

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 3rd day of
January, 2018.

In the Matter of the Revenue Effects Upon
Missouri Utilities of the Tax Cuts and
Jobs Act of 2017

)
)
)

File No. AW-2018-0174

**ORDER OPENING A WORKING PROCEEDING REGARDING THE EFFECTS UPON
MISSOURI UTILITIES OF THE TAX CUTS OF 2017 AND DIRECTING RESPONSE**

Issue Date: January 3, 2018

Effective Date: January 3, 2018

On December 22, 2017, the Staff of the Commission filed a motion asking the Commission to open a proceeding to investigate the effect the recent federal tax cut legislation will have on the revenues of Missouri's utilities. Staff is concerned that the reduction in federal tax obligations may mean that existing rates over-compensate the utilities for cost of paying taxes and that as a result, those rates may become unjust and unreasonable. In a separate motion filed on December 27, Staff asks the Commission to direct Missouri's electrical corporations, gas corporations, and Missouri-American Water Company to respond to the following questions:

- a. What is the appropriate avenue for effectuating change to utility rates as a result of the federal income tax reductions?
- b. Is a different avenue appropriate for regulated corporations and Commission-regulated pass-through entities such as S Corporations, LLCs, and partnerships?

- c. What is the appropriate mechanism(s) for effectuating change to utility rates as a result of the federal income tax reductions?
- d. How does the change to the federal income tax affect pending rate cases?
Can the change be considered in the pending rate cases?
- e. Please calculate the first-year approximate annual Missouri jurisdictional change in cost of service for your utility that is projected to result from implementation of the Tax Cuts and Jobs Acts of 2017 (all other things being equal) and provide supporting workpapers for this calculation.

Staff asks the Commission to direct the utilities to respond by January 12, 2018. Ameren Missouri filed a comment on January 3, 2018, asking that all utilities be allowed until January 31 to respond. The Commission will allow the additional time to respond.

The Commission will direct the utilities to respond to Staff's questions and will direct its Staff to submit a report to the Commission regarding its review of these matters. Anyone else wishing to respond to Staff's questions is invited to do so.

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. Intervention requests are not necessary to submit comments or view documents.

The public is welcome to submit comments through the Commission's electronic filing and information system (EFIS) at the Commission's website, <http://www.psc.mo.gov>. (Click on the Submit Comments link on the right side of the page. Please refer to File No. AW-2018-0174.) Written comments in hard copy may be

mailed to the Commission at P.O. Box 360, Jefferson City, Missouri 65102 and should also reference File No. AW-2018-0174.

THE COMMISSION ORDERS THAT:

1. The Commission's Data Center shall provide a copy of this order to all Missouri electrical corporations, gas corporations, and to Missouri-American Water Company.
2. The Commission's Public Information Office shall make notice of this order available to the news media and to the members of the General Assembly.
3. Each electrical corporation, gas corporation, and Missouri-American Water Company shall respond to the questions described in the body of this order by January 31, 2018.
4. The Commission's Staff shall file a report by February 15, 2018 summarizing stakeholder input and providing recommendations for the development of a prompt plan of response designed to ensure that Missouri public utility rates are just and reasonable.
5. This order shall be effective when issued.

BY THE COMMISSION



Morris L. Woodruff

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney, Rupp, and
Coleman, CC., concur.

Woodruff, Chief Regulatory Law Judge

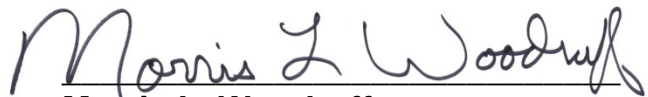
STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 3rd day of January 2018.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

January 3, 2018

File/Case No. AW-2018-0174

**Missouri Public Service
Commission**

Staff Counsel Department
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
staffcounsel@psc.mo.gov

Office of the Public Counsel

Hampton Williams
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opc@ded.mo.gov

**Missouri Public Service
Commission**

Kevin Thompson
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
kevin.thompson@psc.mo.gov

**Missouri-American Water
Company**

Legal Department
727 Craig Road
St. Louis, MO 63141

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Distributed to all Missouri electrical corporations and Missouri gas corporations.

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.