

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of a Workshop Docket to       )  
Explore the Ratemaking Process                )

**Case No. AW-2019-0127**

**STAFF'S PROPOSED DRAFT RULE AND WORKSHOP AGENDA**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and hereby files its *Proposed Draft Rule* for consideration at the workshop to be held on November 29, 2018. Staff further states as follows:

1. Attached is a draft rule, offered for discussion purposes by Staff, intended to implement an optional, shortened ratemaking procedure for electric, gas, steam, and certain water and sewer utilities

2. Staff proposes the following Agenda for the workshop to be scheduled on November 29, 2018, in Room 470 of the Governor Office Building from 10:00 am – 2:00 pm on November 29, 2018:

Opening Remarks  
Overview of Draft Rule and Feedback  
Section-by-section Discussion of the Draft Rule and  
Feedback  
Next Steps

**WHEREFORE**, Staff prays that the Commission will file the attached draft rule in this docket and serve this filing upon all electric, gas, and steam utilities, as well as to Missouri-American Water Company; and grant such other and further relief as is just in the circumstances.

Respectfully submitted,

**/s/ Kevin A. Thompson**

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### **CERTIFICATE OF SERVICE**

I certify that the foregoing and all attachments were served electronically pursuant to the Service List maintained by the Commission's Data Center for this case on this 27<sup>th</sup> day of November, 2018.

**/s/ Kevin A. Thompson**

**Title 4-DEPARTMENT OF  
ECONOMIC DEVELOPMENT  
Division 240-Public Service Commission  
Chapter 10 – Utilities**

**PROPOSED RULE**

**4 CSR 240-10.145 Minimum Filing Requirements for Expedited Utility Company General Rate Increase Requests**

**(1) Definitions.**

- (A) Data request is as defined in rule 4 CSR 240-2.090(2).
- (B) General rate increase request is one where the utility company 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.

(2) Any utility may elect, or the commission may order, an expedited general rate increase using the procedures outlined in this rule. The expedited procedure replaces the procedures in 4 CSR 240-3.030 Minimum Filing Requirements for Utility Company General Rate Increase Requests.

(3) A utility electing a general rate increase using the expedited procedure shall give notice of its election pursuant to the notice required by 4 CSR 240-4.017(1). At the same time, the utility shall file a summary of the reason(s) for the proposed change(s) or a summary explanation of the reason(s) the additional rate is needed.

(4) At least sixty (60) days after filing the notice referred to in section (3) above, unless otherwise ordered by the commission, the utility may file proposed rate schedules providing for an expedited general rate increase, bearing an effective date exactly 240 days after the filing date, together with all of the items specified by 4 CSR 240-2.065, and, as applicable, all of the items specified by 4 CSR 240-3.160 and 4 CSR 240-3.235.

(A) At the same time it files its proposed rate schedules, the utility shall provide the following documentation to commission staff and the Office of Public Counsel:

- 1) Workpapers supporting the proposed rate schedules;
- 2) General ledger for the proposed test year;
- 3) Current chart of accounts;
- 4) Current long-range capital and operating plans;
- 5) Capital and operating budgets for the current and preceding calendar years and for the next three calendar years;
- 6) Organizational charts for the utility and all affiliated entities;
- 7) Monthly financial and operating reports for the current and preceding calendar years;
- 8) Current policy and procedure manuals; and

9) A listing of each event and associated cost incurred within the test year that the utility considered to be abnormal or not representative of ongoing operations.

(B) At the time it files its proposed rate schedules, the utility shall also have arranged for Staff and the Office of Public Counsel to have the opportunity to review the following documents:

- 1) Board of directors minutes and materials; and
- 2) External auditor workpapers.

(C) The utility may be asked to periodically update some or all of the information listed above in this section during the pendency of the rate proceeding.

(D) In addition, the utility shall provide the following information at the time it files its proposed rate schedules:

1. A letter transmitting the proposed tariff changes to the Secretary of the Missouri Public Service Commission;

2. General information concerning the filing which will be of interest to the public and suitable for publication, including:

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

- B. Names of the counties and communities affected;

- C. 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;

- D. 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;

- E. 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; and

- F. Copies of any press releases relative to the filing issued by the company or utility.

(E) The commission shall not suspend the proposed rate schedules.

(5) Upon the filing of the items referred to in section (4), above, the commission shall direct notice of the expedited rate increase request to all of the parties on the service list for the company's last general rate case, as well as to the media and members of the general assembly and provide twenty (20) calendar days for interested parties to intervene;

(6) At the time a party requests intervention, it may request, and the utility shall provide the information provided in section (4) above subject to the confidentiality provisions of 4 CSR 240.2.135.

(7) The commission will provide the company, and any other interested party, five (5) days to respond to a request for intervention;

(8) The parties shall propose a procedural schedule that includes the filing of staff and intervenor direct testimony at least 90 days after the filing of the information in section (4) above; rebuttal testimony; surrebuttal testimony; evidentiary hearing, and briefing schedule;

(9) The interval for objecting to data requests shall be five (5) calendar days and the interval for responding to data requests shall be ten calendar (10) days;

(10) If a utility electing this expedited procedure chooses to update the financial information on which its requested rates are based during the pendency of the case, such information is to be supported in a testimony filing to be made no later than concurrently with the filing date established for Staff and Intervenor direct testimony. Staff and Intervenors shall respond to any update request as part of the rebuttal testimony filing;

(11) The commission's report and order will be effective no later than 240 days after the filing of the application;

(12) In lieu of an expedited general rate increase request, a utility may file interim rate schedules, subject to refund, to be effective thirty (30) days after filing, together with its direct testimony setting out its case-in-chief supporting the requested interim rate increase with its minimum filing requirements under 4 CSR 240-3.030.

(A) In the event that the commission after hearing establishes permanent rates that are less than the interim rates established as described herein, the difference collected by the utility shall be adjusted, with carrying charges at the utility's weighted average cost of capital rate.

1. If the ordered permanent rates are less than the interim rates established herein by a value greater than twenty-five percent (25 %) of the interim rates, permanent rates shall be reduced by an amount equal to five percent (5%) of the interim rates;

2. Amounts collected under the interim rate schedules in excess of the permanent rate schedules shall be returned to the ratepayers over a period of the same length as the period that the interim rates were in effect; and

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