

FINANCIAL ANALYSIS INTERNAL PROCEDURES (FAIP)

**FILED**

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Service Commission

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T – Denotes a policy and procedure that is also considered a training module and part of the department training program.

Staff Exhibit No. 125  
Case No(s) ER-2004-0510  
Date 12/15/04 Rptr JK

## **FINANCIAL ANALYSIS INTERNAL PROCEDURE**

### **MAIL PROCEDURE**

1. Upon receiving mail immediately distribute specifically addressed mail to each Financial Analysis employee's respective in-box on their desk.
2. For mail with an assigned case number, if the name of the individual assigned to the case is not indicated on the piece of mail, then check the Pending file under the Pending folder for the Staff assigned to the case. If the case is not entered in the Pending file, then check EFIS to determine if somebody from Financial Analysis has been assigned. Sort the mail by Staff assigned to the case number and distribute to their desk (in box).

(NOTE: Financial Analysis does not participate in merger cases involving "sale of assets." The only certificate cases that Financial Analysis participates in are TA cases. Financial Analysis only participates in other certificate cases on an "as needed" basis (i.e., EA, GA, SA, WA).

3. Reference material received, i.e., quarterly reports, annual reports, S&P reports, Moody's reports, etc., are to be filed in accordance with Library Procedures, FAIP-2.
4. The Wall Street Journal, Forbes Magazine, Fortune and Business Week are to be routed to the Manager of Financial Analysis first. The Manager will route to all other department staff. Once all department staff have reviewed the publications, they should be filed on top of the file cabinets next to the spare cube.
5. Magazine and data service subscription renewals should be cross checked against the Status file under the Publications folder on the P drive in order to determine if the subscription has already been requested to be renewed. If not, the renewal should be forwarded to the department manager for approval if the subscription is within two months of expiration. Please ensure that each renewal has not already been processed for payment. If the request has already been sent to support staff for approval, follow-up via email with Barbara Bolinger and cc Suzie Mankin to find out the status of payment. Renewals with a cost in excess of \$100.00 will also require approval of the Director of Utility Services, Executive Director and the Director of Administration.

## FINANCIAL ANALYSIS INTERNAL PROCEDURE

### LIBRARY PROCEDURES

1. The library consists of the two (2) sets of bookshelves located in between the two offices in the Financial Analysis Department, a five-drawer file cabinet located on the wall adjacent to the wall between the Financial Analysis Department and the Office of Administration office, and two (2) four-drawer file cabinets located on the opposite side of the spare cubical.
2. Route the Wall Street Journal, Forbes, Fortune and Business Week to the Financial Analysis Department Manager. Old issues of the publications are filed on the top of the file cabinets adjacent to the spare cubical. Once the back issues that have been kept start to accumulate, recycle some of the old issues. If the stacks look like they need to be lowered, then recycle some of the issues. Use common sense as to when to get rid of some of the old issues. Please maintain the most current issues and recycle all other issues.
3. S&P Outlook from the current year is filed in a light blue binder so marked. One (1) year of reports are filed here. The previous year's reports are filed in a black binder marked as such with a white spine. These binders are located on the right bookshelf located between the two offices.

NOTE: Only two years worth of information should be maintained. At the beginning of each New Year, the previous year's information should be recycled and the current year's information should be moved to the black binder. (i.e., At January 1, 2000, all 1999 information should be moved to the black binder. Calendar year 2000 information should be placed in the blue binder.)

4. S&P Earnings Guides and S&P Stock Guides are kept on the top shelf on the right bookshelf between the two offices. Guides are filed in chronological order. Please maintain two years worth of guides at all times.
5. Moody's (dba Mergent) Bond Record (red book cover) are filed in chronological order on the right bookshelf between the two offices.
6. Moody's Public Utility Manual (brown, hardcover) is maintained in chronological order in the left bookshelf between the two offices.
7. Moody's Public Utilities News and Reports (brown binder) have been replaced by Corporate News Reports (burgundy cover). These reports are filed on the left bookshelf between the two offices.
8. I/B/E/S is filed in a black binder marked in white on the spine. This binder is located on the right bookshelf in between the offices. Information is filed in reverse chronological order. Please maintain the current year as well as the previous year's issues.

9. Federal Reserve Bulletin is filed in chronological order. File all issues for the current year in the green sliding drawer boxes located on top of the left file cabinet outside the spare cubical. Also, maintain the January issues for all previous years. Recycle all other issues from previous years.
10. Survey of Current Business, Economic Perspective and Economic Review are filed in green sliding drawer boxes in the middle set of bookshelves.
11. The Chicago Fed Letter is filed in the dark blue folder located on the top shelf of the middle set of bookshelves. (next to the Consumer Price Index binder)

**The following applies to the library file in the Workroom #1 (see diagram 1).**

12. Brokerage reports are kept by industry and filed in chronological order. Keep all current year's issues, as well as all of the previous year (two years worth of information total). At the beginning of each New Year, discard the previous year's issue for that particular month. As each new month's issue is received, discard the previous year's issue for the corresponding month.
13. Jurisdictional Annual Reports - maintain seven (7) years of annual reports (to capture ten (10) years data) and maintain the quarterly reports until the new annual report replaces them. These reports are filed in the fileroom (see diagram 2).
14. All Value Line CD ROMs should be given to Randy Wright to place in the CD ROM Library located in his office.

NOTE: As of October 1997, the Financial Analysis Dept. converted from hard copy Value Line to Value Line on CD ROM with weekly Internet Updates. Historical CD ROMS will be kept to capture data in items 18 and 19.

15. Surveillance - maintain five (5) years of data (submitted by company) and reports.

## **FINANCIAL ANALYSIS INTERNAL PROCEDURE**

### **MONTHLY REPORTS PROCEDURES**

1. There are two (2) monthly reports generated by the Financial Analysis Department: Pending Cases and Projects (Attachment 1) and Department Activity Report (Attachment 2).
2. The Pending Cases and Projects report is used to report current case activity to the Utility Services Division Director. No later than noon on the first business day of the month, department Staff will access and update the report. The report is a Lotus spreadsheet and can be found at P:\FINANL\DEPT\PENDCASE.WK4.
3. Staff is responsible for making sure all items applicable to them are updated and saved. The department manager, after updating his/her own activities, will print a copy of the report and forward to the Division Director.
4. The Department Activity Report is developed to report department activity to the Commission, Executive Director and other divisions. Each Staff member is responsible for generating their own report. The department manager will consolidate all reports and forward them to the Division Director. This report is due no later than noon of the first business day of the month.
5. Both of these reports cover the immediate preceding month.

## **FINANCIAL ANALYSIS INTERNAL PROCEDURE**

### **EIERA Small Company Loan Program**

Definition – The program is designed to be a lender of last resort for small water and sewer companies regulated by the PSC. The maximum loan the program will make is \$80,000.

1. The company gains loan approval with the approval of a finance case the company files with the Commission. The Financial Analysis Department will be the Staff lead on the case with assistance from the Water and Sewer Department and the Accounting Department. See FAIP – X for the procedure to handle the finance case.
2. Upon issuance of the loan the Financial Analysis Department assumes the role of monitoring and reporting. The Financial Analysis Department receives a monthly statement (sample attached as exhibit 1) from FirstBank (the administrator of the program) and updates the amortization schedule (sample attached as exhibit 2) for each loan payment that was received from each company. The amortization schedules for each company is kept on the P drive under the Financial \ EIERA directory by company name.
3. The Financial Analysis Department then prepares a memo for the Manager of the Water and Sewer Department that informs them if there are any problems with the repayment of any of the loans such as late payment, incorrect amount or consistent late payment (sample attached as exhibit 3).
4. In the event that a new loan is made, upon the receipt of the first loan payment a new amortization schedule needs to be set up for the new company in the same format as the previous worksheets.
5. Any inquiries regarding the EIERA Small Company Loan Program and the Commission's role in the Program should be directed to the Water and Sewer Department.

## **FINANCIAL ANALYSIS INTERNAL PROCEDURE**

### **TELECOMMUNICATIONS CASES**

1. This procedure applies to certificate, merger and financing cases. Financial Analysis will participate in competitive basic local exchange telecommunications service certificate cases (CLEC), non-competitively classified telecommunication company merger cases and all financing cases (see Attachment 1).
2. For financing cases, Financial Analysis is the Project Coordinator. The case is to be completed in accordance with FAIP-6.
3. For merger cases, Financial Analysis is Project Coordinator for the cases we participate in. The Telecommunications Department is to notify us of which cases involve non-competitively classified companies. These cases are processed in accordance with FAIP-7.
4. The following applies to certificate cases:
  - A. When the Analyst is assigned a certificate case they receive the application, with a Case Activity Routing Slip (CARS) (see Attachment 2). The slip is then completed with participation marked "Yes", "M" for memo circled, Analyst name and fill in the date your recommendation is expected. This is to be 45 days from the date filed unless circumstances prevent it.
  - B. The Analyst will determine if financial data is provided with the application. If not, indicate this on the CARS (see Attachment 2). If the data is provided, do a preliminary check to see if it is complete and whether or not the company passes the minimum standard. The standards are cash or equivalent working capital to cover four months expenses (net of depreciation or amortization). Or debt to total capital no greater than 62% and pre-tax interest coverage of at least 2.3x.

Indicate on the CARS whether or not they pass on a preliminary basis. Retain one copy of the CARS, to stay with the case file and place the original in the "Work To Be Done" basket currently located near Suzie Mankin's desk. The CARS slip will then be logged in, assigned on the Docket System and the original CARS slip will be returned to the Telecommunications Department.

- C. Send an Email to Sherri Murphy with a "cc:" to John VanEschen, Telecommunication Department Manager and Penny Baker, Legal Department Telecom. Lead. Indicate the case is in the department and the status (no financial data, preliminarily does or does not pass minimum standard)(see Attachment 3). Keep a copy of this Email for the case file.

- D. Perform a spreadsheet analysis applying either the four months operating expenses (p:\finanl\template\reseller.wt4)(see Attachment 4) or the pre-tax interest and debt to total capital template (p:\finanl\template\fbclec.wt4)(see Attachment 5). Keep a copy of the spreadsheet for the case file only. Do not send to the Telecommunications Department.
- E. Prepare a memo (p:\template\finance2.dot)(see Attachment 6). Complete the memo (it is in a template format) by indicating whether or not they pass the minimum standard and send it to the Telecommunication Case Coordinator.

NOTE: If you have previously notified the Telecommunication Department that either there was no financial data or they did not pass the minimum standard on a preliminary basis, do not send the memo out immediately.

- 1. In the case of no financial data there are two situations either  
(A) they did not file financial data with the application or  
(B) they filed it highly confidential or under seal. In Case A, Telecommunications will send a letter to the company (see Attachment 7) requesting the data. In Case B, the Telecommunications Case Coordinator will send a copy of said highly confidential documents to you.
- 2. In the case where they do not pass the minimum standard, the Telecommunications department will send out the same letter as in 1 above (see attachment 7)



## **FINANCIAL ANALYSIS INTERNAL PROCEDURE**

### **FINANCE CASES**

The Company (or its representative, usually the representing law firm) files an application (original plus 14 copies) with the Public Service Commission. The records department assigns a case number based on the industry (G-Gas, W-Water, S-Sewer, T-Telecommunications, E-Electric) and the type of filing, F-Finance.

All filings are routed through the Utility Services Division, with Suzie Mankin logging the case in and making distribution with a Case Activity Routing Slip (CARS), (see atch 6). Management and Staff review the case and negotiate assignment based on current workload and Staff familiarity with the Company. The assignment is entered on the CARS, a copy kept for file by the assignee and the original returned to Suzie Mankin.

Staff assigned is responsible for thoroughly reading and understanding the application and cross-directing it against 4CSR240, Public Service Commission Rules to ensure the application is complete. Staff should also research, read and understand any applicable Staff testimony/recommendations (as available). This may require researching not only the department files/library, but also the files in the Records Department. On Finance Cases, the Financial Analysis Department Analyst assigned is also the Case Coordinator. In this role they are responsible for coordinating completion of the case and input from Legal, Accounting, the applicable Operations Department and other departments as needed.

1. Complete two (2) spreadsheet schedules:
  - A. Capital Structure - current and pro forma (see atch 3)
  - B. Ratio Analysis - (see atch 4) Data for comparison is obtained from Standard and Poors Global Utilities Rating Service, Financial Statistics
2. Complete the checklist and memo for the Staff recommendation (see atch 2)  
The following main sections of the memo are to be completed
  - A. Introduction of the Company and its request. See the Company's application for this information.
  - B. What they want. Company's application will also detail this.
  - C. Review discussion of schedules (from item 1 above) attached to the memo. This is a narrative of the numbers and analysis.
  - D. Staff recommendation with conditions, if applicable. To develop the recommendation it is important to understand the Company's situation. That is why it is important to review

previous filings and recommendations for the Company and to confer with other assigned Staff. See attachment 5 for typical conditions and rationale.

Note: A template for the memo is at P:\Finanal\Template\Finmemd.wpd

3. Fill out a summary sheet for coordination (see atch 1)

Note: Summary sheets are color coded by industry:

Green-Gas  
Blue-Telecommunications  
Yellow-Electric  
Pink-Water/Sewer

4. A typical condition placed on finance applications includes a deadline for new securities issuance. This deadline is usually 2 years from the effective date of the Commission order approving financing. The following are reasons for placing a deadline on completion of issuance of the new securities

A. There is the potential for a company to have multiple requests for issuance of new securities approved and still pending issuance. Placing a deadline on issuance should help minimize this and avoid confusion as to just what outstanding issuances the company has in effect.

B. There is the potential for the terms of the issuance to move in an unfavorable direction if the issuance is held in abeyance for an extended period of time. For example, interest rates may rise over time and cause the company to have to pay a higher coupon.

C. Conditions for the company may change over an extended period of time and the issuance, while favorable at the time of Commission approval, may not be favorable at a point in time in the future. That is, it may make sense now, but due to changes in the company or the environment in which it operates, it may not make sense then.

5. Effort should be made to time the expiration of issuance with the use of the funds. Examples would be the timing of refunding future maturities and scheduled projects for which the funds will be used.
6. When performing the ratio analysis in item 1B., you will interpolate the ratios to determine the approximate credit rating consistent with Standard and Poor's. The ratios may indicate the credit rating would be consistent with a BBB rating given by Standard and Poor's. Include Standard and Poor's definition of the appropriate credit rating in the Staff recommendation. For example, the Standard and Poor's definition for an issuer credit rating of BBB is: An obligor rated BBB has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments. See Citizens Electric Case No. EF-2002-1123 for an example.

## **FINANCIAL ANALYSIS INTERNAL PROCEDURE**

### **MERGER CASES**

The Company (or its representative, usually the representing law firm) files an application (original plus 14 copies) with the Public Service Commission. The records department assigns a case number based on the industry (G-Gas, W-Water, S-Sewer, T-Telecommunications, E-Electric) and the type of filing, F-Finance.

All filings are routed through the Utility Services Division, with Suzie Mankin logging the case in and making distribution with a Case Activity Routing Slip (CARS), (see atch 5). Management and Staff review the case and negotiate assignment based on current workload and Staff familiarity with the Company. The assignment is entered on the CARS, a copy kept for file by the assignee and the original returned to Suzie Mankin.

Staff assigned is responsible for thoroughly reading and understanding the application and cross-directing it against 4CSR240, Public Service Commission Rules to ensure the application is complete. Staff should also research, read and understand any applicable Staff testimony/recommendations (as available). This may require researching not only the department files/library, but also the files in the Records Department. On Merger Cases, the Financial Analysis Department Analyst assigned is also the Case Coordinator. In this role they are responsible for coordinating completion of the case and input from Legal, Accounting, the applicable Operations Department and other departments as needed.

1. Complete two (2) spreadsheet schedules:
  - A. Capital Structure - current and pro forma (see atch 3)
  - B. Ratio Analysis - (see atch 4) Data for comparison is obtained from Standard and Poors Global Utilities Rating Service, Financial Statistics
2. Complete the checklist and memo for the Staff recommendation (see atch 2)  
The following main sections of the memo are to be completed
  - A. Introduction of the Company and its request. See the Company's application for this information.
  - B. What they want. Company's application will also detail this.
  - C. Review discussion of schedules (from item 1 above) attached to the memo. This is a narrative of the numbers and analysis.
  - D. Staff recommendation with conditions, if applicable. To develop the recommendation it is important to understand the Company's situation. That is why it is important to review

previous filings and recommendations for the Company and to confer with other assigned Staff. See FAIP 6, attachment 5 for typical conditions and rationale.

Note: A template for the memo is at P:\Merger\Template\Mergermemd.wpd

3. Fill out a summary sheet for coordination (see atch 1)

Note: Summary sheets are color coded by industry:

Green-Gas  
Blue-Telecommunications  
Yellow-Electric  
Pink-Water/Sewer

## ***FINANCIAL ANALYSIS INTERNAL PROCEDURE***

### **SURVEILLANCE**

Attached is a policy and procedure for Monthly Financial (Surveillance) Reporting.

It covers the purpose of the surveillance program, procedures for handling the reports from the Company and generation of the Surveillance Reports.

It include samples of the Monthly Financial Report submitted by the Company and samples of the reports generated from the Surveillance program.

As of this procedure being written, the Surveillance Program is undergoing a major restructuring. This policy and procedure will be updated once the new program has been modified and tested.

## **FINANCIAL ANALYSIS INTERNAL PROCEDURE**

### **DATA INFORMATION REQUEST(DR)**

1. You can retrieve old data requests and change the information for the new case. For example, P: FINANAL\Electric\St.-Joe\Er99247 contains a folder for DRs. Change information as appropriate.
2. Complete the Company name, case number (pay attention to the footer) and request number starting with 3801. For rate cases the numbering goes from 3801-3810 for basic information and then to 3811 for updates. Attachment 1 includes examples of these requests and a cover letter.
3. Fill in "requested from", "date of request" and "information requested " sections as applicable to the request. You will need a contact person at the Company to coordinate responses.
4. It is a good idea to file separate data requests when you anticipate some information in a timely fashion, while others may be delayed. For example, you may need current balance sheet and income statement information, as well as, projected balance sheet and income statement information to project capital requirements and capital structure one or two years into the future. The current information may be readily available, however, the projected information may take more time to gather. Separate requests should enable you to get at least some of the data in a more timely manner.

## ***FINANCIAL ANALYSIS INTERNAL PROCEDURE***

### **SMALL UTILITY RATE CASE**

1. Attached is a Small Utility Return on Equity (ROE)/Rate of Return (ROR) Methodology to be used in establishing ROE and ROR for small, informal rate cases. The procedure is presented as a methodology so that it can be used as a training resource, and, as such, is considered part of the department's training program.
2. The methodology consists of three sections, Introduction, Methodology and Attachments.
3. The Introduction provides general background on small utility rate of return. Methodology gets into how to calculate ROE/ROR, with examples and illustrations. Attachments are provided and referenced in the Methodology because they are information used to make calculations of ROE/ROR.

## ***FINANCIAL ANALYSIS INTERNAL PROCEDURE***

### **SMALL TELEPHONE COMPANY EARNINGS INVESTIGATION**

1. Attached is an analysis of generic cost of equity for small telephone companies in Missouri. The procedure is presented as a methodology so that it can be used as a training resource, and, as such, is considered part of the department's training program.
2. The methodology consists of two sections: User's Guide and Analysis; the latter being comprised of 13 Schedules.
3. The User's Guide describes, in detail, the selection of companies for Schedule 1, as well as those schedules that require further explanation than that offered in the footnotes to respective Schedules.
4. Schedules 1 through 3 provide general information about selected companies, including financial ratios. The remaining schedules consist of three approaches employed to obtain a cost of equity estimate. Schedules 4-1 through 9 provide information and analysis necessary to perform the discounted cash flow model. Schedules 10-1 through 11 provide information and analysis necessary to obtain a risk premium cost of equity estimate. Schedule 12 provides information and calculation of the capital asset pricing model. Finally, Schedule 13 summarizes the three approaches and presents the estimated overall cost of common equity.



## **FINANCIAL ANALYSIS INTERNAL PROCEDURE**

### **NUCLEAR DECOMMISSIONING TRUST FUND MODEL**

1. Attached is the Nuclear Decommissioning Trust Fund Model *User's Guide* to be used in evaluating a utility company's trust fund, for the eventual decommissioning of its nuclear power plant. The procedure (*User's Guide*) is presented as a methodology so that it can be used as a training resource, and, as such, is considered part of the department's training program.
2. The methodology consists of nine sections and four appendices, each of which is outlined, in the Table of Contents of the *User's Guide*.
3. Sections 1-3 provide a brief introduction, purpose, and layout of the model. Sections 4-8 describe in detail the function and purpose of each worksheet within the model. Section 9 is a step-by-step example for a hypothetical utility company. Appendices are provided and referenced because they contain information used to construct the model.

## **FINANCIAL ANALYSIS INTERNAL PROCEDURE**

### **TRAINING PROGRAM**

1. The department training program consists of a formal course of instruction for rate of return – rate case methodology and individual methodologies that are also designated as internal procedures as indicated on the table of contents for these procedures.
2. Attached is a course outline and learning outcome statements for the rate of return – rate case course. The course is run similar to a college level course. As the outline shows, it is comprised of seven modules based on a text by *David C. Parcells*. The *Parcells* text, *The Cost Of Capital – A Practitioner's Guide*, is required reading and considered the core text for the course. An additional text, *Regulatory Finance, Utilities' Cost Of Capital*, is a complimentary publication that is used for reference and clarification. The author is *Roger C. Morin*. In addition, most college level financial textbooks can be used as reference for the concepts and models.
3. The individual methodologies that are designated as internal procedures are noted on the table of contents. These models were designed to be used by an individual for self reference, to be used as independent training models in a 1-2 hour training session, or as part of a larger, more comprehensive training program. Such as, in conjunction with the rate of return – rate case course and/or the other methodologies.

**Internal Procedures for the Surveillance Reporting Tracking System (SURTS)**

Double click on the SURTS NEW icon to enter the surveillance reporting tracking system. You will arrive at the MAIN MENU which consists of six options: (1) Review companies under surveillance (2) Review surveillances on file (3) Surveillance Detail Report (4) Monthly Financial Report (5) Statewide Report (6) Exit the system.

Each option has its own distinct function:

- (1) *Review companies under surveillance* (Screen No. 1) – This screen provides information on a company specific basis. It will include the last known rate case, as well as the authorized or implied rate of return. An implied rate of return is the return calculated based on a specific revenue requirement agreed to through a negotiated Stipulation and Agreement between all parties. This will need to be furnished to you by either the financial analyst assigned to the case or the Lead Auditor in charge of the Accounting EMS run at the conclusion of each major rate case.
- (2) *Review surveillances on file* (Screen No. 2) – This provides a data entry screen where you can review individual data records that have already been entered into the database. You may also enter new data into the system through the use of the add key marked with a "+" sign.
- (3) *Surveillance Detail Report* (Screen No. 3) – This screen provides company specific detail data organized by input tab and line number (Example: Total Company Rate Base (TCRB), Line 101). It should correspond exactly with the data entered through Screen No. 2
- (4) *Monthly Financial Report* (Screen No. 4) – This screen provides company specific data summarizing the calculated results of the monthly financial reporting data. (i.e., ROE, Capital Structure, etc.)
- (5) *Statewide Report* (Screen No. 5) – This report includes "all companies" under surveillance. This report summarizes the calculated results of the monthly financial reporting data for each company for comparison purposes. (i.e., ROE, Capital Structure, etc.)
- (6) *Exit the system* – This option allows you to exit the system and close the program upon completion of your work.

There are also four options under which a company files its reports based on company size and revenues. These options are: (1) monthly (2) quarterly (3) semi-annual and (4) annual. A list of companies currently under surveillance and their filing requirements is attached for easy reference as Attachment No. 1.

Each report will consist of at least three pages (1) Total Company Rate Base (2) Total Company Operating Statement and (3) Missouri Jurisdictional Rate Base. In instances where a company operates in more than one industry as is the case for Missouri Public Service (MoPUB), there will be at least four

pages: (1) Total Company Rate Base (2) Total Company Operating Statement (3) Missouri Jurisdictional Rate Base–Electric and (4) Missouri Jurisdictional Rate Base–Gas. A hardcopy of the Financial Reporting Data Sheet is attached for easy reference as Attachment No. 2.

**Steps for Data Entry on Screen No. 1:**

1. To modify company information, simply choose the company by using the pull down menu. Ensure that the company code matches the company you have chosen by referring to the company listing referred to above.
2. Make necessary changes.
3. Choose the "CLOSE" button in the upper right hand corner when you are finished and then choose "EXIT THE SYSTEM."
4. To add a new company, choose the "arrow/asterisk" key from the toolbar. The SURTS will notify you of required fields. Field that must be entered include: (1) company name (2) case number (3) authorized rate of return and (4) Report and Order issue date.
5. Once all information has been entered, choose the "SAVE" key which is designated by a floppy disk on the toolbar at the top of your screen. Then, choose the "CLOSE" key in the upper right hand corner of your screen.
6. Any information that identifies special instructions or comments regarding a company should be entered in the "Notes" section of this screen. You may also use this section to enter company address and contact person for the company.

**Steps for Data Entry on Screen No. 2:**

1. First select the company for which you want to enter data by using the pull down menu. Ensure that the company code matches the company that you have chosen. (NOTE: Sometimes the SURTS does not make the appropriate connection due to its configuration so you will need to choose the company name twice.)
2. You will then need to choose the add key designated by a "+" sign on the toolbar located at the upper right hand corner of your screen.
3. You will be asked to enter a monthly financial reporting date (MFR Date). Always use the last day of the month when entering this date. (Example: 4/30/00)

(NOTE: It will take a little while for the blank data entry screen to appear. When it does, your cursor should appear flashing in the "Date Rcv'd" data box.)

4. Enter the date the monthly financial report was received by the Financial Analysis Department. This date is used to monitor the timeliness of a company's filings. Most companies file their reports within 30 – 45 days after the month end date for a particular period. There are, however, two exceptions, which are Southwestern Bell Telephone and

GTE due to their internal accounting systems. (Example: If a month ends June 30, 2000, a company usually files its report somewhere between July 31 and August 15, 2000.)

(NOTE: Since there is no explicit Commission rule at this time, we allow some flexibility in filing. However, when and if the new rule is approved, a strict 30-day filing requirement will be enforced.)

5. At strategic points throughout the data entry process, the ACCESS Program will notify you of errors in the data. Simply follow the instructions on the screen in order to make corrections. Any corrections that can be made easily should be noted on the report submitted by the company for future reference. Any corrections that cannot be made easily will require you to contact the company representative for clarification and modification. This can usually be done with a simple phone call. However, if contact becomes difficult, a formal letter should be written as soon as possible in order to resolve the matter. A list of company contacts can be found on the Financial Analysis Department's p:/drive under filename "Contact.svl" which is an Excel spreadsheet.

**Steps for Screen No. 3:**

1. Screen No. 3 is used primarily for comparing a company's specific data over a defined time period.
2. Choose the company for which you want to retrieve data by using the pull down menu.
3. You will be asked to enter a "Beginning MFR Date" and an "Ending MFR Date."
4. The SURTS will then generate a report for printing, but will allow you to preview it before doing so to ensure that you are printing the appropriate report.
5. Choose "PRINT" and "CLOSE."

**Steps for Screen No. 4:**

1. Screen No. 4 is used to print company specific data only based on the twenty-five calculated fields designated by the formulas designed for SURTS. A copy of these formulas is attached for easy reference as Attachment No. 3.
2. Choose the company for which you want to retrieve data by using the pull down menu.
3. You will be asked to enter an "Ending MFR Date."
4. The SURTS will then generate a report for printing, but will allow you to preview it before doing so to ensure that you are printing the appropriate report.
5. Choose "PRINT" and "CLOSE."

**Steps for Screen No. 5:**

1. Screen No. 4 is used to print a summary of "all companies" under surveillance based on the twenty-five calculated fields designated by the formulas designed for SURTS.
2. You will be asked to enter an "Ending MFR Date."
3. The SURTS will then generate a report for printing, but will allow you to preview it before doing so to ensure that you are printing the appropriate report.
4. Choose "PRINT" and "CLOSE."

**Internal Procedures (matrix) for the Assignment of Cases**

1. Internal department case assignments are made based on the following criteria:
  - A. Availability of Staff resources to work on the case.
  - B. Prior Staff knowledge and experience with case type.
  - C. Demonstrated ability of Staff to perform particular case work.
  - D. Training needs of specific Staff.
2. Financial Analysis Department employees do not have the luxury of working on one case at a time. Therefore, case assignments will be made taking into consideration cases already assigned to Staff, along with the scope and time commitment required for that case. Every effort will be made to balance a Staff member's caseload with less complex and more complex cases. Consideration will also be given to additional duties required of a particular Staff member. Overall, efforts will focus on ensuring a Staff member is not over loaded with casework that will affect the quality of their work and their quality of life.
3. Whenever practical, prior Staff knowledge and experience will be a major factor in determining case assignments. This will ensure continuity in department recommendations, and allow utilization of the "corporate knowledge" developed by Staff. It will also improve the quality of the department's recommendations. However, prior experience with a particular company's filings will not take precedence over the ability of other Staff to perform a particular case, particularly when assigning a different Staff person is necessary because of conflicting caseload. Nor will it take precedence over the training needs of other Staff.
4. There will be instances, because of a Staff member's ability and motivation, where they will be assigned to a case where a similar case had previously been assigned to another Staff member. All Staff will be afforded the opportunity to progress and assume increased responsibility commensurate with their demonstrated ability to do so. It is in the best interest of the Financial Analysis Department, the Utility Services Division and the Commission for Staff to gain as much experience and expertise, as quickly as they demonstrate the ability to do so. If possible, and it isn't always possible, Staff with no prior experience with a case will be assigned to assist a Staff member who has prior experience with that type of case. Regardless, in every instance, the department manager and other Staff will be available for consultation and mentoring on all cases.
5. One of the key considerations for Staff assignments will be the training needs of a particular Staff member. As pointed out in item 4., it is in the best interest at all levels of this Commission for Staff to become as thoroughly trained as possible, as quickly as possible. Therefore, assignments will be made with careful consideration of the training needs of each Staff member. As mentioned previously, if workload allows, less experienced Staff will be assigned to assist more experienced Staff at least the first time they are exposed to a new case.
6. The department manager is responsible for making Staff assignments. As such, the department manager will be responsible for adhering to the above criteria in making assignments. In no instance will it be appropriate for case assignments to be made based on seniority or tenure, personal preferences or biases, or based on the influence of, or personal preferences and biases of parties outside the department.