

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY  
June 7, 2001**

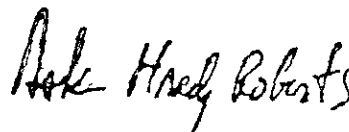
**CASE NO: AX-2001-634**

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

**General Counsel  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102**

**Enclosed find certified copy of an ORDER in the above-numbered case(s).**

**Sincerely,**

A handwritten signature in dark ink, appearing to read "Dale Hardy Roberts". The signature is written in a cursive, flowing style.

**Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge**

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service  
Commission held at its office in  
Jefferson City on the 7th day of  
June, 2001.

In the Matter of a Proposed Rescission of Commission )  
Rule 4 CSR 240-10.020 – Income Depreciation Fund ) **Case No. AX-2001-634**  
Investments. )

**ORDER FINDING NECESSITY FOR RULEMAKING**

This order finds that rescinding a current rule is necessary.

On May 16, 2001, the Staff of the Missouri Public Service Commission filed a motion to open a case and to find necessity for rulemaking concerning the proposed rescission of Commission Rule 4 CSR 240-10.020 -- Income on Depreciation Fund Investments.

Staff's pleading alleged:

- The rule was adopted in connection with the provisions of Sections 392.280 (governing telecommunications companies) and 393.240 (governing all other regulated companies) RSMo 2000.
- These statutes authorize the Commission to require regulated companies to carry an adequate depreciation account under the Commission's rules.
- The rule is obsolete concerning rate-based regulated companies.
- The rule prescribes the uses of income on investments from depreciation funds, the appropriate interest rate, and how the funds are accounted for when setting reasonable rates.
- The current practice, which has been used for several decades, is to use the accumulated depreciation reserve amount as a reduction to rate base when calculating reasonable rates.

Attached to the pleading was a Rulemaking Issue Paper which claimed:

- Rescinding the rule would not affect existing procedures or establish new ones.
- No one would be affected by rescinding the rule.
- There is no fiscal impact on the Commission.
- There is no fiscal impact on regulated companies.

The Staff thus requested that the Commission, based on Staff's arguments, open a case and make a finding that the rescission of the rule is necessary.

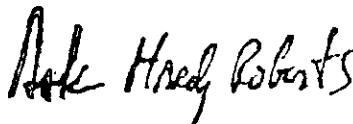
The Commission will grant that request.

**IT IS THEREFORE ORDERED:**

1. That the Staff of the Missouri Public Service Commission is authorized to complete the necessary procedures of the Commission and the applicable procedures of administrative rulemaking, and may then file a proposed rescission of Commission Rule 4 CSR 240-10.020 -- Income on Depreciation Fund Investments for consideration.

2. That this order shall become effective on June 17, 2001.

**BY THE COMMISSION**



**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

( S E A L )

Lumpe, Ch., Murray, Simmons,  
and Gaw, CC., concur.

Hopkins, Senior Regulatory Law Judge

ALJ/Secretary: Hopkins/Roberts

Date Circulated 6-4

AX-2001-634  
CASE NO.

Lox  
Lampe, Chair

cm  
Breiner, Vice Chair

ics  
Murray, Commissioner

7/7  
Simmons, Commissioner

7/7  
Gaw, Commissioner

6-7  
Agenda Date

Action taken: 4-OAS

Must Vote Not Later Than \_\_\_\_\_

## 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 7<sup>th</sup> day of June 2001.

Dale Hardy Roberts

Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

