

MISSOURI CODE OF STATE REGULATIONS  
TITLE 4 - DEPARTMENT OF ECONOMIC DEVELOPMENT  
DIVISION 240 - PUBLIC SERVICE COMMISSION  
CHAPTER 10 - UTILITIES

The Missouri Administrative Code titles are current through January 29, 2007.  
4 CSR 240-10.020 Income on Depreciation Fund Investments

**FILED**  
APR 20 2007  
Missouri Public  
Service Commission

*PURPOSE: This rule prescribes the use of income on investments from depreciation funds and the means for accounting for that income.*

(1) In the process of determining the reasonableness of rates for service, income shall be determined on the depreciation funds of the gas, electric, water, telegraph, telephone and heating utilities pertaining to their properties used and useful in the public service in Missouri and shall be applied in reduction of the annual charges to operating income of those utilities.

(2) The income from the investment of moneys in depreciation funds shall be computed at the rate of three percent (3%) per annum of the principal amount of the depreciation funds.

(3) The principal amount of depreciation funds of any such utility, for the purposes of this rule, shall be deemed to be equivalent to the balance in the depreciation reserve account of any such utility regardless of whether or not any such depreciation reserve account may be represented by a segregated fund ear-marked for that purpose; provided, however, that the principal amount of the depreciation funds may be adjusted by the portion(s) of funds which may have been provided under circumstances other than by charges to operating income or otherwise, these adjustments to be subject to the approval of the commission. The terms depreciation funds and depreciation reserve accounts shall be deemed to include the terms retirement funds and retirement reserve accounts.

(4) The rate of three percent (3%) per annum referred to in section (3) shall be applied in the case of each gas, electric, water, telegraph, telephone and heating utility of Missouri; provided, however, that modification of the rate may be made upon the commission's own motion or upon proper showing by a utility that the rate is not reasonably and equitably applicable to it.

(5) Affected utilities shall prepare and include in their annual reports to the commission commencing with their annual reports for the year 1945, and in such other reports that may be required by the commission from time-to-time, schedules showing for the year or period covered by such reports, the income from the investment of moneys in depreciation funds. The schedules referred to shall be in the form prescribed by this commission and shall include, among other things that may be prescribed: the principal amount of depreciation funds as represented by balances in depreciation reserve accounts; any adjustments of such depreciation funds and accounts with complete details and explanations thereof; and, the amount of the income from the investment of moneys in depreciation funds computed at the rate of three percent (3%) per annum, or such other rate as may be prescribed by order of this commission.

(6) The commission shall retain jurisdiction in this matter for the purpose of making any change(s) in the interest rate prescribed in section (2) that may be warranted.

*STAFF* Exhibit No. 271  
Case No(s) ER 2007-0002  
Date 3/27/07 Rptr UV

*AUTHORITY: sections 392.280 and 393.260, RSMo 1986. [FNa1] Original rule filed Dec. 19, 1975, effective Dec. 29, 1975.*  
*[FNa1]. Original authority: 392.280, RSMo 1939, amended 1987 and 393.260, RSMo 1967.*

4 Mo. Code of State Regulations 240-10.020, 4 MO ADC 240-10.020