

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

In the Matter of New Proposed Small)	<u>Case No. AX-2005-0363</u>
Company Rate Increase Procedure Rules)	
)	

**STAFF’S REVIEW OF COSTS INCURRED
DURING THE FIRST FISCAL YEAR OF RULE 4 CSR 240-3.050**

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through its attorney and, for its *Review of Costs Incurred During the First Fiscal Year*, states to the Missouri Public Service Commission (“Commission”) as follows:

1. The proposed rule revising the Small Company Rate Increase Procedures Rules was published with statements that neither the public entity cost nor the private entity cost would exceed \$500 in the aggregate.

2. In order to be in compliance with Section 536.200.2 RSMo, Staff reviewed the actual costs incurred in implementing Rule 4 CSR 240.3.050 during the first fiscal year after implementation of the Rule. Staff found that the actual costs did not exceed \$500 during the first full fiscal year after implementation of Rule. See Attachment A.

WHEREFORE, Staff respectfully submits its *Staff’s Review of Costs Incurred During the First Fiscal Year of Rule 4 CSR 240-3.050*.

Respectfully submitted,

/s/ Rachel M. Lewis
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record on this 21st day of June, 2010.

/s/ Rachel M. Lewis

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. AX-2005-0363; Rule 4 CSR 240-3.050

FROM: /s/ Jim Busch 6/21/2010
Water and Sewer Dept. Date

/s/ Rachel Lewis 6/21/2010
Staff Counsel's Office Date

SUBJECT: Staff Review of Costs Incurred during the First Full Fiscal Year

DATE: June 21, 2010

On April 13, 2005, the Missouri Public Service Commission (MPSC) issued a Notice of New Case creating Case No. AX-2005-0363 for the purpose of revising the Small Company Rate Increase Procedures Rules. On November 16, 2007, the MPSC filed a proposed rulemaking packet with the Secretary of State's office. The proposed rulemaking was for a new rule 4 CSR 240-3.050 that would create a new Small Utility Rate Case Procedure. This proposed rulemaking was published in the *Missouri Register* on December 17, 2007. The MPSC issued its Final Order of Rulemaking on February 28, 2008. The rule became effective on May 30, 2008.

Section 536.200 of the *Missouri Revised Statutes* (RSMo) requires that a state agency file a fiscal note if the adoption, amendment, or rescission of the rule would result in \$500 of increased costs or decreased revenues for public entities. Section 536.205 RSMo, requires that a state agency file a fiscal note if the adoption, amendment, or rescission of the rule would result in \$500 of increased costs or decreased revenues for private entities. The proposed rulemaking in AX-2005-0363 included statements about estimated costs to public and private entities as required. Section 536.205 RSMo, does not address a future review of actual costs to private entities, but Section 536.200.2 further requires for public entity fiscal notes that:

2. If at the end of the first full fiscal year after implementation of the rule, amendment, or rescission the cost to all affected entities has exceeded by ten percent or more the estimated cost in the fiscal note or has exceeded five hundred dollars if an affidavit has been filed stating the proposed change will cost less than five hundred dollars, the original estimated cost together with the actual cost during the first fiscal year shall be published by the adopting agency in the *Missouri Register* within ninety days after the close of the fiscal year. Such costs shall be determined by the adopting agency. If the adopting agency fails to publish such costs as required by this section, the rule, amendment, or rescission shall be void and of no further force or effect.

As required by Section 536.200 RSMo, the Staff has reviewed the public entity cost during the first full fiscal year after implementation of the rulemaking in Case No. AX-

2005-0363. Further, MPSC General Procedure GP-1 states that the Staff should investigate the cost to all affected entities and prepare a memorandum showing the investigation results within 30 days after the first full fiscal year. This memorandum is intended to meet these provisions in GP-1, and the statutory requirement shown above, for the rulemaking in Case No. AX-2005-0363 as follows.

1) Proposed Rule 4 CSR 240-3.050

The proposed rule was published with statements that neither the public entity cost nor the private entity cost would exceed \$500 in the aggregate. The proposed rule was to make changes to an existing rule concerning small utility rate requests. These changes did not involve costs to public or private entities in excess of those costs already required. Staff states that the costs did not exceed \$500 during the first full fiscal year.

In conclusion, the Staff states that the actual costs did not exceed \$500 during the first full fiscal year after implementation of the rulemaking in Case No. AX-2005-0363. Therefore, the Staff believes that the MPSC is not required by Section 536.200 RSMo to publish the estimated and actual costs in the *Missouri Register*. GP-1 specifies that if the investigation shows that the costs have not exceeded \$500, then the Staff's memorandum shall be entered into EFIS under the rulemaking's docket number. Filing this official case file memorandum in Case No. AX-2005-0363 will comply with that provision. No further action by the MPSC is necessary.