: This rule defines the requirements of electric utilities pertaining to the filing of tariffs regarding purchasing electricity generated by small power producers and cogenerators. Additional provisions pertaining to cogeneration are set forth in 4 CSR 240-20.060.*

(1) Terms defined in the Public Utility Regulatory Policies Act of 1978 (PURPA) shall have the same meaning for purposes of this rule as they have under PURPA, unless further defined in this rule.

(2) All regulated electric utilities shall—

(A) File tariffs providing standardized rates for facilities at or under one hundred (100) kilowatts on design capacity. The tariffs are to take account of the stochastic effect achieved by the aggregate output of dispersed small systems, that is, statistically a dispersed array of facilities may produce a level of reliability not enjoyed by any one (1) of the units taken separately. When that aggregate capacity value which allows the utility to avoid a capacity cost occurs and can be reasonably estimated, a corresponding credit must be included in the standard rates. The tariffs should take into account patterns of availability of particular energy sources such as the benefits to a summer peaking utility from photovoltaic systems or to a winter peaking utility for wind facilities. For the purposes of this rule, rate means any price, rate, charge or classification made, demanded, observed or received with respect to the sale or purchase of electric energy or capacity or any rule or practice respecting any such rate, charge or classification and any contract pertaining to the sale or purchase of electric energy or capacity;

(B) Submit a standard form contract for facilities over one hundred (100) kilowatts as the basis for tariffs for these facilities. Issues such as avoided costs, losses, reliability and ability to schedule are to be considered in the contract.

(3) All tariffs and other data required to be prepared and filed by electric utilities under the provisions of section (2) shall be submitted no later than January 15, 2005, and

updated and revised on or before January 15 of every odd-numbered year after that, unless otherwise ordered by the commission.

(4) In order to make available data from which avoided costs may be derived, not later than January 15, 2005, and on or before January 15 of every odd-numbered year after that, unless otherwise ordered by the commission, each regulated electric utility shall provide to the commission and shall maintain for public inspection the following data:

(A) The estimated avoided cost on the electric utility's system, solely with respect to the energy component, for various levels of purchases from qualifying facilities. These levels of purchases shall be stated in blocks of not more than one hundred (100) megawatts for systems with peak demand of one thousand (1,000) megawatts or more, and in blocks equivalent to not more than ten percent (10%) of the system peak demand for systems of less than one thousand (1,000) megawatts. The avoided costs shall be stated on a cents per kilowatt-hour basis, during daily and seasonal peak and off-peak periods, by year, for the current calendar year and each of the next five (5) years;

(B) The electric utility's plans for the addition of capacity by amount and type, for purchases of firm energy and capacity and for capacity retirements for each year during the succeeding ten (10) years; and

(C) The estimated capacity costs at completion of the planned capacity additions and planned capacity firm purchases, on the basis of dollars per kilowatt and the associated energy costs of each unit, expressed in cents per kilowatt hour. These costs shall be expressed in terms of individual generating units and of individual planned firm purchases.

(5) Special Rule for Small Electric Utilities.

(A) Each electric utility (other than any electric utility to which paragraph (5)(A)2. applies) upon request shall—

1. Provide comparable data to that required under section (4) to enable qualifying facilities to estimate the electric utility's avoided costs for periods described in section (4); or

2. With regard to an electric utility which is legally obligated to obtain all its requirements for electric energy and capacity from another electric utility, provide the data of its supplying utility and the rates at which it currently purchases the energy and capacity.

(B) If any such electric utility fails to provide this information on request, the qualifying facility may apply to the Public Service

Commission for an order requiring that the information be provided.

(6) Commission Review.

(A) Any data submitted by an electric utility under this section shall be subject to review by the commission.

(B) In any such review, the electric utility has the burden of coming forward with justification for its projections.

(7) Implementation of Certain Reporting Requirements. Any electric utility which fails to comply with the requirements of subsection (1)(B) shall be subject to the same penalties to which it may be subjected for failure to comply with the requirements of the Federal Energy Regulatory Commission's (FERC's) regulations issued under Section 133 of PURPA.

*AUTHORITY: sections 386.250 and 393.140, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed July 25, 2003, effective March 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 393.140, RSMo 1939, amended 1949, 1967.*

#### 4 CSR 240-3.160 Filing Requirements for Electric Utility General Rate Increase Requests

*PURPOSE: This rule prescribes information which must be filed by all electric utilities when filing for a general company-wide increase in rates. As noted in the rule, additional provisions pertaining to the filing requirements for general rate increase requests are found at 4 CSR 240-3.030.*

(1) In addition to the requirements of 4 CSR 240-3.030, any electric utility which submits a general rate increase request shall submit the following:

(A) Its depreciation study, database and property unit catalog. However, an electric utility need not submit a depreciation study, database or property unit catalog to the extent that the commission's staff received these items from the utility during the three (3) years prior to the utility filing for a general rate increase or before five (5) years have elapsed since the last time the commission's staff received a depreciation study, database and property unit catalog from the utility. The depreciation study, database and property unit catalog shall be compiled as follows:



1. The study shall reflect the average life and remaining life of each primary plant account or subaccount;

2. The database shall consist of dollar amounts, by plant account or subaccount, representing—

A. Annual dollar additions and dollar retirements by vintage year and year retired, beginning with the earliest year of available data;

B. Reserve for depreciation;

C. Surviving plant balance as of the study date; and

D. Estimated date of final retirement and surviving dollar investment for each warehouse, electric generating facility, combustion turbine, general office building or other large structure; and

3. The property unit catalog shall contain a description of each retirement unit used by the utility.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

**4 CSR 240-3.161 Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements**

*PURPOSE: This rule sets forth the information that an electric utility must provide when it seeks to establish, continue, modify, or discontinue and/or true-up its rate adjustment mechanism (i.e., fuel and purchased power adjustment clause or interim energy charge). It also sets forth the requirements for the submission of Surveillance Monitoring Reports as required for electric utilities that have a rate adjustment mechanism.*

(1) As used in this rule, the following terms mean:

(A) Fuel and purchased power costs means prudently incurred and used fuel and purchased power costs, including transportation costs. Prudently incurred costs do not include any increased costs resulting from negligent or wrongful acts or omissions by the utility. If not inconsistent with a commission approved incentive plan, fuel and purchased power costs also include prudently incurred actual costs of net cash payments or receipts associated with hedging instruments tied to specific volumes of fuel and associated transportation costs.

1. If off-system sales revenues are not reflected in the rate adjustment mechanism (RAM), fuel and purchased power cost only

reflect the prudently incurred fuel and purchased power costs necessary to serve the electric utility’s Missouri retail customers.

2. If off-system sales revenues are reflected in the RAM, fuel and purchased power costs reflect both:

A. The prudently incurred fuel and purchased power costs necessary to serve the electric utility’s Missouri retail customers; and

B. The prudently incurred fuel and purchased power costs associated with the electric utility’s off-system sales;

(B) Fuel adjustment clause (FAC) means a mechanism established in a general rate proceeding that allows periodic rate adjustments, outside a general rate proceeding, to reflect increases and decreases in an electric utility’s prudently incurred fuel and purchased power costs. The FAC may or may not include off-system sales revenues and associated costs. The commission shall determine whether or not to reflect off-system sales revenues and associated costs in a FAC in the general rate proceeding that establishes, continues or modifies the FAC;

(C) General rate proceeding means a general rate increase proceeding or complaint proceeding before the commission in which all relevant factors that may affect the costs, or rates and charges of the electric utility are considered by the commission;

(D) Interim energy charge (IEC) means a refundable fixed charge, established in a general rate proceeding, that permits an electric utility to recover some or all of its fuel and purchased power costs separate from its base rates. An IEC may or may not include off-system sales and revenues and associated costs. The commission shall determine whether or not to reflect off-system sales revenues and associated costs in an IEC in the general rate proceeding that establishes, continues or modifies the IEC;

(E) Rate adjustment mechanism (RAM) means either a fuel adjustment clause (FAC) or an interim energy charge (IEC);

(F) Staff means the staff of the Public Service Commission; and

(G) True-up year means the twelve (12)-month period beginning on the first day of the first calendar month following the effective date of the commission order approving a RAM unless the effective date is on the first day of the calendar month. If the effective date of the commission order approving a rate mechanism is on the first day of a calendar month, then the true-up year begins on the effective date of the commission order. The first annual true-up period shall end on the last day of the twelfth calendar month following the effective date of the commission order

establishing the RAM. Subsequent true-up years shall be the succeeding twelve (12)-month periods. If a general rate proceeding is concluded prior to the conclusion of a true-up year the true-up year may be less than twelve (12) months.

(2) When an electric utility files to establish a RAM as described in 4 CSR 240-20.090(2), the electric utility shall file the following supporting information as part of, or in addition to, its direct testimony:

(A) An example of the notice to be provided to customers as required by 4 CSR 240-20.090(2)(D);

(B) An example customer bill showing how the proposed RAM shall be separately identified on affected customers’ bills in accordance with 4 CSR 240-20.090(8);

(C) Proposed RAM rate schedules;

(D) A general description of the design and intended operation of the proposed RAM;

(E) A complete explanation of how the proposed RAM is reasonably designed to provide the electric utility a sufficient opportunity to earn a fair return on equity;

(F) A complete explanation of how the proposed FAC shall be trueed-up to reflect over- or under-collections, or the refundable portion of the proposed IEC shall be trueed-up, on at least an annual basis;

(G) A complete description of how the proposed RAM is compatible with the requirement for prudence reviews;

(H) A complete explanation of all the costs that shall be considered for recovery under the proposed RAM and the specific account used for each cost item on the electric utility’s books and records;

(I) A complete explanation of all the revenues that shall be considered in the determination of the amount eligible for recovery under the proposed RAM and the specific account where each such revenue item is recorded on the electric utility’s books and records;

(J) A complete explanation of any incentive features designed in the proposed RAM and the expected benefit and cost each feature is intended to produce for the electric utility’s shareholders and customers;

(K) A complete explanation of any rate volatility mitigation features designed in the proposed RAM;

(L) A complete explanation of any feature designed into the proposed RAM or any existing electric utility policy, procedure, or practice that can be relied upon to ensure that only prudent costs shall be eligible for recovery under the proposed RAM;

(M) A complete explanation of the specific customer class rate design used to design



the proposed RAM base amount in permanent rates and any subsequent rate adjustments during the term of the proposed RAM;

(N) A complete explanation of any change in business risk to the electric utility resulting from implementation of the proposed RAM in setting the electric utility's allowed return in any rate proceeding, in addition to any other changes in business risk experienced by the electric utility;

(O) The supply-side and demand-side resources that the electric utility expects to use to meet its loads in the next four (4) true-up years, the expected dispatch of those resources, the reasons why these resources are appropriate for dispatch and the heat rates and fuel types for each supply-side resource; in submitting this information, it is recognized that supply- and demand-side resources and dispatch may change during the next four (4) true-up years based upon changing circumstances and parties will have the opportunity to comment on this information after it is filed by the electric utility;

(P) A proposed schedule and testing plan with written procedures for heat rate tests and/or efficiency tests for all of the electric utility's nuclear and non-nuclear generators, steam, gas, and oil turbines and heat recovery steam generators (HRSG) to determine the base level of efficiency for each of the units;

(Q) Information that shows that the electric utility has in place a long-term resource planning process, important objectives of which are to minimize overall delivered energy costs and provide reliable service;

(R) If emissions allowance costs or sales margins are included in the RAM request and not in the electric utility's environmental cost recovery surcharge, a complete explanation of forecasted environmental investments and allowances purchases and sales; and

(S) Authorization for the commission staff to release the previous five (5) years of historical surveillance reports submitted to the commission staff by the electric utility to all parties to the case.

(3) When an electric utility files a general rate proceeding following the general rate proceeding that established its RAM as described by 4 CSR 240-20.090(2) in which it requests that its RAM be continued or modified, the electric utility shall file with the commission and serve parties, as provided in sections (9) through (11) in this rule the following supporting information as part of, or in addition to, its direct testimony:

(A) An example of the notice to be provided to customers as required by 4 CSR 240-20.090(2)(D);

(B) If the electric utility proposes to

change the identification of the RAM on the customer's bill, an example customer bill showing how the proposed RAM shall be separately identified on affected customers' bills, including the proposed language, in accordance with 4 CSR 240-20.090(8);

(C) Proposed RAM rate schedules;

(D) A general description of the design and intended operation of the proposed RAM;

(E) A complete explanation of how the proposed RAM is reasonably designed to provide the electric utility a sufficient opportunity to earn a fair return on equity;

(F) A complete explanation of how the proposed FAC shall be trued-up to reflect over- or under-collections, or the refundable portion of the proposed IEC shall be trued-up, on at least an annual basis;

(G) A complete description of how the proposed RAM is compatible with the requirement for prudence reviews;

(H) A complete explanation of all the costs that shall be considered for recovery under the proposed RAM and the specific account used for each cost item on the electric utility's books and records;

(I) A complete explanation of all the revenues that shall be considered in the determination of the amount eligible for recovery under the proposed RAM and the specific account where each such revenue item is recorded on the electric utility's books and records;

(J) A complete explanation of any incentive features designed in the proposed RAM and the expected benefit and cost each feature is intended to produce for the electric utility's shareholders and customers;

(K) A complete explanation of any rate volatility mitigation features in the proposed RAM;

(L) A complete explanation of any feature designed into the proposed RAM or any existing electric utility policy, procedure, or practice that can be relied upon to ensure that only prudent costs shall be eligible for recovery under the proposed RAM;

(M) A complete explanation of the specific customer class rate design used to design the proposed RAM base amount in permanent rates and any subsequent rate adjustments during the term of the proposed RAM;

(N) A complete explanation of any change in business risk to the electric utility resulting from implementation of the proposed RAM in setting the electric utility's allowed return in any rate proceeding, in addition to any other changes in business risk experienced by the electric utility;

(O) A description of how responses to subsections (B) through (N) differ from responses to subsections (B) through (N) for the cur-

rently approved RAM;

(P) The supply-side and demand-side resources that the electric utility expects to use to meet its loads in the next four (4) true-up years, the expected dispatch of those resources, the reasons why these resources are appropriate for dispatch and the heat rates and fuel types for each supply-side resource; in submitting this information, it is recognized that supply- and demand-side resources and dispatch may change during the next four (4) true-up years based upon changing circumstances and parties will have the opportunity to comment on this information after it is filed by the electric utility;

(Q) The results of heat rate tests and/or efficiency tests on all the electric utility's nuclear and non-nuclear steam generators, HRSG, steam turbines and combustion turbines conducted within the previous twenty-four (24) months;

(R) Information that shows that the electric utility has in place a long-term resource planning process, important objectives of which are to minimize overall delivered energy costs and provide reliable service;

(S) If emissions allowance costs or sales margins are included in the RAM request and not in the electric utility's environmental cost recovery surcharge, a complete explanation of forecasted environmental investments and allowances purchases and sales; and

(T) Any additional information that may have been ordered by the commission to be provided in the previous general rate proceeding.

(4) When an electric utility files a general rate proceeding following the general rate proceeding that established its RAM as described in 4 CSR 240-20.090(2) in which it requests that its RAM be discontinued, the electric utility shall file with the commission and serve parties as provided in sections (9) through (11) in this rule, the following supporting information as part of, or in addition to, its direct testimony:

(A) An example of the notice to be provided to customers as required by 4 CSR 240-20.090(3)(C);

(B) A complete explanation of how the over-collection or under-collections of the FAC or the over-collections of the IEC that the electric utility is proposing to discontinue shall be handled;

(C) A complete explanation of why the RAM is no longer necessary to provide the electric utility a sufficient opportunity to earn a fair return on equity;

(D) A complete explanation of any change in business risk to the electric utility resulting from discontinuation of the adjustment



mechanism in setting the electric utility’s allowed return, in addition to any other changes in business risk experienced by the electric utility; and

(E) Any additional information that may have been ordered by the commission to be provided.

(5) Each electric utility with a RAM shall submit, with an affidavit attesting to the veracity of the information, the following information on a monthly basis to the auditing manager of the commission, the Office of the Public Counsel (OPC) and others, as provided in sections (9) through (11) in this rule. This submittal to the commission may be made through the commission’s electronic filing and information system (EFIS). The following information shall be aggregated by month and supplied no later than sixty (60) days after the end of the month being reported on when the RAM is in effect. The first submission shall be made within sixty (60) days after the end of the first complete month after the RAM goes into effect. It shall contain, at a minimum:

(A) The revenues billed pursuant to the RAM by rate class and voltage level;

(B) The revenues billed through the electric utility’s base rate allowance by rate class and voltage level;

(C) The electric utility’s actual fuel and purchased power costs allocated by rate class and voltage level using commission approved allocation methods;

(D) All significant factors that have affected the level of RAM revenues and fuel and purchased power expenses along with workpapers documenting these significant factors;

(E) The difference, by rate class and voltage level, between the total fuel and purchased power revenues collected through base rates and the RAM and the fuel and purchased power expenses incurred;

(F) Off-system sales revenue;

(G) Off-system sales expenses;

(H) Off-system megawatt-hour sales;

(I) Megawatt-hours generated, fuel consumption and expense, and heat rates by generating facility;

(J) Megawatt-hours purchased with firm and non-firm purchases separately stated;

(K) Prices of fuel purchased by fuel type breaking out freight and transportation prices;

(L) The electric utility’s monthly fuel report. If the electric utility proposes to change the contents or name of the fuel reports, staff, OPC and others that receive the information will be contacted thirty (30) days in advance of the change and notified of such actions. Staff, OPC and others that

receive the information shall have the opportunity to discuss the further availability of such information. Specifically the monthly fuel reports are identified as:

1. Kansas City Power and Light Company Report 25: Fuel Statistics

2. The Empire District Electric Company Fuel Report

3. Aquila Networks—L&P Monthly Production Statistics

4. Aquila Networks—MPS Monthly Production Statistics

5. AmerenUE—AmerenUE SB 179 Fuel Report; and

(M) Any additional information ordered by the commission to be provided;

(N) To the extent any of the requested information outlined above is provided in response to one section, the provision of such information only needs to be provided once.

(6) Each electric utility with a RAM shall submit, with an affidavit attesting to the veracity of the information, a Surveillance Monitoring Report, which shall be treated as highly confidential, as required in 4 CSR 240-20.090(10) to the manager of the auditing department of the commission, OPC and others as provided in sections (9) through (11) in this rule. The submittal to the commission may be made through EFIS.

(A) There are five (5) parts to the electric utility Surveillance Monitoring Report. Each part, except Part one, Rate Base Quantifications, shall contain information for the last twelve (12)-month period and the last quarter data for total company electric operations and Missouri jurisdictional operations. Page one, Rate Base Quantifications shall contain only information for the ending date of the period being reported. The form of the Surveillance Monitoring Report form is included herein.

1. Rate Base Quantifications Report. The quantification of rate base items on page one shall be consistent with the methods or procedures used in the most recent rate proceeding unless otherwise specified. The report shall consist of specific rate base quantifications of:

- A. Plant in service;
- B. Reserve for depreciation;
- C. Materials and supplies;
- D. Cash working capital;
- E. Fuel inventory;
- F. Prepayments;
- G. Other regulatory assets;
- H. Customer advances;
- I. Customer deposits;
- J. Accumulated deferred income taxes;

K. Any other item included in the utility’s rate base in the most recent rate pro-

ceeding;

L. Net Operating Income from page three; and

M. Calculation of the overall return on rate base.

2. Capitalization Quantifications Report. Page two shall consist of specific capitalization quantifications of:

A. Common stock equity (net);

B. Preferred stock (par or stated value outstanding);

C. Long-term debt (including current maturities);

D. Short-term debt; and

E. Weighted cost of capital including component costs.

3. Income Statement. Page three shall consist of an income statement containing specific quantification of:

A. Operating revenues to include sales to industrial, commercial and residential customers, sales for resale and other components of total operating revenues;

B. Operating and maintenance expenses for fuel expense, production expenses, purchased power energy and capacity;

C. Transmission expenses;

D. Distribution expenses;

E. Customer accounts expenses;

F. Customer service and information expenses;

G. Sales expenses;

H. Administrative and general expenses;

I. Depreciation, amortization and decommissioning expense;

J. Taxes other than income taxes;

K. Income taxes; and

L. Quantification of heating degree and cooling degree days, actual and normal;

4. Jurisdictional Allocation Factor Report. Page four shall consist of a listing of jurisdictional allocation factors for the rate base, capitalization quantification reports and income statement.

5. Financial Data Notes. Page five shall consist of notes to financial data including, but not limited to:

A. Out of period adjustments;

B. Specific quantification of material variances between actual and budget financial performance;

C. Material variances between current twelve (12)-month period and prior twelve (12)-month period revenue;

D. Expense level of items ordered by the commission to be tracked pursuant to the order establishing the RAM;

E. Budgeted capital projects; and

F. Events that materially affect debt or equity surveillance components.



(B) The Surveillance Monitoring Report shall contain any additional information ordered by the commission to be provided.

(C) The electric utility shall annually submit its approved budget, in electronic form, based upon its budget year in a format similar to Surveillance Monitoring Report. The budget submission shall provide a quarterly and annual quantification of the electric utility's income statement. The budget shall be submitted within thirty (30) days of its approval by the electric utility's management or within sixty (60) days of the beginning of the electric utility's fiscal year, whichever is earliest. The budget submission shall be highly confidential.

(7) When an electric utility files tariff schedules to adjust an FAC rate as described in 4 CSR 240-20.090(4) with the commission, and served upon parties as provided in sections (9) through (11) in this rule, the tariff schedule must be accompanied by supporting testimony, and at least the following supporting information:

(A) The following information shall be included with the filing:

1. For the period from which historical costs are used to adjust the FAC rate:

A. Energy sales in kilowatt-hours by rate class and voltage level;

B. Fuel costs by fuel type and generating facility by fuel type included in fuel and purchased power costs in the FAC rate and the base rates; and

C. Purchased power costs included in fuel and purchased power costs with costs differentiated by:

(I) Short-term and long-term purchased power contracts, where long-term is defined as contracts with terms greater than one (1) year;

(II) On-peak and off-peak costs; and

(III) Demand and energy costs, separately stated;

D. Market purchased megawatt-hours and costs included in fuel and purchased power costs;

E. Revenues from, expenses associated with and megawatt-hours from off-system sales;

F. Extraordinary costs not to be passed through, if any, due to such costs being an insured loss, or subject to reduction due to litigation or for any other reason;

G. Base rate component of fuel and purchased power costs and revenues from off-system sales; and

H. Any additional requirements ordered by the commission;

2. Calculation of the proposed FAC col-

lection rates;

3. Calculations supporting the voltage differentiation of the FAC collection rates, if any, to account for differences in line losses by voltage level of service; and

4. Calculations underlying any seasonal variation in the FAC collection rates; and

(B) Workpapers supporting all items in subsection (A) shall be submitted to the commission, and served upon parties as provided in sections (9) through (11) in this rule. This submittal to the commission may be made through EFIS.

(8) When an electric utility that has a RAM files its application containing its annual true-up with the commission, as described in 4 CSR 240-20.090(5), any rate schedule filing must be accompanied by supporting testimony, and the electric utility shall:

(A) File the following information with the commission and serve upon parties as provided in sections (9) through (11) in this rule:

1. Amount of costs that it has over-collected or under-collected through the RAM by rate class and voltage level;

2. Proposed adjustments or refunds by rate class and voltage level;

3. Electric utility's short-term borrowing rate; and

4. Any additional information ordered by the commission; and

(B) Submit the following information to the commission and served upon the parties as provided in sections (9) through (11) in this rule. This submittal to the commission may be made through EFIS.

1. Workpapers detailing how the determination of the over-collection or under-collection of costs through the RAM was made including any model inputs and outputs and the derivation of any model inputs;

2. Workpapers detailing the proposed adjustments or refunds;

3. Basis for the electric utility's short-term borrowing rate; and

4. Any additional information ordered by the commission to be provided.

(9) Providing to other parties items required to be filed or submitted in preceding sections (3) through (8). Information required to be filed with the commission or submitted to the manager of the auditing department of the commission and to OPC in sections (3) through (8) shall also be, in the same format, served on or submitted to any party to the related general rate proceeding in which the RAM was approved by the commission, periodic rate adjustment proceeding, annual true-up, prudence review, or general rate case to modify, extend or discontinue the same

RAM, pursuant to the provisions of a commission protective order, unless the commission's protective order specifically provides otherwise relating to these sections of the commission's rule on RAMs.

(10) Party status and providing to other parties affidavits, testimony, information, reports and workpapers in related proceedings subsequent to general rate proceeding establishing RAM.

(A) A person or entity granted intervention in a general rate proceeding in which a RAM is approved by the commission, shall be a party to any subsequent related periodic rate adjustment proceeding, annual true-up or prudence review, without the necessity of applying to the commission for intervention. In any subsequent general rate proceeding, such person or entity must seek and be granted status as an intervenor to be a party to that case. Affidavits, testimony, information, reports, and workpapers to be filed or submitted in connection with a subsequent related periodic rate adjustment proceeding, annual true-up, prudence review, or general rate case to modify, extend or discontinue the same RAM shall be served on or submitted to all parties from the prior related general rate proceeding and on all parties from any subsequent related periodic rate adjustment proceeding, annual true-up, prudence review, or general rate case to modify, extend or discontinue the same RAM, concurrently with filing the same with the commission or submitting the same to the manager of the auditing department of the commission and OPC, pursuant to the provisions of a commission protective order, unless the commission's protective order specifically provides otherwise relating to these materials.

(B) A person or entity not a party to the general rate proceeding in which a RAM is approved by the commission may timely apply to the commission for intervention, pursuant to 4 CSR 240-2.075(2) through (4) of the commission's rule on intervention, respecting any related subsequent periodic rate adjustment proceeding, annual true-up, or prudence review, or, pursuant to 4 CSR 240-2.075(1) through (5), respecting any subsequent general rate case to modify, extend or discontinue the same RAM. If no party to a subsequent periodic rate adjustment proceeding, annual true-up, or prudence review, objects within ten (10) days of the filing of an application for intervention, the applicant shall be deemed as having been granted intervention without a specific commission order granting intervention, unless within the above-referenced ten (10)-day period the commission denies the application for



intervention on its own motion. If an objection to the application for intervention is filed on or before the end of the above-referenced ten (10)-day period, the commission shall rule on the application and the objection within ten (10) days of the filing of the objection.

(11) Issuance of Protective Orders and Discovery.

(A) In each general rate proceeding where the commission may approve, modify, or reject a RAM, and each general rate case where the commission may authorize the modification, extension, or discontinuance of a RAM, the electric utility or the complainant, depending upon which entity initiates the case, shall file a motion for commission issuance of a protective order. The protective order shall, among other things, provide that the results of discovery may be used in any subsequent periodic rate adjustment proceeding, annual true-up, or prudence review without a party resubmitting the same discovery requests (data requests, interrogatories, requests for production, requests for admission, or depositions) in the subsequent proceeding to parties that produced the discovery in the prior proceeding, subject to a ruling by the commission concerning any evidentiary objection made in the subsequent proceeding.

(B) The commission shall establish a new case for each mutually exclusive twelve (12)-month period encompassing an annual true-up, prudence review and possible periodic rate adjustments, upon the filing of the first pleading or rate schedule respecting such annual true-up, prudence review or periodic rate adjustments, and shall issue a new protective order, pursuant to 4 CSR 240-2.085, to apply in the proceeding without the necessity of any party applying for a protective order. This new protective order shall be identical to the protective order in the immediately preceding related case, unless the electric utility or other party files and serves upon the parties in the immediately preceding related case, at least thirty (30) days prior to the filing of the first pleading or rate schedule respecting the annual true-up, prudence review and possible periodic rate adjustments, encompassing an appropriate twelve (12)-month period, a proposed new protective order for commission consideration. If the commission does not rule on the request for a proposed new protective order by the time that information sought to be protected is provided to another party or filed with the commission, the information shall be provided or filed at the level of protection designated by the providing or filing party.

(C) If an electric utility or other party files for a new protective order less than thirty (30) days prior to the filing of the first pleading or rate schedule respecting an annual true-up, prudence review or possible periodic rate adjustments, encompassing an appropriate twelve (12)-month period, the commission shall initially issue a protective order identical to the protective order in the immediately preceding related case to be in effect while the commission considers responses and decides whether the new protective order proposed by the electric utility or other party shall be adopted for any additional material to be disclosed by parties in the proceeding in question.

(D) Subsequent protective orders shall authorize use of the results of discovery from any preceding proceeding relating to the same RAM, without a party resubmitting the same discovery requests (data requests, interrogatories, requests for production, requests for admission, or depositions) in the subsequent proceeding to parties that produced the discovery in the earlier proceeding, subject to a ruling by the commission concerning any evidentiary objection made in the subsequent proceeding.

(12) Supplementing and updating data requests in subsequent related proceedings. If a party which submitted data requests relating to a proposed RAM in the general rate proceeding where the RAM was established or in the general rate proceeding where the same RAM was modified or extended, or in any subsequent related periodic rate adjustment proceeding, annual true-up, or prudence review, wants the responding party to whom the prior data requests were submitted to supplement or update that responding party's prior responses for possible use in a subsequent related periodic rate adjustment proceeding, annual true-up, prudence review or general rate case to modify, extend or discontinue the same RAM, the party which previously submitted the data requests shall submit an additional data request to the responding party to whom the data requests were previously submitted which clearly identifies the particular data requests to be supplemented or updated and the particular period to be covered by the updated response. A responding party to a request to supplement or update shall supplement or update a data request response, from a related general rate proceeding where a RAM was established, a general rate case where the same RAM was modified or extended, or a related periodic rate adjustment proceeding, annual true-up, or prudence review that the responding party has learned or subsequently learns

is in some material respect incomplete or incorrect.

(13) Separate cases for each general rate proceeding involving a RAM and for each mutually exclusive twelve (12)-month annual true-up period of a RAM. Each general rate proceeding where the commission may approve, modify, or reject a RAM; each general rate case where the commission may authorize the modification, extension, or discontinuance of a RAM; and each mutually exclusive twelve (12)-month period of a RAM that encompasses an annual true-up, prudence review, and possible periodic rate adjustments shall comprise a separate case.

(14) For the purposes of this rule, a RAM (even if continued in substantially the form approved in the previous general rate proceeding) shall be considered to be a new distinct RAM after each general rate proceeding required by section 386.266.4(3), RSMo or if it were modified or extended in a general rate case.

(15) Right to Discovery Unaffected. In addressing certain discovery matters and the provision of certain information by electric utilities, this rule is not intended to restrict the discovery rights of any party.

(16) Waivers. Provisions of this rule may be waived by the commission for good cause shown.

(17) Rule Review. The commission shall review the effectiveness of this rule by no later than December 31, 2010, and may, if it deems necessary, initiate rulemaking proceedings to revise this rule.



**Electric Company**  
**12 Months Ended \_\_\_\_\_**  
**Per Books**  
**(IN THOUSANDS OF DOLLARS)**  
**FINANCIAL SURVEILLANCE MONITORING REPORT**  
**RATE BASE AND RATE OF RETURN**

<u>Total Company Rate Base</u>	<u>Measurement Basis</u>	<u>12 Months Ended</u>
Plant in Service		
Intangible	End of Period	XXX,XXX
Production - Steam	End of Period	XXX,XXX
Production - Nuclear	End of Period	XXX,XXX
Production - Hydraulic	End of Period	XXX,XXX
Production - Other	End of Period	XXX,XXX
Transmission	End of Period	XXX,XXX
Distribution	End of Period	XXX,XXX
General	End of Period	XXX,XXX
Total Plant in Service		\$ x,xxx,xxx
Reserve for Depreciation		
Intangible	End of Period	XXX,XXX
Production - Steam	End of Period	XXX,XXX
Production - Nuclear	End of Period	XXX,XXX
Production - Hydraulic	End of Period	XXX,XXX
Production - Other	End of Period	XXX,XXX
Transmission	End of Period	XXX,XXX
Distribution	End of Period	XXX,XXX
General	End of Period	XXX,XXX
Total Reserve for Depreciation		x,xxx,xxx
Net Plant		x,xxx,xxx
Add:		
Materials & Supplies	13 Mo. Avg.	x,xxx,xxx
Cash	(from prior rate case including offsets)	x,xxx,xxx
Fuel Inventory	13 Mo. Avg.	x,xxx,xxx
Prepayments	13 Mo. Avg.	x,xxx,xxx
Other Regulatory Assets	End of Period	x,xxx,xxx
Less:		
Customer Advances	13 Mo. Avg.	x,xxx,xxx
Customer Deposits	13 Mo. Avg.	x,xxx,xxx
Accumulated Deferred Income Taxes	End of Period	x,xxx,xxx
Other Regulatory Liabilities	End of Period	x,xxx,xxx
Other Items from Prior Rate Case	Per rate case method	x,xxx,xxx
(A) Total Rate Base		<u>\$ x,xxx,xxx</u>
(B) Net Operating Income		\$ x,xxx,xxx
(C) Return on Rate Base [ (B) / (A) ]		<u>x.xx%</u>





**Electric Company**  
**12 Months Ended \_\_\_\_\_**  
**Per Books**  
**(IN THOUSANDS OF DOLLARS)**  
**FINANCIAL SURVEILLANCE MONITORING REPORT**  
**CAPITAL STRUCTURE AND RATE OF RETURN**

**Overall Cost of Capital**

	<u>Amount</u>	<u>Percent</u>	<u>Cost</u>	<u>Weighted Cost</u>
Long-Term Debt	\$ x,xxx,xxx e	x.xx%	x.xx% f	x.xx%
Short-Term Debt	x,xxx,xxx e	x.xx%	x.xx% f	x.xx%
Preferred Stock	x,xxx,xxx e	x.xx%	x.xx% f	x.xx%
Other	d x,xxx,xxx e	x.xx%	x.xx% f	x.xx%
Common Equity	<u>x,xxx,xxx e</u>	<u>x.xx%</u>	x.xx% a	<u>x.xx%</u>
 Total Overall Cost of Capital based on Rate Case Rate of Return on Equity	 <u>\$ x,xxx,xxx</u>	 <u>100.00%</u>		 x.xx%

**Actual Earned Return on Equity**

	<u>Amount</u>	<u>Percent</u>	<u>Cost</u>	<u>Weighted Cost</u>
Long-Term Debt	\$ x,xxx,xxx e	x.xx%	x.xx% f	x.xx%
Short-Term Debt	x,xxx,xxx e	x.xx%	x.xx% f	x.xx%
Preferred Stock	x,xxx,xxx e	x.xx%	x.xx% f	x.xx%
Other	d x,xxx,xxx e	x.xx%	x.xx% f	x.xx%
Common Equity	<u>x,xxx,xxx e</u>	<u>x.xx%</u>	x.xx% c	<u>x.xx%</u>
 Total Overall Cost of Capital with Actual Return on Equity	 <u>\$ x,xxx,xxx</u>	 <u>100.00%</u>		 x.xx% b

- a From last general rate case, Report & Order.
- b From actual Return on Rate Base, page 1 "Rate Base"
- c Calculated after actual Return on Rate Base, per footnote B, is determined
- d Other capital structure components from last general rate case, Report & Order
- e Actual balance at end of period
- f Actual average cost at end of period

Note Additional breakdown may be added per Report & Order authorizing a recovery clause under 4 CSR 240-20



Electric Company  
 Quarter Ended and 12 Months Ended \_\_\_\_\_  
 Per Books  
 (IN THOUSANDS OF DOLLARS)  
**FINANCIAL SURVEILLANCE MONITORING REPORT**  
**OPERATING INCOME STATEMENT**

	Quarter Ended Actual	12 Months Ended Actual
Operating Revenues		
Sales to Residential, Commercial, & Industrial Customers		
Residential	\$ x,xxx,xxx	\$ x,xxx,xxx
Commercial	x,xxx,xxx	x,xxx,xxx
Industrial	x,xxx,xxx	x,xxx,xxx
Total of Sales to Residential, Commercial, & Industrial Customers	\$ x,xxx,xxx	\$ x,xxx,xxx
Other Sales to Ultimate customers	x,xxx,xxx	x,xxx,xxx
Sales for Resale		
Off-System Sales	x,xxx,xxx	x,xxx,xxx
Other Sales for Resale	x,xxx,xxx	x,xxx,xxx
Provision for Refunds	x,xxx,xxx	x,xxx,xxx
Other Operating Revenues	x,xxx,xxx	x,xxx,xxx
Operating Revenues	\$ x,xxx,xxx	\$ x,xxx,xxx
Operating & Maintenance Expenses:		
Production Expenses:		
Fuel Expense		
Native Load	x,xxx,xxx	x,xxx,xxx
Off-System Sales	x,xxx,xxx	x,xxx,xxx
Other Production-Operations	x,xxx,xxx	x,xxx,xxx
Other Production-Maintenance	x,xxx,xxx	x,xxx,xxx
Purchased Power-Energy		
Native Load	x,xxx,xxx	x,xxx,xxx
Off-System Sales	x,xxx,xxx	x,xxx,xxx
Purchased Power-Capacity	x,xxx,xxx	x,xxx,xxx
Total Production Expenses	x,xxx,xxx	x,xxx,xxx
Transmission Expenses	x,xxx,xxx	x,xxx,xxx
Distribution Expenses	x,xxx,xxx	x,xxx,xxx
Customer Accounts Expense	x,xxx,xxx	x,xxx,xxx
Customer Serve. & Info. Expenses	x,xxx,xxx	x,xxx,xxx
Sales Expenses	x,xxx,xxx	x,xxx,xxx
Administrative & General Expenses	x,xxx,xxx	x,xxx,xxx
Total Operating & Maintenance Expenses	\$ x,xxx,xxx	\$ x,xxx,xxx
Depreciation & Amortization Expense		
Depreciation Expense	x,xxx,xxx	x,xxx,xxx
Amortization Expense	x,xxx,xxx	x,xxx,xxx
Decommissioning Expense	x,xxx,xxx	x,xxx,xxx
Other	x,xxx,xxx	x,xxx,xxx
Total Depreciation & Amortization Expense	x,xxx,xxx	x,xxx,xxx
Taxes Other than Income Taxes:	xxx,xxx	xxx,xxx
Operating Income Before Income Tax	x,xxx,xxx	x,xxx,xxx
Income Taxes	xxx,xxx	xxx,xxx
Net Operating Income	\$ x,xxx,xxx	\$ x,xxx,xxx
Actual Cooling Degree Days	x,xxx	x,xxx
Normal Cooling Degree Days	x,xxx	x,xxx
Actual Heating Degree Days	x,xxx	x,xxx
Normal Heating Degree Days	x,xxx	x,xxx



Electric Company
12 Months Ended
FINANCIAL SURVEILLANCE MONITORING REPORT
Missouri Jurisdictional Allocation Factors

Table with 2 columns: Description and Allocation Factor. Rows include Plant in Service (Intangible, Production - Steam, Nuclear, Hydraulic, Other, Transmission, Distribution, General), Depreciation Reserve (Intangible, Production - Steam, Nuclear, Hydraulic, Other, Transmission, Distribution, General), Net Plant, Materials & Supplies, Cash Working Capital (per rate case), Fuel Inventory, Prepayments, Other Regulatory Assets (Jurisdictional Specific), Customer Advances, Customer Deposits, Accumulated Deferred Income Taxes, Other Regulatory Liabilities (Jurisdictional Specific), Other Items from Prior Rate Case, Operating Revenues, Interchange Revenues, Production Expenses (Fuel Expense: Native Load, Off-System Sales; Other Production-Operations; Other Production-Maintenance; Purchased Power-Energy: Native Load, Off-System Sales; Purchased Power-Capacity), Total Production Expenses, Transmission Expenses, Distribution Expenses, Customer Accounts Expense, Customer Serve. & Info. Expenses, Sales Expenses, Administrative & General Expenses, Depreciation Expense (Depreciation Expense, Amortization Expense, Decommissioning Expense), Taxes, Other than Income, Income Taxes, Other Items (XXXX, XXXX, XXXX).

Note Additional breakdown may be added per Report & Order authorizing a recovery clause under 4 CSR 240-20



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**Electric Company**  
**Quarter Ended and 12 Months Ended \_\_\_\_\_**  
**Per Books**  
**FINANCIAL SURVEILLANCE MONITORING REPORT**

**NOTES TO FINANCIAL SURVEILLANCE REPORT**



*AUTHORITY: sections 386.250 and 393.140, RSMo 2000 and 386.266, RSMo Supp. 2005.\* Original rule filed June 16, 2006, effective Jan. 30, 2007.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 386.266, RSMo 2005 and 393.140, RSMo 1939, amended 1949, 1967.*

#### 4 CSR 240-3.162 Electric Utility Environmental Cost Recovery Mechanisms Filing and Submission Requirements

*PURPOSE: This rule implements the provisions of Senate Bill 179, codified at section 386.266, RSMo Supp. 2008, which permits the commission to authorize the inclusion of an environmental cost recovery mechanism in utility rates.*

(1) As used in this rule, the following terms mean:

(A) EFIS means the electronic filing and information system of the commission;

(B) Electric utility means electrical corporation as defined in section 386.020, RSMo, subject to commission regulation pursuant to Chapters 386 and 393, RSMo;

(C) Environmental compliance plan means a twenty (20)-year forecast of environmental compliance investments and a detailed four (4)-year plan for complying with federal, state, and local environmental laws, regulations, and rules. The four (4)-year plan will include plans to use emission allowances for compliance, plans for emission allowance transactions, and, on a generation unit basis, plans for investments in emission control equipment. The environmental compliance plan shall be consistent with the implementation plan of the most recent resource plan filing except as otherwise explained by the electric utility. Approval of an Environmental Cost Recovery Mechanism (ECRM) does not imply approval or predetermination of prudence of the environmental compliance plan;

(D) Environmental Cost Recovery Mechanism (ECRM) means a mechanism established in a general rate proceeding that allows periodic rate adjustments, outside a general rate proceeding, to reflect the net increases or decreases in an electric utility's environmental revenue requirement, plus additional environmental costs incurred since the prior general rate proceeding;

(E) Environmental costs means prudently incurred costs, both capital and expense, directly related to compliance with any federal, state, or local environmental law, regulation, or rule.

1. Environmental costs do not include

fuel and purchased power costs as defined in 4 CSR 240-3.161(1)(A).

2. Prudently incurred costs do not include any increased costs resulting from negligent or wrongful acts or omissions by the utility;

(F) The environmental revenue requirement shall be comprised of the following:

1. All expensed environmental costs (other than taxes and depreciation associated with capital projects) that are included in the electric utility's revenue requirement in the general rate proceeding in which the ECRM is established; and

2. The costs (i.e., the return, taxes, and depreciation) of any major capital projects whose primary purpose is to permit the electric utility to comply with any federal, state, or local environmental law, regulation, or rule. Representative examples of such capital projects to be included (as of the date of adoption of this rule) are electrostatic precipitators, fabric filters, nitrous oxide emissions control equipment, and flue gas desulfurization equipment. The costs of such capital projects shall be those identified on the electric utility's books and records as of the last day of the test year, as updated, utilized in the general rate proceeding in which the ECRM is established;

(G) General rate proceeding means a general rate increase proceeding or complaint proceeding before the commission in which all relevant factors that may affect the costs, or rates and charges, of the electric utility are considered by the commission; and

(H) Rate class is a customer class defined in an electric utility's tariff. Generally, rate classes include Residential, Small General Service, Large General Service, and Large Power Service, but may include additional rate classes. Each rate class includes all customers served under all variations of the rate schedules available to that class.

(2) When an electric utility files to establish an ECRM as described in 4 CSR 240-20.091(2), the electric utility shall file the following supporting information as part of, or in addition to, its direct testimony:

(A) An example of the notice to be provided to customers as required by 4 CSR 240-20.091(2)(E);

(B) An example customer bill showing how the proposed ECRM shall be separately identified on affected customers' bills in accordance with 4 CSR 240-20.091(8);

(C) Proposed ECRM rate schedules;

(D) A general description of the design and intended operation of the proposed ECRM;

(E) A complete explanation of how the proposed ECRM is reasonably designed to

provide the electric utility a sufficient opportunity to earn a fair return on equity;

(F) A complete explanation of how the proposed ECRM shall be true-up to reflect over- or under-collections on at least an annual basis;

(G) A complete description of how the proposed ECRM is compatible with the requirement for prudence reviews;

(H) A complete explanation of all the costs that shall be considered for recovery under the proposed ECRM and the specific account used for each cost item on the electric utility's books and records;

(I) A complete explanation of all of the costs, both capital and expense, incurred to comply with any current federal, state, or local environmental law, regulation, or rule that the electric utility is proposing be included in base rates and the specific account used for each cost item on the electric utility's books and records;

(J) A complete explanation of all the revenues that shall be considered in the determination of the amount eligible for recovery under the proposed ECRM and the specific account where each such revenue item is recorded on the electric utility's books and records;

(K) A complete explanation of any feature designed into the proposed ECRM or any existing electric utility policy, procedure, or practice that can be relied upon to ensure that only prudent costs shall be eligible for recovery under the proposed ECRM;

(L) For each of the major categories of costs that the electric utility seeks to recover through its proposed ECRM, a complete explanation of the specific rate class cost allocations and rate design used to calculate the proposed environmental revenue requirement and any subsequent ECRM rate adjustments during the term of the proposed ECRM;

(M) A complete explanation of any change in business risk to the electric utility resulting from implementation of the proposed ECRM in setting the electric utility's allowed return in any rate proceeding, in addition to any other changes in business risk experienced by the electric utility;

(N) The electric utility's environmental compliance plan including a complete description of—

1. The electric utility's long-term environmental compliance planning process;

2. The analysis performed to develop the electric utility's environmental compliance plan; and

3. If the environmental compliance plan is inconsistent with the electric utility's most recent resource plan filing, a detailed explanation of why such inconsistencies exist; and



(O) Authorization for the commission staff to release the previous five (5) years of historical surveillance reports submitted to the commission staff by the electric utility to all parties to the case.

(3) When an electric utility files a general rate proceeding following the general rate proceeding that established its ECRM as described by 4 CSR 240-20.091(2) in which it requests that its ECRM be continued or modified, the electric utility shall file with the commission and serve parties, as provided in sections (9) through (11) in this rule, the following supporting information as part of, or in addition to, its direct testimony:

(A) An example of the notice to be provided to customers as required by 4 CSR 240-20.091(2)(E);

(B) If the electric utility proposes to change the identification of the ECRM on the customer's bill, an example customer bill showing how the proposed ECRM shall be separately identified on affected customers' bills, including the proposed language, in accordance with 4 CSR 240-20.091(8);

(C) Proposed ECRM rate schedules;

(D) A general description of the design and intended operation of the proposed ECRM;

(E) A complete explanation of how the proposed ECRM is reasonably designed to provide the electric utility a sufficient opportunity to earn a fair return on equity;

(F) A complete explanation of how the proposed ECRM shall be trued-up to reflect over- or under-collections on at least an annual basis;

(G) A complete description of how the proposed ECRM is compatible with the requirement for prudence reviews;

(H) A complete explanation of all the costs that shall be considered for recovery under the proposed ECRM and the specific account used for each cost item on the electric utility's books and records;

(I) A complete explanation of all of the costs, both capital and expense, incurred to comply with any current federal, state, or local environmental law, regulation, or rule that the electric utility is proposing be included in base rates and the specific account used for each cost item on the electric utility's books and records;

(J) A complete explanation of all the revenues that shall be considered in the determination of the amount eligible for recovery under the proposed ECRM and the specific account where each such revenue item is recorded on the electric utility's books and records;

(K) A complete explanation of any feature designed into the proposed ECRM or any

existing electric utility policy, procedure, or practice that can be relied upon to ensure that only prudent costs shall be eligible for recovery under the proposed ECRM;

(L) For each of the major categories of costs that the electric utility seeks to recover through its proposed ECRM, a complete explanation of the specific rate class cost allocations and rate design used to calculate the proposed environmental revenue requirement and any subsequent ECRM rate adjustments during the term of the proposed ECRM;

(M) A complete explanation of any change in business risk to the electric utility resulting from implementation of the proposed ECRM in setting the electric utility's allowed return in any rate proceeding, in addition to any other changes in business risk experienced by the electric utility;

(N) A description of how responses to subsections (3)(B) through (M) differ from responses to subsections (3)(B) through (M) for the currently approved ECRM;

(O) The electric utility's environmental compliance plan including a complete description of—

1. The electric utility's long-term environmental compliance planning process;

2. The analysis performed to develop the electric utility's environmental compliance plan; and

3. If the environmental compliance plan is inconsistent with the electric utility's most recent resource plan filing, a detailed explanation of why such inconsistencies exist; and

(P) Any additional information that may have been ordered by the commission in the prior general rate proceeding to be provided.

(4) When an electric utility files a general rate proceeding following the general rate proceeding that established its ECRM as described in 4 CSR 240-20.091(3) in which it requests that its ECRM be discontinued, the electric utility shall file with the commission and serve parties, as provided in sections (9) through (11) in this rule, the following supporting information as part of, or in addition to, its direct testimony:

(A) An example of the notice to be provided to customers as required by 4 CSR 240-20.091(3)(B);

(B) A complete explanation of how the over-collection or under-collection of the ECRM that the electric utility is proposing to discontinue shall be handled;

(C) A complete explanation of why the ECRM is no longer necessary to provide the electric utility a sufficient opportunity to earn a fair return on equity;

(D) A complete explanation of any change in business risk to the electric utility resulting

from discontinuation of the ECRM in setting the electric utility's allowed return, in addition to any other changes in business risk experienced by the electric utility; and

(E) Any additional information that may have been ordered by the commission in the prior general rate proceeding to be provided.

(5) Each electric utility with an ECRM shall submit, with an affidavit attesting to the veracity of the information, the following information on a monthly basis to the manager of the auditing department of the commission, the Office of the Public Counsel (OPC), and others, as provided in sections (9) through (11) in this rule. The information may be submitted to the manager of the auditing department through EFIS. The following information shall be aggregated by month and supplied no later than sixty (60) days after the end of each month when the ECRM is in effect. The first submission shall be made within sixty (60) days after the end of the first complete month after the ECRM goes into effect. It shall contain, at a minimum, the following:

(A) The revenues billed pursuant to the ECRM by rate class and voltage level, as applicable;

(B) The revenues billed through the electric utility's base rate allowance by rate class and voltage level;

(C) All significant factors that have affected the level of ECRM revenues along with workpapers documenting these significant factors;

(D) The difference, by rate class and voltage level, as applicable, between the total billed ECRM revenues and the projected ECRM revenues;

(E) Any additional information ordered by the commission to be provided; and

(F) To the extent any of the requested information outlined above is provided in response to another section, the information only needs to be provided once.

(6) Each electric utility with an ECRM shall submit, with an affidavit attesting to the veracity of the information, a Surveillance Monitoring Report, which shall be treated as highly confidential, as required in 4 CSR 240-20.091(9), to the manager of the auditing department of the commission, OPC, and others, as provided in sections (9) through (11) in this rule. The information may be submitted to the manager of the auditing department through EFIS.

(A) There are five (5) parts to the electric utility Surveillance Monitoring Report. Each part, except Part One, Rate Base Quantifications, shall contain information for the last



twelve (12)-month period and the last quarter data for total company electric operations and Missouri jurisdictional operations. Part One, Rate Base Quantifications, shall contain only information for the ending date of the period being reported. The form of the Surveillance Monitoring Report form is included herein.

1. Rate Base Quantifications Report. The quantification of rate base items on page one shall be consistent with the methods or procedures used in the most recent rate proceeding unless otherwise specified. The report shall consist of specific rate base quantifications of—

- A. Plant in service;
- B. Reserve for depreciation;
- C. Materials and supplies;
- D. Cash working capital;
- E. Fuel inventory;
- F. Prepayments;
- G. Other regulatory assets;
- H. Customer advances;
- I. Customer deposits;
- J. Accumulated deferred income taxes;

K. Any other item included in the utility's rate base in the most recent rate proceeding;

L. Net Operating Income from page three; and

M. Calculation of the overall return on rate base.

2. Capitalization Quantifications Report. Page two shall consist of specific capitalization quantifications of—

- A. Common stock equity (net);
- B. Preferred stock (par or stated value outstanding);
- C. Long-term debt (including current maturities);
- D. Short-term debt; and
- E. Weighted cost of capital including component costs.

3. Income Statement. Page three shall consist of an income statement containing specific quantification of—

- A. Operating revenues to include sales to industrial, commercial, and residential customers, sales for resale, and other components of total operating revenues;
- B. Operating and maintenance expenses for fuel expense, production expenses, purchased power energy, and capacity;
- C. Transmission expenses;
- D. Distribution expenses;
- E. Customer accounts expenses;
- F. Customer service and information expenses;
- G. Sales expenses;
- H. Administrative and general expenses;

I. Depreciation, amortization, and decommissioning expense;

J. Taxes other than income taxes;

K. Income taxes; and

L. Quantification of heating degree and cooling degree days, actual and normal.

4. Jurisdictional Allocation Factor Report. Page four shall consist of a listing of jurisdictional allocation factors for the rate base, capitalization quantification reports, and income statement.

5. Financial Data Notes. Page five shall consist of notes to financial data including, but not limited to:

- A. Out-of-period adjustments;
- B. Specific quantification of material variances between actual and budget financial performance;
- C. Material variances between current twelve (12)-month period and prior twelve (12)-month period revenue;
- D. Expense level of items ordered by the commission to be tracked pursuant to the order establishing the ECRM;
- E. Budgeted capital projects;
- F. Events that materially affect debt or equity surveillance components; and
- G. All settlements in regards to environmental compliance causing the electric utility to incur expenses or make investments in excess of one hundred thousand dollars (\$100,000) or fines against the electric utility in regards to environmental compliance greater than one hundred thousand dollars (\$100,000).

(B) The Surveillance Monitoring Report shall contain any additional information ordered by the commission to be provided.

(C) The electric utility shall annually submit its approved budget, in electronic form, based upon its budget year in a format similar to the Surveillance Monitoring Report. The budget submission shall provide a quarterly and annual quantification of the electric utility's income statement. The budget shall be submitted within thirty (30) days of its approval by the electric utility's management or within sixty (60) days of the beginning of the electric utility's fiscal year, whichever is earliest. The budget submission shall be treated as highly confidential pursuant to 4 CSR 240-2.135.

(D) If the electric utility has a rate adjustment mechanism as defined in 4 CSR 240-20.090(1)(G), the surveillance report submitted by the electric utility as required by 4 CSR 240-3.161(6) along with information submitted in response to subparagraph (6)(A)5.G. shall meet the surveillance reporting required by this section.

(7) When an electric utility files tariff sched-

ules to adjust an ECRM rate as described in 4 CSR 240-20.091(4) with the commission, and serves upon parties as provided in sections (9) through (11) in this rule, the tariff schedules must be accompanied by supporting testimony, and at least the following supporting information:

(A) The following information shall be included with the filing:

1. For the period from which historical costs are used to adjust the ECRM rate:

- A. Emission allowance costs differentiated by purchases, swaps, and loans;
- B. Net revenues from emission allowance sales, swaps, and loans;
- C. Extraordinary costs not to be passed through, if any, due to such costs being an insured loss, or subject to reduction due to litigation, or for any other reason;
- D. Base rate component of environmental compliance costs and revenues;
- E. Identification of capital projects placed in service that were not anticipated in the previous general rate proceeding; and
- F. Any additional requirements ordered by the commission in the prior general rate proceeding;

2. The levels of environmental capital costs and expenses in the base rate revenue requirement from the prior general rate proceeding;

3. The levels of environmental capital costs in the base rate revenue requirement from the prior general rate proceeding as adjusted for the proposed date of the periodic adjustment;

4. The capital structure as determined in the prior general rate proceeding;

5. The cost rates for the electric utility's debt and preferred stock as determined in the prior general rate proceeding;

6. The electric utility's cost of common equity as determined in the prior general rate proceeding;

7. Calculation of the proposed ECRM collection rates; and

8. Calculations underlying any seasonal variation in the ECRM collection rates; and

(B) Workpapers supporting all items in subsection (7)(A) shall be submitted to the manager of the auditing department and served upon parties as provided in sections (9) through (11) in this rule. The workpapers may be submitted to the manager of the auditing department through EFIS.

(8) When an electric utility that has an ECRM files its application containing its annual true-up with the commission, as described in 4 CSR 240-20.091(5), any rate schedule filing must be accompanied by supporting testimony, and the electric utility shall—



(A) File the following information with the commission and serve upon parties as provided in sections (9) through (11) in this rule:

1. Amount of costs that it has over-collected or under-collected through the ECRM by rate class and voltage level, as applicable;
2. Proposed adjustments or refunds by rate class and voltage level as applicable;
3. Electric utility's short-term borrowing rate; and
4. Any additional information ordered by the commission;

(B) Submit the following information to the manager of the auditing department and serve upon the parties as provided in sections (9) through (11) in this rule. The information may be submitted to the manager of the auditing department through EFIS.

1. Workpapers detailing how the determination of the over-collection or under-collection of costs through the ECRM was made including any model inputs and outputs and the derivation of any model inputs.

2. Workpapers detailing the proposed adjustments or refunds.

3. Basis for the electric utility's short-term borrowing rate.

4. Any additional information ordered by the commission to be provided.

(9) Providing to other parties items required to be filed or submitted in preceding sections (3) through (8). Information required to be filed with the commission or submitted to the manager of the auditing department of the commission and to OPC in sections (3) through (8) shall also be, in the same format, served on or submitted to any party to the related general rate proceeding in which the ECRM was approved by the commission, periodic adjustment proceeding, annual true-up, prudence review, or general rate case to modify, extend, or discontinue the same ECRM, pursuant to the procedures in 4 CSR 240-2.135 for handling confidential information, including any commission order issued thereunder.

(10) Party status and providing to other parties affidavits, testimony, information, reports, and workpapers in related proceedings subsequent to general rate proceeding establishing ECRM.

(A) A person or entity granted intervention in a general rate proceeding in which an ECRM is approved by the commission shall be a party to any subsequent related periodic adjustment proceeding, annual true-up, or prudence review, without the necessity of applying to the commission for intervention. In any subsequent general rate proceeding, such person or entity must seek and be granted status as an intervenor to be a party to that

case. Affidavits, testimony, information, reports, and workpapers to be filed or submitted in connection with a subsequent related periodic adjustment proceeding, annual true-up, prudence review, or general rate case to modify, extend, or discontinue the same ECRM shall be served on or submitted to all parties from the prior related general rate proceeding and on all parties from any subsequent related periodic adjustment proceeding, annual true-up, prudence review, or general rate case to modify, extend, or discontinue the same ECRM, concurrently with filing the same with the commission or submitting the same to the manager of the auditing department of the commission and OPC, pursuant to the procedures in 4 CSR 240-2.135 for handling confidential information, including any commission order issued thereunder.

(B) A person or entity not a party to the general rate proceeding in which an ECRM is approved by the commission may timely apply to the commission for intervention, pursuant to 4 CSR 240-2.075(2) through (4) of the commission's rule on intervention, respecting any related subsequent periodic adjustment proceeding, annual true-up, or prudence review, or, pursuant to 4 CSR 240-2.075(1) through (5), respecting any subsequent general rate case to modify, extend, or discontinue the same ECRM. If no party to a subsequent periodic adjustment proceeding, annual true-up, or prudence review objects within ten (10) days of the filing of an application for intervention, the applicant shall be deemed as having been granted intervention without a specific commission order granting intervention, unless within the above-referenced ten (10)-day period the commission denies the application for intervention on its own motion. If an objection to the application for intervention is filed on or before the end of the above-referenced ten (10)-day period, the commission shall rule on the application and the objection within ten (10) days of the filing of the objection.

(11) Discovery. The results of discovery from a general rate proceeding where the commission may approve, modify, reject, extend, or discontinue an ECRM, or from any subsequent periodic adjustment proceeding, annual true-up, or prudence review relating to the same ECRM, may be used without a party resubmitting the same discovery requests (data requests, interrogatories, requests for production, requests for admission, or depositions) in the subsequent proceeding to parties that produced the discovery in the prior proceeding, subject to a ruling by the commission concerning any evidentiary objection made in the subsequent proceeding.

(12) Supplementing and updating data requests in subsequent related proceedings. If a party, which submitted data requests relating to a proposed ECRM in the general rate proceeding where the ECRM was established or in the general rate proceeding where the same ECRM was modified or extended, or in any subsequent related periodic adjustment proceeding, annual true-up, or prudence review, wants the responding party to whom the prior data requests were submitted to supplement or update that responding party's prior responses for possible use in a subsequent related periodic adjustment proceeding, annual true-up, prudence review, or general rate case to modify, extend, or discontinue the same ECRM, the party which previously submitted the data requests shall submit an additional data request to the responding party to whom the data requests were previously submitted which clearly identifies the particular data requests to be supplemented or updated and the particular period to be covered by the updated response. A responding party to a request to supplement or update shall supplement or update a data request response from: a related general rate proceeding where a ECRM was established; a general rate case where the same ECRM was modified or extended; or a related periodic adjustment proceeding, annual true-up, or prudence review, which the responding party has learned or subsequently learns is in some material respect incomplete or incorrect.

(13) Separate cases for each general rate proceeding involving an ECRM and for each mutually exclusive twelve (12)-month annual true-up period of an ECRM. Each general rate proceeding where the commission may approve, modify, or reject an ECRM; each general rate case where the commission may authorize the modification, extension, or discontinuance of an ECRM; and each mutually exclusive twelve (12)-month period of an ECRM that encompasses an annual true-up, prudence review, and possible periodic adjustments shall comprise a separate case. The same procedures for handling confidential information shall apply, pursuant to 4 CSR 240-2.135, as in the immediately preceding ECRM case for the particular electric utility, unless otherwise directed by the commission on its own motion or as requested by a party and directed by the commission.

(14) New ECRM. For the purposes of this rule, an ECRM, if continued, modified, or extended in a general rate case, even in substantially the form approved in the prior general rate proceeding, shall be considered to be a new distinct ECRM after each general





rate proceeding required by section 386.266.4(3), RSMo.

(15) Right to Discovery Unaffected. In addressing certain discovery matters and the provision of certain information by electric utilities, this rule is not intended to restrict the discovery rights of any party.

(16) Waivers. Provisions of this rule may be waived by the commission for good cause shown.

(17) Rule Review. The commission shall review the effectiveness of this rule by no later than December 31, 2011, and may, if it deems necessary, initiate rulemaking proceedings to revise this rule.



**Electric Company**  
**12 Months Ended \_\_\_\_\_**  
**Per Books**  
**(IN THOUSANDS OF DOLLARS)**  
**FINANCIAL SURVEILLANCE MONITORING REPORT**  
**RATE BASE AND RATE OF RETURN**

<u><b>Total Company Rate Base</b></u>	<u><b>Measurement Basis</b></u>	<u><b>12 Months Ended</b></u>
Plant in Service		
Intangible	End of Period	xxx,xxx
Production – Steam	End of Period	xxx,xxx
Production – Nuclear	End of Period	xxx,xxx
Production – Hydraulic	End of Period	xxx,xxx
Production – Other	End of Period	xxx,xxx
Transmission	End of Period	xxx,xxx
Distribution	End of Period	xxx,xxx
General	End of Period	xxx,xxx
Total Plant in Service	End of Period	\$ <u>x,xxx,xxx</u>
Reserve for Depreciation		
Intangible	End of Period	xxx,xxx
Production – Steam	End of Period	xxx,xxx
Production – Nuclear	End of Period	xxx,xxx
Production – Hydraulic	End of Period	xxx,xxx
Production – Other	End of Period	xxx,xxx
Transmission	End of Period	xxx,xxx
Distribution	End of Period	xxx,xxx
General	End of Period	xxx,xxx
Total Reserve for Depreciation		<u>x,xxx,xxx</u>
Net Plant		x,xxx,xxx
Add:		
Materials & Supplies	13 Mo. Avg.	x,xxx,xxx
Cash	(from prior rate case including offsets)	x,xxx,xxx
Fuel Inventory	13 Mo. Avg.	x,xxx,xxx
Prepayments	13 Mo. Avg.	x,xxx,xxx
Other Regulatory Assets	End of Period	x,xxx,xxx
Less:		
Customer Advances	13 Mo. Avg.	x,xxx,xxx
Customer Deposits	13 Mo. Avg.	x,xxx,xxx
Accumulated Deferred Income Taxes	End of Period	x,xxx,xxx
Other Regulatory Liabilities	End of Period	x,xxx,xxx
Other Items from Prior Rate Case	Per rate case method	<u>x,xxx,xxx</u>
(A) Total Rate Base		<u>\$ x,xxx,xxx</u>
(B) Net Operating Income		\$ x,xxx,xxx
(C) Return on Rate Base [ (B) / (A) ]		



Electric Company  
 12 Months Ended  
 Per Books  
 (IN THOUSANDS OF DOLLARS)  
 FINANCIAL SURVEILLANCE MONITORING REPORT  
 CAPITAL STRUCTURE AND RATE OF RETURN

		<u>Overall Cost of Capital</u>		
	<u>Amount</u>	<u>Percent</u>	<u>Cost</u>	<u>Weighted Cost</u>
			x.xx%	x.xx%
Long-Term Debt	\$ x,xxx,xxe	x.xx%	f	x.xx%
Short-Term Debt	x,xxx,xxe	x.xx%	f	x.xx%
Preferred Stock	x,xxx,xxe	x.xx%	f	x.xx%
Other	x,xxx,xxe	x.xx%	f	x.xx%
Common Equity	x,xxx,xxe	x.xx%	a	x.xx%
Total Overall Cost of Capital based on Rate Case		<u>100.00%</u>		<u>x.xx%</u>
Rate of Return on Equity		<u>x,xxx,xxx</u>		<u>x.xx%</u>

		<u>Actual Earned Return on Equity</u>		
	<u>Amount</u>	<u>Percent</u>	<u>Cost</u>	<u>Weighted Cost</u>
			x.xx%	x.xx%
Long-Term Debt	\$ x,xxx,xxe	x.xx%	f	x.xx%
Short-Term Debt	x,xxx,xxe	x.xx%	f	x.xx%
Preferred Stock	x,xxx,xxe	x.xx%	f	x.xx%
Other	x,xxx,xxe	x.xx%	f	x.xx%
Common Equity	x,xxx,xxe	x.xx%	c	x.xx%
Total Overall Cost of Capital with Actual Return On Equity		<u>100.00%</u>		<u>x.xx%</u>
		<u>x,xxx,xxx</u>		<u>x.xx%</u>

a From last general rate case, Report & Order  
 b From actual Return on Rate Base, page 1 "Rate Base"  
 c Calculated after actual Return on Rate Base, per footnote B, is determined  
 d Other capital structure components from last general rate case, Report & Order  
 e Actual balance at end of period  
 f Actual average cost at end of period

Note Additional breakdown may be added per Report & Order authorizing a recovery clause under 4 CSR 240-20



**Electric Company**  
**Quarter Ended and 12 Months Ended \_\_\_\_\_**  
**Per Books**  
**(IN THOUSANDS OF DOLLARS)**  
**FINANCIAL SURVEILLANCE MONITORING REPORT**  
**OPERATING INCOME STATEMENT**

	Quarter Ended Actual	12 Months Ended Actual
<b>Operating Revenues</b>		
Sales to Residential, Commercial, & Industrial Customers		
Residential	\$ x,xxx,xxx	\$ x,xxx,xxx
Commercial	x,xxx,xxx	x,xxx,xxx
Industrial	x,xxx,xxx	x,xxx,xxx
Total of Sales to Residential, Commercial, & Industrial Customers	\$ x,xxx,xxx	\$ x,xxx,xxx
Other Sales to Ultimate customers	x,xxx,xxx	x,xxx,xxx
Sales for Resale		
Off-System Sales	x,xxx,xxx	x,xxx,xxx
Other Sales for Resale	x,xxx,xxx	x,xxx,xxx
Provision for Refunds	x,xxx,xxx	x,xxx,xxx
Other Operating Revenues	x,xxx,xxx	x,xxx,xxx
<b>Operating Revenues</b>	<b>\$ x,xxx,xxx</b>	<b>\$ x,xxx,xxx</b>
<b>Operating &amp; Maintenance Expenses</b>		
Production Expenses		
Fuel Expense		
Native Load	x,xxx,xxx	x,xxx,xxx
Off-System Sales	x,xxx,xxx	x,xxx,xxx
Other Production-Operations	x,xxx,xxx	x,xxx,xxx
Other Production-Maintenance	x,xxx,xxx	x,xxx,xxx
Purchased Power-Energy		
Native Load	x,xxx,xxx	x,xxx,xxx
Off -System Sales	x,xxx,xxx	x,xxx,xxx
Purchased Power-Capacity	x,xxx,xxx	x,xxx,xxx
Total Production Expenses	x,xxx,xxx	x,xxx,xxx
Transmission Expenses	x,xxx,xxx	x,xxx,xxx
Distribution Expenses	x,xxx,xxx	x,xxx,xxx
Customer Accounts Expense	x,xxx,xxx	x,xxx,xxx
Customer Serve. & Info. Expenses	x,xxx,xxx	x,xxx,xxx
Sales Expenses	x,xxx,xxx	x,xxx,xxx
Administrative & General Expenses	x,xxx,xxx	x,xxx,xxx
<b>Total Operating &amp; Maintenance Expenses</b>	<b>\$ x,xxx,xxx</b>	<b>\$ x,xxx,xxx</b>
<b>Depreciation &amp; Amortization Expense</b>		
Depreciation Expense	x,xxx,xxx	x,xxx,xxx
Amortization Expense	x,xxx,xxx	x,xxx,xxx
Decommissioning Expense	x,xxx,xxx	x,xxx,xxx
Other	x,xxx,xxx	x,xxx,xxx
Total Depreciation & Amortization Expense	x,xxx,xxx	x,xxx,xxx
<b>Taxes Other than Income Taxes</b>	<b>x,xxx,xxx</b>	<b>x,xxx,xxx</b>
<b>Operating Income Before Income Tax</b>	<b>x,xxx,xxx</b>	<b>x,xxx,xxx</b>
<b>Income Taxes</b>	<b>x,xxx,xxx</b>	<b>x,xxx,xxx</b>
<b>Net Operating Income</b>	<b>\$ x,xxx,xxx</b>	<b>\$ x,xxx,xxx</b>
<b>Actual Cooling Degree Days</b>	<b>x,xxx</b>	<b>x,xxx</b>
<b>Normal Cooling Degree Days</b>	<b>x,xxx</b>	<b>x,xxx</b>
<b>Actual Heating Degree Days</b>	<b>x,xxx</b>	<b>x,xxx</b>
<b>Normal Heating Degree Days</b>	<b>x,xxx</b>	<b>x,xxx</b>



**Electric Company**  
**12 Months Ended**  
**FINANCIAL SURVEILLANCE MONITORING REPORT**  
**Missouri Jurisdictional Allocation Factors**

<u>Description</u>	<u>Allocation Factor</u>
Plant in Service	
Intangible	
Production – Steam	
Production – Nuclear	
Production – Hydraulic	
Production – Other	
Transmission	
Distribution	
General	
Depreciation Reserve	
Intangible	
Production – Steam	
Production – Nuclear	
Production – Hydraulic	
Production – Other	
Transmission	
Distribution	
General	
Net Plant	
Materials & Supplies	
Cash Working Capital	per rate case
Fuel Inventory	
Prepayments	
Other Regulatory Assets	Jurisdictional Specific
Customer Advances	
Customer Deposits	
Accumulated Deferred Income Taxes	
Other Regulatory Liabilities	Jurisdictional Specific
Other Items from Prior Rate Case	
Operating Revenues	
Interchange Revenues	
Production Expenses:	
Fuel Expense	
Native Load	
Off-System Sales	
Other Production – Operations	
Other Production – Maintenance	
Purchased Power – Energy	
Native Load	
Off-System Sales	
Purchased Power – Capacity	
Total Production Expenses	
Transmission Expenses	
Distribution Expenses	
Customer Accounts Expense	
Customer Serve. & Info. Expenses	
Sales Expenses	
Administrative & General Expenses	
Depreciation Expense	
Depreciation Expense	
Amortization Expense	
Decommissioning Expense	
Taxes, Other than Income	
Income Taxes	
Other Items	
XXXX	
XXXX	
XXXX	

Note Additional breakdown may be added per Report & Order authorizing a recovery clause under 4 CSR 240-20



**Electric Company**  
**Quarter Ended and 12 Months Ended \_\_\_\_\_**  
**Per Books**  
**FINANCIAL SURVEILLANCE MONITORING REPORT**

**NOTES TO FINANCIAL SURVEILLANCE REPORT**



*AUTHORITY: sections 386.250 and 393.140, RSMo 2000 and section 386.266, RSMo Supp. 2008.\* Original rule filed Oct. 31, 2007, effective June 30, 2008, terminated Jan. 4, 2009. Refiled: Dec. 31, 2008, effective Aug. 30, 2009.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 386.266, RSMo 2005; and 393.140, RSMo 1939, amended 1949, 1967.*

**Rule Action Notice:** *On December 4, 2008, the circuit court granted the moving parties' (Office of Public Counsel and Missouri Industrial Energy Consumers) motion for reversal and entered a judgment reversing the Public Service Commission's Final Order of Rulemaking. The circuit court's judgment reversing the commission's Final Order of Rulemaking became final on January 4, 2009. After January 4, 2009, 4 CSR 240-3.162 shall be terminated and of no further force and effect.*

#### 4 CSR 240-3.165 Annual Report Submission Requirements for Electric Utilities

**PURPOSE:** *Section 393.140(6), RSMo, includes an obligation for the commission to require every person and corporation under its supervision to submit an annual report to the commission. This rule establishes the standards for the submission of annual reports by electric utilities that are subject to the jurisdiction of the commission, including the procedures for submitting nonpublic annual report information.*

(1) All electric utilities shall submit an annual report to the commission on or before April 15 of each year, except as otherwise provided for in this rule.

(2) Electric utilities shall submit their annual reports either on a form provided by the commission or on a computer-generated replica that is acceptable to the commission. Reports being submitted on paper are to be prepared in looseleaf format and sent to the attention of the secretary of the commission. Computer-generated reports can be submitted through the commission's electronic filing and information system (EFIS). Attempts to substitute forms such as stockholder reports without concurrently submitting official commission forms with appropriate cross-references will be considered noncompliant. All requested information shall be included in the annual report, where applicable, even if it has been provided in a previous annual report.

(3) An electric utility that receives a notice from the commission stating that deficiencies

exist in the information provided in the annual report shall respond to that notice within twenty (20) days after the date of the notice, and shall provide the information requested in the notice in its response.

(4) If an electric utility subject to this rule considers the information requested on the annual report form to be nonpublic information, it must submit both a fully completed version to be kept under seal and a redacted public version that clearly informs the reader that the redacted information has been submitted as nonpublic information to be kept under seal. Submittals made under this section that do not include both versions will be considered deficient. The staff on behalf of the commission will issue a deficiency letter to the company and if both versions of the annual report are not received within twenty (20) days of the notice, the submittal will be considered noncompliant. In addition to the foregoing, submittals made under this section must meet the following requirements:

(A) A cover letter stating that the utility is designating some or all of the information in its annual report as confidential information, and including the name, phone number and e-mail address (if available) of the person responsible for addressing questions regarding the confidential portions of the annual report, must be submitted with the reports;

(B) The cover of each version of the report must clearly identify whether it is the public or nonpublic version;

(C) A detailed affidavit that identifies the specific types of information to be kept under seal, provides a reason why the specific information should be kept under seal and states that none of the information to be kept under seal is available to the public in any format must be prominently attached to both versions of the report; and

(D) Each page of each version of the report that contains nonpublic information shall be clearly identified as containing such information.

(5) If an entity asserts that any of the information contained in the nonpublic version of the annual report should be made available to the public, then that entity must file a pleading with the commission requesting an order to make the information available to the public, and shall serve a copy of the pleading on the utility affected by the request. The pleading must explain how the public interest is better served by disclosure of the information than the reason provided by the utility justifying why the information should be kept under seal. The utility affected by the request may file a response to a pleading filed under these provisions within fifteen (15) days after the filing of such a pleading. Within five (5) business days after the due date for the filing

of the utility's response to a request filed under these provisions, the general counsel by filing of a pleading will make a recommendation to the commission advising whether the request should be granted.

(6) An electric utility that is unable to meet the submission date established in section (1) of this rule may obtain an extension of up to thirty (30) days for submitting its annual report by:

(A) Submitting a written request, which states the reason for the extension, to the attention of the secretary of the commission prior to April 15; and

(B) Certifying that a copy of the written request was sent to all parties of record in pending cases before the commission where the utility's activities are the primary focus of the proceedings.

(7) An electric utility that is unable to meet the submission date established in section (1) of this rule may request an extension of greater than thirty (30) days for submitting its annual report by:

(A) Filing a pleading, in compliance with the requirements of Chapter 2 of 4 CSR 240, which states the reason for and the length of the extension being requested, with the commission prior to April 15; and

(B) Certifying that a copy of the pleading was sent to all parties of record in pending cases before the commission where the utility's activities are the primary focus of the proceedings.

(8) Responses to deficiency notices under the provisions of section (3) of this rule, requests for confidential treatment under the provisions of section (4) of this rule, pleadings requesting public disclosure of information contained under seal under the provisions of section (5) of this rule, and requests for extensions of time under the provisions of sections (6) or (7) of this rule may be submitted through the commission's electronic filing and information system (EFIS).

(9) An electric utility that does not timely file its annual report, or its response to a notice that its annual report is deficient, is subject to a penalty of one hundred dollars (\$100) and an additional penalty of one hundred dollars (\$100) for each day that it is late in filing its annual report or its response to a notice of deficiency.

*AUTHORITY: sections 386.250 and 393.140, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed Nov. 7, 2003, effective April 30, 2004.*



*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 393.140, RSMo 1939, amended 1949, 1967.*

#### 4 CSR 240-3.175 Submission Requirements for Electric Utility Depreciation Studies

*PURPOSE: This rule sets forth the requirements regarding the submission of depreciation studies by electric utilities.*

(1) Each electric utility subject to the commission's jurisdiction shall submit a depreciation study, database and property unit catalog to the manager of the commission's energy department and to the Office of the Public Counsel, as required by the terms of subsection (1)(B).

(A) The depreciation study, database and property unit catalog shall be compiled as follows:

1. The study shall reflect the average life and remaining life of each primary plant account or subaccount;

2. The database shall consist of dollar amounts, by plant account or subaccount, representing—

A. Annual dollar additions and dollar retirements by vintage year and year retired, beginning with the earliest year of available data;

B. Reserve for depreciation;

C. Surviving plant balance as of the study date; and

D. Estimated date of final retirement and surviving dollar investment for each warehouse, electric generating facility, combustion turbine, general office building or other large structure; and

3. The property unit catalog shall contain a description of each retirement unit used by the company.

(B) An electric utility shall submit its depreciation study, database and property unit catalog on the following occasions:

1. On or before the date adjoining the first letter of the name under which the corporation does business, excluding the word the, as indicated by the tariffs on file with the commission.

A. The alphabetical categories and submission due dates are as follows:

(I) A, B, C, D: January 1, 1994;

(II) E, F, G, H: July 1, 1994;

(III) I, J, K, L: January 1, 1995;

(IV) M, N, O, P: July 1, 1995;

(V) Q, R, S, T: January 1, 1996;

and

(VI) U, V, W, X, Y, Z: July 1,

1996.

B. However—

(I) An electric utility need not submit a depreciation study, database or property unit catalog to the extent that the commission's staff received these items from the utility during the three (3) years prior to the due dates listed in subparagraph (1)(B)1.A.; and

(II) A utility with simultaneous due dates under subparagraph (1)(B)1.A. above and 4 CSR 240-3.275(1)(B)1. may postpone its due date with respect to one (1) of these rules by six (6) months. To exercise this option, the utility must give written notice of its intent to postpone compliance to the manager of the commission's energy department, and to the Office of the Public Counsel, before the utility's first due date;

2. Before five (5) years have elapsed since the last time the commission's staff received a depreciation study, database and property unit catalog from the utility.

(2) The commission may waive or grant a variance from the provisions of this rule, in whole or in part, for good cause shown, upon a utility's written application.

*AUTHORITY: section 386.250, RSMo 2000. \*Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.180 Submission of Electric Utility Residential Heat-Related Service Cold Weather Report

*PURPOSE: This rule sets forth the requirements for electric utilities to submit reports regarding services provided during the commission's designated cold weather period.*

(1) Each utility providing heat-related utility service shall submit a report to the consumer services department of the commission for each calendar month no later than the twentieth day of the following month. The utility shall provide a copy of each report to the Office of the Public Counsel. The utility shall report for each operational district into which the utility has divided its Missouri service territory the number of days it was permitted to discontinue service under 4 CSR 240-13.055, and the utility shall separately report on the information listed below for customers receiving energy assistance and customers who are affected by 4 CSR 240-13.055 and known not to be receiving energy assistance. All information submitted shall be considered public information; however, no customer-

specific information shall be reported or made public. Utilities providing both electric and gas service shall report the information separately for their gas-only territory.

(A) How many customers were:

1. Disconnected at the end of the period;

2. Of those disconnected, how many customers had service discontinued for non-payment during the period;

3. Of those discontinued during the period, how many customers were restored to service during the period.

(B) Of customers reported as disconnected at the end of the period:

1. How many had broken a cold weather rule pay agreement;

2. How many had broken a non-cold weather rule pay agreement;

3. How many had not been on a pay agreement.

(C) Of those customers reconnected during the period:

1. How many customers received energy assistance (pledged or paid) from:

A. Low Income Home Energy Assistance Program (LIHEAP);

B. Energy Crisis Intervention Program (ECIP);

C. Other sources known to the utility.

2. How much energy assistance was provided by:

A. LIHEAP;

B. ECIP;

C. Other sources known to the utility;

D. Customer.

(D) Of customers restored to service during the period:

1. How many were put on a cold weather rule pay agreement;

2. How many were put on a non-cold weather rule pay agreement.

(E) How much was owed by those disconnected at the end of the period:

1. How much was owed by those disconnected during the period;

2. How much was owed by those reconnected during the period.

(F) How many customers were registered under 4 CSR 240-13.055(1)(D) at the end of the period:

1. How many customers registered during the period;

2. How many of such registered customers had service discontinued during the period.

(G) For how many customers during the period did the utility receive:

1. LIHEAP;

2. ECIP;

3. Other assistance know to the utility.





(H) How much cash did the utility receive on behalf of customers during the period from:

- 1. LIHEAP;
- 2. ECIP;
- 3. Others know to the utility.

(I) How many customers who requested reconnection under terms of this rule were refused service pursuant to section 4 CSR 240-13.055(9).

(J) How many customers received energy assistance insufficient in amount to retain or restore service.

(K) The number of customers who agreed to pay for their heat-related utility service under a payment agreement in accordance with 4 CSR 240-13.055.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed April 24, 2003, effective Dec. 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

**4 CSR 240-3.185 Submission of Reports Pertaining to the Decommissioning of Electric Utility Plants**

*PURPOSE: Electric utilities with nuclear plants must submit the reports pertaining to the decommissioning trust fund of the nuclear plants as outlined in this rule. The rule pertaining to decommissioning trust funds may be found at 4 CSR 240-20.070.*

(1) The utility or the trustee shall file reports quarterly to the commission. The reports shall contain the following information:

- (A) A total of all jurisdictional balances of the trust fund(s) based on a carrying cost (book) value;
- (B) A total of all jurisdictional balances of the trust fund(s) based on a market value;
- (C) A Missouri jurisdictional balance of the trust fund(s) based on a carrying cost (book) value;
- (D) A Missouri jurisdictional balance of the trust fund(s) based on a market value;
- (E) A summary of the trust account including the utility's contributions, incomes, expenses and a weighted average after-tax return for the quarter;
- (F) A portfolio summary per asset class by amount and percentage;
- (G) A detailed report of daily transactions; and
- (H) Any other information the commission orders the utility or trustee to provide.

(2) In addition, the utility or the trustee shall file reports annually to the commission that contain the following information:

- (A) An asset maturity schedule;
- (B) A summary of the trust's portfolio of investments including a listing of each security detailing the carrying cost, current market value, maturity date, estimated annual income and the yield to maturity;
- (C) A copy of all correspondence including income tax returns and tax exempt rulings concerning the trust with the Internal Revenue Service (IRS) or any state revenue agency; and
- (D) Any other information the commission orders the utility or trust to provide.

(3) On or before September 1, 1990 and every three (3) years after that, utilities with decommissioning trust funds shall perform and file with the commission cost studies detailing the utilities' latest cost estimates for decommissioning their nuclear generating unit(s) along with the funding levels necessary to defray these decommissioning costs. These studies shall be filed along with appropriate tariff(s) effectuating the change in rates necessary to accomplish the funding required. In addition, the commission, at any time for just cause, may require a utility to file an updated decommissioning cost study, funding requirement and associated tariff(s).

(4) At the time a tariff(s) is filed by a utility which proposes any change in rates due to changes in the estimate of decommissioning cost or the funding level of its nuclear decommissioning trust fund(s), the utility shall file the following minimum information in support of the need for changes in its tariff rates:

- (A) An updated decommissioning cost study which estimates the cost of decommissioning and the funding levels necessary to defray these costs. This study shall contain the following information:
  - 1. Detailed quantities and unit prices in current dollars for each system of the nuclear generating unit to be decommissioned;
  - 2. A detailed breakdown between radioactive contaminated systems and those systems which are not contaminated by radioactivity;
  - 3. Funding levels which are computed on a levelized basis and which accrue future decommissioning costs over the remaining licensed life of the nuclear generating unit. The utility shall include the earnings rate and inflation rate assumed in the cost study as compared to those assumed in any previous study;

4. A detailed description of any facilities that were added to or deleted from the cost study filed in the previous case;

5. The beginning date for the expenditure of funds for decommissioning assumed in the study shall be no later than the expiration date of the unit's current Nuclear Regulatory Commission (NRC) license; and

6. The study shall consider and evaluate all reasonable practices or procedures which would reduce the ultimate cost of decommissioning; and

(B) A summary description of the reasons (for example, changes in regulation, technology or economics) that brought on the need to change the decommissioning cost estimate.

(5) Upon proper application and after due notice and hearing, the commission may waive any provision of this rule for good cause shown.

*AUTHORITY: sections 386.250 and 393.292, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 393.292, RSMo 1989.*

**4 CSR 240-3.190 Reporting Requirements for Electric Utilities and Rural Electric Cooperatives**

*PURPOSE: This rule prescribes requirements and procedures for the reporting of certain events by electric utilities to the commission to inform the commission of developments which may affect the rendering of safe and adequate service and to enable the commission to thoroughly and fairly investigate certain events, which may have an impact in future electric rate proceedings at the time and in the context in which those events occur. This rule also includes electrical facilities incident reporting requirements for electric cooperatives.*

(1) Commencing on September 1, 1991, every electric utility shall accumulate the following information and transmit it to the manager of the Energy Department of the commission, or his/her designee, no later than the last business day of the month following the month to be reported and after that on a monthly basis:

- (A) All generating unit outages and derates, excluding hydroelectric generating units and units whose capacity comprises less than one and one-half percent (1 1/2%) of the electric utilities installed capacity;



(B) All fuel purchases for power production purposes, including the terms of those purchases. A copy of the Monthly Report of Cost and Quality of Fuels for Electric Plants on FERC Form No. 423, as submitted to the Federal Energy Regulatory Commission (FERC), will satisfy the requirements of this subsection;

(C) Monthly as-burned fuel report for each carbon-based fuel generating unit, including the amount of each type of fuel consumed, the British thermal unit (Btu) value of each fuel consumed, and the blending percentages (if applicable);

(D) Net system input for the electric utility;

(E) Net hourly generation for each generating unit;

(F) Megawatt amount and delivery prices of hourly purchases and sales of electricity from or to other electrical services providers, independent power producers or cogenerators, including the parties to purchases and sales, and the terms of purchases and sales;

1. If adjustments are made to the price of hourly purchases after the purchase is made, provide the amount of the adjustment and the time period over which the adjustment was made;

(G) Capacity purchases of longer than seven (7) days' duration;

(H) Planned outages of power production facilities, as they are scheduled or rescheduled. Changes from the planned outage schedule must be reported by telephone or electronic transmission to the manager of the Energy Department of the commission or his/her designee prior to the initiation of the outage, if the changes result in the planned outage schedule being different from the schedule in the most recently submitted monthly report;

(I) Planned fuel test burns, unit heat-rate tests and accreditation runs as they are scheduled or rescheduled. Changes from previously planned fuel test burns, unit heat-rate tests and accreditation runs must be reported by telephone or electronic transmission to the manager of the Energy Department of the commission or his/her designee prior to their initiation, if these changes result in the schedule for fuel test burns, unit heat-rate tests and accreditation runs being different from the schedule in the most recently submitted monthly report;

(J) Citations or notices of violation related to power production facilities received from any state or federal utility regulatory agency or environmental agency including, but not limited to, the FERC, the Nuclear Regulatory Commission (NRC), the Environmental Protection Agency (EPA), the Department of

Natural Resources (DNR) and the Department of Energy (DOE);

(K) The terms of new contracts or existing contracts which will be booked to Accounts 310-346 or Accounts 502-546 of the FERC's Uniform System of Accounts requiring the expenditure by the electric utility of more than one hundred thousand dollars (\$100,000) including, but not limited to, contracts for engineering, consulting, repairs and modifications or additions to an electric plant; and

(L) Copies of all written reports on forced generating unit outages of longer than three (3) days, test burns of fuel, heat-rate tests, accreditation runs and responses to state or federal utility regulatory agencies or environmental agencies including, but not limited to, the FERC, the NRC, the EPA, the DNR and the DOE, concerning any alleged infractions, deviations or noncompliance with those agencies' rules or standards related to power production facilities.

(2) Any of the information required in section (1) of this rule may be provided to the manager of the Energy Department of the commission or his/her designee in electronic format. The electronic files may be submitted through the commission's Electronic Filing and Information System (EFIS).

(3) Every electric utility shall report to the manager of the Energy Department of the commission or his/her designee by telephone or through EFIS by the end of the first business day following discovery, the information described in subsections (3)(A)-(E) below. The electric utility shall submit, either by mail or through EFIS within five (5) business days following the discovery, an update of the incident and any details not available at the time of the initial report:

(A) Details of any accident at a power plant involving serious physical injury or death or property damage in excess of one hundred thousand dollars (\$100,000);

(B) Forced outages of any nuclear generating unit(s) that could reasonably be anticipated to last longer than three (3) days;

(C) Forced outages of any fossil-fuel fired generating unit(s) which constitutes twenty percent (20%) or more of the electric utility's accredited capacity that reasonably could be anticipated to last longer than three (3) days, when the unit(s) is forced out due to a common occurrence;

(D) Reductions of coal inventory below a thirty (30)-day supply and reductions of oil inventory below fifty percent (50%) of normal oil inventory; and

(E) Loss of transmission capability that could limit the output of a generating plant.

(4) Every electric utility and rural electric cooperative shall report to the manager of the Energy Department of the commission or his/her designee, by telephone or through EFIS, a brief description of an accident by the end of the first business day following the discovery of any accident resulting from electrical contact with its energized electrical supply facilities which results in admission to a hospital or the fatality of an employee or other person or any other accident resulting from electrical contact considered significant by the utility. The electric utility or rural electric cooperative shall submit, either by mail or through EFIS within five (5) business days following the discovery, an update of the incident and any details not available at the time of the initial report.

(5) All reports and information submitted by electric utilities and rural electric cooperatives pursuant to this rule shall be subscribed by the president, treasurer, general manager, receiver or other authorized representative of the electric utility or rural electric cooperative having knowledge of the subject matter and shall be stated to be accurate and complete, and contain no material misrepresentations or omissions, based upon facts of which the person subscribing the report or information has knowledge, information or belief. Any information submitted through EFIS will bear the electronic signature of the utility representative who is submitting it.

(6) The reporting requirements prescribed by this rule shall be in addition to all other reporting requirements prescribed by law.

(7) The information contained in the reports filed pursuant to this rule shall be subject to the provisions of section 386.480, RSMo and the use of that information in any proceeding before the commission shall be governed by the terms of any protective order issued by the commission in the proceeding, if a protective order has been issued.

(8) The receipt by the commission or commission staff of reports prescribed by this rule shall not bind the commission or commission staff to the approval or acceptance of, or agreement with any matter contained in the reports for the purpose of fixing rates or in determining any other issue that may come before the commission.

(9) Upon proper application and after notice and an opportunity for hearing, the commission, in its discretion, may waive any provision of this rule for good cause shown.

*AUTHORITY: sections 386.250 and 394.160, RSMo 2000.\* Original rule filed Aug. 16,*



2002, effective April 30, 2003. Amended: Filed Oct. 14, 2003, effective April 30, 2004.

\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; and 394.160, RSMo 1939, amended 1949, 1984.

#### 4 CSR 240-3.200 Definitions Pertaining Specifically to Gas Utility Rules

*PURPOSE: This rule sets forth the definitions of certain terms used in rules 4 CSR 240-3.205 through 4 CSR 240-3.295, which are in addition to the definitions set forth in rule 4 CSR 240-3.010 of this chapter.*

(1) Affiliate means any person who, directly or indirectly, controls or is controlled by or is under common control with a gas utility.

(2) Appliance or equipment means any device which consumes gas energy and any ancillary device required for its operation.

(3) Consideration shall be interpreted in its broadest sense and shall include any cash, donation, gift, allowance, rebate, discount, bonus, merchandise (new or used), property (real or personal), labor, service, conveyance, commitment, right or other thing of value.

(4) Control (including the terms “controlling,” “controlled by,” and “common control”) means the possession, directly or indirectly, of the power to direct, or to cause the direction of the management or policies of an entity, whether such power is exercised through one (1) or more intermediary entities, or alone, or in conjunction with, or pursuant to an agreement with, one (1) or more other entities, whether such power is exercised through a majority or minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, affiliated entities, contract or any other direct or indirect means. The commission shall presume that the beneficial ownership of ten percent (10%) or more of voting securities or partnership interest of an entity constitutes control for purposes of this rule. This provision, however, shall not be construed to prohibit a regulated gas corporation from rebutting the presumption that its ownership interest in an entity confers control.

(5) Cost-effective means that the present value of life-cycle benefits is greater than the present value of life-cycle costs to the provider of an energy service.

(6) Demand-side resource means any ineffi-

cient energy-related choice that can be influenced cost-effectively by a utility. The meaning of this term shall not be construed to include load-building program.

(7) Designated commission personnel means the commission’s Pipeline Safety Program Manager at the address contained in 4 CSR 240-40.020(5) for written reports and the list of staff personnel supplied to the operators for telephonic notices, both as are required by 4 CSR 240-40.020.

(8) Gas means natural gas, flammable gas, manufactured gas or gas which is toxic or corrosive.

(9) Gas seller means any person who uses, leases, or controls the distribution system of a distributor or a political subdivision or any part thereof to sell energy services at retail within a political subdivision, other than a distributor or a political subdivision.

(10) Inefficient energy-related choice means any decision that causes the life-cycle cost of providing an energy service to be higher than it would be for an available alternative choice.

(11) Load-building program means an organized promotional effort by a utility to persuade energy-related decision makers to choose the form of energy supplied by that utility instead of other forms of energy for the provision of energy service or to persuade customers to increase their use of that utility’s form of energy, either by substituting it for other forms of energy or by increasing the level or variety of energy services used. This term is not intended to include the provision of technical or engineering assistance, information about filed rates and tariffs or other forms of routine customer service.

(12) Operator means a person who engages in the transportation of gas.

(13) Pipeline or pipeline system means all parts of those physical facilities through which gas moves in transportation including, but not limited to, pipe, valves and other appurtenances attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders and fabricated assemblies.

(14) Pipeline facility means new and existing pipeline, rights-of-way and any equipment, facility or building used in the transportation of gas or in the treatment of gas during the course of transportation.

(15) Promotional practices means any consideration offered or granted by a gas utility or its affiliate to any person for the purpose, express or implied, of inducing the person to select and use the service or use additional service of the utility or to select or install any appliance or equipment designed to use the utility service, or for the purpose of influencing the person’s choice or specification of the efficiency characteristics of appliances, equipment, buildings, utilization patterns or operating procedures. The term promotional practices shall not include the following activities:

(A) Making any emergency repairs to appliances or equipment of customers;

(B) Providing appliances or equipment incidental to demonstrations of sixty (60) days or less in duration;

(C) Providing light bulbs, street or outdoor lighting service, wiring, service pipe or other service equipment or appliances, in accordance with tariffs filed with and approved by the commission;

(D) Providing appliances or equipment to an educational institution for the purpose of instructing students in the use of the appliances or equipment;

(E) Merchandising appliances or equipment at retail and, in connection therewith, the holding of inventories, making and fulfillment of reasonable warranties against defects in material and workmanship existing at the time of delivery and financing; provided that the merchandising shall not violate any prohibition contained in 4 CSR 240-14.020;

(F) Inspecting and adjusting of appliances or equipment by a gas utility;

(G) Repairing and other maintenance to appliances or equipment by a gas utility if charges are at cost or above;

(H) Providing free or below-cost energy audits or other information or analysis regarding the feasibility and cost-effectiveness of improvements in the efficiency characteristics of appliances, equipment, buildings, utilization patterns or operating procedures;

(I) Offering to present or prospective customers by a gas utility technical or engineering assistance; and

(J) Advertising or publicity by a gas utility which is under its name and on its behalf and which does not in any manner, directly or indirectly, identify, describe, refer to, mention or relate to any architect, builder, engineer, subdivider, developer or other similar person, or which mentions no less than three (3) existing projects, developments or subdivisions.



(16) Service line means a distribution line that transports gas from a common source of supply to a) a customer meter or the connection to a customer's piping, whichever is farther downstream, or b) the connection to a customer's piping if there is no customer meter. A customer meter is the meter that measures the transfer of gas from an operator to a consumer.

(17) Transmission line means a pipeline, other than a gathering line, that:

(A) Transports gas from a gathering line or storage facility to a distribution center, storage facility, or large volume customer that is not downstream from a distribution center (A large volume customer may receive similar volumes of gas as a distribution center, and includes factories, power plants, and institutional users of gas);

(B) Operates at a hoop stress of twenty percent (20%) or more of specified minimum yield strength (SMYS); or

(C) Transports gas within a storage field.

(18) Transportation of gas means the receipt of gas at one point on a regulated gas corporation's system and the redelivery of an equivalent volume of gas to the retail customer of the gas at another point on the regulated gas corporation's system including, without limitation, scheduling, balancing, peaking, storage, and exchange to the extent such services are provided pursuant to the regulated gas corporation's tariff, and includes opportunity sales.

(19) Yard line means an underground fuel line that transports gas from the service line to the customer's building. If multiple buildings are being served, building shall mean the building nearest to the connection to the service line. For purposes of this definition, if above-ground fuel line piping at the meter location is located within five feet (5') of a building being served by that meter, it shall be considered to the customer's building and no yard line exists. At meter locations where above-ground fuel line piping is located greater than five feet (5') from the building(s) being served, the underground fuel line from the meter to the entrance into the nearest building served by that meter shall be considered the yard line and any other lines are not considered yard lines.

**AUTHORITY:** section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.

\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.

#### 4 CSR 240-3.205 Filing Requirements for Gas Utility Applications for Certificates of Convenience and Necessity

**PURPOSE:** Applications to the commission requesting that the commission grant a certificate of convenience and necessity must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for a certificate of convenience and necessity by a gas company shall include the following information:

(A) If the application is for a service area—

1. A statement as to the same or similar utility service, regulated and nonregulated, available in the area requested;

2. If there are ten (10) or more residents or landowners, the name and address of no fewer than ten (10) persons residing in the proposed service area or of no fewer than ten (10) landowners in the event there are no residences in the area, or, if there are fewer than ten (10) residents or landowners, the name and address of all residents and landowners;

3. The legal description of the area to be certificated;

4. A plat drawn to a scale of one-half inch (1/2") to the mile on maps comparable to county highway maps issued by the Missouri Department of Transportation or a plat drawn to a scale of two thousand feet (2,000') to the inch; and

5. A feasibility study containing plans and specifications for the utility system and estimated cost of the construction of the utility system during the first three (3) years of construction; plans for financing; proposed rates and charges and an estimate of the number of customers, revenues and expenses during the first three (3) years of operations;

(B) If the application is for gas transmission lines—

1. A description of the route of construction and a list of all electric and telephone lines of regulated and nonregulated utilities, railroad tracks or any underground facility, as defined in section 319.015, RSMo, which the proposed construction will cross;

2. The plans and specifications for the complete construction project and estimated cost of the construction project or a statement of the reasons the information is currently unavailable and a date when it will be furnished; and

3. Plans for financing;

(C) When no evidence of approval of the affected governmental bodies is necessary, a statement to that effect;

(D) When approval of the affected governmental bodies is required, evidence must be provided as follows:

1. When consent or franchise by a city or county is required, approval shall be shown by a certified copy of the document granting the consent or franchise, or an affidavit of the applicant that consent has been acquired; and

2. A certified copy of the required approval of other governmental agencies; and

(E) The facts showing that the granting of the application is required by the public convenience and necessity.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

**AUTHORITY:** section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.

\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.

#### 4 CSR 240-3.210 Filing Requirements for Gas Utility Applications for Authority to Sell, Assign, Lease or Transfer Assets

**PURPOSE:** Applications to the commission for the authority to sell, assign, lease or transfer assets must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to sell, assign, lease or transfer assets shall include:

(A) A brief description of the property involved in the transaction, including any franchises, permits, operating rights or certificates of convenience and necessity;

(B) A copy of the contract or agreement of sale;

(C) The verification of proper authority by the person signing the application or a certified copy of resolution of the board of directors of each applicant authorizing the proposed action;

(D) The reasons the proposed sale of the assets is not detrimental to the public interest;

(E) If the purchaser is subject to the jurisdiction of the commission, a balance sheet and income statement with adjustments showing



the results of the acquisitions of the property; and

(F) A statement of the impact, if any, the sale, assignment, lease or transfer of assets will have on the tax revenues of the political subdivisions in which any structures, facilities or equipment of the companies involved in that sale are located.

(2) If the purchaser is not subject to the jurisdiction of the commission, but will be subject to the commission's jurisdiction after the sale, the purchaser must comply with these rules.

(3) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

**4 CSR 240-3.215 Filing Requirements for Gas Utility Applications for Authority to Merge or Consolidate**

*PURPOSE: Applications to the commission for the authority to merge or consolidate must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to merge or consolidate shall include:

(A) A copy of the proposed plan and agreement of corporate merger and consolidation, including organizational charts depicting the relationship of the merging entities before and after the transaction;

(B) A certified copy of the resolution of the board of directors of each applicant authorizing the proposed merger and consolidation;

(C) The balance sheets and income statements of each applicant and a balance sheet and income statement of the surviving corporation;

(D) The reasons the proposed merger is not detrimental to the public interest;

(E) An estimate of the impact of the merger on the company's Missouri jurisdictional operations relative to the merger and acquisition in question; and

(F) A statement of the impact, if any, the merger or consolidation will have on the tax revenues of the political subdivision in which

any structures, facilities or equipment of the companies involved are located.

(2) If the purchaser is not subject to the jurisdiction of the commission, but will be subject to the commission's jurisdiction after the sale, the purchaser must comply with these rules.

(3) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

**4 CSR 240-3.220 Filing Requirements for Gas Utility Applications for Authority to Issue Stock, Bonds, Notes and Other Evidences of Indebtedness**

*PURPOSE: Applications to the commission for the authority to issue stock, bonds, notes or other evidences of indebtedness must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to issue stock, bonds, notes and other evidences of indebtedness shall contain the following:

(A) A brief description of the securities which applicant desires to issue;

(B) A statement of the purpose for which the securities are to be issued and the use of the proceeds;

(C) Copies of executed instruments defining the terms of the proposed securities—

1. If these instruments have been previously filed with the commission, a reference to the case number in which the instruments were furnished;

2. If these instruments have not been executed at the time of filing, a statement of the general terms and conditions to be contained in the instruments which are proposed to be executed; and

3. If none of these instruments is either executed or to be executed, a statement of how the securities are to be sold;

(D) A certified copy of resolutions of the directors of applicant authorizing the issuance of the securities;

(E) A balance sheet and income statement with adjustments showing the effects of the issuance of the proposed securities upon—

- 1. Bonded and other indebtedness; and
- 2. Stock authorized and outstanding;

(F) A statement of what portion of the issue is subject to the fee schedule in section 386.300, RSMo; and

(G) A five (5)-year capitalization expenditure schedule as required by section 393.200, RSMo.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

**4 CSR 240-3.225 Filing Requirements for Gas Utility Applications for Authority to Acquire the Stock of a Public Utility**

*PURPOSE: Applications to the commission for the authority to acquire the stock of a public utility must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to acquire the stock of a public utility shall include:

(A) A statement of the offer to purchase stock of the public utility or a copy of any agreement entered with shareholders to purchase stock;

(B) A certified copy of the resolution of the directors of applicant authorizing the acquisition of the stock; and

(C) Reasons why the proposed acquisition of the stock of the public utility is not detrimental to the public interest.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*



#### 4 CSR 240-3.230 Filing Requirements for Gas Storage Companies Requesting the Authority to Acquire Property Through Eminent Domain Proceedings

*PURPOSE: Applications to the commission for the authority to acquire property through eminent domain proceedings must meet the requirements of this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for gas storage companies for authority to acquire property through eminent domain proceedings shall include:

(A) The legal description of the areas to be acquired;

(B) A map showing the areas to be acquired;

(C) Names and addresses of all persons who may have any legal or equitable title of record in the property to be acquired; and

(D) The reasons it is necessary to acquire the property and why it is in the public interest.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.235 Filing Requirements for Gas Utility General Rate Increase Requests

*PURPOSE: This rule prescribes information which must be filed by all gas utilities when filing for a general company-wide increase in rates. As noted in the rule, additional provisions pertaining to the filing requirements for general rate increase requests are found at 4 CSR 240-3.030.*

(1) In addition to the requirements of 4 CSR 240-3.030, any gas utility which submits a general rate increase request shall submit the following:

(A) Its depreciation study, database and property unit catalog. However, a gas utility need not submit a depreciation study, database or property unit catalog to the extent that the commission's staff received these items from the utility during the three (3) years prior to the utility filing for a general

rate increase or before five (5) years have elapsed since the last time the commission's staff received a depreciation study, database and property unit catalog from the utility. The depreciation study, database and property unit catalog shall be compiled as follows:

1. The study shall reflect the average life and remaining life of each primary plant account or subaccount;

2. The database shall consist of dollar amounts, by plant account or subaccount, representing—

A. Annual dollar additions and dollar retirements by vintage year and year retired, beginning with the earliest year of available data;

B. Reserve for depreciation;

C. Surviving plant balance as of the study date; and

D. Estimated date of final retirement and surviving dollar investment for each warehouse, propane/air production facility, liquefied natural gas facility, underground natural gas storage facility, general office building or other large structure; and

3. The property unit catalog shall contain a description of each retirement unit used by the utility.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.240 Gas Utility Small Company Rate Increase Procedure (Rescinded September 30, 2009)

*AUTHORITY: section 386.250, RSMo 2000. Original rule filed Aug. 16, 2002, effective April 30, 2003. Rescinded: Filed March 26, 2009, effective Sept. 30, 2009.*

#### 4 CSR 240-3.245 Annual Report Submission Requirements for Gas Utilities

*PURPOSE: Section 393.140(6), RSMo, includes an obligation for the commission to require every person and corporation under its supervision to submit an annual report to the commission. This rule establishes the standards for the submission of annual reports by gas utilities that are subject to the jurisdiction of the commission, including the procedures for submitting nonpublic annual report information.*

(1) All gas utilities shall submit an annual report to the commission on or before April

15 of each year, except as otherwise provided for in this rule.

(2) Gas utilities shall submit their annual reports either on a form provided by the commission or on a computer-generated replica that is acceptable to the commission. Reports being submitted on paper are to be prepared in loose-leaf format and sent to the attention of the secretary of the commission. Computer-generated reports can be submitted through the commission's electronic filing and information system (EFIS). Attempts to substitute forms such as stockholder reports without concurrently submitting official commission forms with appropriate cross-references will be considered noncompliant. All requested information shall be included in the annual report, where applicable, even if it has been provided in a previous annual report.

(3) A gas utility that receives a notice from the commission stating that deficiencies exist in the information provided in the annual report shall respond to that notice within twenty (20) days after the date of the notice, and shall provide the information requested in the notice in its response.

(4) If a gas utility subject to this rule considers the information requested on the annual report form to be nonpublic information, it must submit both a fully completed version to be kept under seal and a redacted public version that clearly informs the reader that the redacted information has been submitted as nonpublic information to be kept under seal. Submittals made under this section that do not include both versions will be considered deficient. The staff on behalf of the commission will issue a deficiency letter to the company and if both versions of the annual report are not received within twenty (20) days of the notice, the submittal will be considered noncompliant. In addition to the foregoing, submittals made under this section must meet the following requirements:

(A) A cover letter stating that the utility is designating some or all of the information in its annual report as confidential information, and including the name, phone number and e-mail address (if available) of the person responsible for addressing questions regarding the confidential portions of the annual report, must be submitted with the reports;

(B) The cover of each version of the report must clearly identify whether it is the public or nonpublic version;

(C) A detailed affidavit that identifies the specific types of information to be kept under seal, provides a reason why the specific information should be kept under seal and states that none of the information to be kept under seal is available to the public in any format



must be prominently attached to both versions of the report; and

(D) Each page of each version of the report that contains nonpublic information shall be clearly identified as containing such information.

(5) If an entity asserts that any of the information contained in the nonpublic version of the annual report should be made available to the public, then that entity must file a pleading with the commission requesting an order to make the information available to the public, and shall serve a copy of the pleading on the utility affected by the request. The pleading must explain how the public interest is better served by disclosure of the information than the reason provided by the utility justifying why the information should be kept under seal. The utility affected by the request may file a response to a pleading filed under these provisions within fifteen (15) days after the filing of such a pleading. Within five (5) business days after the due date for the filing of the utility's response to a request filed under these provisions, the general counsel by filing of a pleading will make a recommendation to the commission advising whether the request should be granted.

(6) A gas utility that is unable to meet the submission date established in section (1) of this rule may obtain an extension of up to thirty (30) days for submitting its annual report by:

(A) Submitting a written request, which states the reason for the extension, to the attention of the secretary of the commission prior to April 15; and

(B) Certifying that a copy of the written request was sent to all parties of record in pending cases before the commission where the utility's activities are the primary focus of the proceedings.

(7) A gas utility that is unable to meet the submission date established in section (1) of this rule may request an extension of greater than thirty (30) days for submitting its annual report by:

(A) Filing a pleading, in compliance with the requirements of Chapter 2 of 4 CSR 240, which states the reason for and the length of the extension being requested, with the commission prior to April 15; and

(B) Certifying that a copy of the pleading was sent to all parties of record in pending cases before the commission where the utility's activities are the primary focus of the proceedings.

(8) Responses to deficiency notices under the provisions of section (3) of this rule, requests for confidential treatment under the provisions

of section (4) of this rule, pleadings requesting public disclosure of information contained under seal under the provisions of section (5) of this rule, and requests for extensions of time under the provisions of sections (6) or (7) of this rule may be submitted through the commission's electronic filing and information system (EFIS).

(9) A gas utility that does not timely file its annual report, or its response to a notice that its annual report is deficient, is subject to a penalty of one hundred dollars (\$100) and an additional penalty of one hundred dollars (\$100) for each day that it is late in filing its annual report or its response to a notice of deficiency.

*AUTHORITY: sections 386.250 and 393.140, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed Nov. 7, 2003, effective April 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 393.140, RSMo 1939, amended 1949, 1967.*

**4 CSR 240-3.250 Submission of Gas Utility Residential Heat-Related Service Cold Weather Report**

*PURPOSE: This rule sets forth the requirements for gas utilities providing residential heat-related utility service to submit reports regarding services provided during the commission's designated cold weather period.*

(1) Each utility providing heat-related utility service shall submit a report to the consumer services department of the commission for each calendar month no later than the twentieth day of the following month. The utility shall provide a copy of each report to the Office of the Public Counsel. The utility shall report for each operational district into which the utility has divided its Missouri service territory the number of days it was permitted to discontinue service under 4 CSR 240-13.055, and the utility shall separately report on the information listed below for customers receiving energy assistance and customers who are affected by 4 CSR 240-13.055 and not known to be receiving energy assistance. All information submitted shall be considered public information; however, no customer-specific information shall be reported or made public. Utilities providing both electric and gas service shall report the information separately for their gas-only territory:

(A) How many customers were:

1. Disconnected, at the end of the period;

2. Of those disconnected, how many customers had service discontinued for non-payment during the period.

3. Of those discontinued during the period, how many customers were restored to service during the period.

(B) Of customers reported as disconnected at the end of the period:

1. How many had broken a cold weather rule pay agreement;

2. How many had broken a non-cold weather rule pay agreement;

3. How many had not been on a pay agreement.

(C) Of those customers reconnected during the period:

1. How many customers received energy assistance (pledged or paid) from:

- A. Low Income Home Energy Assistance Program (LIHEAP);

- B. Energy Crisis Intervention Program (ECIP);

- C. Other sources known to the utilities.

2. How much energy assistance was provided by:

- A. LIHEAP;

- B. ECIP;

- C. Other sources known to the utility;

- D. Customer.

(D) Of customers restored to service during the period:

1. How many were put on a cold weather rule pay agreement;

2. How many were put on a non-cold weather rule pay agreement.

(E) How much was owed by those disconnected at the end of the period:

1. How much was owed by those disconnected during the period;

2. How much was owed by those reconnected during the period.

(F) How many customers were registered under 4 CSR 240-13.055(1)(D) at the end of the period:

1. How many customers registered during the period;

2. How many of such registered customers had service discontinued during the period.

(G) For how many customers during the period did the utility receive:

1. LIHEAP;

2. ECIP;

3. Other assistance known to the utility.

(H) How much cash did the utility receive on behalf of customers during the period from:

1. LIHEAP;

2. ECIP;

3. Others known to the utility.



(I) How many customers who requested reconnection under terms of this rule were refused service pursuant to section 4 CSR 240-13.055(9).

(J) How many customers received energy assistance insufficient in amount to retain or restore service.

(K) The number of customers who agreed to pay for their heat-related utility service under a payment agreement in accordance with 4 CSR 240-13.055.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed April 24, 2003, effective Dec. 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.255 Filing Requirements for Gas Utility Promotional Practices

*PURPOSE: This rule prescribes the filing requirement for present, proposed or revised promotional practices.*

(1) Any promotional practices offered by a gas utility must meet the requirements set out in the commission's rules regarding utility promotional practices (4 CSR 240-14).

(2) No gas utility or its affiliate shall offer or grant any additional promotional practice or vary or terminate any existing promotional practice, directly or indirectly, or in concert with others, or by any means whatsoever, until a tariff filing showing the addition or variation or termination in the form prescribed by this rule has been made with the commission and a copy furnished to each other gas utility providing the same or competing utility service in any portion of the service area of the filing utility.

(A) The utility shall provide the following information on the tariff sheets:

1. The name, number or letter designation of the promotional practice;

2. The class of persons to which the promotional practice is being offered or granted;

3. Whether the promotional practice is being uniformly offered to all persons within that class;

4. A description of the promotional practice and a statement of its purpose or objective;

5. A statement of the terms and conditions governing the promotional practice;

6. If the promotional practice is offered or granted, in whole or in part, by an affiliate or other person, the identity of the affi-

ate or person and the nature of their participation; and

7. Other information relevant to a complete understanding of the promotional practice.

(B) The utility shall provide the following supporting information for each promotional practice:

1. A description of the advertising or publicity to be employed with respect to the promotional practice;

2. For promotional practices that are designed to evaluate the cost-effectiveness of potential demand-side resources, a description of the evaluation criteria, the evaluation plan and the schedule for completing the evaluation; and

3. For promotional practices that are designed to acquire demand-side resources, documentation of the criteria used and the analysis performed to determine that the demand-side resources are cost-effective.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.260 Filing Requirements for Gas Utility Rate Schedules

*PURPOSE: This rule prescribes the forms and procedures for filing and publishing schedules of rates of all gas utilities under the jurisdiction of the Public Service Commission.*

(1) Every gas corporation engaged in the manufacture, furnishing or distribution of gas of any nature whatsoever for light, heat or power, within the state of Missouri, is directed not later than October 15, 1913, to have on file with this commission and keep open for public inspection, schedules showing all rates and charges in connection with such service of whatever nature made by the gas corporations for each and every kind of service which it renders as were in force on April 15, 1913, together with proper supplements covering all changes in the rate schedules authorized by this commission, if any, since April 15, 1913.

(2) All such rate schedules now on file with the commission not in accordance with this rule shall be issued in the form and manner prescribed by this rule and all rate schedules issued after April 15, 1913, must conform to this rule.

(3) Rate schedules shall be drawn up substantially in accordance with Form No. 14 and shall be plainly printed or typewritten on good quality of paper of size eight and one-half inches by eleven inches (8 1/2" × 11") in book, sheet or pamphlet form. A loose-leaf plan may be used so changes can be made by reprinting and inserting a single leaf. When the loose-leaf plan is used, all sheets, except the title page sheet, must show in the marginal space at the top of the page the name of the gas corporation issuing, the PSC number of schedule and the number of the page. In the marginal space at the bottom of sheet should be shown—the date of issue, the effective date and the name, title and address of the officer by whom the schedule is issued. All schedules shall bear a number with the prefix PSC Mo. \_\_\_\_\_. Schedules shall be numbered in consecutive serial order beginning with number 1 for each gas corporation. If a schedule or part of a schedule is cancelled, a new schedule or part thereof (sheet(s) if loose-leaf) will refer to the schedule canceled by its PSC number; thus: PSC Mo. No. \_\_\_\_\_ canceling PSC Mo. No. \_\_\_\_\_.

(4) Each schedule shall be accompanied by a letter of transmittal, in duplicate if receipt is desired, which shall be prepared consistent with the format designated by the commission.

(5) All proposed changes in rates, charges or rentals or in rules that affect rates, charges or rentals filed with the commission shall be accompanied by a brief summary, approximately one hundred (100) words or less of the effect of the change on the company's customers. A copy of any proposed change and summary shall also be served on the public counsel and be available for public inspection and reproduction during regular office hours at the general business office of the utility.

(6) Thirty (30) days' notice to the commission is required as to every publication relating to gas rates or service except where publications are made effective on less than statutory notice by permission, rule or requirement of the commission.

(7) Except as is otherwise provided, no schedule or supplement will be accepted for filing unless it is delivered to the commission free from all charges or claims for postage, the full thirty (30) days required by law before the date upon which the schedule or supplement is stated to be effective. No consideration will be given to or for the time during which a schedule or supplement may be held by the post office authorities because of





insufficient postage. When a schedule or a supplement is issued and as to which the commission is not given the statutory notice, it is as if it had not been issued and a full statutory notice must be given of any reissuance. No consideration will be given to telegraphic notices in computing the thirty (30) days' notice required. In those cases the schedule will be returned to the sender and correction of the neglect or omission cannot be made which takes into account any time elapsing between the date upon which the schedule or supplement was received and the date of the attempted correction. For rate schedules and supplements issued on short notice under special permission of the commission, literal compliance with the requirements for notice named in any order, rule or permission granted by the commission will be exacted.

*AUTHORITY: sections 386.250 and 393.140, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 393.140, RSMo 1939, amended 1949, 1967.*

#### 4 CSR 240-3.265 Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges

*PURPOSE: This rule sets forth the definitions, parameters and procedures relevant to the filing and processing of petitions pertaining to an infrastructure system replacement surcharge (ISRS), including the information that a natural gas utility must provide when it files a petition and associated rate schedules to establish, change or reconcile an ISRS.*

(1) As used in this rule, the following terms mean:

(A) Appropriate pretax revenues—the revenues necessary to:

1. Produce net operating income equal to the natural gas utility's weighted cost of capital multiplied by the net original cost of eligible infrastructure system replacements, including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system replacements that are included in a currently effective infrastructure system replacement surcharge (ISRS);

2. Recover state, federal, and local income or excise taxes applicable to such income; and

3. Recover all other ISRS costs;

(B) Eligible infrastructure system replacements—natural gas utility plant projects that:

1. Replace or extend the useful life of existing infrastructure;

2. Are in service and used and useful;

3. Do not increase revenues by directly connecting the infrastructure replacement to new customers; and

4. Were not included in the natural gas utility's rate base in its most recent general rate case;

(C) Natural gas utility—a gas corporation as defined in section 386.020, RSMo;

(D) ISRS—infrastructure system replacement surcharge;

(E) ISRS costs—annual depreciation expenses, and property taxes that will be due within twelve (12) months of the ISRS filing on the total cost of eligible infrastructure system replacements less annual depreciation expenses and property taxes on any related facility retirements;

(F) ISRS revenues—revenues produced through an ISRS, exclusive of revenues from all other rates and charges;

(G) Natural gas utility plant projects—projects that consist only of the following:

1. Mains, valves, service lines, regulator stations, vaults, and other pipeline system components installed to comply with state or federal safety requirements as replacements for existing facilities that have worn out or are in deteriorated condition;

2. Main relining projects, service line insertion projects, joint encapsulation projects, and other similar projects extending the useful life, or enhancing the integrity of pipeline system components undertaken to comply with state or federal safety requirements; and

3. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state or another entity having the power of eminent domain; provided that the costs related to such projects have not been reimbursed to the natural gas utility.

(2) Pursuant to the provisions of this rule and sections 393.1009 to 393.1015, RSMo, a natural gas utility may file a petition and proposed rate schedules with the commission to establish or change ISRS rate schedules that will allow for the adjustment of its rates and charges to provide for the recovery of costs for eligible infrastructure system replacements; provided that the ISRS, on an annualized basis, must produce ISRS revenues of at least the lesser of one-half of one percent (1/2%) of the natural gas utility's base revenue level approved by the commission in the natural gas utility's most recent general rate case proceeding or one (1) million dollars, but not in excess of ten percent (10%) of the subject utility's base revenue level approved by the commission in the utility's most recent general rate proceeding.

(3) An ISRS, and any future changes thereto, shall be calculated and implemented in accordance with the provisions of this rule and sections 393.1009 to 393.1015, RSMo.

(4) ISRS revenues shall be subject to refund based upon a finding and order of the commission, to the extent provided in subsections (5) and (8) of section 393.1015, RSMo.

(5) The commission shall not approve an ISRS for a natural gas utility that has not had a general rate proceeding decided or dismissed by issuance of a commission order within the past three (3) years, unless that utility has filed for or is the subject of a new general rate proceeding.

(6) In no event shall a natural gas utility collect an ISRS for a period exceeding three (3) years unless it has filed for or is the subject of a new general rate proceeding; provided that the ISRS may be collected until the effective date of new rate schedules established as a result of the new general rate proceeding, or until the subject general rate proceeding is otherwise decided or dismissed by issuance of a commission order without new rates being established.

(7) Upon the filing of a petition seeking to establish or change an ISRS, the commission will provide notice of the filing.

(8) The natural gas utility shall provide the following notices to its customers, with such notices to be approved by the commission in accordance with section (9) of this rule before they are sent to the customers:

(A) An initial, one (1)-time notice to all potentially affected customers, such notice being sent to customers no later than when customers will receive their first bill that includes an ISRS, explaining the subject utility's infrastructure system replacement program, explaining how its ISRS will be applied to its various customer classes and identifying the statutory authority under which it is implementing its ISRS;

(B) An annual notice to affected customers each year that an ISRS is in effect explaining the continuation of its infrastructure system replacement program and the resulting ISRS; and



(C) A surcharge description on all affected customer bills, which informs the customers of the existence and amount of the ISRS on the bills.

(9) Within twenty (20) days of the natural gas utility's filing of a petition to establish an ISRS, the subject utility shall submit the following items to the commission for approval or rejection, and the office of the public counsel may, within ten (10) days of the gas utility's filing of this information, submit comments regarding these notices to the commission:

(A) An example of the notice required by subsection (8)(A) of this rule;

(B) An example of the notice required by subsection (8)(B) of this rule; and

(C) An example customer bill showing how the ISRS will be described on affected customers' bills in accordance with subsection (8)(C) of this rule.

(10) When a natural gas utility files a petition pursuant to the provisions of this rule and sections 393.1009 to 393.1015, RSMo, the commission shall conduct an examination of the proposed ISRS.

(11) The staff of the commission may examine the information of the natural gas utility provided pursuant to this rule and sections 393.1009 to 393.1015, RSMo, to confirm the underlying costs and proper calculation of the proposed ISRS, and may submit a report regarding its examination to the commission not later than sixty (60) days after the natural gas utility files its petition. The staff shall not examine any other revenue requirement or ratemaking issues in its consideration of the petition or associated proposed rate schedules.

(12) The commission may hold a hearing on the petition and the associated proposed rate schedules and shall issue an order to become effective not later than one hundred twenty (120) days after the natural gas utility files the petition.

(13) If the commission finds that a petition complies with the requirements of sections 393.1009 to 393.1015, RSMo, the commission shall enter an order authorizing the natural gas utility to impose an ISRS that is sufficient to recover appropriate pretax revenues, as determined by the commission.

(14) The monthly ISRS shall vary according to customer class and shall be calculated based on the customer numbers reported in the most recent annual report of the natural gas utility so long as the monthly ISRS for

each customer class maintains a proportional relationship equivalent to the proportional relationship of the monthly customer charge for each customer class.

(15) Commission approval of a petition, and any associated rate schedules, to establish or change an ISRS pursuant to sections 393.1009 to 393.1015, RSMo, shall in no way be binding upon the commission in determining the ratemaking treatment to be applied to eligible infrastructure system replacements during a subsequent general rate proceeding when the commission may undertake to review the prudence of such costs. In the event the commission disallows, during a subsequent general rate proceeding, recovery of costs associated with eligible infrastructure system replacements previously in an ISRS, the natural gas utility shall offset its ISRS in the future as necessary to recognize and account for any such overcollections. Nothing in this rule or section 393.1015, RSMo, shall be construed as limiting the authority of the commission to review and consider infrastructure system replacement costs along with other costs during any general rate proceeding of any natural gas utility.

(16) A natural gas utility may effectuate a change in an ISRS no more often than two (2) times during every twelve (12)-month period, with the first such period beginning on the effective date of the rate schedules that establish an initial ISRS. For the purposes of this section, an initial ISRS is the first ISRS granted to the subject utility or an ISRS established after an ISRS is reset to zero pursuant to the provisions of section (18) of this rule.

(17) At the end of each twelve (12)-month period that an ISRS is in effect, the natural gas utility shall reconcile the differences between the revenues resulting from the ISRS and the appropriate pretax revenues as found by the commission for that period and shall submit the reconciliation and proposed ISRS rate schedule revisions to the commission for approval to recover or refund the difference, as appropriate.

(18) A natural gas utility that has implemented an ISRS shall file revised ISRS rate schedules to reset the ISRS to zero when new base rates and charges become effective following a commission order establishing customer rates in a general rate proceeding that incorporates eligible costs previously reflected in an ISRS into the subject utility's base rates. If an over or under recovery of ISRS revenues, including any commission ordered

refunds, exists after the ISRS has been reset to zero, that amount of over or under recovery shall be tracked in an account and considered in the next ISRS filing of the natural gas utility. The commission shall reject an ISRS petition after a commission order in a general rate proceeding unless the ISRS revenues requested in the petition, on an annualized basis, will produce ISRS revenues of at least the lesser of one-half of one percent (1/2%) of the natural gas utility's base revenue level approved by the commission in the natural gas utility's most recent general rate case proceeding or one (1) million dollars, but not in excess of ten percent (10%) of the subject utility's base revenue level approved by the commission in the utility's most recent general rate proceeding.

(19) Upon the inclusion of eligible costs previously reflected in an ISRS into a natural gas utility's base rates, the subject utility shall immediately thereafter reconcile any previously unreconciled ISRS revenues, and track them per section (18) of this rule, as necessary to ensure that revenues resulting from the ISRS match, as closely as possible, the appropriate pretax revenues as found by the commission for that period.

(20) At the time that a natural gas utility files a petition with the commission seeking to establish, change or reconcile an ISRS, it shall submit proposed ISRS rate schedules and its supporting documentation regarding the calculation of the proposed ISRS with the petition, and shall serve the office of the public counsel with a copy of its petition, its proposed rate schedules and its supporting documentation. The subject utility's supporting documentation shall include workpapers showing the calculation of the proposed ISRS, and shall include, at a minimum, the following information:

(A) The state, federal, and local income or excise tax rates used in calculating the proposed ISRS, and an explanation of the source of and the basis for using those tax rates;

(B) The regulatory capital structure used in calculating the proposed ISRS, and an explanation of the source of and the basis for using that capital structure;

(C) The cost rates for debt and preferred stock used in calculating the proposed ISRS, and an explanation of the source of and the basis for using those cost rates;

(D) The cost of common equity used in calculating the proposed ISRS, and an explanation of the source of and the basis for using that equity cost;

(E) The property tax rates used in calculating the proposed ISRS, and an explanation



of the source of and the basis for using those tax rates;

(F) The depreciation rates used in calculating the proposed ISRS, and an explanation of the source of and the basis for using those depreciation rates;

(G) The applicable customer class billing units used in calculating the proposed ISRS, and an explanation of the source of and the basis for using those billing units;

(H) An explanation of how the proposed ISRS is being proportioned between affected customer classes, if applicable;

(I) An explanation of how the infrastructure replacement projects associated with the ISRS do not increase revenues by directly connecting the infrastructure replacement to new customers;

(J) An explanation of when the infrastructure replacement projects associated with the ISRS were completed and became used and useful;

(K) For each project for which recovery is sought, the net original cost of the infrastructure system replacements (original cost of eligible infrastructure system replacements, including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system replacements which are included in a currently effective ISRS), the amount of related ISRS costs that are eligible for recovery during the period in which the ISRS will be in effect, and a breakdown of those costs identifying which of the following project categories apply and the specific requirements being satisfied by the infrastructure replacements for each:

1. Mains, valves, service lines, regulator stations, vaults, and other pipeline system components installed to comply with state safety requirements;

2. Mains, valves, service lines, regulator stations, vaults, and other pipeline system components installed to comply with federal safety requirements;

3. Main relining projects, service line insertion projects, joint encapsulation projects, and other similar projects undertaken to comply with state safety requirements;

4. Main relining projects, service line insertion projects, joint encapsulation projects, and other similar projects undertaken to comply with federal safety requirements;

5. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States;

6. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of this state;

7. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of a political subdivision of this state; and

8. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of an entity other than the United States, this state, or a political subdivision of this state, having the power of eminent domain;

(L) For each project for which recovery is sought, the statute, commission order, rule, or regulation, if any, requiring the project; a description of the project; the location of the project; what portions of the project are completed, used and useful; what portions of the project are still to be completed; and the beginning and planned end date of the project.

(21) In addition to the information required by section (20) of this rule, natural gas utilities shall, either when they file their proposed ISRS rate schedules or when they file their next general rate case after an ISRS goes into effect, submit, at a minimum, the following supporting documentation to staff and the office of the public counsel, for each ISRS filed since the utility's last general rate case:

(A) An explanation of how long any infrastructure that was replaced associated with the ISRS had been installed when it was removed or abandoned;

(B) An explanation of the efforts of the natural gas utility to quantify and to seek reimbursement of any costs associated with relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain, which could offset the requested ISRS revenues;

(C) If any infrastructure replacement projects associated with the ISRS were funded through financing arrangements directed toward these projects, an explanation of how the infrastructure replacement projects were funded, including the amount of any debt and the interest rate on that debt; and

(D) An explanation of the request for proposal (RFP) process, or the reasons for not using an RFP process, used to establish what entity performed the infrastructure replacement projects associated with the proposed ISRS.

(22) In addition to the information required by section (20) of this rule, the natural gas utility shall also provide the following infor-

mation when it files a petition with the commission seeking to establish, change or reconcile an ISRS:

(A) A description of all information posted on the subject utility's website regarding the infrastructure system replacement surcharge and related infrastructure system replacement projects; and

(B) A description of all instructions provided to personnel at the subject utility's call center regarding how those personnel should respond to calls pertaining to the ISRS.

*AUTHORITY: sections 386.250 and 393.140, RSMo 2000, and 393.1015.II, RSMo Supp. 2003.\* Original rule filed Sept. 19, 2003, effective May 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 393.140, RSMo 1939, amended 1949, 1967; and 393.1015, RSMo 2003.*

#### **4 CSR 240-3.270 Submission Requirements Regarding Plans, Procedures and Programs for the Transportation of Natural Gas by Pipeline**

*PURPOSE: This rule sets forth the plans, procedures and programs related to the transportation of natural gas by pipelines, which are to be submitted to designated commission personnel under various provisions of 4 CSR 240-40.*

(1) General. All gas systems under the pipeline safety jurisdiction of the Missouri Public Service Commission must establish and submit welding procedures, joining procedures and construction specifications and standards to designated commission personnel before construction activities begin. All other plans, procedures and programs required by rules 4 CSR 240-40.020, 4 CSR 240-40.030, and 4 CSR 240-40.080 must be established and submitted to designated commission personnel before the system is put into operation.

(2) The plans, procedures and programs listed in subsections (A)–(H) below must be submitted to designated commission personnel in accordance with 4 CSR 240-40.030(1)(J) and maintained and modified in accordance with 4 CSR 240-40.030(1)(G).

(A) Written welding procedures in accordance with 4 CSR 240-40.030(5);

(B) Written procedures for joining pipelines other than by welding in accordance with 4 CSR 240-40.030(6)(B) and (6)(G);

(C) Written procedures for controlling corrosion in accordance with the operation and



maintenance requirements contained in 4 CSR 240-40.030(9) in accordance with 4 CSR 240-40.030(9)(C);

(D) A manual of written procedures for conducting operations and maintenance activities and for emergency response in accordance with 4 CSR 240-40.030(12)(C). Transmission lines that are not exempt under 4 CSR 240-40.030(12)(C)3.E. must also submit a manual that includes procedures for handling abnormal operations in accordance with 4 CSR 240-40.030(12)(C)3.;

(E) A written operator qualification program for individuals performing covered tasks on a pipeline facility in accordance with 4 CSR 240-40.030(12)(D);

(F) A written program to prevent damage to pipelines by excavation activities in accordance with 4 CSR 240-40.030(12)(I)1.;

(G) Written procedures to minimize the hazard resulting from a gas pipeline emergency in accordance with 4 CSR 240-40.030(12)(J)1.;

(H) Written programs for the replacement of unprotected steel service lines and yard lines and cast iron mains and the cathodic protection or replacement of unprotected steel mains in accordance with 4 CSR 240-40.030(15)(B).

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.275 Submission Requirements for Gas Utility Depreciation Studies

*PURPOSE: This rule sets forth the requirements regarding the submission of depreciation studies by gas utilities.*

(1) Each gas utility subject to the commission's jurisdiction shall submit a depreciation study, database and property unit catalog to the manager of the commission's energy department and to the Office of the Public Counsel, as required by the terms of subsection (1)(B).

(A) The depreciation study, database and property unit catalog shall be compiled as follows:

1. The study shall reflect the average life and remaining life of each primary plant account or subaccount;

2. The database shall consist of dollar amounts, by plant account or subaccount, representing—

A. Annual dollar additions and dollar retirements by vintage year and year retired, beginning with the earliest year of available data;

B. Reserve for depreciation;

C. Surviving plant balance as of the study date; and

D. Estimated date of final retirement and surviving dollar investment for each warehouse, propane/air production facility, liquefied natural gas facility, underground natural gas storage facility, general office building or other large structure; and

3. The property unit catalog shall contain a description of each retirement unit used by the utility.

(B) A gas utility shall submit its depreciation study, database and property unit catalog on the following occasions:

1. On or before the date adjoining the first letter of the name under which the corporation does business, excluding the word the, as indicated by the tariffs on file with the commission.

A. The alphabetical categories and submission due dates are as follows:

(I) A, B, C, D: January 1, 1994;

(II) E, F, G, H: July 1, 1994;

(III) I, J, K, L: January 1, 1995;

(IV) M, N, O, P: July 1, 1995;

(V) Q, R, S, T: January 1, 1996;

and

(VI) U, V, W, X, Y, Z: July 1,

1996.

B. However—

(I) A gas utility need not submit a depreciation study, database or property unit catalog to the extent that the commission's staff received these items from the utility during the three (3) years prior to the due dates listed in subparagraph (1)(B)1.A.; and

(II) A utility with simultaneous due dates under subparagraph (1)(B)1.A. above and 4 CSR 240-3.175(1)(B)1. may postpone its due date with respect to one (1) of these rules by six (6) months. To exercise this option, the utility must give written notice of its intent to postpone compliance to the manager of the commission's energy department, and to the Office of the Public Counsel, before the utility's first due date;

2. Before five (5) years have elapsed since the last time the commission's staff received a depreciation study, database and property unit catalog from the utility.

(2) The commission may waive or grant a variance from the provisions of this rule, in whole or in part, for good cause shown, upon a utility's written application.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.280 Submission Requirements Regarding Gas Utility Written Drug and Alcohol Testing Plans

*PURPOSE: This rule prescribes the requirements for submitting drug and alcohol testing plans for natural gas corporations, which are further described in 4 CSR 240-40.080.*

(1) Written Drug and Alcohol Testing Plans. A written plan for drug and alcohol testing in accordance with 4 CSR 240-40.080 must be submitted to designated commission personnel.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.285 Filing Requirements Regarding Certification of Gas Sellers

*PURPOSE: This rule establishes the procedure for certification of gas sellers pursuant to sections 393.297 through 393.301, RSMo.*

(1) Each natural gas seller seeking certification shall submit an agreement containing only the following, pursuant to section 393.299, RSMo:

(A) Its agreement to pay all applicable business license taxes, or its proportionate share of the franchise fee or payment in lieu of taxes (PILOT) in each political subdivision in which it sells gas;

(B) A statement that it waives its right to challenge the validity of the agreement;

(C) A statement that it waives its right to the refund of any amounts paid pursuant to the agreement; and

(D) Its agreement to make its records available to the commission and the political subdivision with the right to audit the records.

(2) Each gas seller seeking certification shall also provide the following information to the commission:

(A) Its name, address, telephone number, and the name of a person(s) to contact regarding certification, location of records and business operations in Missouri; and



(B) A list of each political subdivision in which it sells gas.

(3) The application for certification shall be in the form prescribed by the commission.

*AUTHORITY: sections 386.250 and 393.299, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 393.299, RSMo 1998.*

**4 CSR 240-3.290 Submission Requirements Regarding Gas Utility Incident, Annual and Safety-Related Condition Reports**

*PURPOSE: This rule prescribes the requirements for submitting incident, annual, and safety-related condition reports, which are further described in 4 CSR 240-40.020.*

(1) Incident Reports. Incident reports must be submitted to designated commission personnel in accordance with 4 CSR 240-40.020(4)(C), 4 CSR 240-40.020(4)(D)1., 4 CSR 240-40.020(6) and 4 CSR 240-40.020(9).

(2) Safety-Related Condition Reports. Safety-related condition reports required by 4 CSR 240-40.020(12) must be submitted to designated commission personnel in accordance with 4 CSR 240-40.020(4)(E) and 4 CSR 240-40.020(13).

(3) Annual Reports. Annual reports must be submitted to designated commission personnel in accordance with 4 CSR 240-40.020(4)(D)2., 4 CSR 240-40.020(7) and 4 CSR 240-40.020(10).

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

**4 CSR 240-3.295 Submission Requirements Regarding Gas Utility Written Procedures for Conversion of Service and Upgrading**

*PURPOSE: This rule prescribes the requirements for submitting written procedures for conversion of service and upgrading of pipelines, which are further described in 4 CSR 240-40.030.*

(1) Conversion to Service. Conversion of steel pipelines, previously used in service not subject to this rule, for use under this rule must follow written procedures in accordance with 4 CSR 240-40.030(1)(H).

(2) Upgrading. Written procedures to upgrade a segment of pipeline must be established that will ensure compliance with 4 CSR 240-40.030(11) in accordance with 4 CSR 240-40.030(11)(B)3.

(3) Waivers of Compliance. Waivers of Compliance from any rules and requirements that are more stringent than the minimum federal requirements must be submitted in accordance with 4 CSR 240-40.030(16).

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

**4 CSR 240-3.300 Definitions Pertaining Specifically to Sewer Utility Rules**

*PURPOSE: This rule sets forth the definitions of certain terms used in rules 4 CSR 240-3.305 through 4 CSR 240-3.340, which are in addition to the definitions set forth in rule 4 CSR 240-3.010 of this chapter.*

(1) Outlet means a service sewer connection to the collecting sewer.

(2) Sewage means ground garbage, human and animal excretions and all other liquid waste normally disposed of by a residential, commercial or industrial establishment, through the sanitary sewer system.

(3) Sewer service means the removal and treatment of sewage.

(4) Sewer system includes all pipes, pumps, canals, lagoons, plants, structures and appliances and all other real estate, fixtures and personal property, owned, operated, controlled or managed in connection with or to facilitate the collection, carriage, treatment and disposal of sewage for municipal, domestic or other beneficial or necessary purpose.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

**4 CSR 240-3.305 Filing Requirements for Sewer Utility Applications for Certificates of Convenience and Necessity**

*PURPOSE: Applications to the commission requesting that the commission grant a certificate of convenience and necessity must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for a certificate of convenience and necessity by a sewer company shall include the following information:

(A) If the application is for a service area—

1. A statement as to the same or similar utility service, regulated and nonregulated, available in the area requested;

2. If there are ten (10) or more residents or landowners, the name and address of no fewer than ten (10) persons residing in the proposed service area or of no fewer than ten (10) landowners in the event there are no residences in the area, or, if there are fewer than ten (10) residents or landowners, the name and address of all residents and landowners;

3. The legal description of the area to be certificated;

4. A plat drawn to a scale of one-half inch (1/2") to the mile on maps comparable to county highway maps issued by the Missouri Department of Transportation or a plat drawn to a scale of two thousand feet (2,000') to the inch; and

5. A feasibility study containing plans and specifications for the utility system and estimated cost of the construction of the utility system during the first three (3) years of construction; plans for financing; proposed rates and charges and an estimate of the number of customers, revenues and expenses during the first three (3) years of operations;

(B) When no evidence of approval of the affected governmental bodies is necessary, a statement to that effect;

(C) When approval of the affected governmental bodies is required, evidence must be provided as follows:

1. When consent or franchise by a city or county is required, approval shall be shown by a certified copy of the document granting the consent or franchise, or an affidavit of the applicant that consent has been acquired; and



2. A certified copy of the required approval of other governmental agencies; and

(D) The facts showing that the granting of the application is required by the public convenience and necessity.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.310 Filing Requirements for Sewer Utility Applications for Authority to Sell, Assign, Lease or Transfer Assets**

*PURPOSE: Applications to the commission for the authority to sell, assign, lease or transfer assets must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to sell, assign, lease or transfer assets shall include:

(A) A brief description of the property involved in the transaction, including any franchises, permits, operating rights or certificates of convenience and necessity;

(B) A copy of the contract or agreement of sale;

(C) The verification of proper authority by the person signing the application or a certified copy of resolution of the board of directors of each applicant authorizing the proposed action;

(D) The reasons the proposed sale of the assets is not detrimental to the public interest;

(E) If the purchaser is subject to the jurisdiction of the commission, a balance sheet and income statement with adjustments showing the results of the acquisitions of the property; and

(F) A statement of the impact, if any, the sale, assignment, lease or transfer of assets will have on the tax revenues of the political subdivisions in which any structures, facilities or equipment of the companies involved in that sale are located.

(2) If the purchaser is not subject to the jurisdiction of the commission, but will be subject to the commission's jurisdiction after the

sale, the purchaser must comply with these rules.

(3) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.315 Filing Requirements for Sewer Utility Applications for Authority to Merge or Consolidate**

*PURPOSE: Applications to the commission for the authority to merge or consolidate must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to merge or consolidate shall include:

(A) A copy of the proposed plan and agreement of corporate merger and consolidation, including organizational charts depicting the relationship of the merging entities before and after the transaction;

(B) A certified copy of the resolution of the board of directors of each applicant authorizing the proposed merger and consolidation;

(C) The balance sheets and income statements of each applicant and a balance sheet and income statement of the surviving corporation;

(D) The reasons the proposed merger is not detrimental to the public interest;

(E) An estimate of the impact of the merger on the company's Missouri jurisdictional operations relative to the merger and acquisition in question; and

(F) A statement of the impact, if any, the merger or consolidation will have on the tax revenues of the political subdivision in which any structures, facilities or equipment of the companies involved are located.

(2) If the purchaser is not subject to the jurisdiction of the commission, but will be subject to the commission's jurisdiction after the sale, the purchaser must comply with these rules.

(3) If any of the items required under this rule are unavailable at the time the application is

filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.320 Filing Requirements for Sewer Utility Applications for Authority to Issue Stock, Bonds, Notes and Other Evidences of Indebtedness**

*PURPOSE: Applications to the commission for the authority to issue stock, bonds, notes or other evidences of indebtedness must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to issue stock, bonds, notes and other evidences of indebtedness shall contain the following:

(A) A brief description of the securities which applicant desires to issue;

(B) A statement of the purpose for which the securities are to be issued and the use of the proceeds;

(C) Copies of executed instruments defining the terms of the proposed securities—

1. If these instruments have been previously filed with the commission, a reference to the case number in which the instruments were furnished;

2. If these instruments have not been executed at the time of filing, a statement of the general terms and conditions to be contained in the instruments which are proposed to be executed; and

3. If none of these instruments is either executed or to be executed, a statement of how the securities are to be sold;

(D) A certified copy of resolutions of the directors of applicant authorizing the issuance of the securities;

(E) A balance sheet and income statement with adjustments showing the effects of the issuance of the proposed securities upon—

1. Bonded and other indebtedness; and

2. Stock authorized and outstanding;

(F) A statement of what portion of the issue is subject to the fee schedule in section 386.300, RSMo; and

(G) A five (5)-year capitalization expenditure schedule as required by section 393.200, RSMo.



(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.325 Filing Requirements for Sewer Utility Applications for Authority to Acquire the Stock of a Public Utility**

*PURPOSE: Applications to the commission for the authority to acquire the stock of a public utility must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to acquire the stock of a public utility shall include:

(A) A statement of the offer to purchase stock of the public utility or a copy of any agreement entered with shareholders to purchase stock;

(B) A certified copy of the resolution of the directors of applicant authorizing the acquisition of the stock; and

(C) Reasons why the proposed acquisition of the stock of the public utility is not detrimental to the public interest.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.330 Sewer Utility Small Company Rate Increase Procedure** (Rescinded September 30, 2009)

*AUTHORITY: section 386.250, RSMo 2000. Original rule filed Aug. 16, 2002, effective April 30, 2003. Rescinded: Filed March 26, 2009, effective Sept. 30, 2009.*

#### **4 CSR 240-3.335 Annual Report Submission Requirements for Sewer Utilities**

*PURPOSE: Section 393.140(6), RSMo, includes an obligation for the commission to require every person and corporation under its supervision to submit an annual report to the commission. This rule establishes the standards for the submission of annual reports by sewer utilities that are subject to the jurisdiction of the commission, including the procedures for submitting nonpublic annual report information.*

(1) All sewer utilities shall submit an annual report to the commission on or before April 15 of each year, except as otherwise provided for in this rule.

(2) Sewer utilities shall submit their annual reports either on a form provided by the commission or on a computer-generated replica that is acceptable to the commission. Reports being submitted on paper are to be prepared in loose-leaf format and sent to the attention of the secretary of the commission. Computer-generated reports can be submitted through the commission's electronic filing and information system (EFIS). Attempts to substitute forms such as stockholder reports without concurrently submitting official commission forms with appropriate cross-references will be considered noncompliant. All requested information shall be included in the annual report, where applicable, even if it has been provided in a previous annual report.

(3) A sewer utility that receives a notice from the commission stating that deficiencies exist in the information provided in the annual report shall respond to that notice within twenty (20) days after the date of the notice, and shall provide the information requested in the notice in its response.

(4) If a sewer utility subject to this rule considers the information requested on the annual report form to be nonpublic information, it must submit both a fully completed version to be kept under seal and a redacted public version that clearly informs the reader that the redacted information has been submitted as nonpublic information to be kept under seal. Submittals made under this section that do not include both versions will be considered deficient. The staff on behalf of the commission will issue a deficiency letter to the company and if both versions of the annual report are not received within twenty (20) days of the notice, the submittal will be considered noncompliant. In addition to the foregoing, submittals made under this section must meet the following requirements:

(A) A cover letter stating that the utility is designating some or all of the information in its annual report as confidential information, and including the name, phone number and e-mail address (if available) of the person responsible for addressing questions regarding the confidential portions of the annual report, must be submitted with the reports;

(B) The cover of each version of the report must clearly identify whether it is the public or nonpublic version;

(C) A detailed affidavit that identifies the specific types of information to be kept under seal, provides a reason why the specific information should be kept under seal and states that none of the information to be kept under seal is available to the public in any format must be prominently attached to both versions of the report; and

(D) Each page of each version of the report that contains nonpublic information shall be clearly identified as containing such information.

(5) If an entity asserts that any of the information contained in the nonpublic version of the annual report should be made available to the public, then that entity must file a pleading with the commission requesting an order to make the information available to the public, and shall serve a copy of the pleading on the utility affected by the request. The pleading must explain how the public interest is better served by disclosure of the information than the reason provided by the utility justifying why the information should be kept under seal. The utility affected by the request may file a response to a pleading filed under these provisions within fifteen (15) days after the filing of such a pleading. Within five (5) business days after the due date for the filing of the utility's response to a request filed under these provisions, the general counsel by filing of a pleading will make a recommendation to the commission advising whether the request should be granted.

(6) A sewer utility that is unable to meet the submission date established in section (1) of this rule may obtain an extension of up to thirty (30) days for submitting its annual report by:

(A) Submitting a written request, which states the reason for the extension, to the attention of the secretary of the commission prior to April 15; and

(B) Certifying that a copy of the written request was sent to all parties of record in pending cases before the commission where the utility's activities are the primary focus of the proceedings.





(7) A sewer utility that is unable to meet the submission date established in section (1) of this rule may request an extension of greater than thirty (30) days for submitting its annual report by:

(A) Filing a pleading, in compliance with the requirements of Chapter 2 of 4 CSR 240, which states the reason for and the length of the extension being requested, with the commission prior to April 15; and

(B) Certifying that a copy of the pleading was sent to all parties of record in pending cases before the commission where the utility's activities are the primary focus of the proceedings.

(8) Responses to deficiency notices under the provisions of section (3) of this rule, requests for confidential treatment under the provisions of section (4) of this rule, pleadings requesting public disclosure of information contained under seal under the provisions of section (5) of this rule, and requests for extensions of time under the provisions of sections (6) or (7) of this rule may be submitted through the commission's electronic filing and information system (EFIS).

(9) A sewer utility that does not timely file its annual report, or its response to a notice that its annual report is deficient, is subject to a penalty of one hundred dollars (\$100) and an additional penalty of one hundred dollars (\$100) for each day that it is late in filing its annual report or its response to a notice of deficiency.

*AUTHORITY: sections 386.250 and 393.140, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed Nov. 7, 2003, effective April 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 393.140, RSMo 1939, amended 1949, 1967.*

#### 4 CSR 240-3.340 Filing Requirements for Sewer Utility Tariff Schedules

*PURPOSE: This rule prescribes the form, contents and procedures for filing tariff schedules by all sewer corporations under the jurisdiction of the Public Service Commission.*

(1) Each sewer utility shall have on file with this commission a tariff schedule and all forms of contracts and agreements of whatever nature made by such sewer utility for each and every kind of service which it renders. For purposes of this rule the term tariff schedule shall include: schedules showing all

rates and charges; all rules relating to rates, charges of service; all general privileges granted or allowed; and all maps of the area served or professed to be served and the legal description thereof.

(2) All tariff schedules now on file with the commission, not in accordance with this rule, shall be reissued in the form and manner prescribed and all tariff schedules issued after March 2, 1973 must conform to this rule.

(3) Tariff schedules shall be drawn up substantially in accordance with this commission's Form No. 13 and shall be plainly printed or typewritten on good quality paper of eight and one-half inches by eleven inches (8 1/2" × 11") in book, sheet or pamphlet form. A loose-leaf plan may be used so changes can be made by reprinting and inserting a single leaf. When the loose-leaf plan is used, all sheets, except the title page sheet, must show in the marginal space at top of page the name of the sewer utility issuing, the PSC number of schedule and the number of the page. In the marginal space at bottom of sheet shall be shown the date of issue, the effective date and the name, title and address of the officer by whom the schedule is issued. All tariff schedules shall bear a number with the prefix PSC Mo. No. \_\_\_\_\_. Tariff schedules for each sewer utility shall be numbered in consecutive serial order beginning with 1. If a tariff schedule or part thereof is canceled, a new schedule or part thereof (sheet(s) if loose-leaf) will refer to the schedule canceled, by its PSC number; thus, the PSC Mo. No. \_\_\_\_\_ canceling PSC Mo. No. \_\_\_\_\_.

(4) Each schedule shall be accompanied by a letter of transmittal, in duplicate if receipt is desired, which shall be prepared consistent with the format designated by the commission.

(5) Each sewer utility shall keep a copy of its tariff schedule open for public inspection and readily accessible to any member of the public upon demand during business hours at its principal operating office and in each division office which is now or may be established. Any proposed changes in the tariff schedule shall be readily accessible to any member of the public upon demand in the offices of the sewer utility for a period of thirty (30) days prior to the effective date of such change. If, for good cause shown, the commission allows a change without thirty (30) days' notice, the sewer utility shall display such proposed change at its office for the period prescribed by the commission prior to the effective date of the change.

(6) The following shall apply to all sewer utilities operating in the state of Missouri and each utility shall have on file as a part of its tariff schedule, rules which substantially conform thereto:

(A) Each sewer utility shall have on file with the commission rules relating to advance payments and deposits. If a utility requires advance payments for sewer service, it will not be permitted to require the customer to make a deposit to insure payment of bills. If the utility does not require advance payments for sewer service, it may require from any customer at any time a cash deposit, provided that the amount of any such deposit so required shall not exceed the amount due for service for one (1) billing period plus thirty (30) days;

(B) Interest at the rate of six percent (6%) per annum covering the period of the deposit shall be paid by the utility to the customer or applied to the customer's account, upon return of any deposit to the customer or the application of such deposit to the customer's account; provided the cash deposit remains with the utility for a period of at least twelve (12) months;

(C) These provisions shall not apply to any deposits or guarantees made by the customer for the purpose of securing an extension of or additions to a utility's collecting system in accordance with the utility's rules covering the extensions as filed with this commission;

(D) Interest shall not accrue on any cash deposit after the date the utility has made a bona fide effort to return such deposit to the depositor. The utility shall keep in its records evidence of its effort to return such deposit;

(E) Each utility shall issue to every customer from whom a deposit is received, a nonassignable receipt;

(F) Each utility shall maintain accurate records of customer deposits which include the original amount, the date of the deposit and any transaction relating to the deposit or interest on the deposit; and

(G) If a customer requests discontinuance of sewer service to the premises, the utility will refund the unearned portion of any advance payment on a pro rata basis, provided the customer has given proper notice to the utility as required by its rules on file with the Public Service Commission.

(7) Each sewer utility shall file with the commission a sample of each type of customer bill form used by the utility, which shall provide for inclusion of the gross and/or net amount of the bill and the date by which the customer must pay the bill in order to benefit from any discount or to avoid any penalty. The utility shall specify its billing period,





which shall in no case exceed a period of six (6) months.

(8) Each utility shall specify the conditions under which it may discontinue service to a customer, which conditions may include, but not necessarily be limited to, nonpayment for services rendered in accordance with the tariff schedule on file for the utility with this commission and noncompliance with the utility's rules filed with the commission.

(9) Each utility shall include in its rules that prior to physical discontinuance of service, the utility will mail at least thirty (30) days' written notice to the customers by certified mail return receipt requested and a copy of the written notice will be forwarded to this commission. The written notice shall state the violation and service may be discontinued at any time after the expiration of the specified period, provided satisfactory arrangements for continuance of the service have not been made. The requirement of a thirty (30)-day written notice prior to discontinuance of service may be waived where discharge of materials which might be detrimental to the public health and safety or cause damage to the sewer system of the utility are discovered. In the event of discontinuance of service for this reason, the customer and the commission shall be notified of such discontinuance immediately with a statement concerning the reasons for discontinuance.

(10) Each sewer utility shall include in its tariff schedule a statement of the practices and policies of the utility governing extension of its collecting system to provide service to prospective customers.

(11) Each utility shall specify the conditions under which it may refuse to provide service to an applicant, which conditions may include, but shall not be necessarily limited to, noncompliance with the utility's rules as filed with this commission, rules of this commission or local governmental regulations. If the utility refuses to serve an applicant under the provisions of this rule or any other rule, the utility shall inform the applicant in writing of the basis for its refusal and the applicant may appeal to the commission for a ruling.

(12) The utility shall physically inspect all service sewer connections to its system. The applicant for service shall provide adequate advance notice to the utility to facilitate the inspection.

(13) Each sewer utility shall also have on file as a part of its tariff schedule, rules applicable to, but not limited to, the following items: applications for service; availability of ser-

vice; interruption of service; and right of access to customer's premises.

(14) All proposed changes in rates, charges or rentals or in rules that affect rates, charges or rentals filed with the commission shall be accompanied by a brief summary, approximately one hundred (100) words or less, of the effect of the change on the company's customers. A copy of any proposed change and summary shall also be served on the public counsel and be available for public inspection and reproduction during regular office hours at the general business office of the utility.

(15) Thirty (30) days' notice to the commission is required as to every publication relating to sewer rates or service except where publications are made effective on less than statutory notice by permission, regulation or requirement of the commission.

(16) Except as is otherwise provided, no schedule or supplement will be accepted for filing unless it is delivered to the commission free from all charges or claims for postage, the full thirty (30) days required by law before the date upon which such schedule or supplement is stated to be effective. No consideration will be given to or for the time during which a schedule or supplement may be held by the post office authorities because of insufficient postage. When a schedule or a supplement is issued and as to which the commission is not given the statutory notice, it is as if it had not been issued and a full statutory notice must be given of any reissuance. No consideration will be given to telegraphic notices in computing the thirty (30) days' notice required. In such cases the schedule will be returned to the sender and correction of the neglect or omission cannot be made which takes into account any time elapsing between the date upon which the schedule or supplement was received and the date of the attempted correction. For rate schedules and supplements issued on short notice under special permission of the commission, literal compliance with the requirements for notice named in any order, regulation or permission granted by the commission will be exacted.

*AUTHORITY: sections 386.250 and 393.140, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 393.140, RSMo 1939, amended 1949, 1967.*

#### 4 CSR 240-3.400 Filing Requirements for Steam Heating Utility Applications for Certificates of Convenience and Necessity

*PURPOSE: Applications to the commission requesting that the commission grant a certificate of convenience and necessity must meet the requirements of this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for a certificate of convenience and necessity shall include the following information:

(A) If the application is for a service area—

1. A statement as to the same or similar utility service, regulated and nonregulated, available in the area requested;

2. If there are ten (10) or more residents or landowners, the name and address of no fewer than ten (10) persons residing in the proposed service area or of no fewer than ten (10) landowners in the event there are no residences in the area, or, if there are fewer than ten (10) residents or landowners, the name and address of all residents and landowners;

3. The legal description of the area to be certificated;

4. A plat drawn to a scale of one-half inch (1/2") to the mile on maps comparable to county highway maps issued by the Missouri Department of Transportation or a plat drawn to a scale of two thousand feet (2,000') to the inch; and

5. A feasibility study containing plans and specifications for the utility system and estimated cost of the construction of the utility system during the first three (3) years of construction; plans for financing; proposed rates and charges and an estimate of the number of customers, revenues and expenses during the first three (3) years of operations;

(B) If the application is for electrical transmission lines or electrical production facilities—

1. A description of the route of construction and a list of all electric and telephone lines of regulated and nonregulated utilities, railroad tracks or any underground facility, as defined in section 319.015, RSMo, which the proposed construction will cross;

2. The plans and specifications for the complete construction project and estimated cost of the construction project or a statement of the reasons the information is currently unavailable and a date when it will be furnished; and

3. Plans for financing;



(C) When no evidence of approval of the affected governmental bodies is necessary, a statement to that effect;

(D) When approval of the affected governmental bodies is required, evidence must be provided as follows:

1. When consent or franchise by a city or county is required, approval shall be shown by a certified copy of the document granting the consent or franchise, or an affidavit of the applicant that consent has been acquired; and

2. A certified copy of the required approval of other governmental agencies; and

(E) The facts showing that the granting of the application is required by the public convenience and necessity.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.405 Filing Requirements for Steam Heating Utility Applications for Authority to Sell, Assign, Lease or Transfer Assets**

*PURPOSE: Applications to the commission for the authority to sell, assign, lease or transfer assets must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to sell, assign, lease or transfer assets shall include:

(A) A brief description of the property involved in the transaction, including any franchises, permits, operating rights or certificates of convenience and necessity;

(B) A copy of the contract or agreement of sale;

(C) The verification of proper authority by the person signing the application or a certified copy of resolution of the board of directors of each applicant authorizing the proposed action;

(D) The reasons the proposed sale of the assets is not detrimental to the public interest; and

(E) If the purchaser is subject to the jurisdiction of the commission, a balance sheet

and income statement with adjustments showing the results of the acquisitions of the property.

(2) If the purchaser is not subject to the jurisdiction of the commission, but will be subject to the commission's jurisdiction after the sale, the purchaser must comply with these rules.

(3) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.410 Filing Requirements for Steam Heating Utility Applications for Authority to Merge or Consolidate**

*PURPOSE: Applications to the commission for the authority to merge or consolidate must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to merge or consolidate shall include:

(A) A copy of the proposed plan and agreement of corporate merger and consolidation, including organizational charts depicting the relationship of the merging entities before and after the transaction;

(B) A certified copy of the resolution of the board of directors of each applicant authorizing the proposed merger and consolidation;

(C) The balance sheets and income statements of each applicant and a balance sheet and income statement of the surviving corporation;

(D) The reasons the proposed merger is not detrimental to the public interest; and

(E) An estimate of the impact of the merger on the company's Missouri jurisdictional operations relative to the merger and acquisition in question.

(2) If the purchaser is not subject to the jurisdiction of the commission, but will be subject to the commission's jurisdiction after the sale, the purchaser must comply with these rules.

(3) If any of the items required under this rule are unavailable at the time the application is

filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.415 Filing Requirements for Steam Heating Utility Applications for Authority to Issue Stock, Bonds, Notes and Other Evidences of Indebtedness**

*PURPOSE: Applications to the commission for the authority to issue stock, bonds, notes or other evidences of indebtedness must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to issue stock, bonds, notes and other evidences of indebtedness shall contain the following:

(A) A brief description of the securities which applicant desires to issue;

(B) A statement of the purpose for which the securities are to be issued and the use of the proceeds;

(C) Copies of executed instruments defining the terms of the proposed securities—

1. If these instruments have been previously filed with the commission, a reference to the case number in which the instruments were furnished;

2. If these instruments have not been executed at the time of filing, a statement of the general terms and conditions to be contained in the instruments which are proposed to be executed; and

3. If none of these instruments is either executed or to be executed, a statement of how the securities are to be sold;

(D) A certified copy of resolutions of the directors of applicant authorizing the issuance of the securities;

(E) A balance sheet and income statement with adjustments showing the effects of the issuance of the proposed securities upon—

1. Bonded and other indebtedness; and

2. Stock authorized and outstanding;

(F) A statement of what portion of the issue is subject to the fee schedule in section 386.300, RSMo; and

(G) A five (5)-year capitalization expenditure schedule as required by section 393.200, RSMo.

(2) If any of the items required under this rule are unavailable at the time the application is



filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.420 Filing Requirements for Steam Heating Utility Applications for Authority to Acquire the Stock of a Public Utility**

*PURPOSE: Applications to the commission for the authority to acquire the stock of a public utility must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to acquire the stock of a public utility shall include:

(A) A statement of the offer to purchase stock of the public utility or a copy of any agreement entered with shareholders to purchase stock;

(B) A certified copy of the resolution of the directors of applicant authorizing the acquisition of the stock; and

(C) Reasons why the proposed acquisition of the stock of the public utility is not detrimental to the public interest.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.425 Filing Requirements for Steam Heating Utility Rate Schedules**

*PURPOSE: This rule prescribes the form and governs the filing and publication of rate schedules of steam heating utilities regulated by the Public Service Commission.*

(1) Every steam heating company engaged in manufacturing and distributing and selling, or distribution or distributing steam for motive power, heating, cooking or for any public use

or service, is directed not later than October 15, 1913, to have on file with this commission, and keep open for public inspection, schedules showing all rates and charges in connection with such service of whatever nature made by such steam heating companies for each and every kind of service which it renders as were in force on April 15, 1913, together with proper supplements covering all changes in the rate schedules authorized by this commission, if any, since April 15, 1913.

(2) All rate schedules on file on October 15, 1913, with the commission, not in accordance with these rules, shall be issued in the form and manner prescribed by this rule and all rate schedules issued after October 15, 1913, must conform to this rule.

(3) Rate schedules shall be drawn up substantially in accordance with PSC Form No. 16 and shall be plainly printed or typewritten on good quality of paper of size eight and one-half inches by eleven inches (8 1/2" × 11") in book, sheet or pamphlet form. A loose-leaf plan may be used so changes can be made by reprinting and inserting a single leaf. When the loose-leaf plan is used, all sheets, except the title page sheet, must show, in the marginal space at top of page, the name of the heating company, the PSC number of the schedule and the number of the page. In the marginal space at the bottom of the sheet shall be shown the date of issue, effective date and the name, title and address of the officer by whom the schedule is issued. All schedules shall bear a number with the prefix PSC Mo. \_\_\_\_\_. Schedules shall be numbered in consecutive serial order beginning with number 1 for each steam heating company. If a schedule or a part is canceled, a new schedule or part (sheet(s) if loose-leaf) will refer to the schedule canceled by its PSC number; thus, PSC Mo. No. \_\_\_\_\_ canceling PSC Mo. No. \_\_\_\_\_.

(4) Each schedule shall be accompanied by a letter of transmittal, in duplicate if receipt is desired, which shall be prepared consistent with the format designated by the commission.

(5) Thirty (30) days' notice to the commission is required as to every publication relating to steam heating rates or service except where publications are made effective on less than statutory notice by permission, regulation or requirement of the commission.

(6) Except as is otherwise provided, no schedule or supplement will be accepted for filing unless it is delivered to the commission

free from all charges or claims for postage, the full thirty (30) days required by law before the date upon which such schedule or supplement is stated to be effective. No consideration will be given to or for the time during which a schedule or supplement may be held by the post office authorities because of insufficient postage. When a schedule or a supplement is issued and as to which the commission is not given the statutory notice, it is as if it had not been issued and a full statutory notice must be given of any rescission. No consideration will be given to telegraphic notices in computing the thirty (30) days' notice required. In such cases the schedule will be returned to the sender and correction of the neglect or omission cannot be made which takes into account any time elapsing between the date upon which such schedule or supplement was received and the date of the attempted correction. For rate schedules and supplements issued on short notice under special permission of the commission, literal compliance with the requirements for notice named in any order, regulation or permission granted by the commission will be exacted.

*AUTHORITY: sections 386.250, 393.140 and 393.290, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 393.140, RSMo 1939, amended 1949, 1967; and 393.290, RSMo 1939, amended 1967.*

#### **4 CSR 240-3.435 Annual Report Submission Requirements for Steam Heating Utilities**

*PURPOSE: Section 393.140(6), RSMo, includes an obligation for the commission to require every person and corporation under its supervision to submit an annual report to the commission, and section 393.290 provides for the commission's jurisdiction over steam heating utilities. This rule establishes the standards for the submission of annual reports by steam heating utilities that are subject to the jurisdiction of the commission, including the procedures for submitting non-public annual report information.*

(1) All steam heating utilities shall submit an annual report to the commission on or before April 15 of each year, except as is otherwise provided for in this rule.

(2) Steam heating utilities shall submit their annual reports either on a form provided by the commission or on a computer-generated replica that is acceptable to the commission. Reports being submitted on paper are to be



prepared in loose-leaf format and sent to the attention of the secretary of the commission. Computer-generated reports can be submitted through the commission's electronic filing and information system (EFIS). Attempts to substitute forms such as stockholder reports without concurrently submitting official commission forms with appropriate cross-references will be considered noncompliant. All requested information shall be included in the annual report, where applicable, even if it has been provided in a previous annual report.

(3) A steam heating utility that receives a notice from the commission stating that deficiencies exist in the information provided in the annual report shall respond to that notice within twenty (20) days after the date of the notice, and shall provide the information requested in the notice in its response.

(4) If a steam heating utility subject to this rule considers the information requested on the annual report form to be nonpublic information, it must submit both a fully completed version to be kept under seal and a redacted public version that clearly informs the reader that the redacted information has been submitted as nonpublic information to be kept under seal. Submittals made under this section that do not include both versions will be considered deficient. The staff on behalf of the commission will issue a deficiency letter to the company and if both versions of the annual report are not received within twenty (20) days of the notice, the submittal will be considered noncompliant. In addition to the foregoing, submittals made under this section must meet the following requirements:

(A) A cover letter stating that the utility is designating some or all of the information in its annual report as confidential information, and including the name, phone number and e-mail address (if available) of the person responsible for addressing questions regarding the confidential portions of the annual report, must be submitted with the reports;

(B) The cover of each version of the report must clearly identify whether it is the public or non-public version;

(C) A detailed affidavit that identifies the specific types of information to be kept under seal, provides a reason why the specific information should be kept under seal and states that none of the information to be kept under seal is available to the public in any format must be prominently attached to both versions of the report; and

(D) Each page of each version of the report that contains non-public information shall be clearly identified as containing such information.

(5) If an entity asserts that any of the information contained in the nonpublic version of the annual report should be made available to the public, then that entity must file a pleading with the commission requesting an order to make the information available to the public, and shall serve a copy of the pleading on the utility affected by the request. The pleading must explain how the public interest is better served by disclosure of the information than the reason provided by the utility justifying why the information should be kept under seal. The utility affected by the request may file a response to a pleading filed under these provisions within fifteen (15) days after the filing of such a pleading. Within five (5) business days after the due date for the filing of the utility's response to a request filed under these provisions, the general counsel by filing of a pleading will make a recommendation to the commission advising whether the request should be granted.

(6) A steam heating utility that is unable to meet the submission date established in section (1) of this rule may obtain an extension of up to thirty (30) days for submitting its annual report by:

(A) Submitting a written request, which states the reason for the extension, to the attention of the secretary of the commission prior to April 15; and

(B) Certifying that a copy of the written request was sent to all parties of record in pending cases before the commission where the utility's activities are the primary focus of the proceedings.

(7) A steam heating utility that is unable to meet the submission date established in section (1) of this rule may request an extension of greater than thirty (30) days for submitting its annual report by:

(A) Filing a pleading, in compliance with the requirements of Chapter 2 of 4 CSR 240, which states the reason for and the length of the extension being requested, with the commission prior to April 15; and

(B) Certifying that a copy of the pleading was sent to all parties of record in pending cases before the commission where the utility's activities are the primary focus of the proceedings.

(8) Responses to deficiency notices under the provisions of section (3) of this rule, requests for confidential treatment under the provisions of section (4) of this rule, pleadings requesting public disclosure of information contained under seal under the provisions of section (5) of this rule, and requests for extensions of time under the provisions of

sections (6) or (7) of this rule may be submitted through the commission's electronic filing and information system (EFIS).

(9) A steam heating utility that does not timely file its annual report, or its response to a notice that its annual report is deficient, is subject to a penalty of one hundred dollars (\$100) and an additional penalty of one hundred dollars (\$100) for each day that it is late in filing its annual report or its response to a notice of deficiency.

*AUTHORITY: sections 386.250, 393.140 and 393.290, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed Nov. 7, 2003, effective April 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 393.140, RSMo 1939, amended 1949, 1967; and 393.290, RSMo 1939, amended 1967.*

#### **4 CSR 240-3.440 Small Steam Heating Utility Rate Case Procedure** (Rescinded September 30, 2009)

*AUTHORITY: sections 386.250 and 393.140, RSMo 2000, and 393.291, RSMo Supp. 2003. Original rule filed Sept. 22, 2003, effective April 30, 2004. Rescinded: Filed March 26, 2009, effective Sept. 30, 2009.*

#### **4 CSR 240-3.500 Definitions Pertaining Specifically to Telecommunication Company Rules**

*PURPOSE: This rule sets forth the definitions of certain terms used in rules 4 CSR 240-3.505 through 4 CSR 240-3.555, which are in addition to the definitions set forth in rule 4 CSR 240-3.010 of this chapter.*

(1) Access line means an analog line or a digital voice-grade equivalent line used to connect an end-user to a company's central office. Voice-grade equivalent should be considered as each channel available for voice traffic on a high capacity line. One (1) high capacity line equipped with twenty-four (24) voice-grade channels will be considered twenty-four (24) access lines.

(2) Base rate area means an area within an exchange as specified in the telecommunications company's tariffs and maps, within which each class of basic local telecommunications service is furnished at a uniform rate without the application of mileage or zone charges.



(3) Basic local telecommunications service means basic local telecommunications service as defined in section 386.020(4), RSMo.

(4) Call means a customer's attempted telecommunications transmission whether completed or not.

(5) Central office means the facility housing one (1) or more switching units in a telecommunications system which provides service to the general public and has the necessary equipment and operating arrangements for terminating and interconnecting customer lines and trunks or trunks only.

(6) Channel means a path for telecommunications between two (2) or more stations or central offices, furnished in any manner the carrier may elect.

(7) Class of service means the type of service being provided to the customer such as residential or business services.

(8) Customer means any individual, firm, partnership, corporation, municipality, cooperative, organization, governmental agency, or other entity that accepts financial and other responsibilities in exchange for telecommunications service.

(9) Exchange means exchange as defined in section 386.020(16), RSMo.

(10) Held application means an application for establishment of basic local telecommunications service which a company has not satisfied within thirty (30) days after the date applicant desires that service begin. This would not include those applications held for credit reasons.

(11) Incumbent local exchange telecommunications company means incumbent local exchange telecommunications company as defined in section 386.020(22), RSMo.

(12) Line is a general term used in the telecommunications industry in several different senses, the most common of which are access line, trunk, channel and route.

(13) Long distance service means a minimum two-way switched voice service between points in different local calling scopes as determined by the commission.

(14) Message means a completed call.

(15) New customer means any customer who has no prior service history with the telecommunications company with whom service is being requested.

(16) Pay telephone means a coin or non-coin telephone installed for use by the general public from which calls can be paid for at the time they are made by means of coins, tokens, credit cards, debit cards or a billing to an alternate number.

(17) Person means person as defined in section 386.020(30), RSMo.

(18) Public utility means public utility as defined in section 386.020(42), RSMo.

(19) Rate means rate as defined in section 386.020(45), RSMo.

(20) Service means service as defined in section 386.020(47), RSMo.

(21) Service objective means an acceptable level of service for an established category of service as identified in 4 CSR 240-32.080. Service objectives should be maintained on an exchange-specific basis or as otherwise monitored according to 4 CSR 240-32.080.

(22) Station means a point of input to or output from the network, including a telephone instrument or other terminal device.

(23) Surveillance level means a substandard level of performance for an established category of service as identified in 4 CSR 240-32.080. A company whose service falls within a surveillance level shall immediately investigate and take appropriate corrective action to achieve and maintain the commission's service objective.

(24) Switching is a generic term for machines that switch telephone calls from/to other telephones or trunks.

(25) Tandem means a central office where trunks are interconnected to transmit telecommunications traffic between other central offices.

(26) Tariff means a schedule of rates, services and rules approved by the commission.

(27) Telecommunication company means telecommunications company as defined in section 386.020(51), RSMo.

(28) Telecommunications service means telecommunications service as defined in section 386.020(53), RSMo.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed Oct. 30, 2003, effective June 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.505 Filing Requirements for Telecommunications Company Applications for Certificates of Interexchange Service Authority to Provide Customer-Owned Coin Telephone Service**

*PURPOSE: Applications to the commission requesting that the commission grant a certificate for providing interexchange service authority for customer-owned coin telephone service must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for a certificate of interexchange service authority to provide customer-owned coin telephone (COLT) service shall be filed on the form provided by the commission.

(A) Applications for COLT service shall include a description of the general area in which service is to be offered.

(B) Providers of COLT service shall be exempt from the provisions of sections 392.390(1) and (3), RSMo, but shall remain subject to the provisions of section 386.370, RSMo.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.510 Filing Requirements for Telecommunications Company Applications for Certificates of Service Authority to Provide Telecommunications Services, Whether Interexchange, Local Exchange or Basic Local Exchange**

*PURPOSE: Applications to the commission requesting that the commission grant a certificate for providing telecommunications services, whether interexchange, local exchange or basic local exchange services, must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*



(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for a certificate of service authority to provide telecommunications services, whether interexchange, local exchange or basic local exchange, shall include:

(A) A request to be classified as a competitive telecommunications company, if applicable, and a description of the types of service the applicant intends to provide;

(B) If the application is for basic local exchange service authority, the applicant shall indicate the exchange(s) in which service is to be offered; and

(C) A proposed tariff with an effective date which is not fewer than forty-five (45) days after the tariff's issue date. Before service can be provided, a tariff and any applicable interconnection agreements must be filed with the commission and approved. However, filing the tariff and any applicable interconnection agreements simultaneously with the certificate application is optional.

(D) If the application is for basic local exchange service authority, the application shall also include the following:

1. A statement that the applicant possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service.

A. The application shall contain supportive financial information that includes twelve (12) months of historical financial statements comprised of a balance sheet and an income statement for any applicant that has been engaged in previous business operations and any company that will be providing financial support to the applicant. Entities with no prior business operations or any relationship with a company that will be providing financial support to the applicant will not be expected to provide any historical financial information.

B. Applicant shall submit on a pro forma basis, at least twelve (12) months of financial statements comprised of a balance sheet and an income statement.

C. Financial data shall reflect Missouri specific information to the extent such information is available. Company-wide financial information may be substituted in the event that Missouri specific information is not available.

D. Pro forma financial information must demonstrate the following:

(I) The applicant has a debt to total capital ratio no greater than sixty-two percent (62%) and a pretax interest coverage of at least 2.3x; and/or

(II) The applicant has a cash or cash equivalent balance of at least four (4) months operating expenses inclusive of interest expense and taxes.

(a) If the pro forma for the appli-

cant demonstrates the requirement set forth in subparagraph D. above, only the pro forma for the applicant need be submitted. If the pro forma for the applicant does not demonstrate the requirement in subparagraph D., the applicant must submit a combined pro forma for the applicant and the company that will be providing support for the applicant, that meets the requirement in subparagraph D.

(b) If any of the items required under this rule have been submitted by applicant in a previous application within a year of this application, the same may be incorporated by reference to the case number in which the information was furnished, so long as such applicable information is current and correct;

2. A statement that the applicant will satisfy the minimum standards established by the commission;

3. A statement that sets forth the geographic area in which the applicant proposes to offer service and demonstrates that such area follows exchange boundaries of the incumbent local exchange telecommunications company and is no smaller than an exchange;

4. A statement that the applicant will offer basic local telecommunications service as a separate and distinct service; and

5. A statement that the applicant will give equitable access to all Missourians, regardless of where they live or their income, to affordable telecommunications services.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: sections 386.250, 392.450, 392.451 and 392.455, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed March 19, 2004, effective Nov. 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 392.450, RSMo 1987, amended 1996; 392.451, RSMo 1996; and 392.455, RSMo 1996.*

#### **4 CSR 240-3.513 Filing and Submission Requirements for Telecommunications Company Applications for Approval of Interconnection Agreements, Amendments to Interconnection Agreements, and for Notices of Adoptions of Interconnection Agreements or Statements of Generally Available Terms**

*PURPOSE: An application to approve an interconnection agreement or statement of generally available terms under 47 U.S.C.*

*section 252(f), or an amendment to an interconnection agreement, or a notice of adoption of an interconnection agreement or adoption of statements of generally available terms shall meet the requirements set forth in this rule.*

(1) Interconnection Agreements Arrived at through Negotiation.

(A) Applications shall comply with applicable requirements identified in 4 CSR 240-2.040, 4 CSR 240-2.060, and 4 CSR 240-2.080.

(B) The interconnection agreement shall:

1. Sequentially number all pages of the interconnection agreement; and

2. Be signed by both parties to the agreement.

(C) Changes made to a pending interconnection agreement shall be signed by both parties to the agreement.

(D) Changes made to a pending interconnection agreement more than sixty (60) days after the application was filed shall be deemed to be the withdrawal of the agreement which is pending approval and the filing of a new agreement, thus starting a new ninety (90)-day period for commission action.

(2) Applications for Statements of Generally Available Terms under 47 U.S.C. section 252(f) shall comply with applicable requirements identified in 4 CSR 240-2.040, 4 CSR 240-2.060, and 4 CSR 240-2.080.

(3) Interconnection Agreements Arrived at through Arbitration.

(A) The interconnection agreements shall comply with the requirements identified in 4 CSR 240-36.050.

(B) The interconnection agreement shall:

1. Sequentially number all pages of the interconnection agreement; and

2. Be signed by both parties to the agreement.

(4) Adoptions of Interconnection Agreement Previously Approved by this Commission.

(A) Either company may submit a letter to the secretary of the commission. The letter shall include the case number in which the adopted agreement was previously approved by this commission, along with the tracking number(s) or case number(s) of any amendments the parties will adopt. The letter shall also include a copy of the signature page signed by both parties to the adoption. The adoption shall be deemed approved on the date it is properly submitted as set forth in this rule. No adoption will become effective prior to the date it is properly submitted as set forth in this rule.



(B) If both parties have not signed the signature page to the adoption, the adopting company shall file an application with the commission.

1. The application shall comply with the applicable requirements identified in 4 CSR 240-2.040, 4 CSR 240-2.060, and 4 CSR 240-2.080.

2. The application shall explain the applicant's inability to obtain the other party's signature on the adoption.

3. The commission will send notice to the non-signatory party allowing twenty (20) days for objection.

4. If the non-signatory party does not file an objection on or before the twentieth day, the adoption shall be deemed approved and the commission will close the case. If the non-signatory party does file an objection on or before the twentieth day, the commission, after following an appropriate procedure, will determine whether to approve or reject the adoption.

(5) Adoption of an Approved Statement of Generally Available Terms under 47 U.S.C. section 252(f).

(A) Adoptions shall be accomplished by submitting a letter to the secretary of the commission. The letter shall inform the commission about the adoption of the statement or agreement along with a copy of the signature page signed by both parties to the adoption.

(B) The adoption of the statement or agreement shall be deemed approved on the date it is properly submitted as set forth in this rule.

(C) No adoption will become effective prior to the date it is properly submitted as set forth in this rule.

(6) Amendments to Approved Interconnection Agreements or Approved Statements of Generally Available Terms under 47 U.S.C. section 252(f).

(A) Applications for Adoption of Amendments Previously Approved by this Commission.

1. Either company may submit to the secretary of the commission a letter and one (1) copy of the proposed amendment along with one (1) copy of the signature page signed by both parties to the adoption.

2. The letter shall generally describe the proposed amendment and the case number or tracking number where the amendment was previously approved.

3. Applications for adoption of amendments previously approved by this commission shall be deemed approved on the date they are properly submitted as set forth in this

rule, if both parties have signed the signature page of the amendment.

4. No adoption of an amendment will become effective prior to the date it is properly submitted as set forth in this rule.

(B) If both parties have not signed the signature page to the adoption of an amendment, the adopting company shall file an application with the commission.

1. The application shall comply with the applicable requirements identified in 4 CSR 240-2.040, 4 CSR 240-2.060, and 4 CSR 240-2.080.

2. The application shall explain the applicant's inability to obtain the other party's signature on the adoption of the amendment.

3. The commission will send notice to the non-signatory party allowing twenty (20) days for objection.

4. If the non-signatory party does not file an objection on or before the twentieth day, the adoption of the amendment shall be deemed approved and the commission will close the case. If the non-signatory party does file an objection on or before the twentieth day, the commission, after following an appropriate procedure, will determine whether to approve or reject the adoption of the amendment.

(C) Applications for proposed amendments not previously approved by this commission shall comply with applicable requirements identified in 4 CSR 240-2.040, 4 CSR 240-2.060, and 4 CSR 240-2.080.

1. Changes made to a pending amendment shall be signed by both parties to the amendment.

2. Changes made to a pending amendment more than sixty (60) days after the amendment was filed shall be deemed to be the withdrawal of the amendment which is pending approval and the filing of a new amendment, thus starting a new ninety (90)-day period for commission action.

*AUTHORITY: sections 386.250 and 386.410, RSMo 2000.\* Original rule filed Dec. 7, 2004, effective June 30, 2005.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 386.410, RSMo 1939, amended 1947, 1977, 1996.*

#### **4 CSR 240-3.515 Filing Requirements for Telecommunications Company Applications for Certificates of Service Authority to Provide Shared Tenant Services**

*PURPOSE: Applications to the commission requesting that the commission grant a certificate of service authority to provide shared*

*tenant services must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for a certificate of service authority to provide shared tenant services (STS) shall be filed on the form provided by the commission.

(A) STS applications shall include:

1. A description of all telecommunications services to be offered at the certificated location;

2. A description of any non-telecommunications services to be offered at the certificated location;

3. A copy of the contract or contracts to be used with tenants at the certificated location;

4. A copy of the contract or contracts to be signed with the local exchange company (LEC);

5. A description of the type of STS technology to be used at the certificated location;

6. A description of the form of interconnection to be used to provide toll services to tenants at the certificated location;

7. A copy of the notice used to inform tenants that local exchange access line service may not be immediately available if STS is terminated at the certificated location;

8. A statement of the rates to be charged tenants at the certificated location; and

9. A statement of the total number of tenants and corresponding stations to be served at the certificated location.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.520 Filing Requirements for Telecommunications Company Applications for Authority to Sell, Assign, Lease or Transfer Assets**

*PURPOSE: Applications to the commission for the authority to sell, assign, lease or transfer assets must meet the requirements set forth in this rule. As noted in the rule, additional*



requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).

(1) Competitive telecommunications companies are exempt from subsections (2)(C) and (E) of this rule.

(2) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to sell, assign, lease or transfer assets shall include:

(A) A brief description of the property involved in the transaction, including any franchises, permits, operating rights or certificates of convenience and necessity;

(B) A copy of the contract or agreement of sale;

(C) The verification of proper authority by the person signing the application or a certified copy of the resolution of the board of directors of each applicant authorizing the proposed action;

(D) The reasons the proposed sale of the assets is not detrimental to the public interest;

(E) If the purchaser is subject to the jurisdiction of the commission, a balance sheet and income statement with adjustments showing the results of the acquisitions of the property;

(F) A statement of the impact, if any, the sale, assignment, lease or transfer of assets will have on the tax revenues of the political subdivisions in which any structures, facilities or equipment of the companies involved in that sale are located; and

(G) A copy of the customer notification to be provided to any customers who will receive service from a different telecommunications company, informing them of the transaction. Such notice shall inform customers of:

1. The name of the company that will be providing service after the sale, assignment, lease or transfer of assets is complete;

2. The name, address and contact information for the new telecommunications company;

3. The right to transfer their service to another provider as a result of the sale, assignment, lease or transfer of assets; and

4. Where to go to locate other carriers providing service in the area.

(3) If the purchaser is not subject to the jurisdiction of the commission, but will be subject to the commission's jurisdiction after the sale, the purchaser must comply with these rules.

(4) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000. \* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed March 19, 2004, effective Nov. 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.525 Filing Requirements for Telecommunications Company Applications for Authority to Merge or Consolidate**

*PURPOSE: Applications to the commission for the authority to merge or consolidate must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) Competitive telecommunications companies are exempt from subsections (2)(B) and (C) of this rule.

(2) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to merge or consolidate shall include:

(A) A copy of the proposed plan and agreement of corporate merger and consolidation, including organizational charts depicting the relationship of the merging entities before and after the transaction;

(B) A certified copy of the resolution of the board of directors of each applicant authorizing the proposed merger and consolidation;

(C) The balance sheets and income statements of each applicant and a balance sheet and income statement of the surviving corporation;

(D) The reasons the proposed merger is not detrimental to the public interest;

(E) An estimate of the impact of the merger on the company's Missouri jurisdictional operations relative to the merger and acquisition in question;

(F) A statement of the impact, if any, the merger or consolidation will have on the tax revenues of the political subdivision in which any structures, facilities or equipment of the companies involved are located; and

(G) A copy of the customer notification to be provided to any customers who will receive service from a different telecommunications company, informing them of the transaction. Such notice shall inform customers of:

1. The name of the company that will be providing service after the merger or consolidation is complete;

2. The name, address and contact information for the new telecommunications com-

pany;

3. The right to transfer their service to another provider as a result of the merger or consolidation; and

4. Where to go to locate other carriers providing service in the area.

(3) If the purchaser is not subject to the jurisdiction of the commission, but will be subject to the commission's jurisdiction after the sale, the purchaser must comply with these rules.

(4) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000. \* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed March 19, 2004, effective Nov. 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.530 Filing Requirements for Telecommunications Company Applications for Authority to Issue Stock, Bonds, Notes and Other Evidences of Indebtedness**

*PURPOSE: Applications to the commission for the authority to issue stock, bonds, notes or other evidences of indebtedness must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) Competitive telecommunications companies are exempt from subsections (2)(D) through (G) of this rule.

(2) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to issue stock, bonds, notes and other evidences of indebtedness shall contain the following:

(A) A brief description of the securities which applicant desires to issue;

(B) A statement of the purpose for which the securities are to be issued and the use of the proceeds;

(C) Copies of executed instruments defining the terms of the proposed securities—

1. If these instruments have been previously filed with the commission, a reference to the case number in which the instruments were furnished;

2. If these instruments have not been executed at the time of filing, a statement of the general terms and conditions to be contained





in the instruments which are proposed to be executed; and

3. If none of these instruments is either executed or to be executed, a statement of how the securities are to be sold;

(D) A certified copy of resolutions of the directors of applicant authorizing the issuance of the securities;

(E) A balance sheet and income statement with adjustments showing the effects of the issuance of the proposed securities upon—

1. Bonded and other indebtedness; and

2. Stock authorized and outstanding;

(F) A statement of what portion of the issue is subject to the fee schedule in section 386.300, RSMo; and

(G) A five (5)-year capitalization expenditure schedule as required by section 392.310 or 393.200, RSMo.

(3) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed March 19, 2004, effective Nov. 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.535 Filing Requirements for Telecommunications Company Applications for Authority to Acquire the Stock of a Public Utility**

*PURPOSE: Applications to the commission for the authority to acquire the stock of a public utility must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to acquire the stock of a public utility shall include:

(A) A statement of the offer to purchase stock of the public utility or a copy of any agreement entered with shareholders to purchase stock;

(B) A certified copy of the resolution of the directors of applicant authorizing the acquisition of the stock; and

(C) Reasons why the proposed acquisition of the stock of the public utility is not detrimental to the public interest.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.540 Annual Report Submission Requirements for Telecommunications Companies**

*PURPOSE: Section 392.210.1, RSMo includes a requirement that telecommunications companies subject to the commission's jurisdiction must submit an annual report to the commission. This rule establishes the standards for the submission of annual reports by such telecommunications companies, including the procedures for submitting nonpublic annual report information.*

(1) Except for private pay telephone providers, which are exempted under the provisions of 4 CSR 240-3.505(1)(B), all telecommunications companies shall submit an annual report to the commission on or before April 15 of each year, except as otherwise provided for in this rule.

(2) Telecommunications companies shall submit their annual reports either on a form provided by the commission or on a computer-generated replica that is acceptable to the commission. Reports being submitted on paper are to be prepared in loose-leaf format and sent to the attention of the secretary of the commission. Computer-generated reports can be submitted through the commission's electronic filing and information system (EFIS). Attempts to substitute forms such as stockholder reports without concurrently submitting official commission forms with appropriate cross-references will be considered noncompliant. All requested information shall be included in the annual report, where applicable, even if it has been provided in a previous annual report.

(A) Annual reports submitted by providers of shared tenant services (STS) shall include a list of all premises at which STS services are provided, and a list of all STS-related complaints received from tenants, including a summary of the nature of each such complaint, and a list of case numbers for any formal complaints filed with the commission.

(3) A telecommunications company that receives a notice from the commission stating that deficiencies exist in the information provided in the annual report shall respond to that notice within twenty (20) days after the date of the notice, and shall provide the information requested in the notice in its response.

(4) If a telecommunications company subject to this rule considers the information requested on the annual report form to be nonpublic information, it must submit both a fully completed version to be kept under seal and a redacted public version that clearly informs the reader that the redacted information has been submitted as nonpublic information to be kept under seal. Submittals made under this section that do not include both versions will be considered deficient. The staff on behalf of the commission will issue a deficiency letter to the company and if both versions of the annual report are not received within twenty (20) days of the notice, the submittal will be considered noncompliant. In addition to the foregoing, submittals made under this section must meet the following requirements:

(A) A cover letter stating that the utility is designating some or all of the information in its annual report as confidential information, and including the name, phone number and e-mail address (if available) of the person responsible for addressing questions regarding the confidential portions of the annual report, must be submitted with the reports;

(B) The cover of each version of the report must clearly identify whether it is the public or nonpublic version;

(C) A detailed affidavit that identifies the specific types of information to be kept under seal, provides a reason why the specific information should be kept under seal and states that none of the information to be kept under seal is available to the public in any format must be prominently attached to both versions of the report; and

(D) Each page of each version of the report that contains nonpublic information shall be clearly identified as containing such information.

(5) If an entity asserts that any of the information contained in the nonpublic version of the annual report should be made available to the public, then that entity must file a pleading with the commission requesting an order to make the information available to the public, and shall serve a copy of the pleading on the utility affected by the request. The pleading must explain how the public interest is better served by disclosure of the information than the reason provided by the utility justifying



why the information should be kept under seal. The utility affected by the request may file a response to a pleading filed under these provisions within fifteen (15) days after the filing of such a pleading. Within five (5) business days after the due date for the filing of the utility's response to a request filed under these provisions, the general counsel by filing of a pleading will make a recommendation to the commission advising whether the request should be granted.

(6) A telecommunications company that is unable to meet the submission date established in section (1) of this rule may obtain an extension of up to thirty (30) days for submitting its annual report by:

(A) Submitting a written request, which states the reason for the extension, to the attention of the secretary of the commission prior to April 15; and

(B) Certifying that a copy of the written request was sent to all parties of record in pending cases before the commission where the utility's activities are the primary focus of the proceedings.

(7) A telecommunications company that is unable to meet the submission date established in section (1) of this rule may request an extension of greater than thirty (30) days for submitting its annual report by:

(A) Filing a pleading, in compliance with the requirements of Chapter 2 of 4 CSR 240, which states the reason for and the length of the extension being requested, with the commission prior to April 15; and

(B) Certifying that a copy of the pleading was sent to all parties of record in pending cases before the commission where the utility's activities are the primary focus of the proceedings.

(8) Responses to deficiency notices under the provisions of section (3) of this rule, requests for confidential treatment under the provisions of section (4) of this rule, pleadings requesting public disclosure of information contained under seal under the provisions of section (5) of this rule, and requests for extensions of time under the provisions of sections (6) or (7) of this rule may be submitted through the commission's electronic filing and information system (EFIS).

(9) A telecommunications company that does not timely file its annual report, or its response to a notice that its annual report is deficient, is subject to a penalty of one hundred (\$100) dollars for each day that it is late in filing its annual report or its response to a notice of deficiency.

*AUTHORITY: sections 386.250 and 392.210, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed Nov. 7, 2003, effective April 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 392.210, RSMo 1939, amended 1984, 1987.*

#### 4 CSR 240-3.545 Filing Requirements for Telecommunications Company Tariffs

*PURPOSE: This rule prescribes the form and procedures for filing tariffs for all telecommunications companies under the jurisdiction of the Missouri Public Service Commission.*

(1) Unless otherwise allowed by statute, a telecommunications company as defined in section 386.020, RSMo, shall file with the Missouri Public Service Commission (commission), a tariff as defined in section (8) of this rule.

(2) Every telecommunications company shall maintain for public inspection, and make available at its principal operating office or on its website, a copy of all current tariffs.

(3) A tariff will be considered as continuing in force until amended in the manner provided for in this rule. Unless specifically indicated in another section of this rule, tariff pages or sheets in effect as of the effective date of this rule are considered in compliance with the rule.

(4) A tariff shall bear a number with the following prefix: PSC Mo. No. \_\_\_\_\_. Tariffs shall be numbered in consecutive order, commencing with a No. 1 and continuing in numerical order.

(5) A tariff should be electronic or printed on loose-leaf paper, which shall be white, eight and one-half inches by eleven inches (8 1/2" x 11"). The commission may accept other formats for the filing of a tariff.

(6) Each sheet of the tariff shall show in the marginal space at the top of the sheet, the name of the telecommunications company, the PSC Mo. No. \_\_\_\_ of the tariff and the number of the sheet. All sheets of the tariff shall have a sheet number in sequential number format. If tariffs include section numbers, each section will begin with the number one and continue sequentially throughout the section.

(7) The name, title and address of the issuing officer or company-designated representative shall appear in the marginal space at the bot-

tom of the sheet. The marginal space at the bottom of the sheet shall also include the notation "Issued, \_\_\_\_ 20 \_\_\_\_; effective, \_\_\_\_ 20 \_\_\_\_".

(8) Tariffs for all telecommunications services shall contain the following information and shall be updated as changes occur. For new tariffs filed after the effective date of this rule, information contained in subsections (8)(A) through (F) will appear at the beginning of the company's tariff.

(A) Company name as registered with the Missouri Secretary of State and as certified by the commission;

(B) If applicable, certification authority granted by the commission, including case number(s);

(C) Waivers of Missouri Statutes and commission rules as granted by the commission in connection with certification to provide service. Include case number(s) if other than case number(s) listed in subsection (8)(B);

(D) The address, telephone number and website or email address, along with any other suitable means of communications, to which the general public can make requests for information on rates and services;

(E) Table of Contents—Listing of general headings specifying sheet numbers and section numbers, if applicable;

(F) An explanation of reference marks, technical abbreviations and definitions of terms commonly used in the tariff;

(G) For each service, tariffs shall provide the following:

1. The name of the service, which clearly identifies the regulated intrastate offering, as it will be advertised and offered to the customer. Any service name that references a rate will accurately reflect the applicable intrastate rate(s) for the service;

2. A detailed description of the service offered;

3. The specific rates and charges in U.S. dollars and the period of time covered by the rate or charge; and

4. Any terms and customer requirements that affect the rates or charges for the service.

(H) For competitive and incumbent local exchange telecommunications carriers, a tariff shall contain an alphabetical list of the exchange area service by rate group if applicable, including state name if other than Missouri. Competitive local exchange carrier shall be permitted to provide an alphabetical list of the exchange area by incumbent local exchange carrier. Areas served with basic local exchange service must follow exchange boundaries of the incumbent local exchange telecommunications company and also must



be no smaller than an exchange absent a ruling by the commission under 392.200.2(b) RSMo, 2000.

(9) All new tariffs or all new pages added to tariffs shall be designated as an original sheet (page). All changes to tariffs must be designated substantially as follows: “First revised sheet (page) canceling (cancels, replaces) original sheet,” “Second revised sheet (page) canceling (cancels, replaces) first revised sheet (page),” etc. and must contain reference marks denoting changes.

(10) A tariff shall be filed with the commission by a duly-designated official or an authorized agent of the telecommunications company.

(11) Subject to commission approval, a telecommunications company may concur in the tariff filed by another telecommunications company. The sheet indicating concurrence shall contain language substantially as follows: “The company concurs in the (rules, rates, etc.) governing (name of service) as set forth in (name of company)’s tariff as filed with the Missouri Public Service Commission, including any subsequent changes to (name of company)’s tariff.”

(12) Subject to *Missouri Revised Statutes* and commission rules, all telecommunications companies shall file with the commission any changes in rates, charges or rules that affect rates or charges. A proposed change shall be submitted in the form of a revised tariff accompanied by a cover letter and a copy of any customer notice sent or required to be sent as a result of the proposed change. The cover letter should be limited to approximately one hundred (100) words or less. A copy of the cover letter and any proposed change shall be filed with the commission or submitted electronically through the commission’s electronic filing and information system (EFIS), shall be served on the Office of the Public Counsel. A copy of the proposed change(s) shall be made available for public inspection and reproduction at the company’s principal operating office or on its website. The cover letter shall identify each proposed change, provide a brief summary of each proposed change, and provide the requested effective date of the revised tariff. The summary shall identify each product, service, or category of services that will be affected by the proposed change and shall identify the change in the terms and conditions that the company proposes for that product, service, or category of services including any change or adjustment in the price or fee for that product or service. Upon request by commis-

sion staff or the Office of the Public Counsel, a telecommunications company shall provide supporting documentation for each change or adjustment in prices or fees. A request for supporting documentation shall be made within five (5) business days of the filing and responses shall be provided within five (5) business days of receipt of the request for supporting documentation. The documentation shall identify:

- (A) The current price or fee;
- (B) The proposed price or fee;
- (C) Whether the change or adjustment results in an increase or decrease in price; and
- (D) The percentage change in price.

(13) All telecommunications companies are required to provide a clear and concise statement as to the purpose of the filing when submitting any tariff filing electronically through EFIS. This statement may be in lieu of the cover letter required in 4 CSR 240-3.545(12) providing it contains all the information required of cover letters as outlined in 4 CSR 240-3.545(12). This statement shall be entered on the appropriate EFIS tariff submission screen.

(14) All telecommunications companies are required to submit revisions to each PSC Mo. No. as a separate filing to be assigned a separate tracking number in EFIS. Related tariff filings impacting multiple PSC Mo. No. tariffs shall be linked together, when technically feasible.

(15) All telecommunications companies are required to submit to the commission with the tariff filing, a copy of the notification of rate increases that was sent or will be sent to customers pursuant to 4 CSR 240-33.040(4) and a positive affirmation in writing that the notice was sent or will be sent to customers at least ten (10) days in advance of the rate’s effective date.

(16) Requirements for Tariff Filings Pursuant to Section 392.500, RSMo.

(A) The commission shall be notified at least ten (10) days in advance of a proposed increase in rates or charges or a proposed change in any classification or tariff resulting in an increase in rates or charges for competitive telecommunications services.

1. A proposed increase in rates or charges or a proposed change in any classification or tariff resulting in an increase in rates or charges pursuant to section 392.500 is defined as a rate increase to existing rates or charges for any competitive service.

2. No other tariff changes, except as directed by commission order or as allowed under section (19) below, are permitted on ten (10) day’s notice.

3. Commission notice shall be in the form of a tariff filing with a proposed effective date that is ten (10) days after the tariff has been filed.

(B) The commission shall be notified at least one (1) day in advance of a proposed decrease in rates or charges or a proposed change in any classification or tariff resulting in a decrease in rates or charges for competitive telecommunications services.

1. A proposed decrease in rates or charges or a proposed change in any classification or tariff resulting in a decrease in rates or charges pursuant to section 392.500 is defined as:

- A. A rate decrease to existing rates or charges for any competitive service;
- B. A proposal to establish or revise a package of services involving a regulated intrastate service provided all regulated intrastate telecommunications services in the package are currently tariffed on an individual basis.

2. No other tariff changes, except as directed by commission order, are permitted on one (1) day’s notice.

3. Commission notice shall be in the form of a tariff filing with a proposed effective date that is one (1) day after the tariff has been filed.

(C) A thirty (30)-day tariff filing is required to introduce or revise the terms and conditions of any competitive service available on an individual basis. A thirty (30)-day tariff filing is required to eliminate any package of services.

(17) When a telecommunications company files a revised tariff or sheet(s) pursuant to a commission order the cover letter shall state that the filing is in compliance with the commission’s order in Case No. \_\_\_ and shall indicate the location of the changes in the PSC Mo. No. \_\_\_.

(18) Except as otherwise provided in this rule, no tariff will be accepted for filing unless it is delivered to the commission free from all charges or claims for postage and allows the full thirty (30) days required by law from date of receipt until effective date requested in the cover letter.

(19) Promotions are those service offerings that provide a reduction or waiver of a tariffed rate for a limited period of time. Promotions are allowed to go into effect after seven (7) days prior notice to the commission



for competitive services and after ten (10) days prior notice to the commission for non-competitive services. Promotions must be offered under tariff, and prior notification to the commission via a tariff filing is required. Promotions must have established start and end dates and must be offered in a nondiscriminatory manner.

(20) In the case of a change of name, the telecommunications company shall issue immediately and file with the commission an adoption notice substantially as follows: “The (name of telecommunications company) hereby adopts, ratifies and makes its own, in every respect as if the same had been originally filed by it, all tariffs filed with the Public Service Commission, State of Missouri, by the (name of telecommunications company) prior to (date) or the telecommunications company shall file a new tariff under the new name.” Specific requirements for filings regarding company name changes are contained in Chapter 2 of the commission’s rules in rule 4 CSR 240-2.060. In addition to filing the items in 4 CSR 240-2.060, applicant must notify its customers at or before the next billing cycle of any name change affecting customer recognition of the company and file a copy of that notice with the adoption notice.

(21) Tariffs sent for filing should be addressed to Secretary, Public Service Commission, 200 Madison Street, PO Box 360, Jefferson City, MO 65102.

(22) Within six (6) months of the effective date of the rule, all telecommunications companies shall update the commission’s electronic filing system with the current name, address, telephone number and email address for the regulatory contact person within the telecommunications company. This information shall be updated in the electronic filing system within ten (10) business days of when changes occur.

(23) Waivers regarding compliance with the requirements of this rule granted under previously used rule numbers such as 4 CSR 240-30.010(2)(C) will continue in effect unless otherwise ordered by the commission.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Rescinded and readopted: Filed Jan. 28, 2004, effective Sept. 30, 2004. Amended: Filed May 12, 2006, effective Dec. 30, 2006.*

*\*Original authority: 386.260, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.550 Telecommunications Company Records and Reports

*PURPOSE: This rule prescribes the type, location and retention of records, and reports on telecommunications service.*

(1) This rule does not apply to private shared tenant service providers or private pay telephone service providers.

(2) Each telecommunications company shall make and maintain records of its operations in sufficient detail to permit review of those operations. These records shall be retained in an easily accessible place for a period of at least three (3) years. These records shall be made available upon request to the commission or its authorized representatives. These records shall include all reports filed with the commission, together with the information necessary to verify each report.

(3) All records required by this rule shall be made available for review within the state at any time upon request. Reasonable time, not to exceed thirty (30) days, will be permitted to assemble and deliver records to the location where they are to be reviewed.

(4) For companies providing basic local telecommunications service, the records specified in section (2) above shall include the following:

(A) Each company shall record each application for basic local telecommunications service; and

(B) Each company shall keep a record, by exchange, of each held application for basic local telecommunications service that is not satisfied within thirty (30) days. The record will list the name and address of each applicant for service, whether the applicant’s location is inside or outside the base rate area, the date of application, the date service is requested to begin, the date service was promised to begin, the class of service applied for and the reason for the delay in providing the requested service.

(5) Companies shall file the following information with the commission:

(A) Each company providing basic local telecommunications service shall file with the commission no later than forty-five (45) days following the end of each quarter a report, referred to as the quarterly report, of the quality of the telephone service provided to its customers. The quarterly report shall include:

1. The aggregated service level for each aspect of service quality for which there has been established a service objective in 4 CSR 240-32.080, together with such other infor-

mation concerning service quality that the company deems applicable or the commission specifically requests. If the reported service level falls within the commission’s identified surveillance level on an exchange-specific basis or as otherwise monitored according to 4 CSR 240-32.080, then the company shall list the service level and provide an explanation of what corrective action will be taken to achieve and maintain the commission’s service objective;

2. The number of applications held for both basic local telecommunications service. Those numbers will be kept distinct from one another. The listing shall categorize the number held for thirty (30), sixty (60), ninety (90) and one hundred twenty (120) days; and

3. The number of applications listed pursuant to subsection (4)(B) above, by exchange, and the number of such applications that were satisfied during that quarter;

(B) Each company shall have its tariff on file with the commission in accordance with 4 CSR 240-3.545;

(C) Each company providing basic local telecommunications service shall have on file with the commission an exchange boundary map for each of its exchanges within the state. Each map shall clearly show the boundary lines of the area in which the company accepts responsibility for providing such service. Exchange boundary lines shall be located by appropriate measurement to an identifiable location where that portion of the boundary line is not otherwise located on section lines, waterways, railroads, roads, etc. Maps shall contain both detail and reasonable and readable scale. Competitive local exchange companies may submit a tariff sheet adopting the tariff map on file with the commission for a specific exchange served by the incumbent local exchange provider. The exchange maps shall be available for public inspection at each public business office for the area served by the office. Each company filing an original or revised map shall submit proof of notice of the proposed boundary to any other company adjoining the area in which a boundary line is to be established or changed;

(D) Each company shall advise the commission’s customer services department of abnormal service conditions by submitting electronically via the commission’s electronic filing and information system (EFIS), or telephone or facsimile. Abnormal conditions include any tandem outage, central office or exchange isolation, cable cut, or central office problem that involves three hundred (300) or more customers and lasts thirty (30) minutes or more or any other service condition the



company wishes to bring to the attention of the customer services department; and

(E) Each company shall make and file with the commission a disaster recovery plan, which shall be reviewed by the company at least annually and modified as necessary. Any modifications shall be submitted as amendments.

(6) Waivers regarding compliance with the requirements of this rule granted under previously used rule numbers such as 4 CSR 240-32.030(4)(C) will continue in effect unless otherwise ordered by the commission.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed Oct. 30, 2003, effective June 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

**4 CSR 240-3.555 Telecommunications Company Residential Customer Inquiries**

*PURPOSE: This rule establishes procedures to be followed when residential customers make inquiries of telecommunications companies so that such inquiries are handled in a reasonable manner.*

(1) A telecommunications company shall adopt procedures which will ensure the prompt and thorough receipt, investigation and, where possible, resolution of inquiries. The telecommunications company, upon request, shall submit the procedures to the commission and the telecommunications company shall notify the commission of any substantive changes in these procedures prior to their implementation.

(2) A telecommunications company shall prepare a statement which in layman’s terms describes the rights and responsibilities of both the telecommunications company and its customers under this chapter. This statement shall appear in the front part of the telephone directory or the telecommunications company will mail or otherwise deliver such statement to its existing and new customers. If multiple telecommunications companies are represented in a directory, and each has identical statements of rights and responsibilities, the information need only appear once. Upon request the statement shall be submitted to the commission, its staff, or Office of the Public Counsel. The statement shall include descriptions of:

(A) Billing procedures;

(B) Customer payment requirements and procedures;

(C) Deposit and guarantee requirements;

(D) Conditions of termination, discontinuance and reconnection of service;

(E) Procedures for handling inquiries;

(F) A procedure whereby a customer may avoid discontinuance of service during a period of absence;

(G) Complaint procedures under 4 CSR 240-2.070;

(H) The telephone number and address of all offices of the Missouri Public Service Commission and the statement that this company is regulated by the Missouri Public Service Commission;

(I) The address and telephone number of the Office of the Public Counsel and a statement of the function of that office; and

(J) Where provided, a prominent description of Lifeline and Link-up services.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed Jan. 28, 2004, effective Sept. 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

**4 CSR 240-3.560 Telecommunications Procedure for Ceasing Operations**

*PURPOSE: This rule describes the procedure for certificated telecommunications companies ceasing operations in the state of Missouri or discontinuing service to any geographic service area of the state.*

(1) All telecommunications companies ceasing operation in Missouri or discontinuing basic local or interexchange telecommunications service to any geographic service area within the state shall provide to the commission at least thirty (30) days prior to cessation or discontinuance:

(A) A statement of reasons for ceasing or discontinuing service;

(B) Date of planned service cessation or discontinuance;

(C) Geographic areas affected by cessation or discontinuance of service;

(D) A brief description of the service(s) to be ceased or discontinued;

(E) A statement as to whether the company’s tariff(s) and certificate shall remain in effect or be cancelled;

(F) A statement that all affected customers have been notified at least thirty (30) days prior to the cessation or discontinuance; and

(G) A statement that all affected customers have been informed as to how they can select a new service provider.

(2) If the information provided in section (1) above is submitted electronically, it will be submitted as a non-case related submission in the commission’s Electronic Filing Information System (EFIS).

(3) If the information provided in section (1) above is submitted in paper format, it will be submitted to the manager of the Telecommunications Department.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed March 19, 2004, effective Nov. 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1967, 1977, 1980, 1988, 1991, 1993, 1995, 1996.*

**4 CSR 240-3.565 Procedure for Telecommunications Companies that File Bankruptcy**

*PURPOSE: This rule describes the procedure for certificated telecommunications companies and their affiliates that file bankruptcy.*

(1) Any telecommunications company certificated in Missouri that files bankruptcy or has an affiliate that files bankruptcy shall, within ten (10) working days of filing bankruptcy, provide to the commission:

(A) A notice that the company or an affiliate has filed bankruptcy including:

- 1. The bankruptcy case number;
- 2. The bankruptcy filing date;
- 3. The bankruptcy chapter number; and,
- 4. The bankruptcy court.

(B) If Missouri certificated telecommunications companies have certificated or non-certificated affiliates that file bankruptcy, only one (1) of the Missouri certificated telecommunications companies need provide to the commission the items in paragraphs (1)(A)1.-4. The responsibility of providing the information in paragraphs (1)(A)1.-4. will fall to the carrier first certificated in Missouri. The certificated company providing these items shall also provide the name(s) of its other Missouri certificated affiliate(s).

(2) If the bankruptcy court approves the transfer of customers to another telecommunications company, a copy of the bankruptcy order shall be provided to the commission with the application for service authority or application for approval to transfer assets. An application for service authority or application for approval to transfer assets may be filed before, but shall be filed no more than ten (10) working days after the effective date of, the bankruptcy court’s order approving the transfer of the customers.



(A) The application for service authority or application for approval to transfer assets shall contain a statement as to whether the existing company's tariff and certificate shall remain in effect or be cancelled.

(3) If the telecommunications company filing bankruptcy has telecommunications facilities that are located at the premises of another telecommunications company, the company filing bankruptcy shall, within seventy-five (75) days after filing bankruptcy, provide to the commission:

(A) A statement identifying the telecommunications facilities and their locations;

(B) A statement identifying the entities with an interest in the telecommunications facilities;

(C) A statement describing the disposition of the telecommunications facilities and the entity conducting the disposition of the facilities; and

(D) A statement informing the commission of the date when the telecommunications facilities have been or will be disconnected and removed from the premises of the other telecommunications company and disposed of properly.

(4) If the information provided in sections (1)–(3) above is submitted electronically, it will be submitted as a non-case related submission in the commission's Electronic Filing Information System (EFIS).

(5) If the information provided in sections (1)–(3) above is submitted in paper format, it will be submitted to the manager of the Telecommunications Department.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed March 19, 2004, effective Nov. 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1967, 1977, 1980, 1988, 1991, 1993, 1995, 1996.*

#### **4 CSR 240-3.570 Requirements for Carrier Designation as Eligible Telecommunications Carriers**

*PURPOSE: This rule establishes criteria for submission to the commission when a company seeks designation as an eligible telecommunications carrier and to establish criteria for carriers designated as eligible telecommunications carriers.*

(1) For purposes of this rule, the following definitions apply.

(A) Alternative local exchange telecommunications company (ALEC) is as defined in section 386.020(1), RSMo.

(B) Commercial mobile radio service (CMRS) provider provides service as identified in 47 CFR Parts 20 and 24.

(C) Eligible telecommunications carrier (ETC) is a carrier designated as such by the Missouri Public Service Commission pursuant to 47 U.S.C. 214(e) in order to receive universal service support. Eligible telecommunications carrier (ETC) shall refer to alternative local exchange carriers and commercial mobile radio service providers and shall not include incumbent local exchange carriers unless otherwise specified.

(D) Incumbent local exchange telecommunications company is as defined in section 386.020(22), RSMo.

(E) Reasonable request for service refers to a request for service of a type and quantity that is not in excess of service which is normally requested by like customers and is for service at a location within the carrier's designated service area.

(2) Applications for Designation as an ETC.

(A) Each request for ETC designation shall include:

1. Intended use of the high-cost support, including detailed descriptions of any construction plans with start and end dates, populations affected by construction plans, existing tower site locations for CMRS cell towers, and estimated budget amounts;

2. A two (2)-year plan demonstrating, with specificity, that high-cost universal service support shall only be used for the provision, maintenance and upgrading of facilities and services for which the support is intended in the Missouri service area in which ETC designation was granted.

A. For purposes of this section, "support is intended" is defined consistent with the Telecommunications Act which outlines the following principles:

(I) Quality and rates—quality services should be available at just, reasonable, and affordable rates;

(II) Access to advanced services—access to advanced telecommunications and information services should be provided in all regions of the state;

(III) Access in rural and high-cost areas—consumers in all regions of Missouri, including those in rural, insular and high-cost areas will have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas;

3. The two (2)-year plan shall include a demonstration that universal service support shall be used to improve coverage, service quality or capacity on a wire center-by-wire center basis throughout the Missouri service area for which the requesting carrier seeks ETC designation including:

A. A detailed map of coverage area before and after improvements and in the case of CMRS providers, a map identifying existing tower site locations for CMRS cell towers;

B. The specific geographic areas where improvements will be made;

C. The projected start date and completion date for each improvement;

D. The estimated amount of investment for each project that is funded by high-cost support;

E. The estimated population that will be served as a result of the improvements;

F. If an applicant believes that service improvements in a particular wire center are not needed, it must explain its basis for this determination and demonstrate how funding will otherwise be used to further the provision of supported services in that area; and

G. A statement as to how the proposed plans would not otherwise occur absent the receipt of high-cost support and that such support will be used in addition to any expenses the ETC would normally incur;

4. A demonstration of the carrier's ability to remain functional in emergency situations, including a demonstration that the carrier has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities and is capable of managing traffic spikes resulting from emergency situations;

5. A demonstration that the commission's grant of the applicant's request for ETC designation would be consistent with the public interest, convenience and necessity;

6. A commitment to advertise the availability of services and charges therefore using media of general distribution throughout the ETC service area;

7. A commitment to provide Lifeline and Link Up discounts consistent with 47 CFR 54.401 and 47 CFR 54.411. Each request for ETC designation shall include a commitment to publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service consistent with 47 CFR 54.405;

8. A statement that the carrier will satisfy consumer privacy protection standards as provided in 47 CFR 64 Subpart U and service quality standards as applicable;



9. A statement that the requesting carrier acknowledges it shall provide equal access pursuant to 4 CSR 240-32.100(3) and (4) if all other ETCs in that service area relinquish their designations pursuant to section 214(e) of the Telecommunications Act of 1996; and

10. A commitment to offer a local usage plan comparable to those offered by the incumbent local exchange carrier in the areas for which the carrier seeks designation. Such commitment shall include a commitment to provide Lifeline and Link Up discounts and Missouri Universal Service Fund (MoUSF) discounts pursuant to 4 CSR 240-31, if applicable, at rates, terms and conditions comparable to the Lifeline and Link Up offerings and MoUSF offerings of the incumbent local exchange carrier providing service in the ETC service area.

(B) Each request for ETC designation by a CMRS provider shall include a commitment to abide by the consumer code for wireless service recognized by the Cellular Telecommunications and Internet Association (CTIA) at the time of the ETC designation request. As part of the initial application, a CMRS provider shall include a copy of the consumer code for wireless service currently recognized by CTIA to which it commits to abide. Any CMRS provider designated as an ETC shall file with the commission, any change(s) to the consumer code for wireless service included with its application or any subsequent code approved under this section of the rule, within thirty (30) days of the change(s). The commission shall allow interested parties thirty (30) days to provide comment as to whether the CMRS provider should be required to commit to the proposed changes, or should continue to abide by the consumer code for wireless service currently approved for that provider.

(C) Each request for ETC designation shall include a plan outlining the method for handling unusual construction or installation charges.

(3) Service Requirements of ETCs.

(A) ETCs shall develop a bill design that can be easily interpreted by their customers and clearly sets forth charges in compliance with state and federal billing requirements.

(B) ETCs shall provide customer service contact information online and on billing statements. This requirement also applies to ETCs that use a third party billing agent.

(C) Service Provisioning Commitment.

1. ETC shall make available to each end-user subscribing to its supported services within its ETC designated service area the following service features:

A. Dual tone multi-frequency signaling or its functional equivalent;

B. Single-party service or its functional equivalent;

C. Access to emergency services;

D. Emergency telephone number services capable of automatic number identification, automatic location identification and call routing facilities to facilitate public safety response; e.g., Enhanced 911 Service, where the local government agency serving the end-user has implemented enhanced 911 systems;

E. Access to interexchange service;

F. Access to telecommunications relay services by dialing 711;

G. Access to Directory Assistance service;

H. Access to operator services; and

I. Toll limitation and/or blocking for qualifying low-income consumers.

2. ETCs shall publicize the construction of all new facilities that will enhance services in unserved or underserved areas so that consumers are aware of the improved service in the area.

3. ETCs shall extend their networks to serve new customers upon a reasonable request. ETCs shall take the following steps, as applicable, to respond to all such reasonable requests for service within its ETC service area.

A. If a request comes from a customer residing within the ETC service area where the ETC already provides service, the ETC shall immediately provide service using its standard customer equipment.

B. If a request comes from a customer residing within the ETC service area where the ETC does not already provide service, the ETC shall take reasonable steps to provide acceptable service at no cost to the customer, including: modifying or replacing customer equipment; deploying a roof-mounted antenna or other network equipment at the premises; making adjustments at the nearest cell site or to other network or customer facilities; employing, leasing or constructing an additional cell site, a cell-extender, repeater or other similar equipment; or offering resold service of other carriers that have facilities available to that premises.

C. Where special conditions or special requirements of the customer involve unusual construction or installation costs, the customer may be required to pay a reasonable portion of such costs in accordance with the plan outlining the method for handling unusual construction or installation charges approved by the commission at the time of designation as an ETC.

D. If there is no possibility of providing service to the requesting customer, the ETC shall notify the customer and include such information in its annual certification documentation to the commission.

(D) Within thirty (30) days of receiving ETC status, each CMRS carrier designated as an ETC shall make an informational filing with the commission consisting of a complete description of all of its service offerings. Such informational filings will be amended as service offerings are introduced or modified.

(E) ETCs shall maintain a record of customer complaints that have been received by the company in a manner that includes, at a minimum: the end-user name; the account number; a description of the complaint; the date the complaint was filed; the resolution; and the amount of refund or credit, if any. ETCs shall also maintain a record of complaints from consumers in the Missouri service area in which ETC designation was granted that have been submitted to or filed with the Federal Communications Commission for which the company has knowledge in a manner that includes, at a minimum: a description of the complaint; the date the complaint was filed; the date the complaint was resolved; the resolution of the complaint and the amount of refund or credit, if any.

(F) ETCs shall, within ten (10) days of a change in the company-designated contacts, either notify the manager of the Telecommunications Department, in writing or by electronic mail, or shall update the commission's electronic filing system (EFIS). The notification or update shall include the name(s), address(es) and/or telephone number(s) of the designated individual(s). The contact name(s) provided pursuant to this section shall be the individual(s) primarily responsible for: customer service; repair and maintenance; answering complaints; authorizing and/or furnishing refunds to customers; and informational or tariff filing issues.

(4) Annual Certification Filing Requirements.

(A) Requirements Applicable to All ETCs, Including Incumbent Local Exchange Carriers (ILECs).

1. By August 15 of each year, all ETCs, including ILECs, shall submit an affidavit executed by an officer of the company attesting that federal high-cost support is used consistent with the commission's rules and the Telecommunications Act of 1996. The affidavit will be accompanied by documentation of support received and costs incurred.

2. All ETCs, including ILECs, shall in conjunction with the annual high-cost certification process, assist the commission staff in



comparing residential rates in rural areas served by non-rural incumbent local exchange carriers to urban rates nationwide.

3. All reports required to be submitted to the commission shall be attested to by an officer or authorized agent of the ETC or ILEC.

4. The commission or its staff may request additional information regarding the annual certification.

5. Questions regarding the appropriate documentation should be directed to the commission's Telecommunications Department.

(B) Requirements Applicable to ETCs.

1. ETCs seeking certification by October 1 of each year shall, no later than June 15 of each year, set up a meeting with the Telecommunications Department staff and the Office of the Public Counsel to review and discuss the ETC's proposal for the two (2)-year improvement plan. The meeting shall include a discussion of the proposed plan and any changes to the plan that would improve coverage, service quality or capacity in unserved or underserved areas in the Missouri service area in which ETC designation was granted.

A. A two (2)-year improvement plan shall include progress updates on any previously submitted plan. The two (2)-year improvement plan shall include, with specificity, proposed improvements or upgrades to the carrier's network on a wire center-by-wire center basis throughout its proposed designated service area and address all of the separate components addressed in the initial plan, set forth in (2)(A)2. above.

B. Reports on unfilled service requests and customer complaints for the previous year and how the two (2)-year improvement plan may address such requests and complaints.

2. ETCs shall submit a demonstration that the receipt of high-cost support will be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended in the Missouri service area in which ETC designation was granted.

A. For purposes of this section, "support is intended" is defined consistent with the Telecommunications Act which outlines the following principles:

(I) Quality and rates—quality services should be available at just, reasonable, and affordable rates;

(II) Access to advanced services—access to advanced telecommunications and information services should be provided in all regions of the state;

(III) Access in rural and high-cost areas—consumers in all regions of Missouri, including those in rural, insular and high-cost areas will have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.

3. ETC shall submit a demonstration that high-cost support was used to improve coverage, service quality or capacity in the Missouri service area in which ETC designation was granted and that such support was used in addition to any expenses the ETC would normally incur.

4. ETCs shall submit a statement that costs incurred and/or estimated budget/investment amounts were no greater than necessary to provide consumers in the ETC's service area access to telecommunications and information services that are reasonably comparable to those services provided in urban areas.

5. ETCs shall submit an affidavit signed by an officer of the company certifying that the ETC continues to comply with the approved consumer code for wireless service recognized by the Cellular Telecommunications and Internet Association (CTIA) and/or applicable service quality standards and consumer protection rules, certifying that the ETC continues to be able to function in emergency situations, continues to offer a local usage plan comparable to that offered by the incumbent local exchange telecommunications carrier in the relevant service areas (if applicable), and continues to acknowledge that it shall provide equal access pursuant to 4 CSR 240-32.100(3) and (4) if all other ETCs in that service area relinquish their designations pursuant to section 214(e)(3) of the Telecommunications Act of 1996.

6. ETCs shall submit a report of complaints from consumers in the Missouri service area in which ETC designation was granted that have been submitted to or filed with the Federal Communications Commission in the previous twelve (12) months for which the company has knowledge. Such report shall include, at a minimum: a description of the complaint; the date the complaint was filed; the date the complaint was resolved; the resolution of the complaint and the amount of refund or credit, if any. If the commission finds the ETC's resolution of complaints is not satisfactory or if a particular type of complaint is recurring without being satisfactorily addressed, then the com-

mission may decline to certify the ETC during the annual certification process.

7. ETCs, or carrier requesting ETC designation, shall promptly furnish requested information, including financial information, related to its designation as an ETC to the commission, its staff or the Office of the Public Counsel.

(C) Requirements Applicable to ILECs.

1. ILECs seeking certification by October 1 of each year shall, no later than August 15 of each year:

A. Submit a narrative discussing the use of the high-cost support as follows:

(I) Provision: A general description of any construction plans with start and end dates, populations affected by construction plans and estimated budget amounts, if applicable;

(II) Upgrade: The geographic areas for any improvements, start and completion date for each improvement, estimated investment for each project that is supported by high-cost funding, estimated population that will be served as a result of the improvements, if applicable; and

(III) Maintenance: A general description of any on-going maintenance that is supported by high-cost funding, if applicable.

2. Submit a statement that costs incurred and/or estimated budget/investment amounts were no greater than necessary to provide consumers in the ILEC's service area access to telecommunications and information services that are reasonably comparable to those services provided in urban areas.

3. Submit a demonstration that the receipt of high-cost support was used only for the provision, maintenance and upgrading of facilities and services for which the support is intended in the Missouri service area in which ETC designation was granted.

A. For purposes of this section, "support is intended" is defined consistent with the Telecommunications Act which outlines the following principles:

(I) Quality and rates—Quality services should be available at just, reasonable, and affordable rates;

(II) Access to advanced services—Access to advanced telecommunications and information services should be provided in all regions of the state; and

(III) Access in rural and high-cost areas—Consumers in all regions of Missouri, including those in rural, insular and high-cost areas will have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services





provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.

(5) Additional Requirements.

(A) Each CMRS provider shall submit to the commission a letter reflecting a change to the name and/or change, deletion or addition of a trade name under which the ETC will be doing business in the state of Missouri, attaching, as applicable, an amended Certificate of Incorporation, Fictitious Name registration or an amendment thereof. The CMRS provider shall modify its current informational filing, as required in subsection (3)(D) to reflect the new name and shall attest that no revisions are being made, except for the name change.

(B) ETCs shall not self-certify to the Universal Service Administrative Company for receipt of federal universal service funds.

(C) ETCs, including incumbent local exchange telecommunications carriers, shall not willfully make any false entry in any business record of any kind kept by it, nor shall it willfully destroy, mutilate, alter or by any method falsify any such record, nor shall it willfully neglect or fail to make full, true and correct entries in such records of all facts and transactions appertaining to its business, nor shall it falsify any statement to the commission.

(D) Allegations of failure to comply with this rule shall be filed with the commission in the form of a formal complaint pursuant to 4 CSR 240-2.070. Resolution of the complaint may result in revocation of the ETC designation.

(E) The commission shall not certify, by October 1 of each year, any ETC, including incumbent local exchange telecommunications carriers, that fails to comply with these rules.

(F) An application for ETC designation shall be deemed to be acceptance of Missouri Public Service Commission jurisdiction over any issues related to ETC designation and status and USF funding and acceptance of additional rules made applicable to that ETC.

(G) Except as otherwise provided in commission rules, ETCs shall keep all books and records associated with its ETC designation and/or the commission's annual certification process in accordance with good business practices, and at such place as they are normally kept in the usual course of business. The ETC shall make its books and records associated with its ETC designation and/or the commission's annual certification process available to the commission at reasonable

times for examination and inspection at a location designated by the commission.

(H) All records required by this rule shall be preserved for at least two (2) years.

*AUTHORITY: sections 386.040, 386.250, 392.451 and 392.470, RSMo 2000.\* Original rule filed Oct. 31, 2005, effective June 30, 2006. Amended: Filed Aug. 28, 2007, effective March 30, 2008.*

*\*Original authority: 386.040, RSMo 1939; 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 392.451, RSMo 1996; and 392.470, RSMo 1987.*

#### 4 CSR 240-3.600 Filing Requirements for Water Utility Applications for Certificates of Convenience and Necessity

*PURPOSE: Applications to the commission requesting that the commission grant a certificate of convenience and necessity must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for a certificate of convenience and necessity by a water company shall include the following information:

(A) If the application is for a service area—

1. A statement as to the same or similar utility service, regulated and nonregulated, available in the area requested;

2. If there are ten (10) or more residents or landowners, the name and address of no fewer than ten (10) persons residing in the proposed service area or of no fewer than ten (10) landowners in the event there are no residences in the area, or, if there are fewer than ten (10) residents or landowners, the name and address of all residents and landowners;

3. The legal description of the area to be certificated;

4. A plat drawn to a scale of one-half inch (1/2") to the mile on maps comparable to county highway maps issued by the Missouri Department of Transportation or a plat drawn to a scale of two thousand feet (2,000') to the inch; and

5. A feasibility study containing plans and specifications for the utility system and estimated cost of the construction of the utility system during the first three (3) years of construction; plans for financing; proposed rates and charges and an estimate of the number of customers, revenues and expenses during the first three (3) years of operations;

(B) When no evidence of approval of the affected governmental bodies is necessary, a statement to that effect;

(C) When approval of the affected governmental bodies is required, evidence must be provided as follows:

1. When consent or franchise by a city or county is required, approval shall be shown by a certified copy of the document granting the consent or franchise, or an affidavit of the applicant that consent has been acquired; and

2. A certified copy of the required approval of other governmental agencies; and

(D) The facts showing that the granting of the application is required by the public convenience and necessity.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.605 Filing Requirements for Water Utility Applications for Authority to Sell, Assign, Lease or Transfer Assets

*PURPOSE: Applications to the commission for the authority to sell, assign, lease or transfer assets must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to sell, assign, lease or transfer assets shall include:

(A) A brief description of the property involved in the transaction, including any franchises, permits, operating rights or certificates of convenience and necessity;

(B) A copy of the contract or agreement of sale;

(C) The verification of proper authority by the person signing the application or a certified copy of resolution of the board of directors of each applicant authorizing the proposed action;

(D) The reasons the proposed sale of the assets is not detrimental to the public interest;

(E) If the purchaser is subject to the jurisdiction of the commission, a balance sheet and income statement with adjustments showing



the results of the acquisitions of the property; and

(F) A statement of the impact, if any, the sale, assignment, lease or transfer of assets will have on the tax revenues of the political subdivisions in which any structures, facilities or equipment of the companies involved in that sale are located.

(2) If the purchaser is not subject to the jurisdiction of the commission, but will be subject to the commission's jurisdiction after the sale, the purchaser must comply with these rules.

(3) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.610 Filing Requirements for Water Utility Applications for Authority to Merge or Consolidate

*PURPOSE: Applications to the commission for the authority to merge or consolidate must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to merge or consolidate shall include:

(A) A copy of the proposed plan and agreement of corporate merger and consolidation, including organizational charts depicting the relationship of the merging entities before and after the transaction;

(B) A certified copy of the resolution of the board of directors of each applicant authorizing the proposed merger and consolidation;

(C) The balance sheets and income statements of each applicant and a balance sheet and income statement of the surviving corporation;

(D) The reasons the proposed merger is not detrimental to the public interest;

(E) An estimate of the impact of the merger on the company's Missouri jurisdictional operations relative to the merger and acquisition in question; and

(F) A statement of the impact, if any, the merger or consolidation will have on the tax revenues of the political subdivision in which

any structures, facilities or equipment of the companies involved are located.

(2) If the purchaser is not subject to the jurisdiction of the commission, but will be subject to the commission's jurisdiction after the sale, the purchaser must comply with these rules.

(3) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.615 Filing Requirements for Water Utility Applications for Authority to Issue Stock, Bonds, Notes and Other Evidences of Indebtedness

*PURPOSE: Applications to the commission for the authority to issue stock, bonds, notes or other evidences of indebtedness must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to issue stock, bonds, notes and other evidences of indebtedness shall contain the following:

(A) A brief description of the securities which applicant desires to issue;

(B) A statement of the purpose for which the securities are to be issued and the use of the proceeds;

(C) Copies of executed instruments defining the terms of the proposed securities—

1. If these instruments have been previously filed with the commission, a reference to the case number in which the instruments were furnished;

2. If these instruments have not been executed at the time of filing, a statement of the general terms and conditions to be contained in the instruments which are proposed to be executed; and

3. If none of these instruments is either executed or to be executed, a statement of how the securities are to be sold;

(D) A certified copy of resolutions of the directors of applicant authorizing the issuance of the securities;

(E) A balance sheet and income statement with adjustments showing the effects of the issuance of the proposed securities upon—

1. Bonded and other indebtedness; and
2. Stock authorized and outstanding;

(F) A statement of what portion of the issue is subject to the fee schedule in section 386.300, RSMo; and

(G) A five (5)-year capitalization expenditure schedule as required by section 393.200, RSMo.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*

#### 4 CSR 240-3.620 Filing Requirements for Water Utility Applications for Authority to Acquire the Stock of a Public Utility

*PURPOSE: Applications to the commission for the authority to acquire the stock of a public utility must meet the requirements set forth in this rule. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1).*

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for authority to acquire the stock of a public utility shall include:

(A) A statement of the offer to purchase stock of the public utility or a copy of any agreement entered with shareholders to purchase stock;

(B) A certified copy of the resolution of the directors of applicant authorizing the acquisition of the stock; and

(C) Reasons why the proposed acquisition of the stock of the public utility is not detrimental to the public interest.

(2) If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*



#### 4 CSR 240-3.625 Filing Requirements for Applications for Approval of Water Service Territorial Agreements

*PURPOSE:* This rule establishes requirements that applications to the commission for approval of territorial agreements between water service providers must meet. As noted in the rule, additional requirements pertaining to such applications are set forth in 4 CSR 240-2.060(1) and 4 CSR 240-3.630.

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for commission approval of territorial agreements between water service providers shall include:

(A) A copy of the territorial agreement and a specific designation of the boundary, including legal description;

(B) An illustrative tariff which reflects any changes in a regulated utility's operations or certification;

(C) An explanation as to why the territorial agreement is in the public interest;

(D) A list of all persons whose utility service would be changed by the agreement; and

(E) A check for the initial filing fee set forth in 4 CSR 240-3.630.

(2) If any of the items required by subsections (1)(A)–(D) of this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought.

*AUTHORITY:* sections 247.172 and 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.

\*Original authority: 247.172, RSMo 1939, amended 1976, 1978, 1985, 1986, 1993, 1996, 1997, 1998 and 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.

#### 4 CSR 240-3.630 Schedule of Fees Applicable to Applications for Approval of Water Service Territorial Agreements and Petitions for Designation of Water Service Areas

*PURPOSE:* This rule establishes a schedule of fees for commission review of proposed territorial agreements and petitions for commission designation of water service areas between water service providers.

(1) Commission review of an application for a proposed territorial agreement or a petition for commission designation of water service areas between water service providers shall be accompanied by an initial filing fee in the amount of five hundred dollars (\$500).

(2) In addition to the filing fee, the fee for commission review of an application for approval of a proposed territorial agreement between water service providers or a petition for commission designation of water service areas is set at six hundred eighty-five dollars (\$685) per hour of hearing time, subject to a minimum charge for hearing time of six hundred eighty-five dollars (\$685). There is an additional charge of three dollars and fifty cents (\$3.50) per page of transcript. These fees are in addition to the fees authorized by section 386.300, RSMo.

(3) The parties shall be responsible for payment of any unpaid fees on and after the effective date of the commission's report and order relating to the water service territorial agreement or designation of water service area. The executive director shall send an itemized billing statement to the applicants on or after the effective date of the commission's report and order. Responsibility for the payment of the fees shall be that of the parties to the proceeding as ordered by the commission in each case.

(4) An application for commission review of proposed amendment(s) to an existing territorial agreement between water service providers shall not be subject to the fee of five hundred dollars (\$500) specified in section (1) of this rule. However, the applicants shall be responsible for the payment of a fee which reflects necessary hearing time (including the minimum hearing time charge) and the transcript costs as specified in section (2) of this rule.

(5) On July 1 of each year, the filing fee and the fee per hour of evidentiary hearing time will be modified to match any percentage change in the Consumer Price Index for the twelve (12)-month period ending December 31 of the preceding year.

*AUTHORITY:* sections 247.172 and 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.

\*Original authority: 247.172, RSMo 1939, amended 1976, 1978, 1985, 1986, 1993, 1996, 1997, 1998 and 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.

#### 4 CSR 240-3.635 Water Utility Small Company Rate Increase Procedure (Rescinded September 30, 2009)

*AUTHORITY:* section 386.250, RSMo 2000. Original rule filed Aug. 16, 2002, effective April 30, 2003. Rescinded: Filed March 26, 2009, effective Sept. 30, 2009.

#### 4 CSR 240-3.640 Annual Report Submission Requirements for Water Utilities

*PURPOSE:* Section 393.140(6), RSMo, includes an obligation for the commission to require every person and corporation under its supervision to submit an annual report to the commission. This rule establishes the standards for the submission of annual reports by water utilities that are subject to the jurisdiction of the commission, including the procedures for submitting nonpublic annual report information.

(1) All water utilities shall submit an annual report to the commission on or before April 15 of each year, except as otherwise provided for in this rule.

(2) Water utilities shall submit their annual reports either on a form provided by the commission or on a computer-generated replica that is acceptable to the commission. Reports being submitted on paper are to be prepared in loose-leaf format and sent to the attention of the secretary of the commission. Computer-generated reports can be submitted through the commission's electronic filing and information system (EFIS). Attempts to substitute forms such as stockholder reports without concurrently submitting official commission forms with appropriate cross-reference will be considered noncompliant. All requested information shall be included in the annual report, where applicable, even if it has been provided in a previous annual report.

(3) A water utility that receives a notice from the commission stating that deficiencies exist in the information provided in the annual report shall respond to that notice within twenty (20) days after the date of the notice, and shall provide the information requested in the notice in its response.

(4) If a water utility subject to this rule considers the information requested on the annual report form to be nonpublic information, it must submit both a fully completed version to be kept under seal and a redacted public version that clearly informs the reader that the redacted information has been submitted as nonpublic information to be kept under seal. Submittals made under this section that do not include both versions will be considered deficient. The staff on behalf of the commission will issue a deficiency letter to the company and if both versions of the annual report are not received within twenty (20) days of the notice, the submittal will be considered noncompliant. In addition to the foregoing,



submittals made under this section must meet the following requirements:

(A) A cover letter stating that the utility is designating some or all of the information in its annual report as confidential information, and including the name, phone number and e-mail address (if available) of the person responsible for addressing questions regarding the confidential portions of the annual report, must be submitted with the reports;

(B) The cover of each version of the report must clearly identify whether it is the public or nonpublic version;

(C) A detailed affidavit that identifies the specific types of information to be kept under seal, provides a reason why the specific information should be kept under seal and states that none of the information to be kept under seal is available to the public in any format must be prominently attached to both versions of the report; and

(D) Each page of each version of the report that contains nonpublic information shall be clearly identified as containing such information.

(5) If an entity asserts that any of the information contained in the nonpublic version of the annual report should be made available to the public, then that entity must file a pleading with the commission requesting an order to make the information available to the public, and shall serve a copy of the pleading on the utility affected by the request. The pleading must explain how the public interest is better served by disclosure of the information than the reason provided by the utility justifying why the information should be kept under seal. The utility affected by the request may file a response to a pleading filed under these provisions within fifteen (15) days after the filing of such a pleading. Within five (5) business days after the due date for the filing of the utility's response to a request filed under these provisions, the general counsel by filing of a pleading will make a recommendation to the commission advising whether the request should be granted.

(6) A water utility that is unable to meet the submission date established in section (1) of this rule may obtain an extension of up to thirty (30) days for submitting its annual report by:

(A) Submitting a written request, which states the reason for the extension, to the attention of the secretary of the commission prior to April 15; and

(B) Certifying that a copy of the written request was sent to all parties of record in pending cases before the commission where

the utility's activities are the primary focus of the proceedings.

(7) A water utility that is unable to meet the submission date established in section (1) of this rule may request an extension of greater than thirty (30) days for submitting its annual report by:

(A) Filing a pleading, in compliance with the requirements of Chapter 2 of 4 CSR 240, which states the reason for and the length of the extension being requested, with the commission prior to April 15; and

(B) Certifying that a copy of the pleading was sent to all parties of record in pending cases before the commission where the utility's activities are the primary focus of the proceedings.

(8) Responses to deficiency notices under the provisions of section (3) of this rule, requests for confidential treatment under the provisions of section (4) of this rule, pleadings requesting public disclosure of information contained under seal under the provisions of section (5) of this rule, and requests for extensions of time under the provisions of sections (6) or (7) of this rule may be submitted through the commission's electronic filing and information system (EFIS).

(9) A water utility that does not timely file its annual report, or its response to a notice that its annual report is deficient, is subject to a penalty of one hundred dollars (\$100) and an additional penalty of one hundred dollars (\$100) for each day that it is late in filing its annual report or its response to a notice of deficiency.

*AUTHORITY: sections 386.250 and 393.140, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed Nov. 7, 2003, effective April 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 393.140, RSMo 1939, amended 1949, 1967.*

#### 4 CSR 240-3.645 Filing Requirements for Water Utility Rate Schedules

*PURPOSE: This rule prescribes the form and procedures for filing and publishing schedules of rates of all water utilities under the jurisdiction of the Public Service Commission.*

(1) Every water corporation engaged in the furnishing or distribution of water for domestic or other beneficial use in the state of Missouri is directed not later than October 15, 1913, to have on file with this commission

and keep open for public inspection, schedules showing all rates and charges in connection with the service or whatever nature made by these water corporations for each and every kind of service which it renders as were in force on April 15, 1913, together with proper supplements covering all changes in the rate schedules authorized by this commission, if any, since April 15, 1913.

(2) All the rate schedules now on file with the commission not in accordance with these rules shall be issued in the form and manner prescribed by this rule and all rate schedules issued after April 15, 1913, must conform to this rule.

(3) Rate schedules shall be drawn up substantially in accordance with Form No. 13 and shall be plainly printed or typewritten on good quality of paper of size eight and one-half inches by eleven inches (8 1/2" × 11") in book, sheet or pamphlet form. A loose-leaf plan may be used so changes can be made by reprinting and inserting a single leaf. When the loose-leaf plan is used, all sheets, except the title page sheet, must show in the marginal space at top of page the name of the water corporation issuing, the PSC number of the schedule and the number of the page. In the marginal space at bottom of the sheet, should be shown: the date of issue, the effective date and the name, title and address of the officer by whom the schedule is issued. All schedules shall bear a number with the prefix PSC Mo. \_\_\_\_\_. Schedules shall be numbered in consecutive serial order beginning with number 1 for each water corporation. If a schedule or part thereof is canceled, a new schedule or part thereof (sheet or sheets if loose-leaf) will refer to the schedule canceled by its PSC number; thus, PSC Mo. No. \_\_\_\_ canceling PSC Mo. No. \_\_\_\_.

(4) Each schedule shall be accompanied by a letter of transmittal, in duplicate if receipt is desired, which shall be prepared consistent with the format designated by the commission.

(5) All proposed changes in rates, charges or rentals or in rules that affect rates, charges or rentals, filed with the commission shall be accompanied by a brief summary, approximately one hundred (100) words or less, of the effect of the change on the company's customers. A copy of any proposed change and summary shall also be served on the public counsel and be available for public inspection and reproduction during regular office hours at the general business office of the utility.



(6) Thirty (30) days' notice to the commission is required as to every publication relating to water rates or service except where publications are made effective on less than statutory notice by permission, regulation or requirement of the commission.

(7) Except as is otherwise provided, no schedule or supplement will be accepted for filing unless it is delivered to the commission free from all charges or claims for postage, the full thirty (30) days required by law before the date upon which such schedule or supplement is stated to be effective. No consideration will be given to or for the time during which a schedule or supplement may be held by the post office authorities because of insufficient postage. When a schedule or a supplement is issued and as to which the commission is not given the statutory notice, it is as if it had not been issued and a full statutory notice must be given of any reissuance. No consideration will be given to telegraphic notices in computing the required thirty (30) days' notice. In such cases the schedule will be returned to the sender and correction of the neglect or omission cannot be made which takes into account any time elapsing between the date upon which such schedule or supplement was received and the date of the attempted correction. For rate schedules and supplements issued on short notice under special permission of the commission, literal compliance with the requirements or notice named in any order, regulation or permission granted by the commission will be exacted.

*AUTHORITY: sections 386.250 and 393.140, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 393.140, RSMo 1939, amended 1949, 1967.*

#### **4 CSR 240-3.650 Water Utility Petitions for Infrastructure System Replacement Surcharges**

*PURPOSE: This rule sets forth the definitions, parameters and procedures relevant to the filing and processing of petitions pertaining to an infrastructure system replacement surcharge (ISRS), including the information that an eligible water utility must provide when it files a petition and associated rate schedules to establish, change or reconcile an ISRS.*

(1) As used in this rule, the following terms mean:

(A) Appropriate pretax revenues—the revenues necessary to:

1. Produce net operating income equal to the eligible water utility's weighted cost of capital multiplied by the net original cost of eligible infrastructure system replacements (original cost of eligible infrastructure system replacements, net of accumulated deferred income taxes and accumulated depreciation associated with the replacements), including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system replacements that are included in a currently effective ISRS;

2. Recover state, federal, and local income or excise taxes applicable to such income; and

3. Recover all other ISRS costs;

(B) Eligible infrastructure system replacements—water utility plant projects that:

1. Replace or extend the useful life of existing infrastructure;

2. Are in service and used and useful;

3. Do not increase revenues by directly connecting the infrastructure replacement to new customers;

4. Were not included in the eligible water utility's rate base in its most recent general rate case; and

5. Were made in a county with a charter form of government and with more than one (1) million inhabitants;

(C) Eligible water utility—a water corporation as defined in section 386.020(58), RSMo, that provides service to more than ten thousand (10,000) customers in a county with a charter form of government and with more than one (1) million inhabitants;

(D) ISRS—infrastructure system replacement surcharge;

(E) ISRS costs—annual depreciation expenses, and property taxes that will be due within twelve (12) months of the ISRS filing, on the total cost of eligible infrastructure system replacements, reduced by annual depreciation expenses and property taxes on any related facility retirements;

(F) ISRS revenues—revenues produced through an ISRS, exclusive of revenues from all other rates and charges;

(G) Water utility plant projects—projects that consist only of the following:

1. Mains, and associated valves and hydrants, installed as replacements for existing facilities that have worn out or are in deteriorated condition;

2. Main cleaning and relining projects; and

3. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work

by or on behalf of the United States, this state, a political subdivision of this state or another entity having the power of eminent domain; provided that the costs related to such projects have not been reimbursed to the eligible water utility.

(2) Pursuant to the provisions of this rule and sections 393.1000 to 393.1006, RSMo, an eligible water utility may file a petition with the commission to establish or change ISRS rate schedules that will allow for the adjustment of its rates and charges to provide for the recovery of costs for eligible infrastructure system replacements; provided that an ISRS, on an annualized basis, must produce ISRS revenues of at least one (1) million dollars but not in excess of ten percent (10%) of the subject utility's base revenue level approved by the commission in the utility's most recent general rate proceeding.

(3) An ISRS, and any future changes thereto, shall be calculated and implemented in accordance with the provisions of this rule and sections 393.1000 to 393.1006, RSMo.

(4) ISRS revenues shall be subject to refund based upon a finding and order of the commission, to the extent provided in subsections 5 and 8 of section 393.1006, RSMo.

(5) The commission shall not approve an ISRS for an eligible water utility that has not had a general rate proceeding decided or dismissed by issuance of a commission order within the past three (3) years, unless that utility has filed for or is the subject of a new general rate proceeding.

(6) In no event shall an eligible water utility collect an ISRS for a period exceeding three (3) years unless it has filed for or is the subject of a new general rate proceeding; provided that the ISRS may be collected until the effective date of new rate schedules established as a result of the new general rate proceeding, or until the subject general rate proceeding is otherwise decided or dismissed by issuance of a commission order without new rates being established.

(7) Upon the filing of a petition seeking to establish or change an ISRS, the commission will publish notice of the filing.

(8) The eligible water utility shall provide the following notices to its customers, with such notices to be approved by the commission in accordance with section (9) of this rule before they are sent to the customers:

(A) An initial, one (1)-time notice to all potentially affected customers, with such



notice to be sent to customers no later than when customers will receive their first bill that includes an ISRS, explaining the subject utility's infrastructure system replacement program, explaining how its ISRS will be applied to its various customer classes and identifying the statutory authority under which it is implementing its ISRS;

(B) An annual notice to affected customers each year that an ISRS is in effect explaining the continuation of its infrastructure system replacement program and the resulting ISRS; and

(C) A surcharge description on all affected customer bills, which informs the customers of the existence and amount of the ISRS on the bills.

(9) Within twenty (20) days of the eligible water utility's filing of a petition to establish an ISRS, the subject utility shall submit the following items to the commission for approval or rejection, and the office of the public counsel may, within ten (10) days of the water utility's filing, submit comments regarding these items to the commission:

(A) An example of the notice required by subsection (8)(A) of this rule;

(B) An example of the notice required by subsection (8)(B) of this rule; and

(C) An example customer bill showing how the ISRS will be described on affected customers' bills in accordance with subsection (8)(C) of this rule.

(10) When an eligible water utility files a petition pursuant to the provisions of this rule and sections 393.1000 to 393.1006, RSMo, the commission shall conduct an examination of the proposed ISRS.

(11) The staff of the commission may examine the information the eligible water utility provides pursuant to the provisions of this rule and sections 393.1000 to 393.1006, RSMo, to confirm the underlying costs related to and the proper calculation of the proposed ISRS, and may submit a report regarding its examination to the commission not later than sixty (60) days after the eligible water utility files its petition. The staff shall not examine any other revenue requirement or ratemaking issues in its consideration of the petition or associated proposed rate schedules.

(12) The commission may hold a hearing on the petition and the associated proposed rate schedules, and shall issue an order to become effective not later than one hundred twenty (120) days after the eligible water utility files the petition.

(13) If the commission finds that a petition complies with the requirements of sections 393.1000 to 393.1006, RSMo, the commission shall enter an order authorizing the eligible water utility to impose an ISRS that is sufficient to recover appropriate pretax revenues, as determined by the commission.

(14) Commission approval of a petition, and any associated rate schedules, to establish or change an ISRS pursuant to sections 393.1000 to 393.1006, RSMo, shall in no way be binding upon the commission in determining the ratemaking treatment to be applied to eligible infrastructure system replacements during a subsequent general rate proceeding when the commission may undertake to review the prudence of such costs. In the event the commission disallows recovery of costs associated with eligible infrastructure system replacements previously collected through an ISRS, as a part of its order in a subsequent general rate proceeding, the water utility shall offset its ISRS in the future as needed to recognize and account for any such disallowances. Nothing in this rule or section 393.1006, RSMo, shall be construed as limiting the authority of the commission to review and consider infrastructure system replacement costs along with other costs during any general rate proceeding of an eligible water utility.

(15) An eligible water utility may effectuate a change in an ISRS no more often than two (2) times during every twelve (12)-month period, with the first such period beginning on the effective date of the rate schedules that establish an initial ISRS. For the purposes of this section, an initial ISRS is the first ISRS granted to the subject utility or an ISRS established after an ISRS is reset to zero pursuant to the provisions of section (17) of this rule.

(16) At the end of each twelve (12)-month period that an ISRS is in effect, the eligible water utility shall reconcile the differences between the revenues resulting from the ISRS and the appropriate pretax revenues as found by the commission for that period, and shall submit the reconciliation and proposed ISRS rate schedule revisions to the commission for approval to recover or refund the difference, as appropriate.

(17) An eligible water utility that has implemented an ISRS shall file revised ISRS rate schedules to reset the ISRS to zero when new base rates and charges become effective following a commission order establishing customer rates in a general rate proceeding that

incorporates eligible costs previously reflected in an ISRS into the subject utility's base rates. If an over or under recovery of ISRS revenues, including any commission ordered refunds, exists after the ISRS has been reset to zero, the amount of over or under recovery shall be tracked in an account and considered in the water utility's next ISRS filing that it submits pursuant to the provisions of section (2) of this rule.

(18) Upon the inclusion of eligible costs previously reflected in an ISRS in an eligible water utility's base rates, the subject utility shall immediately thereafter reconcile any previously unreconciled ISRS revenues as necessary to ensure that revenues resulting from the ISRS match, as closely as possible, the appropriate pretax revenues as found by the commission for that period, and shall track such revenues pursuant to the provisions of section (17) of this rule.

(19) At the time that an eligible water utility files a petition with the commission seeking to establish, change or reconcile an ISRS, it shall submit proposed ISRS rate schedules and its supporting documentation regarding the calculation of the proposed ISRS with the petition, and shall serve the office of the public counsel with a copy of its petition, its proposed rate schedules and its supporting documentation. The subject utility's supporting documentation shall include workpapers showing the calculation of the proposed ISRS, and shall include, at a minimum, the following information:

(A) The state, federal, and local income or excise tax rates used in calculating the proposed ISRS, and an explanation of the source of and the basis for using those tax rates;

(B) The regulatory capital structure used in calculating the proposed ISRS, and an explanation of the source of and the basis for using that capital structure;

(C) The cost rates for debt and preferred stock used in calculating the proposed ISRS, and an explanation of the source of and the basis for using those cost rates;

(D) The cost of common equity used in calculating the proposed ISRS, and an explanation of the source of and the basis for using that equity cost;

(E) The property tax rates used in calculating the proposed ISRS, and an explanation of the source of and the basis for using those tax rates;

(F) The depreciation rates used in calculating the proposed ISRS, and an explanation of the source of and the basis for using those depreciation rates;



(G) The costs that are eligible for recovery during the period in which the ISRS will be in effect, including the net original cost of the infrastructure system replacements and the amount of ISRS costs related to the eligible replacements; and a breakdown of the eligible replacements identified by work order or cost center for each of the following project categories:

1. Mains, and associated valves and hydrants, installed as replacements for existing facilities that have worn out or are in deteriorated condition;
2. Main cleaning and relining projects;
3. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States;
4. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of this state;
5. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of a political subdivision of this state; and
6. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of an entity other than the United States, this state or a political subdivision of this state, having the power of eminent domain;

(H) The applicable customer class billing determinants used in calculating the proposed ISRS, and an explanation of the source of and the basis for using those billing determinants;

(I) An explanation of how the customers to whom the proposed ISRS will apply are benefiting from the water utility plant projects that will be recovered through the ISRS;

(J) An explanation of how the proposed ISRS is being prorated between affected customer classes, if applicable;

(K) An explanation of how the proposed ISRS is being applied in a manner consistent with the customer class cost-of-service study recognized by the commission in the subject utility's most recent general rate proceeding, if applicable;

(L) An explanation of how the proposed ISRS is being applied consistent with the rate design methodology utilized to develop the subject utility's rates resulting from its most recent general rate proceeding;

(M) An explanation of how the infrastructure replacement projects associated with the ISRS do not increase revenues by directly connecting the infrastructure replacement to new customers; and

(N) An explanation of when the infrastructure replacement projects associated with the ISRS were completed and became used and useful.

(20) In addition to the information required by section (19) of this rule, the eligible water utility shall also submit the following information, either when it submits the information required by section (19) of this rule or when it files its next general rate case:

(A) An explanation of the efforts to quantify and seek reimbursement for any costs associated with facility relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state or another entity having the power of eminent domain, which could offset the requested ISRS revenues;

(B) If any of the projects associated with the ISRS were funded through financing arrangements directed specifically to the projects, an explanation of how the projects were funded, including the amount of debt and the interest rate on that debt;

(C) An explanation of how long any facilities that were replaced by eligible infrastructure system replacements had been in service when they were replaced or abandoned; and

(D) An explanation of the request for proposal (RFP) process used, or the reasons that a RFP process was not used, to select the entity that performed the infrastructure replacement projects associated with the ISRS.

(21) In addition to the information required by section (19) of this rule, the eligible water utility shall also provide the following information when it files a petition with the commission seeking to establish, change or reconcile an ISRS:

(A) A description of all information posted on the subject utility's website regarding the infrastructure system replacement surcharge and related infrastructure system replacement projects; and

(B) A description of all instructions provided to personnel at the subject utility's call center regarding how those personnel should respond to calls pertaining to the ISRS.

*AUTHORITY: sections 386.250 and 393.140, RSMo 2000 and 393.1006.10, RSMo Supp. 2003.\* Original rule filed Sept. 19, 2003, effective May 30, 2004.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 393.140, RSMo 1939, amended 1949, 1967; and 393.1006, RSMo 2003.*