

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 20th
day of September, 2012.

In the Matter of a Working Case to Consider the)
Establishment of a Rate Stabilization Mechanism)
To Reduce the Need for Frequent Rate Case)
Filings)

File No. AW-2013-0110

**ORDER OPENING AN INVESTIGATION INTO THE ESTABLISHMENT OF A RATE
STABILIZATION MECHANISM TO REDUCE THE NEED FOR FREQUENT RATE
CASE FILINGS**

Issue Date: September 20, 2012

Effective Date: September 20, 2012

In the currently pending electric utility rate increase cases, the Commission has conducted local public hearings around the state regarding the requests for rate increases. The Commission frequently heard customers express concern about the frequency of those rate increase requests. To address that concern, the Commission initially ordered the parties to the Ameren Missouri, Kansas City Power & Light, KCP&L Greater Missouri Operations Company, and Empire District Electric Company rate cases to file additional testimony regarding possible means of reducing the need for the utility to file for frequent rate increases. In particular, the Commission directed the parties to address a mechanism used in New York that would award the utility a higher return on equity within the range of reasonable returns, but would then reduce that allowed return on equity to a lower rate within the range of reasonable returns if the utility sought a rate increase within the stabilization period.

After the parties to the Ameren Missouri, Kansas City Power & Light Company and KCP&L – Greater Missouri Operations Company cases complained that the procedural schedules in those cases were too advanced to allow for raising a new rate stabilization issue, the Commission reconsidered and vacated its orders directing the parties to file testimony about the issue in those cases.

However, the Commission still wants to examine possible solutions to the problem of frequent utility rate case filings. While these concerns have initially risen in the electric rate cases, the problem is not limited to electric rates and applies to all regulated utilities. To address these concerns, the Commission has established this working case.

This file will serve as a repository for documents and comments. Using this file, any person with an interest in this matter may view documents and may submit comments or documents. As this is not a contested case, anyone may file a comment without legal counsel and without *ex parte* constraints. Intervention requests are not necessary to submit comments or view documents.

The public is welcome to submit comments by forwarding electronic communications through the Commission's electronic filing and information system (EFIS) or by mailing written comments. You may submit electronic comments at the Commission's website at <http://www.psc.mo.gov>. (Click on the EFIS/Case filings link on the left side of the page. Scroll down and click on the public comment link. Please refer to File No. AW-2013-0110). Written comments in hard copy should be addressed to the Commission at P.O. Box 360, Jefferson City, Missouri 65102 and should also reference

File No. AW-2013-0110. The public can view the contents of the file by following the link at <http://www.psc.mo.gov>.

The Commission establishes the following schedule for the filing of comments.

THE COMMISSION ORDERS THAT:

1. Interested utilities, organizations, individuals, and other stakeholders may file initial comments and enter exhibits regarding proposals to stabilize utility rates no later than November 2, 2012.
2. Interested utilities, organizations, individuals, and other stakeholders may file reply comments responding to any proposals brought forth in the initial comments by November 30, 2012.
3. This order shall become effective upon issuance.

(S E A L)

BY THE COMMISSION



Steve C. Reed
Secretary

Gunn, Chm., Jarrett, Kenney, and
Stoll, CC., concur.

Woodruff, Chief Regulatory Law Judge