

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 6th
day of January, 1993.

Application of Union Electric Company for)
waiver from decommissioning trust funds) CASE NO. EO-93-198
rule for good cause shown.)

ORDER AND NOTICE, AND ORDER
SETTING PREHEARING CONFERENCE

On December 18, 1992, Union Electric Company (UE) filed an application for a waiver from compliance with Rules 4 CSR 240-20.070(4)(E) and (4)(F), which restrict the type of investments which may be made by nuclear decommissioning trust funds. The waiver is sought pursuant to 4 CSR 240-20.070(17), which provides that the Commission may waive any provision of Rule 4 CSR 240-20.070 for good cause shown, upon proper application and after due notice and hearing.

In its application UE states that federal restrictions on investments applying to nuclear decommissioning trusts have been repealed by the Energy Policy Act of 1992, P.L. 102-486, effective as of January 1, 1993. The Missouri state rule on decommissioning trust funds, 4 CSR 240-20.070, in part reflects the restrictions of prior federal law, and is currently undergoing amendment. Because the state rule cannot be amended by January 1, 1993, UE is seeking a waiver allowing it to invest according to restrictions contained in the most current version of the proposed amendment to Rule 4 CSR 240-20.070, as detailed in its application. The proposed changes to the present investment restrictions have been discussed by the Commission's Staff, Public Counsel, and other interested parties. UE maintains that allowing it to invest according to the terms of the proposed amendments to the state rule would produce assets that are prudent investments for assets held in trust and in a manner designed to maximize

the after-tax return on funds invested, consistent with the conservation of the principal.

Since the purpose of the waiver request is to allow UE to take advantage of the repeal of the federal investment restrictions and the forthcoming amendments to the Missouri state rule for the period from January 1, 1993 until the state rulemaking process is completed and the amended rule is in effect, the Commission finds that it is appropriate to grant expedited treatment to this matter.

The Commission is of the opinion that a copy of this order should be given to the individuals or entities listed on Appendix A, attached hereto and incorporated herein by reference.

The Commission also finds that proper parties should be given an opportunity to intervene in this case. Applications to intervene shall be filed with the Executive Secretary of the Missouri Public Service Commission by January 21, 1993. Copies of the application to intervene should be sent to Michael F. Barnes, Attorney at Law, Union Electric Company, P. O. Box 149, St. Louis, Missouri 63166. Any other interested parties with inquiries may contact the Office of the Public Counsel, P. O. Box 7800, Jefferson City, Missouri 65102, telephone number (314) 751-4857.

The Commission is also of the opinion that a prehearing conference should be set to allow the parties an opportunity to resolve any substantive issues which may be in dispute, and that a procedural schedule should be filed as soon thereafter as possible.

IT IS THEREFORE ORDERED:

1. That the Records Department of the Missouri Public Service Commission is directed to serve notice as set out herein.

2. That any interested party wishing to intervene in this matter shall file its application to intervene on or before January 21, 1993. Such

application to intervene shall be filed with the Executive Secretary of the Missouri Public Service Commission, P. O. Box 360, Jefferson City, Missouri 65102, and a copy shall be sent to the following: Michael F. Barnes, Attorney at Law, Union Electric Company, P. O. Box 149, St. Louis, Missouri 63166.

3. That a prehearing conference in this matter be, and is hereby, scheduled to commence at 10:00 a.m., on January 29, 1993. Said conference shall be held in the Commission's hearing room on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri.

4. That the parties shall file a procedural schedule by February 5, 1993.

5. That this Order shall become effective on the date hereof.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

McClure, Chm., Mueller, Rauch,
Perkins and Kincheloe, CC., Concur.

APPENDIX A

Mark G. English,
Deputy General Counsel
William G. Riggins,
Attorney at Law
Kansas City Power & Light Company
1201 Walnut Street
Kansas City, Missouri 64106

Willard C. Reine,
Attorney at Law
314 East High Street
Jefferson City, Missouri 65101
for: Missouri Retailers Association

Samuel E. Overfelt,
Attorney at Law
618 East Capitol Avenue
P. O. Box 1336
Jefferson City, Missouri 65102
for: Missouri Retailers Association

Stuart W. Conrad,
Paul S. DeFord,
Attorneys at Law
Lathrop & Norquist
2345 Grand Avenue, Suite 2600
Kansas City, Missouri 64108
for: Armco Inc.

Paul W. Phillips,
Deputy Assistant Counsel for Regulatory Interventions
Room 6D-033
1000 Independence Avenue, S.W.
Washington, D.C. 20585
for: United States Dept. of Energy,
Federal Executive Agencies

Lewis R. Mills, Jr.,
First Assistant Public Counsel
Office of the Public Counsel
P. O. Box 7800
Jefferson City, Missouri 65102

Michael J. Hoare,
Attorney at Law
One Metropolitan Square, 24th Floor
St. Louis, Missouri 63102
for: Missouri Public Interest Research Group