

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 1st
day of May, 2013.

In the Matter of a Working Docket to Address the)	
Hedging Practices of Electric Utilities Used to Mitigate)	<u>File No. EW-2013-0101</u>
the Rising Costs of Fuel)	

ORDER DIRECTING STAFF TO PROCEED WITH ITS INVESTIGATION

Issue Date: May 1, 2013

Effective Date: May 1, 2013

The Commission opened this working case in September 2012, to facilitate discussion regarding the natural gas supply hedging practices used by Missouri's electric utilities to mitigate fuel supply cost fluctuations. The Staff of the Commission conducted two workshop meetings at which these matters were discussed and on April 8, 2013, filed a report regarding its findings.

Staff reports that no broad agreement has been reached about how to evaluate whether an electric utility's gas hedging program is cost effective, and discussions have highlighted the challenge of judging such gas hedging programs. Staff indicates that as large new supplies of natural gas become available and as electric power markets continue to evolve, it will be important for utilities and regulators to discuss how to hedge effectively in the current market.

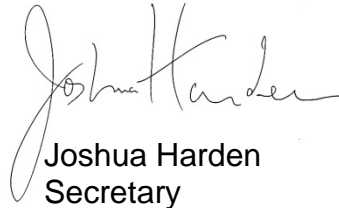
Staff recommends holding a few additional workshops with the electric utilities to gather more information. Staff also intends to hold regular meetings with the electric utilities to discuss individual hedging policies.

The Commission encourages Staff to continue its investigation with the workshops and individual meetings it suggests. The Commission will direct Staff to file an additional report regarding its further investigation.

THE COMMISSION ORDERS THAT:

1. No later than November 1, 2013, the Commission's Staff shall file a report regarding its further investigation into the natural gas hedging practices of Missouri's investor-owned electric utilities.
2. This order shall become effective upon issuance.

BY THE COMMISSION



Joshua Harden
Secretary

R. Kenney, Chm., Jarrett, Stoll, and
W. Kenney, CC., concur.

Woodruff, Chief Regulatory Law Judge