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October 3, 2001

ROBERT J. QUINN, JR.
Executive Director
WESS A. HENDERSON
Director, Utility Operations
ROBERT SCHALLENBERG
Director, Utility Services
DONNA M. KOLLIS
Director, Administration
DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge
DANA K. JOYCE
General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED³

OCT 03 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 the **COMMENTS OF THE STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION.**

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

FILED³

OCT 03 2001

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the Matter of the Proposed Rescission)
Of 4 CSR 240-10.020)

Case No: AX-2001-634

COMMENTS OF THE STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and pursuant to the Notice to Submit Comments published in the *Missouri Register* on September 4, 2001, submits the following comments:

Introduction

In the September 4, 2001, edition of the *Missouri Register*, the Missouri Public Service Commission published its proposed rescission of Rule 4 CSR 240-10.020, Income on Depreciation Fund Investments. Staff supports the proposed rescission of this Rule.

Comments

4 CSR 240-10.020 – Income on Depreciation Fund Investments This rule is being rescinded because it is obsolete and is no longer applicable.

General Commentary

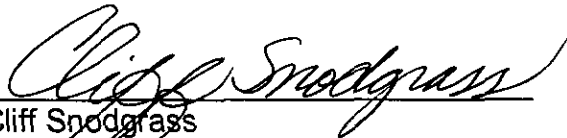
This rule prescribed the use of income on investment from depreciation funds, the appropriate interest rate to calculate and how the funds are accounted for when setting reasonable rates.

The current practice, which has been used for several decades, is to use the accumulated depreciation reserve amount as an offset or reduction to rate base when calculating reasonable rates.

The proposed rescission of Commission Rule 4 CSR 240-10.020, Income on Depreciation Fund Investments, is necessary to carry out the purposes of Sections 392.280 and 393.240 RSMo 2000.

Respectfully submitted,

DANA K. JOYCE
General Counsel



Cliff Snodgrass
Senior Counsel
Missouri Bar No. 52302

Attorney for the Staff of the
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 3rd day of October, 2001.



**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

IN THE MATTER OF A PROPOSED)
RESCISSION OF 4 CSR 240-10.020)

Case No. AX-2001-634

AFFIDAVIT OF WESS A. HENDERSON

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Wess A. Henderson, of lawful age, on his oath states: that he has participated in the preparation of the foregoing comments, consisting of 2 pages of comments to be presented in the above case, that the statements in the foregoing comments were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

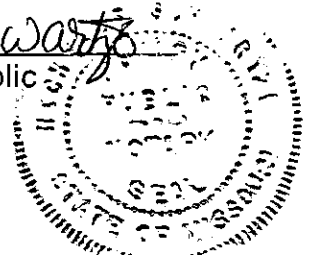
Wess A. Henderson
Wess A. Henderson

Subscribed and sworn to before me this 3rd day of October, 2001.

Michelle Schwartz
Notary Public

MICHELLE SCHWARTZE
NOTARY PUBLIC STATE OF MISSOURI
COLE COUNTY

My commission expires MY COMMISSION EXP. APR. 25, 2005



Service List for
Case No. AX-2001-634
Revised: October 3, 2001 (SW)

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