

COMMENTS OF THE STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION
REGARDING CHANGES TO PROPOSED RULE 4 CSR 240-20.090

Comments on 4 CSR 240-20.090

4 CSR 240-20.090 Purpose

In the second sentence of the Purpose statement, Staff recommends: deleting the word “is”; adding the words “and interim energy rate are” after “The interim energy charge”; replacing the comma after the words “in a general rate proceeding” with a period; deleting the word “while”; starting a new sentence “The fuel adjustment clause ...”; and adding the words “is established, continued or modified in a general rate proceeding and” following the words “fuel adjustment clause”.

PURPOSE: This proposed amendment modifies the definitions, structure, operation, and procedures relevant to the filing and processing of applications to allow fuel and purchased power costs and fuel-related revenues in an interim energy charge or a fuel adjustment clause. The interim energy charge **and interim energy rate are** is established in a general rate proceeding, ~~while~~ **The fuel adjustment clause is established, continued or modified in a general rate proceeding and** allows periodic rate adjustments outside general rate proceedings.

Staff makes this recommendation to clarify what Commission approvals concerning a RAM must occur in a general rate proceeding and what Commission approvals concerning a FAC can occur outside of a general rate proceeding.

4 CSR 240-20.090(1)(A)

Staff recommends changing the word “between” to the word “from” and changing the word after “three (3)” from “and” to “to” in order to clarify that an accumulation period may be 3 months long, 12 months long or any number of months between 3 months and 12 months.

(A) Accumulation period means the time period set by the commission in the general rate proceeding over which historical fuel and purchased power costs and fuel-related revenues are accumulated for purposes of determining the actual net energy costs (ANEC). An accumulation period may be a time period **from** ~~between~~ three (3) ~~and~~ **to** twelve (12) months with the timing and number of accumulation periods to be determined in the general rate proceeding establishing, continuing, or modifying the FAC;

4 CSR 240-20.090(1)(K)3., 4., and 5.

Staff recommends the following changes:

- In 4 CSR 240-20.090(1)(K)3., delete "Interest on the FPA, true-up amount, and any prudence adjustment" and add "Prudence adjustment amounts(s) ordered by the commission since the last FAR adjustment";
- In 4 CSR 240-20.090(1)(K)4., delete "Prudence adjustment(s) ordered by the commission since the last FAR adjustment" and add the word "Interest"; and
- In 4 CSR 240-20.090(1)(K)5., add the word "amounts" after the word "adjustment".

~~3. Interest on the FPA, true-up amount, and any prudence adjustment;~~

~~4. Prudence adjustment amount(s) ordered by the commission since the last FAR adjustment;~~

~~4. Interest; and~~

~~5. Any other adjustment amounts ordered by the commission;~~

Staff makes these recommendations to clarify: 1) that the various components of the FPA are all amounts; and 2) to avoid the application of interest on the FPA, since interest is a component of the FPA and is defined in 4 CSR 240-20.090(1)(O).

4 CSR 240-20.090(1)(O)

Staff recommends changing the definition of interest by adding the words "for determination of a FPA amount including: 1)" after the word "remedy; adding the words "an accumulation period and" after the word "during"; adding the word "and" following the word "period,"; and deleting the words "true-up, or" and adding in its place "2)".

(O) Interest means monthly interest at the utility's short term borrowing rate to accurately and appropriately remedy **for determination of a FPA amount including: 1)** any over- or under-billing during **an accumulation period and** a recovery period, **and** ~~true-up, or~~ **2)** any commission ordered refund of imprudently incurred costs;

Staff makes these recommended changes to clarify that interest is the total amount of interest applied to the various components of a FPA.

4 CSR 240-20.090(1)(Q)

Staff recommends changing "(mWh)" to "(MWh)" because MWh is the universally accepted acronym for megawatt hour.

(Q) Megawatt hour (~~Mm~~**M**Wh) is one (1) million watt hours or one thousand (1,000) kilowatt hours (kWh);

4 CSR 240-20.090(1)(T)

Staff recommends adding the words “sum of the daily” following the words “means the”.

(T) Net base energy costs (NBEC) means the sum of the daily product of the utility’s base factor (BF) times the kWh measured at the regional transmission organization’s price node for the electric utility’s load or, if the electric utility is not a participant in a regional transmission organization at the generator, for the accumulation period;

Staff makes this recommendation to add clarity to the definition of NBEC. The Base Factor can change during an accumulation period as the result of a general rate proceeding which modifies the FAC.

4 CSR 240-20.090(2)

Staff recommends adding the words “and must rebase base energy costs in each general rate proceeding in which the FAC is continued or modified” following the words “a RAM in a general rate proceeding” to clarify the requirement to rebase base energy costs in each general rate proceeding in which a RAM is continued or modified.

(2) Establishment, Continuance, or Modification of a RAM. An electric utility may only file a request with the commission to establish, continue, or modify a RAM in a general rate proceeding and must rebase base energy costs in each general rate proceeding in which the FAC is continued or modified. Any party in a general rate proceeding may seek to continue, modify, or oppose the RAM. The commission shall approve, modify, or reject such request only after providing the opportunity for a full hearing in a general rate proceeding. The commission shall consider all relevant factors that may affect the costs or overall rates and charges of the petitioning electric utility.

4 CSR 240-20.090(2)(A)

Staff recommends: 1) deleting the parentheses around “with formulas intact”; 2) adding a comma after the word “format” and a comma after the word “available”; and 3) adding the words “all links and” after the word “with”.

(A) The electric utility shall file the following supporting information, in electronic format, where available, (with all links and formulas intact), as part of, or in addition to, its direct testimony:

Staff makes this recommendation to specify that if electronic spreadsheet(s) are available the spreadsheet(s) shall have both links and formulas intact.

4 CSR 240-20.090(2)(A)7

Staff recommends that the word “true-up” be deleted and the words “over- or under-billed” be inserted before the word “amounts”.

7. A detailed description of how the electric utility’s monthly short-term interest rate will be defined and how it will be applied, during the accumulation period and the recovery period, to ~~true-up~~ **over- or under-billed** amounts and prudence disallowances;

Staff makes this recommendation to clarify that over- or under-billed amounts can occur during both the accumulation period and the recovery period.

4 CSR 240-20.090(2)(A)9.B.

Staff recommends that the word “by” be deleted and replaced with the word “during”.

B. The cost incurred or revenue received **during** ~~by~~ the electric utility’s proposed test year;

Staff makes this recommendation to clarify that the cost incurred and revenues received are during the test year period.

4 CSR 240-20.090(2)(A)(10).

Staff recommends that the words “costs and” be inserted before the words “fuel-related revenues” and the words “cost and” be inserted before the word “revenue”.

10. A detailed explanation of the **costs and** fuel-related revenues that are to be considered in determining the amount to be recovered under the proposed RAM with identification of the specific account and any other designation ordered by the commission where that **cost and** revenue will be recorded on the electric utility’s books and records;

Staff makes this recommendation to specify that both costs and revenues, and not just revenues, are to be specified along with specific accounts of each.

4 CSR 240-20.090(2)(A)13.

Staff recommends that “fuel-related revenue” be made plural and that the words “shall be” are deleted and replaced by the word “are”.

13. A detailed explanation of any feature of the proposed RAM and any existing electric utility policy, procedure, or practice that ensures only prudent fuel and purchased power costs and fuel-related revenues **are** ~~shall be~~ recovered through the RAM, including, but not limited to, competitive bidding practices;

Staff makes these recommendations because: 1) only the Commission can determine whether or not fuel and purchased power cost and fuel-related revenues are prudent, and 2) fuel-related revenues is a defined term in 4 CSR 240-20.090(1)(M).

4 CSR 240-20.090(2)(A)14.

Staff recommends that 4 CSR 240-20.090(2)(A)14. be deleted in its entirety. First, the language “If the proposed RAM includes incorporating fuel and purchased power costs and fuel-related revenue in the electric utility’s base rates” is not in question, because 4 CSR 240-20.090(1)(C) Base energy costs means: the fuel and purchased power costs net of fuel-related revenues determined by the commission to be included in a RAM that are also included in the revenue requirement used to set base rates in a general rate proceeding. Second, there is no need for a methodology to allocate fuel and purchased power costs and fuel-related revenue to specific customer classes because all fuel and purchased power costs and fuel-related revenue are recovered from all customer classes through the same \$ per kWh FAR rate prior to making an adjustment for the different voltage service levels.

~~14. If the proposed RAM includes incorporating fuel and purchased power costs and fuel related revenue in the electric utility’s base rates, a detailed explanation of the methodology used to allocate fuel and purchased power costs and fuel related revenue to specific customer classes in the base rates and in any subsequent rate adjustments during the term of the proposed RAM;~~

~~15.—A detailed explanation of the rate design of the RAM for each customer class, including at a minimum the electric utility’s justification for the methodology chosen for determining the rate design and how that methodology is consistent with the methodology used to allocate fuel costs, purchased power costs, and fuel- related revenue in base rates;~~

4 CSR 240-20.090(2)(A)15, 16., 17., 18., 19., 20., 21., and 22.

If 4 CSR 240-20.090(2)(A)14. is deleted in its entirety, Staff recommends that each of the items numbered 15., 16., 17., 18., 19., 20., 21., and 22. be renumbered accordingly.

4 CSR 240-20.090(2)(C)3.

Staff recommends that the word “in” in the last sentence be deleted and that the words “from and/or returned to customers through” be added in the last sentence following the words “prudently incurred fuel and purchased power costs and fuel-related revenues may be recovered”.

3. In determining which fuel and purchased power cost types and fuel-related revenue types to include in a RAM, the commission may consider

the magnitude of each cost or revenue type, the ability of the utility to manage each cost or revenue type, the volatility of each cost or revenue type and the incentive provided to the utility as a result of the inclusion or exclusion of each cost or revenue type. The commission may, in its discretion, determine what portion of prudently incurred fuel and purchased power costs and fuel-related revenues may be recovered from and/or returned to customers through ~~in~~ a RAM and what portion shall be recovered in base rates.

Staff recommends these changes to clarify that the RAM is not only used to recover costs from customers but to also return over-collected costs to customers.

4 CSR 240-20.090(3)(A)

Staff recommends: 1) deleting the parentheses around “with formulas intact”; 2) adding a comma after the word “format” and a comma after the word “available”; and 3) adding the words “all links and” after the word “with”.

(A) When an electric utility files a general rate proceeding in which it requests that its RAM be discontinued, the electric utility shall file with the commission, and serve on the parties, the following supporting information, in electronic format, where available, (with all links and formulas intact), as part of, or in addition to, its direct testimony:

Staff makes this recommendation to specify that if electronic spreadsheet(s) are available the spreadsheet(s) shall have both links and formulas intact.

4 CSR 240-20.090(3)(A)4.

Staff recommends that the word “and” be added following the semicolon, because this is the second to the last item in this series.

4. A detailed explanation of any impact on setting the electric utility’s allowed return on equity in any rate proceeding as a result of the change to the electric utility’s business risk resulting from discontinuation of its RAM, in addition to any other changes in business risk experienced by the electric utility; and

4 CSR 240-20.090(5)

Staff recommends: 1) deleting the parentheses around “with formulas intact”; 2) adding a comma after the word “format” and a comma after the word “available”; and 3) adding the words “all links and” after the word “with”.

(5) Periodic Reports. So long as it has a RAM in effect, each electric utility shall submit a report that covers each period used to accumulate costs and revenues for inclusion in the RAM through EFIS and to staff, OPC, and other parties. Each periodic report shall be verified by the affidavit of an electric utility representative(s) who has knowledge of the subject matter and who attests to both the veracity of the information and his/her knowledge of it. The information identified in this section shall be provided in electronic format, where available, (with **all links and** formulas intact), and shall be submitted no later than the utility's filing for an adjustment to its RAM based on that accumulation period. Each periodic report shall contain the following information by month:

Staff makes this recommendation to specify that if electronic spreadsheet(s) are available the spreadsheet(s) shall have both links and formulas intact.

4 CSR 240-20.090(5)(B)

Staff recommends that the parentheses be deleted around "with formulas intact" and that the words "all links and" be added after the word "with".

(B) Net base energy costs billed in base rates by rate class and voltage level along with workpapers (with **all links and** formulas intact) detailing the calculation;

Staff makes this recommendation to specify that if electronic spreadsheet(s) are available the spreadsheet(s) shall have both links and formulas intact.

4 CSR 240-20.090(5)(J)4. and 5.

In items 4. and 5., Staff recommends changing (mWh) to (MWh) and mWh to MWh, respectively, because MWh is the universally accepted acronym for megawatt hour.

4. Aggregate megawatt hours (**M**mWhs) of net energy generated by the generating facility at each generation station, where net energy generated is the gross generation net of the station use;
5. Average cost of fuel per **M**mWh; and

4 CSR 240-20.090(6)(A)1.L.

Staff recommends changing "Operating Income" to "operating income" to be consistent with the capitalization of other terms in this section.

L. Net ~~o~~Operating ~~i~~Income from Part III; and

4 CSR 240-20.090(6)(A)6.

Staff recommends that the word “quarterly” be deleted and the words “for the entire period of the program delivery approved by the commission, the last twelve- (12-) month period, and the last quarter based” be added following the rule citation “4 CSR 240.20.093(9)”.

6. Part VI—Missouri Energy Efficiency and Investment Act (MEEIA). An electric utility with approved MEEIA demand-side management programs and/or an approved demand-side programs investment mechanism shall include all ~~quarterly~~ filing requirements of 4 CSR 240-20.093(9) **for the entire period of program delivery approved by the commission, the last twelve- (12-) month period, and the last quarter;**

Staff makes this recommendation to be consistent the Missouri Energy Efficiency Investment Act (MEEIA) rules and with past practice for Part VI submissions. It is important that a full accounting of all requirements of 4 CSR 240-20.093(9) be submitted for the duration of each MEEIA cycle as well as the last quarter and last 12-months required by 4 CSR 240-20.090(6).

4 CSR 240-20.090(7)

Staff recommends that 1) the parentheses be deleted around “with formulas intact” and that the words “all links and” be added after the word “with”; and 2) the word “highly” be deleted.

(7) Budget Report. Annually the electric utility shall submit in EFIS and provide to staff, OPC, and other parties, its approved budget for the upcoming budget year, in electronic format (with **all links and** formulas intact) and in a layout similar to its surveillance monitoring report. The budget submission shall provide a quarterly and annual quantification of the electric utility’s income statement. The budget report shall be submitted within thirty (30) days of when the electric utility’s budget is approved by the electric utility’s management or within sixty (60) days of the beginning of the electric utility’s fiscal year, whichever is earliest. The budget submission shall be designated “~~highly~~-confidential” and treated accordingly.

Staff makes this recommendation to specify that if electronic spreadsheet(s) are available the spreadsheet(s) shall have both links and formulas intact. The “highly confidential” classification has been changed by the Commission to “confidential”.

4 CSR 240-20.090(8)

Staff recommends: 1) deleting the words “the FPA” which precede the word “if”, because these words are not needed; and 2) changing the word “schedule(s)” to “sheet(s)” two

times in this subsection in order to be consistent with references to tariff sheets in other parts of this rule.

(8) Periodic Changes to Fuel Adjustment Rates. An electric utility that has a FAC shall file proposed tariff sheet(s) to adjust its FARs following each accumulation period. The FARs shall be designed to bill the electric utility's customers, in the aggregate, ~~the FPA~~ if the FPA is positive, or return the FPA to the utility's customers if the FPA is negative. When an electric utility files with the commission tariff ~~sheet~~s ~~schedule~~(s) to change its fuel adjustment rates and serves it upon parties, the filed tariff ~~sheet~~s ~~schedule~~(s) shall be accompanied by—

4 CSR 240-20.090(8)(B)

Staff recommends: 1) deleting the parentheses around “with formulas intact”; 2) adding a comma after the word “format” and a comma after the word “available”; and 3) adding the words “all links and” after the word “with”.

(B) The following information in electronic format, where available, ~~(with~~ all links and formulas intact):

Staff makes this recommendation to specify that if electronic spreadsheet(s) are available the spreadsheet(s) shall have both links and formulas intact.

4 CSR 240-20.090(8)(B)1.G; G.(I), (II), and (III); and H.

Staff recommend that 1) the dash at the end of G. be changed to a semicolon; 2) item “(I)” be changed to H.”; 3) item “(II)” be changed to “I.”; 4) delete the word “and” at the end of item (II); 5) item “(III)” be changed to “J.”; 6) the words “FAC rates” be deleted in item (III) and be replace with “FARs”; and 7) item “H.” be replaced with “K.”.

G. Net base energy costs collected in permanent rates;—

~~H. (I)~~ Any additional requirements the commission ordered;

~~I. (II)~~ Calculation of each of the proposed fuel adjustment rates; ~~and~~

~~J. (III)~~ Calculations of the voltage differentiation in the proposed FARs ~~FAC rates~~, if any, to account for differences in line losses by service voltage level; and

~~K. H.~~ Extraordinary costs not to be passed through, if any, due to such costs being an insured loss, or subject to reduction due to litigation or for any other reason;

Staff makes these recommendations, because 1) items (I), (II), and (III) should not be subordinate to G. FAC rates are more correctly referred to as the defined term FARs.

4 CSR 240-20.090(8)(C)

Staff recommends: 1) deleting the parentheses around “with formulas intact”; 2) adding a comma after the word “format” and a comma after the word “available”; and 3) adding the words “all links and” after the word “with”.

(C) Workpapers, in electronic format, where available, ~~{with all links and formulas intact}~~, supporting all items in subsections (A) and (B) that are not provided in the electric utility’s section (5) submission shall be submitted through EFIS and provided to staff, OPC, and other parties;

Staff makes this recommendation to specify that if electronic spreadsheet(s) are available the spreadsheet(s) shall have both links and formulas intact.

4 CSR 240-20.090(8)(F)

Staff recommends changing the word “costs” to “cost types” and changing the word “revenues” to “revenue types” to be consistent with 4 CSR 240-20.090(2)(A)9. and 4 CSR 240-20.090(2)(C)3.

(F) The tariff sheets reflecting the RAM define the ~~costs~~ cost types and ~~revenues~~ revenue types that can be included in the RAM, subject to the following:

4 CSR 240-20.090(8)(F)1.A.(I)

Staff recommends changing the word “will” to “shall” in order to strengthen the requirement that the utility make a filing with the Commission giving notice of a new cost or revenue type.

(I) If the electric utility is proposing the inclusion of a new market settlement type, it ~~shall~~will make a filing with the commission giving notice of the new cost or revenue type no later than sixty (60) days prior to the electric utility including the new settlement type in the ANEC.

4 CSR 240-20.090(8)(F)1.B.(II) and C.(II)

For both of these subsections, Staff recommends changing the word “preceding” to “most recent” to consistently use “most recent” and not “preceding” or “last” to describe the most recent general rate case. In subsection C.(II), Staff recommends adding the word “charge” after the words “new market settlement” to be consistent with other references to “market settlement type” in this subsection.

B.(II) A description of the new settlement type demonstrating that it possesses the characteristics of, and is of the nature of a cost or revenue

type allowed in the electric utility's FAC by the commission in the **most recent**~~preceding~~ general rate case; and

...

C.(II) The party requesting the inclusion of the new market settlement **charge** type shall bear the burden of proof to show that the new market settlement type possesses the characteristics of, and is of the nature of a cost or revenue type allowed in the electric utility's FAC by the commission in the **most recent**~~preceding~~ general rate case.

4 CSR 240-20.090(8)((J)3.

Staff recommends changing the word "schedules" to "sheets" to be consistent with references to tariff sheets in other parts of this rule.

3. If it determines the adjustment to the FARs is not in accordance with the provisions of this rule, section 386.266, RSMo, and the FAC mechanism established in the electric utility's most recent general rate proceeding, reject the proposed rate **sheets**~~schedules~~, suspend the timeline of the FAR adjustment filing, set a prehearing date, and order the parties to propose a procedural schedule. The commission may order the electric utility to file tariff sheet(s) to implement interim adjusted FARs to reflect any part of the proposed adjustment that is not in question;

4 CSR 240-20.090(9)

Staff recommends adding ", to be returned to or collected from customers through a periodic change to fuel adjustment rates under section (8)." following the words "interest rates".

(9) True-Ups of RAMs. The purpose of a true-up case is to accurately and appropriately remedy any over- billing or under-billing during a recovery period, including the interest accrued at the utility's short-term interest rate, **to be returned to or collected from customers through a periodic change to fuel adjustment rates under section (8).**

Staff makes this recommendation to more clearly state the purpose of true-up to RAMs.

4 CSR 240-20.090(9)(A)2. and 3.

Staff recommends: 1) deleting the parentheses around "with formulas intact"; 2) adding a comma after the word "format" and a comma after the word "available"; and 3) adding the words "all links and" after the word "with".

2. The following information in electronic format, where available, **all links and** (with formulas intact):

...

3. Workpapers, in electronic format, where available, (with all links and formulas intact), supporting all items in this subsection, shall be submitted in EFIS and provided to staff, OPC, and other parties.

Staff makes this recommendation to specify that if electronic spreadsheet(s) are available the spreadsheet(s) shall have both links and formulas intact.

4 CSR 240-20.090(9)(C)

Staff recommends adding the words “over- or” preceding the word “under-billing.

(C) The electric utility must be current on its submission of its surveillance monitoring reports at the time that it files its true-up of its RAM in order for the commission to process the electric utility’s requested true-up of any **over- or** under-billing.

Staff makes this recommendation because a true-up amount will occur anytime there is either an over-billing or an under-billing during a recovery period.

4 CSR 240-20.090(9)(D)

Staff recommends deleting the words “utility pursuant to 4 CSR 240-3.161 and additional information obtained through discovery, to determine whether the true-up is in accordance with the provisions of this rule, section 386.266, RSMo and the RAM established in the electric” as this language is redundant.

(D) The staff shall examine and analyze the information filed and submitted by the electric ~~utility pursuant to 4 CSR 240-3.161 and additional information obtained through discovery, to determine whether the true up is in accordance with the provisions of this rule, section 386.266, RSMo and the RAM established in the electric~~ [utility’s most recent general rate proceeding.] utility pursuant to this rule and additional information obtained through discovery and as ordered by the commission, to determine whether the true-up amount is in accordance with the provisions of this rule, section 386.266, RSMo, and the RAM established in the electric utility’s most recent general rate proceeding.

4 CSR 240-20.090(9)(F)

Staff recommends changing (F)1. to read: “1. Approving the true-up filing and the true-up amount; or” and changing the first sentence in (F)2. to read: “Rejecting the true-up filing and the true-up amount, suspending the timeline of the true-up filing, setting a prehearing date, and ordering the parties to propose a procedural schedule.”

(F) Within sixty (60) days of the electric utility's true-up filing the commission shall issue an order—

1. Approving ~~Allowing the tariff sheet(s) reflecting the~~ **true-up filing and the true-up amount to take effect without commission order**; or

2. ~~If it determines that the true-up amount reflected in the tariff sheet(s) is incorrect,~~ **Rejecting the true-up filing and proposed tariff sheet(s) containing the true-up amount**, suspending the timeline of the true-up filing, setting a prehearing date, and ordering the parties to propose a procedural schedule. The commission shall allow the electric utility to file tariff sheet(s) to implement interim FARs reflecting any part of the true-up amount that is not in question, and questions about the correctness of the true-up amount will not delay adjustments to FAR rates unrelated to the true-up.

Staff makes these recommendations because there are no tariff sheets associated with a true-up filing. A true-up case is to accurately and appropriately remedy any over-billing or under-billing during a recovery period, including the interest accrued at the utility's short-term interest rate, to be returned to or collected from customers through a periodic change to fuel adjustment rates under section (8).

4 CSR 240-20.090(10)

Staff recommends changing the word “schedules” to “sheets” in order to be consistent with references to tariff sheets in other parts of this rule.

(10) Duration of RAMs and Requirement for General Rate Case. Once a RAM is approved by the commission, it shall remain in effect for a term of not more than four (4) years unless the commission earlier authorizes the modification, extension, or discontinuance of the RAM in a general rate proceeding, although an electric utility may submit proposed rate sheets~~schedules~~ to implement periodic adjustments to its FAC rates between general rate proceedings.

4 CSR 240-20.090(13)

Staff recommends inserting the words “must be” after the words “jurisdictional system loss study” to clarify this requirement. Staff also recommends changing the words “two (2)” to “four (4)” in the last sentence. Section 386.266(3) states: In the case of an adjustment mechanism submitted under subsections 1 and 2 of this section, includes provisions requiring that the utility file a general rate case with the effective date of new rates to be no later than four years after the effective date of the commission order implementing the adjustment mechanism. The Commission's Rule 4 CSR 240-20.090(10) directs that each Commission-approved RAM shall remain in effect for a term of not more than four (4) years. Further, system loss studies are of little to no use except

in a general rate proceeding where it can be of use in setting rates and for the construction of loss factors for different service voltage levels used in a RAM to determine voltage level FARs. Similar to the requirement that the end of the 12-month loss study period be within twenty-four (24) months prior to the application for a general rate proceeding in which a utility initially requests a RAM, for a general rate proceeding in which continuation or continuation with modification of a RAM is requested, the 12-month loss study period must not be more than four (4) years prior to the 12-month test year period used in the utility's general rate proceeding application.

(13) Rate Design of the RAM. The design of the RAM rates shall reflect differences in losses incurred in the delivery of electricity at different voltage levels for the electric utility's different rate classes as determined through the periodic conduct of Missouri jurisdictional system loss studies. When the electric utility initially seeks authority to use a RAM, the end of the twelve- (12-) month period of actual data collected that is used in its Missouri jurisdictional system loss study **must be** within twenty-four (24) months immediately preceding the date the utility files its general rate case requesting a RAM. When the electric utility seeks to continue or modify its RAM, the end of the twelve- (12-) month period of actual data collected that is used in its Missouri jurisdictional system loss study must be no earlier than **four (4)**~~two (2)~~ years before the beginning of the twelve- (12-) month period the utility uses for developing the general rates it proposes the commission approve in that general rate proceeding.

4 CSR 240-20.090(17)

Staff recommends changing the words "preceding" to "most recent" to consistently use "most recent" and not "preceding" or "last" to describe the most recent general rate case.

(17) Party status and party rights in RAM proceedings subsequent to the **most recent**~~last~~ general rate case where the commission establishes, continues, or modifies the electric utility's RAM.