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May 21, 2001

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FILED<sup>2</sup>

MAY 21 2001

Missouri Public  
Service Commission

**RE: Case No. AX-2001-634**

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of Appendix B. This appendix was accidentally omitted when the Motion to Open a Case and to Find Necessity for Rulemaking was filed on May 16, 2001.

I apologize for any inconvenience that this error may have caused.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Cliff E. Snodgrass  
Senior Counsel  
(573) 751-3966  
(573) 751-9285 (Fax)

CES:sw  
Enclosure  
cc: Counsel of Record

**Service List for**  
**Case No. AX-2001-634**  
**Revised: May 21, 2001 (SW)**

**Office of the Public Counsel**  
**P.O. Box 7800**  
**Jefferson City, MO 65102**

## Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT

Division 240—Public  
Service Commission  
Chapter 10—Utilities

### 4 CSR 240-10.010 Books and Records

**PURPOSE:** *This rule provides for the keeping of certain public utility accounts, records, memoranda, books and papers required by law and prescribes conditions upon which any part of the books and records may be removed from, or kept outside, the state.*

(1) This rule applies to every public utility, as defined in section 386.020, RSMo, and to all persons employed by the public utilities.

(2) Every public utility shall have an office in this state in which its accounts, records, memoranda, books and papers carried in pursuance of a statute of this state or rules of this commission shall be kept, except as provided in this rule. Accounts, records, memoranda, books and papers carried in pursuance to the requirements of law mean the general records of the utility carried in pursuance of a statute of this state or the rules of this commission. All general records shall be kept in a fireproof place. No accounts, records, memoranda, books and papers, at any time, shall be removed from or kept outside the state except upon conditions as are prescribed.

(3) The following denotes the conditions under which any part of the accounts, records, memoranda, books and papers will be permitted to be removed from their domicile in this state, or kept outside the state, if domiciled in another state and doing business in Missouri:

(A) Every public utility doing business in Missouri shall maintain and keep accounts, records, memoranda, books and papers in conformity with the rules prescribed by this commission;

(B) If a public utility should desire to remove its general records from its office in this state, it shall notify the commission of any such intention thirty (30) days in advance of the removal, setting forth the exact address of the general office where the general records will be kept;

(C) If a public utility doing business in Missouri maintains its general records outside the state, the utility shall notify the commission, in writing, thirty (30) days in advance of any relocation, setting forth the

exact address of the general office where the general records will be kept;

(D) Every public utility or its successors or assigns shall hold itself ready and willing to produce any of its books and records to the commission at any time the commission shall so order or request, and shall permit the commission, or any of its officers or employees, to inspect these accounts, records, memoranda, books and papers;

(E) Every public utility shall permit the commission, or any of its officers or employees, to examine and inspect any of the accounts, records, memoranda, books and papers at any reasonable time at the office where these accounts, records, memoranda, books and papers are kept, the same as if the books and papers were kept within Missouri;

(F) If the commission deems it necessary to send one (1) or more of its officers or employees to examine any of the accounts, records, memoranda, books and papers of the public utility at the office where these books and records are kept, this being an extraordinary function of regulation not ordinarily contemplated in intrastate regulations of utilities, which are normally domiciled in Missouri and keep their books in this state, all reasonable expenses incurred by the officers and employees, if so ordered by the commission, shall be borne and paid by the public utility; provided, however, that before any such expense shall be incurred by the commission, the public utility shall be given reasonable notice to produce its accounts, records, memoranda, books and papers designated by the commission for inspection and examination of the commission or its officers and employees, at the office of the commission at Jefferson City, Missouri, or at an office of the public utility in Missouri, or at such other point in Missouri, as may be mutually agreed, in which case the public utility also shall make available at that place, at the time of the examination, a person(s), who is acquainted with the records;

(G) Every public utility, upon removal of any of its general records from Missouri, to an office in another state, shall keep the general records as are maintained in its office in the designated sister state, relative to its business operations in Missouri, in a fireproof place, when stored or not in use, or in the alternative, provide an original, duplicate or true copy of the records, which shall be kept in a fireproof place in one (1) of its offices in Missouri; and

(H) All public utilities shall file with the secretary of the Public Service Commission, if they have not previously done so, and include in their annual report, the address of

the office(s) in which its general records are kept.

**AUTHORITY:** *section 393.140, RSMo (1986). \* This version of rule filed Dec. 19, 1975, effective Dec. 29, 1975. Amended: Filed May 17, 1988, effective Oct. 27, 1988.*

*\*Original authority 1939, amended 1947, 1967.*

*State ex rel Kansas City Transit, Inc. v. Public Service Commission, 406 SW2d 5 (Mo. banc 1966). Commission is an administrative body of powers limited to those expressly granted by statute or necessary or proper to effectuate statutory purpose. Commission's authority to regulate does not include right to dictate manner in which company conducts its business.*

### 4 CSR 240-10.020 Income on Depreciation Fund Investments

**PURPOSE:** *This rule prescribes the use of income on investments from depreciation funds and the means for accounting for that income.*

(1) In the process of determining the reasonableness of rates for service, income shall be determined on the depreciation funds of the gas, electric, water, telegraph, telephone and heating utilities pertaining to their properties used and useful in the public service in Missouri and shall be applied in reduction of the annual charges to operating income of those utilities.

(2) The income from the investment of moneys in depreciation funds shall be computed at the rate of three percent (3%) per annum of the principal amount of the depreciation funds.

(3) The principal amount of depreciation funds of any such utility, for the purposes of this rule, shall be deemed to be equivalent to the balance in the depreciation reserve account of any such utility regardless of whether or not any such depreciation reserve account may be represented by a segregated fund ear-marked for that purpose; provided, however, that the principal amount of the depreciation funds may be adjusted by the portion(s) of funds which may have been provided under circumstances other than by charges to operating income or otherwise, these adjustments to be subject to the approval of the commission. The terms

depreciation funds and depreciation reserve accounts shall be deemed to include the terms retirement funds and retirement reserve accounts.

(4) The rate of three percent (3%) per annum referred to in section (3) shall be applied in the case of each gas, electric, water, telegraph, telephone and heating utility of Missouri; provided, however, that modification of the rate may be made upon the commission's own motion or upon proper showing by a utility that the rate is not reasonably and equitably applicable to it.

(5) Affected utilities shall prepare and include in their annual reports to the commission commencing with their annual reports for the year 1945, and in such other reports that may be required by the commission from time-to-time, schedules showing for the year or period covered by such reports, the income from the investment of moneys in depreciation funds. The schedules referred to shall be in the form prescribed by this commission and shall include, among other things that may be prescribed: the principal amount of depreciation funds as represented by balances in depreciation reserve accounts; any adjustments of such depreciation funds and accounts with complete details and explanations thereof; and, the amount of the income from the investment of moneys in depreciation funds computed at the rate of three percent (3%) per annum, or such other rate as may be prescribed by order of this commission.

(6) The commission shall retain jurisdiction in this matter for the purpose of making any change(s) in the interest rate prescribed in section (2) that may be warranted.

**AUTHORITY:** sections 392.280 and 393.260, RSMo (1986). \* Original rule filed Dec. 19, 1975, effective Dec. 29, 1975.

\*Original authority: 392.280, RSMo (1939), amended 1987 and 393.260, RSMo (1967).

#### 4 CSR 240-10.030 Standards of Quality

**PURPOSE:** This rule prescribes standards of quality for electric, gas and water utilities operating under the jurisdiction of the Public Service Commission.

**Editor's Note:** The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or

expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.

(1) This rule applies to all gas, electric and water corporations, as these terms are defined in section 386.020, RSMo, engaged in the business of furnishing gas or electricity for light, heat or power, or supplying water for domestic or commercial uses within Missouri. The word utility, when used in these rules, shall be construed to mean any gas corporation, electric corporation or water corporation engaged in the designated business.

(2) A record shall be kept, systematically arranged, of the names and addresses of all consumers furnished with metered service, with the identification number of meter or meters in use for each consumer. Records shall be kept showing the following information for each meter: date of purchase; company's number, if any; name plate data; place of last installation; and date of last test.

(3) Each utility shall keep records of tests of the accuracy of each of its meters, until superseded by a later test but not less than two (2) years. These records shall give sufficient information to identify the meter; the reason for the test; the date of the test and reading of the meter; the name of the person making the test; the accuracy as found and as left, together with enough of the data taken at the time of the test to permit the convenient checking of the methods employed; and the calculations. Systems of meter and test records already in use will meet with the approval of the commission; provided, they conform substantially with the rule. Application shall be made to the commission for this approval.

(4) The allowance of certain variations from correctness on meters as specified in this rule does not mean that meters may deliberately be set in error by the amount of the tolerance. This tolerance is specified to allow for the necessary irregularities in meter tests and maintenance conducted on a commercial scale.

(5) Each service meter shall be suited to the particular installation to which it is assigned and chosen with a view of obtaining the best adaption to local conditions and to the load.

(6) It is suggested that those utilities not required to maintain certain testing equip-

ment specified in the rule arrange to perform the tests by making use of the testing equipment of some nearby utility required to maintain the testing equipment.

(7) Reasonable efforts shall be made to eliminate interruptions of service, and when these interruptions occur, service should be re-established with the shortest possible delay. When service is interrupted for the purpose of working on any portion of the system, the interruption should occur at a time which will cause the least inconvenience to the consumer, and those seriously affected by the interruptions, if possible, should be notified in advance. A record shall be kept of all interruptions of service on the entire system or major divisions, including the times, duration and cause of each interruption. These records shall be filed, made available for inspection by the commission and preserved for a period of at least one (1) year.

(8) Each utility shall keep a record of the time of starting up and shutting down all important items of equipment. A record shall be kept of the indications of the principal switchboard instruments, station meters, gauges, and the like, readings being taken at sufficiently frequent intervals to show the characteristics of the load. When feasible, graphic recording instruments should be used for this purpose in accordance with the best modern practice. These records or charts, suitably identified and dated, shall be filed available for inspection by the commission and preserved for a period of at least two (2) years.

(9) When gas is to be tested under this rule, a cubic foot of gas shall be taken to be that amount of gas which occupies the volume of one (1) cubic foot when saturated with water vapor and at a temperature of sixty degrees Fahrenheit (60°F) and under a pressure above zero (0) of thirty inches (30") of mercury. For the purpose of measurement of gas to a consumer at the stated delivery pressure, a cubic foot of gas shall be taken to be the amount of gas which occupies a volume of one (1) cubic foot under the conditions existing in the consumer's meter as and where installed; provided, the meter is not subject to abnormal temperature conditions. In cases where gas is supplied to customers through orifice or positive displacement meters at other than stated delivery pressure, a cubic foot of gas shall be defined to be that volume of gas which, at sixty degrees Fahrenheit (60°F) and at absolute pressure of 14.73 pounds per square inch (psi) (thirty inches (30") of mercury) occupies one (1) cubic foot; except that in cases where different bases that are