



Missouri Public Service Commission

1993 Annual Report



301 West High St
HST Bldg. R 530
65101

Commissioners

ALLAN G. MUELLER
Chairman
KENNETH McCLURE
PATRICIA D. PERKINS
DUNCAN E. KINCHELOE
HAROLD CRUMPTON

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
314 751-3234
314 751-1847 (Fax Number)
314 526-5695 (TT)

DAVID L. RAUCH
Executive Secretary
SAM GOLDAMMER
Director, Utility Operations
GORDON L. PERSINGER
Director, Policy & Planning
KENNETH J. RADEMAN
Director, Utility Services
DANIEL S. ROSS
Director, Administration
CECIL I. WRIGHT
Chief Hearing Examiner
ROBERT J. HACK
General Counsel

December 8, 1993

Honorable Mel Carnahan
Governor, State of Missouri
Executive Office
Jefferson City, MO 65101

Dear Governor Carnahan:

Each day the actions of the Public Service Commission affect every person in Missouri by ensuring that consumers receive adequate amounts of safely delivered, reasonably priced utility services at rates that will provide the companies' shareholders the opportunity to earn a reasonable return on their investment. We continuously review our regulatory policies to ensure that the broad public interest is promoted and protected.

As our annual report indicates, the Commission has had a very busy and productive year. In addition to several state regulatory issues, we also continue to aggressively participate in several federal issues ensuring the interests of Missouri ratepayers are represented.

As required by Section 386.380 RSMo 1986, the Missouri Public Service Commission is pleased to submit its annual report for the fiscal year of July 1, 1992 through June 30, 1993.

Respectfully submitted,

A handwritten signature in black ink that reads "Allan G. Mueller".

Allan Mueller
Chairman



From left to right: Vice-Chairman Kenneth McClure, Commissioner Patricia Perkins, Chairman Allan Mueller, Commissioner Harold Crumpton and Commissioner Duncan Kincheloe.

Missouri Public Service Commission

1993 Annual Report

Allan Mueller, Chairman

Kenneth McClure, Vice Chairman

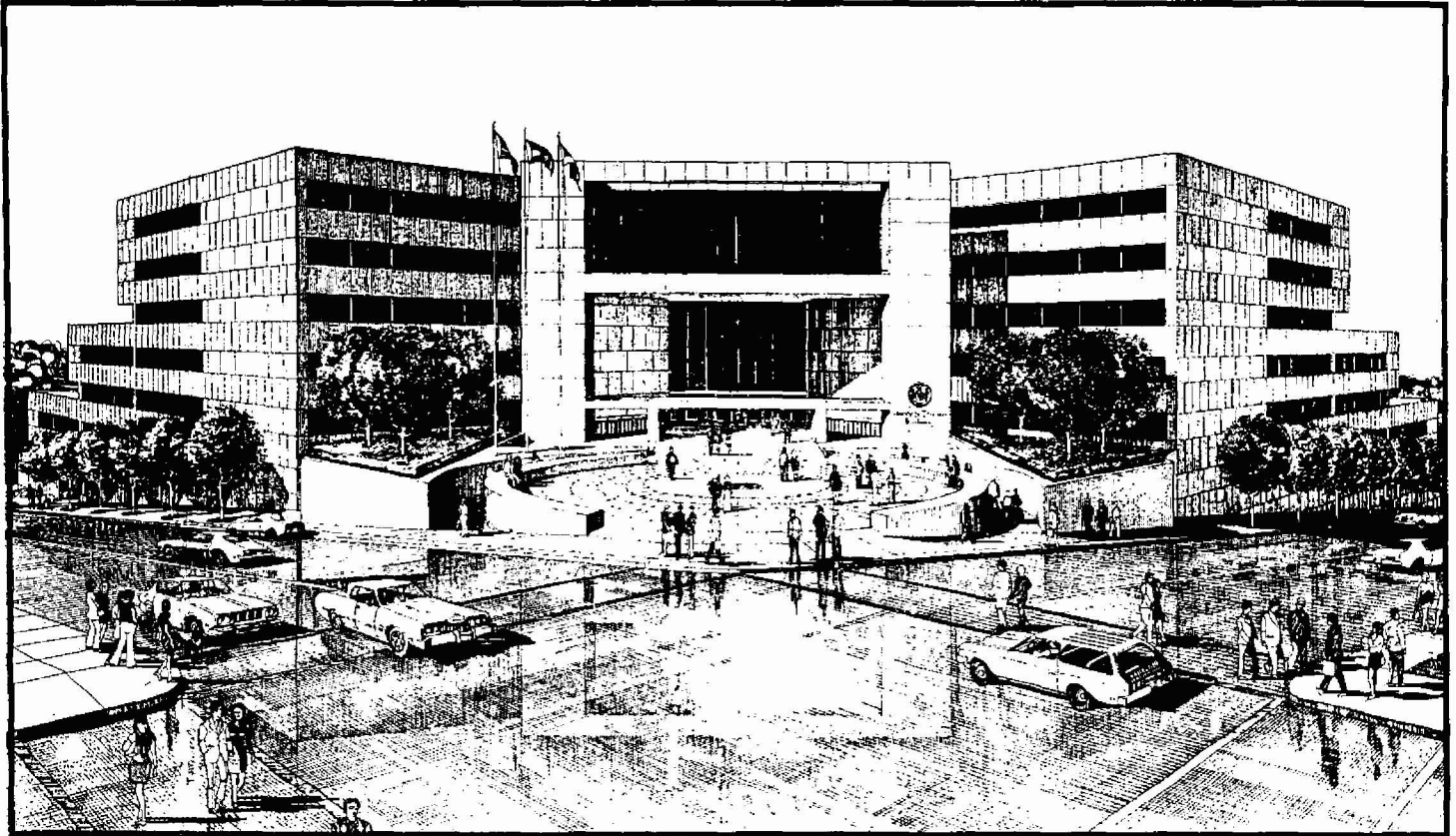
Patricia Perkins, Commissioner

Duncan Kincheloe, Commissioner

Harold Crumpton, Commissioner

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Harry S Truman State Office Building, Jefferson City, Missouri. Commission offices are located on the 5th and 8th floors.

PSC Purpose and Responsibilities

Missouri Public Service Commission

The Missouri Public Service Commission has the statutory responsibility of ensuring that consumers receive adequate amounts of safely delivered and reasonably priced utility services at rates that will provide the utility companies' shareholders the opportunity to earn a reasonable return on their investment. The Commission must balance a variety of often competing private interests to ensure the overall public interest.

The Commission regulates the rates, practices and operations of the state's 406 investor-owned electric, gas, telephone, water, and sewer utilities. The Commission also regulates the state's 48 rural electric cooperatives and 34 municipally-owned natural gas utilities for operational safety, and the manufacturers and dealers of mobile/modular homes and recreational vehicles. Recent legislation also has expanded the Commission's regulatory oversight to include service territory issues involving rural electric cooperatives and municipally-owned electric utilities. The basic statutory provisions governing the Commission are contained in Chapters 386, 392, 393, 394 and 700 RSMo. The Commission is funded through assessments of those entities the Commission regulates and not from general revenue.

The Commission consists of five commissioners who are appointed by the Governor with the advice and consent of the Missouri Senate. The Governor designates one member as the Chairman who serves in that capacity at the pleasure of the Governor. Commissioners are appointed to six year terms. These terms are staggered so no more than two terms expire in any given year. Historically, a majority of the Commission has been of the same political party as the Governor.

The Commission is both quasi-judicial and quasi-legislative. The Commission is responsible for deciding cases brought before it and for the promulgation and enforcement of the administrative rules and regulations it has

adopted. Many of the Commission's duties are performed by conducting hearings in contested cases, which by statute must be transcribed by a court reporter. Commission hearings are conducted in a trial-like atmosphere using the same rules of evidence as applicable in the circuit court of the state. The Commission must render decisions in all cases in a timely manner to afford all parties procedural and substantive due process and comply with strict statutory time limits.

The Commission is assisted by a staff of professionals in the field of engineering, management, accounting, law, rate analysis, economics, consumer affairs, information, finance, investigation and administration. Duties range from helping an individual who has a complaint to investigating multi-million dollar utility-proposed rate requests. The Staff participates as a party in cases filed before the Commission. They conduct audits and make recommendations to the Commission. The recommendations made by the PSC Staff, like those filed by other parties in a proceeding, are used by the Commission in reaching a decision in a complaint or rate case. The Commission has established standards for safety and quality of service to which companies must adhere. Routine and special investigations are conducted by the Commission's Staff to ensure companies comply with those standards.

Commission Resources

Allan Mueller, Chairman



Allan Mueller
Chairman

Allan Mueller, a former member of the Missouri Senate and the Missouri House of Representatives, was first appointed to the Missouri Public Service Commission on July 11, 1983, by Governor Christopher S. Bond. On June 30, 1989, he was reappointed to a six year term by Governor John Ashcroft. In May 1993, Mueller was named Chairman of the PSC by Governor Mel Carnahan.

Prior to his appointment to the PSC, Mr. Mueller represented the City of St. Louis in the Missouri House of Representatives from 1971 to 1977 and was a member of the Missouri Senate from 1978 until 1983.

While in the Missouri General Assembly, Mr. Mueller sponsored several pieces of important legislation including the Missouri Compliance to the Federal Clean Air Act, the Energy Assistance Act and expansion of Prenatal Health Care Medicaid Coverage. His legislative record includes appointments to the National Council of State Legislators Energy Committee, the E.P.A. Superfund Implementation Strategy Task Force, the Low Income Energy Assistance Oversight Committee and the Hazardous Waste Management Task Force.

Prior to his election to the Missouri House of Representatives, Chairman Mueller served three years in the United States Marine Corps. His tour of duty included 13 months in Vietnam.

Chairman Mueller is currently serving on the National Association of Regulatory Utility Commissioners (NARUC) Committee on Energy Conservation. He has also been an active member of the Mid-America Regulatory Conference (MARC).

Chairman Mueller is a member of the advisory committee of the Electric Power Research Institute (EPRI). He also serves on the Missouri Oil and Gas Council.

Mr. Mueller graduated from St. Mary's University in San Antonio, Texas, in 1965 with a Bachelor's degree in Business Administration.

Allan Mueller and his wife, Carol, have four children.

Mr. Mueller's term expires on April 15, 1995.

Commission Resources

Kenneth McClure, Vice-Chairman

Commissioner Kenneth McClure was appointed to the Missouri Public Service Commission by Governor John Ashcroft on January 3, 1990, to fill an unexpired term. In April 1991, Mr. McClure was reappointed to a full six year term.

On January 5, 1992, Mr. McClure was named Chairman of the Public Service Commission by Governor Ashcroft, remaining in the capacity through May 3, 1993. Currently he is serving as Vice-Chairman.

Mr. McClure served as a budget analyst with the Missouri State Appropriations Committee from 1974 through 1976. From 1977 until 1981, he was Staff Director of the Missouri Senate Appropriations Committee. In October 1981, he was appointed Deputy Director/Administration of the Missouri Department of Economic Development. In that capacity, he had responsibility for the department's accounting, budget, personnel, data processing and unclaimed property functions as well as supervision of selected programmatic divisions.

Commissioner McClure serves as a member of the Communications Committee, the Committee on Utility Association Oversight and the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC). He also serves on the Federal-State Joint Conference



Kenneth McClure
Vice-Chairman

on Open Network Architecture plans, Federal Communications Commission (FCC) Docket No. 88-2, Phase I.

Mr. McClure received his BA degree from Southwest Missouri State University in 1972 and his MA degree from the University of Missouri-Columbia in 1974.

Mr. McClure and his wife, Joey, have two children.

Commissioner McClure's term expires on April 15, 1997.

Commission Resources

Patricia Perkins, Commissioner



Patricia Perkins
Commissioner

Attorney Patricia Perkins was appointed to the Missouri Public Service Commission by Governor John Ashcroft on March 19, 1991, to fill an unexpired term.

Prior to her appointment to the Commission, Ms. Perkins worked in the legal department of the Missouri State Auditor's Office and as an Assistant Attorney General for the State of Missouri. Commissioner Perkins was Assistant Legal Counsel for the Missouri State Auditor from 1979 until 1981.

From 1981 until her appointment to the Missouri Public Service Commission, Ms. Perkins was an Assistant Attorney General and represented various state agencies during that period of time, including the Missouri State Employees' Retirement System, the State Medical Care Plan, the Public School Retirement System, the Missouri Division of Finance, which regulates state banks, the Missouri Division of Savings and Loan Supervision, the Division of Economic Development within the Department of Consumer Affairs, Regulation and Licensing, and the State Board of Accountancy. She also represented the Missouri Department of Corrections, defending the department against inmate civil rights lawsuits.

Most recently she represented the Missouri Department of Elementary and Secondary Education in all legal matters other than the desegregation lawsuits.

Commissioner Perkins earned a Bachelor of Music degree from Oklahoma Baptist University. She also holds a Masters in Education and JD degree from the University of Missouri-Columbia.

While working on the Masters degree, she was a graduate teaching assistant, and then taught public school in Dallas, Texas, for two years prior to attending law school.

Commissioner Perkins was appointed in October 1991, to the Gas Committee of the National Association of Regulatory Utility Commissioners (NARUC).

Ms. Perkins has two daughters.

Commissioner Perkins' term expires on April 15, 1995.

Commission Resources

Duncan Kincheloe, Commissioner

Attorney Duncan Kincheloe was appointed to the Missouri Public Service Commission by Governor John Ashcroft to replace William D. Steinmeier who resigned effective January 4, 1992.

Mr. Kincheloe had served as the governor's director of policy development for seven years prior to his appointment to the PSC. In that capacity, he acted as general counselor to the governor on education and other issues and served as the governor's office liaison to the departments of Public Safety, Corrections and Health. He also served as chairman of the Missouri Military Advisory Commission and as a trustee of the Missouri State Employees' Retirement System.

Prior to 1985, Mr. Kincheloe held the position of associate attorney general in the Missouri Attorney General's office. Until 1979 he was engaged in the private practice of law in the Kansas City area.

Commissioner Kincheloe is currently serving on the National Association of Regulatory Utility Commissioners (NARUC) Committee on Electricity and its subcommittee on Strategic Issues. He previously served as a member of the NARUC Committee on Finance and Technology.

Mr. Kincheloe earned his BA from the University of Missouri-Kansas City in 1973 and his JD from the University of Missouri-Kansas City Law School in 1976. He is a member of the Missouri Bar.

Commissioner Kincheloe and his wife, Lucia, have two children.

Mr. Kincheloe's term expires on April 15, 1997.



Duncan Kincheloe
Commissioner

Commission Resources

Harold Crumpton, Commissioner



Harold Crumpton
Commissioner

Harold Crumpton was appointed to the Missouri Public Service Commission on May 3, 1993 by Governor Mel Carnahan. Commissioner Crumpton replaced David Rauch whose term expired on April 15, 1993.

Prior to his appointment to the PSC, Commissioner Crumpton was employed by Southwestern Bell Telephone Company in its Network Operations in St. Louis. There he supervised the development of a major management information system that was deployed throughout the five state region and emulated by other Regional Bell Operating Companies. Mr. Crumpton had been with the telephone company from 1973 until 1992 when he took early retirement to pursue other career interests. On his own time and with

the assistance of key members of the U.S. Congress and telecommunications professionals, Mr. Crumpton developed a national professional telecommunications organization with more than 2,500 members. Through this organization, he established an annual convention in Washington, D.C., that is attended by U.S. Senators, Representatives, Regulatory Commissioners, heads of both telecommunications companies and industry associations. Commissioner Crumpton is a strong advocate of technical and professional education as a way of improving the competitiveness of America industry in general and Missouri industry in particular.

Commissioner Crumpton earned his Bachelor of Science in Chemistry from Washington University in St. Louis in 1971. In 1973, he received an MBA in Finance and Production. He is currently working on a Masters in Telecommunications, and certification as a Network Engineer (CNE).

Commissioner Crumpton is a member of the Technology and Finance Committee of the National Association of Regulatory Utility Commissioners (NARUC). He has also become an ardent supporter and member of the Mid-America Regulatory Conference (MARC).

At the November 1993 NARUC meeting in New York, Commissioner Crumpton was appointed a member of a newly formed ad hoc committee called "Washington Action." This committee will work closely with committee chairs and the Executive Committee to increase NARUC's influence and stature on Capitol Hill and in the White House.

Mr. Crumpton and his wife, Jessie, live in Columbia, and are the parents of Karen Makeba White and Robert Craig Crumpton.

Mr. Crumpton's term expires on April 15, 1999.

Commission Resources

Key Personnel

Allan Mueller, Chairman	751-3243
Kenneth McClure, Vice-Chairman	751-4221
Patricia Perkins, Commissioner	751-3233
Duncan Kincheloe, Commissioner	751-4132
Harold Crumpton, Commissioner	751-0582
David Rauch, Executive Secretary	751-3048

Administration Division

Dan Ross, Director	751-7492
Mike Broker, Personnel Director	751-5606
Jim Phillips, Manager - Mobile Homes	751-7119
Kevin Kelly, Information Officer	751-9300
Lawson Phaby, Reporter of Opinions	751-5472
Dan Redel, Internal Accounting	751-2457

Hearing Examiners Division

Cecil Wright, Chief Hearing Examiner	751-7497
Barb Tomblinson, Chief Court Reporter	751-4255
Judy Fritsch, Manager - Records	751-7496

Policy and Planning Division

Gordon Persinger, Director	751-7491
Bill Washburn, Manager - Policy and Federal Affairs Department	751-7505
Martin Turner, Manager - Economic Analysis	751-7523
Art Wimberley, Manager - Management Services	751-7439

General Counsel

Rob Hack, General Counsel	751-8705
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Utility Operations Division

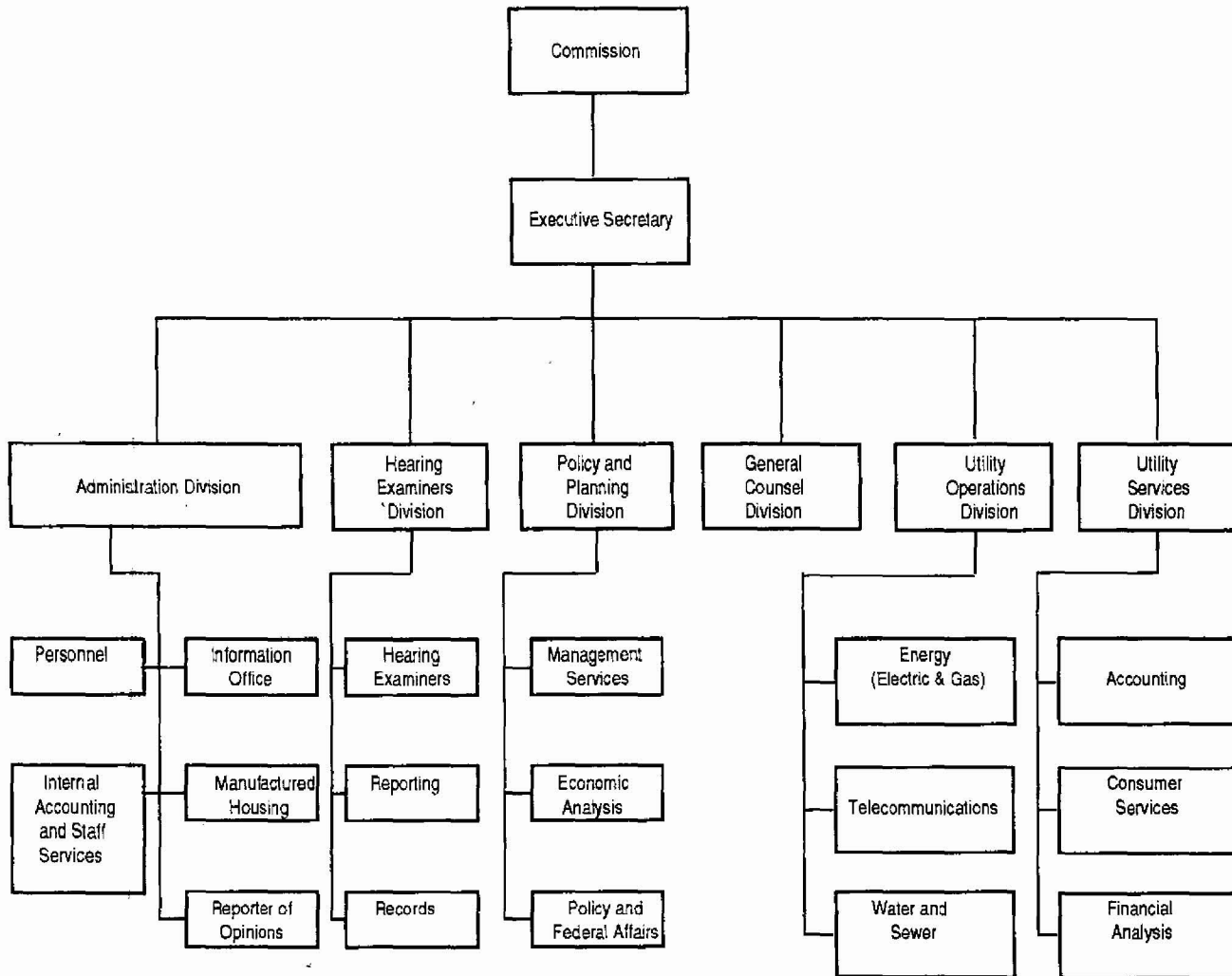
Sam Goldammer, Director	751-2508
Bo Matisziw, Manager - Energy Department	751-2152
Bill Sankpill, Manager - Water and Sewer Department	751-7074
Linda Gardner, Manager - Telecommunications Department	751-8703

Utility Services Division

Ken Rademan, Director	751-7487
Jay Moore, Manager - Financial Analysis	751-8517
Janet Hoerschgen, Manager - Consumer Services	751-3160

Commission Resources

Missouri Public Service Commission Organizational Chart



Commission Resources

Budget

	FY 1992	FY 1993	FY 1994
Executive Section			
Personal Service	\$ 2,288,693	\$ 2,206,546	\$ 2,267,611
Expense and Equipment	308,913	302,425	316,240
F.T.E.	67.00	64.00	64.00
Administration Division			
Personal Service	\$ 398,137	\$ 398,137	\$ 407,318
Expense and Equipment	298,197	1,181,928	1,221,828
F.T.E.	13.00	13.00	13.00
General Counsel			
Personal Service	\$ 641,874	\$ 641,874	\$ 656,693
Expense and Equipment	140,986	135,751	135,751
F.T.E.	21.00	21.00	21.00
Utility Section			
Personal Service	\$ 2,959,439	\$ 2,985,515	\$ 3,243,281
Expense and Equipment	4,639,104	4,621,894	4,738,069
F.T.E.	93.00	93.00	99.00
Manufactured Housing Dept.			
Personal Service	\$ 157,825	\$ 157,825	\$ 161,803
Expense and Equipment	49,648	49,648	202,861*
F.T.E.	6.00	6.00	6.00
Totals			
Personal Service	\$ 6,445,968	\$ 6,389,897	\$ 6,736,706
Expense and Equipment	<u>5,436,848</u>	<u>6,291,646</u>	<u>6,614,749</u>
Total	<u>\$ 11,882,816</u>	<u>\$ 12,681,543</u>	<u>\$ 13,351,455</u>
F.T.E.	<u>200.00</u>	<u>197.00</u>	<u>203.00</u>

*Includes program specific distribution of \$161,148.

State Regulatory Summary

Fiscal Year 1993

During the 1993 fiscal year, the Missouri Public Service Commission issued over 1,240 orders, closed 478 cases and spent over 268 hours in the hearing room. Utility companies regulated by the PSC filed a total of 359 cases, 722 tariffs and nearly 7,780 tariff sheets during FY'93.

In addition to traditional docketed case activities, the Commission addressed numerous regulatory policy issues. Some of the most significant issues appear below.

The Summer Flood of 1993

In the summer of 1993, Missourians experienced the worst flooding of the Mississippi and Missouri Rivers in the state's history.

From St. Paul, Minnesota to Cape Girardeau, Missouri, the Mississippi River left its mark. The same could be said for the Missouri River from St. Joseph to St. Charles. During July and early into August, flooded rivers left Missourians homeless, acres of farmland were lost, businesses were swept away and people lost their lives.

With the severe flooding, utility companies rose to the occasion and worked tirelessly to provide uninterrupted utility service.

Many companies worked in cooperation with one another to protect their facilities and the facilities of their neighbors. The Commission worked with other agencies and emergency response groups to provide fast, current and reliable information on the detail and condition of Missouri's utility facilities. In concert with the Federal Emergency Management Agency (FEMA), the State Emergency Management Agency (SEMA), the U.S. Army Corp of Engineers, and others, the Commission provided a valuable link in the information chain to those that needed it.

Missouri's gas, water, electric and telephone utilities worked to prevent service interruptions, and when those interruptions did occur, worked to quickly restore service. In addition, electric,

gas and telephone utilities, in cooperation with the Commission and in conformance with utility tariffs, worked with local assistance groups to ease the pain of recovering from the flood by temporarily waiving certain charges and fees until emergency situations had passed.

Many utilities experienced unusual costs and expenses directly as a result of having to cope with the flood in their service areas. As a consequence, one steam, one gas and three electric utilities have already filed for Accounting Authority Orders (AAO) from the Commission to temporarily defer these flood related expenses. Whether there will be more or other requests related to the floods is unclear at this time.

For the first time in its 111-year history, rising Missouri River waters flooded the Missouri-American Water Company plant in St. Joseph, Missouri. The unexpected river surge forced shutdown of the plant leaving customers without water for about five days. Company officials acted quickly to have pump motors and switchgear airlifted to Kansas City to be repaired.

Flood Waters Leave Their Mark In Missouri

In Jefferson City, flooding cutoff Highway 63 and Highway 54 north of the river. Despite sandbagging, concrete barriers, plastic sheeting and pumps, the Missouri Department of Highway and Transportation was unable to keep the relentless Missouri River away. State employees living north of the river were told to go home on July 29, 1993. They were unable to return to work until August 3, 1993.

State Regulatory Summary

The Kansas City Star reported in its July 30, 1993, editions, "Kansas City, the nation's second-largest railroad hub, is virtually closed to cross-country train traffic because floodwaters have severed major routes leading to the City."

At Glasgow, Missouri, part of the railroad bridge over the Missouri River collapsed. In Chesterfield, firefighters used boats to battle a blaze which broke out in a cabinet shop in the flooded downtown area. In Ste. Genevieve, sandbaggers stacked more than one million sandbags in an effort to keep the Mississippi River out of Missouri's oldest community.

Speaking at a news conference in St. Louis on July 31, 1993, Congressman Richard Gephardt stated, "This is a calamity of the worst proportions. It's a disaster far greater than Hurricane Andrew."

Residents along both rivers were forced to leave their homes. Some would go back to find bedrooms and living rooms under four to five feet of water. Still others would go back to a slab of concrete where their home once stood, taken away by the river current.

Dislodged by flooding, burial vaults from a Hardin, Missouri, cemetery were found floating in the Missouri River.

Floodwaters have receded now but their path of destruction during the summer of 1993 will be felt for some time. Damage is in the billions and clean up will continue far into 1994.

Telecommunications

Extraexchange Calling Plans

Designed as a comprehensive solution to the expanded calling requirements of telephone customers in Missouri, the Public Service Commission adopted extraexchange calling plans for outstate Missouri as well as the metropolitan areas of Kansas City, St. Louis and Springfield.

Adopting the Metropolitan Calling Area (MCA) plan for the Kansas City, St. Louis and Springfield metropolitan areas, the Commission built upon the current Wide Area Service Plan (WASP).

MCA is a flat rate, toll free calling plan.

Exchanges are grouped into a central zone and tiers with rates and calling scopes varying by tier. Rates increase for each MCA tier the further it is from the MCA-Central zone. In MCA-3, MCA-4 and MCA-5 exchanges, MCA is an optional service. Subscribing customers pay a flat rate, toll free additive for expanded calling. The additive is in addition to their existing basic local telephone service rate.

The second plan, called the Outstate Calling Area (OCA) plan, provides discounted calling within a 23-mile radius of each local exchange in outstate Missouri. Consumers can purchase either a two-hour or five-hour block of time which would replace toll rates when calling to that neighboring exchange.

The Commission also revised the Community Optional Service (COS) plan in Missouri. COS will only be provided as a two-way service and rates associated with this service have also changed to reflect more the cost of providing such a service. Customers in COS exchanges will have the option of the OCA service in addition to or instead of two-way COS.

These extraexchange calling plans provide expanded calling at less cost to customers than regular long distance toll rates. They were designed to address existing customer complaints, desires and needs, and will also put in place services that are intended to adequately meet customers' long term calling requirements.

Implementation of these programs began in May of 1993. Complete implementation is expected by September 1994.

Southwestern Bell Experimental Incentive Regulation Plan Extended

The Missouri Public Service Commission approved an agreement in October which extended the current experimental incentive regulation plan for one year for the Southwestern Bell Telephone Company. The agreement

State Regulatory Summary

approved by the Commission was presented by the PSC Staff, the Office of the Public Counsel and Southwestern Bell Telephone Company.

An extension to the plan was granted in order to give the Commission and other parties sufficient time and flexibility to give full consideration to proposals filed on October 1, 1992, regarding any future alternative regulation plan. In addition, the Commission will determine whether the current revenues of Southwestern Bell Telephone Company should be reduced as proposed by the PSC Staff in a complaint case filed on February 1, 1993. A proposal filed by Southwestern Bell also contains a revenue reduction.

The Commission must also rule on a proposal filed by Southwestern Bell incorporating a fiber optic modernization program called TeleFuture 2. These issues were to be decided by the Commission in December 1993.

Southwestern Bell is currently under an experimental incentive regulation plan which calls for customers to share in earnings achieved above a specified return on equity. The plan also required Southwestern Bell to upgrade its network through the replacement of 36 electromechanical switches and the conversion of more than 7,000 multiparty lines to single party service during fiscal year 1992.

Caller ID

Southwestern Bell Telephone Company became the first local exchange telephone company in Missouri to offer Caller ID under a decision issued on March 18, 1993.

Missouri joined 39 other states plus the District of Columbia which have some form of Caller ID.

Caller ID delivers to the subscriber the telephone number of the calling party. Subscribers to this service provide their own compatible equipment to display the calling party's telephone number.

As part of Caller ID, Southwestern Bell will provide free per call blocking to all customers and will also offer free per line blocking on a very limited basis.

Relay Missouri

In 1990, the Missouri General Assembly passed legislation directing the Missouri Public Service Commission to develop a statewide dual-party relay system enabling the deaf, hard of hearing and speech impaired to communicate by telephone through a third party called a communications assistant.

Relay Missouri, which began in June of 1991, ended its second year of operation in June of 1993. The Relay Missouri program continues to grow. In its first year of operation, usage totaled 84,418 minutes. By the end of June 1993, that grew to approximately 2.8 million minutes of usage. Relay Missouri processes approximately 647,000 calls a month and employs 188 communications assistants.

Relay Missouri service operations are supported through a surcharge on telephone access lines in Missouri.

Natural Gas-Electric

Rules For Future Electric Planning

In December 1992, the Missouri Public Service Commission issued final rules which require electric companies in Missouri to develop plans examining the most efficient and cost-effective way to provide electric service in the future. These rules will, for the first time, require utilities to evaluate conservation and energy efficiency as an alternative to the construction of additional power supply facilities.

These rules require the five largest electric companies (Union Electric, Kansas City Power & Light, Missouri Public Service, Empire District Electric and St. Joseph Light & Power) to file resource plans covering the next 20 years. These companies will make initial filings on a staggered basis over the next three years. Updated plans will be filed on a three year cycle.

State Regulatory Summary

The 20 year plan will be based on an on-going, comprehensive planning process designed to ensure that all available alternatives, including improvements in energy efficiency and energy management as well as new power plans, are thoroughly evaluated for cost effectiveness.

These rules were drafted and proposed by the Commission after several meetings in the spring of 1992 between the PSC Staff, the Office of the Public Counsel, the Department of Natural Resources (DNR), electric and natural gas companies, several industrial companies and the Missouri Public Interest Research Group (MOPIRG). Written comments were formally submitted in August of 1992 and hearings were held in September. These rules represent more than a year of work.

Gas Purchasing/Cost Recovery Project Team

Over the past decade, the federal government has changed the way the natural gas industry is operated and, consequently, regulated. The move has been away from rigid price regulation toward a more competitive environment. For these and other reasons, the Missouri Commission has taken steps to be as informed as possible to meet the challenge.

During FY '93, the Commission formed a Gas Purchasing/Cost Recovery project team. This group has been assigned to identify the problem areas and suggest possible solutions brought upon the industry due to federal changes. The project team has spent significant time analyzing and reviewing the changing federal regulatory conditions affecting the natural gas industry and is preparing to submit a document to the Commission in the near future.

With the deregulated nature of the natural gas business at the federal level and with the many business opportunities available to LDCs, the Commission's regulatory mission has become more difficult. To ensure that only just and reasonable gas costs are passed on to the consumer, the Commission can no longer rely on the FERC to review the prudence of gas purchases. This must be done solely by state public service commissions.

Actual Cost Adjustment (ACA) Activities

During the last legislative session, the Missouri Commission was fortunate to secure the services of four ACA audit positions. The primary function of these positions is to conduct prudence reviews and evaluations of LDC purchasing practices. The need to establish this group was driven by changes taking place in the federal gas arena. This group has been formally organized and placed within the Commission's Utility Services Division.

With this department (Procurement Analysis) now in place, timely and thorough audits of Missouri's LDCs will be conducted and assurance given to ratepayers that only reasonable, prudently incurred gas costs are passed along.

Decommissioning Trust Funds

On October 24, 1992, President George Bush signed into law the Energy Policy Act of 1992. Section 1917, Nuclear Decommissioning Funds, of that Act repealed the "Black Lung" investment restrictions for tax-qualified decommissioning trust assets.

"Black Lung" investments are public debt securities of the United States; obligations of a state or local government that are not in default as to principal or interest; and time or demand deposits in banks or insured credit unions located in the United States. Taxable bonds and equity securities are not included among "Black Lung" investments.

The primary objective of a decommissioning trust is protection of principal and maximizing asset quality while earning a reasonable after-tax return on investment.

Removing the "Black Lung" investment restrictions allows the investment manager a broader range of permissible investments and better investment performance potential. This greater flexibility in investment practices should allow numerous opportunities for funds to earn higher returns.

State Regulatory Summary

In Missouri, external decommissioning trust funds were established for Union Electric Company for its Callaway Plant and for Kansas City Power & Light's Wolf Creek Nuclear Generating Station to pay for the decommissioning of those nuclear power plants.

By removing the "Black Lung" investment restrictions, Union Electric and Kansas City Power & Light will still be able to take advantage of the tax deduction associated with the customers' contributions when placed in a tax-qualified trust, while being allowed to invest in common stocks. This, in turn, will benefit Union Electric, Kansas City Power & Light and their customers by providing opportunities to increase the decommissioning trust fund's earnings and therefore reducing future customer contributions.

Uniform System of Accounts

The Uniform System of Accounts (USOA) is a set of general accounting instructions that utilities must follow. The Federal Energy Regulatory Commission (FERC) has developed separate USOA instructions for natural gas and electric utilities. These instructions have been adopted and used by this Commission for years, but it had been some time since the Commission had updated its adoption of the USOA to the most current version.

A major step was taken this past year when the Commission adopted, through a rulemaking proceeding, the 1992 version of the FERC chart of accounts. In addition to updating the version of the USOA that will be used, the Commission provided more specific guidance in the area of plant accounting than existed previously, and placed filing and analysis requirements upon the utilities regarding their depreciable properties.

With records being kept in conformance with the new USOA, gas and electric utilities will now have to perform and submit depreciation studies and evaluations of their property at least once every five years. In years past, companies could conceivably go for decades without having studies or evaluating the condition of their facilities and the adequacy of their depreciation

rate. This failure to re-evaluate the adequacy of the recovery rate could result in property being depreciated too slowly or too quickly, detrimentally affecting either the ratepayer or the investor.

New Municipal Natural Gas Systems

With the certification, construction and successful operation of Missouri's first intrastate pipelines (Missouri Pipeline Company and Missouri Gas Company), gas is now more readily available to the south-central part of the state. During FY '93, several new municipal gas systems were formed in Missouri. The communities of St. James and Cuba worked to provide natural gas service to their citizens courtesy of these pipelines serving the I-44 corridor.

Other communities along the way have expressed interest in establishing natural gas service in their communities as well, but have indicated a preference in having the service provided through an investor-owned system rather than providing it municipally. At this point, it is premature to identify who these communities are or when they will begin the process of establishing a gas system.

Territorial Agreements

During the fiscal year, the Commission decided three cases involving territorial agreements. The PSC approved an agreement between Union Electric Company and Cuivre River Electric Cooperative which designates the service area of each supplier in part of St. Charles County. Also approved was an agreement between Kansas City Power & Light Company and Osage Valley Electric Cooperative which designated the boundaries of electric service between the two suppliers in Cass County. The PSC approved an agreement between The Empire District Electric Company and White River Electric Cooperative for an area near Branson.

State Regulatory Summary

Certificate Cancelled

The Commission approved the sale of assets, transfer of customers and the cancellation of a certificate for Cuivre River Electric Service Company (CRESCO). CRESCO was a wholly-owned subsidiary of Cuivre River Electric Cooperative and was in the business of supplying electric service in Lake St. Louis, in St. Charles County. CRESCO had been formed to comply with Missouri Statutes which prohibit rural electric cooperatives from serving in communities with over 1,500 population. In 1989, the law was changed to allow cooperatives to serve in communities over 1,500 under certain conditions. Lake St. Louis was included in the territorial agreement entered into between UE and Cuivre River Electric Cooperative and is an exclusive service area for the Cooperative. As a result, there was no further need for CRESCO as a separate regulated utility.

Other Key Issues

Cold Weather Rule Revisions

The Missouri PSC Cold Weather Rule underwent changes during the 1993 fiscal year.

The rule, designed to help customers with heat-related utility bills, begins on November 1st and continues through March 31st. In the past, the rule was in effect from November 15th through March 31st.

For the first time, the rule this year contains a provision which prohibits a utility from disconnecting heat-related service when temperatures are predicted to fall below 30 degrees. The utility company cannot shut off service on a day when the National Weather Service has issued a local forecast between 6:00 a.m. and 9:00 a.m., for the following 24 hours, predicting the temperature will drop below 30 degrees.

Under the Cold Weather Rule, utility companies must provide certain types of notification prior to a discontinuance of service during the time the rule is in effect. This year's rule contains additional notification than in the past. Utility companies must now mail a notice to the customer 10 days before the date it intends to shut off service.

These changes occurred as a result of extensive review of the rule by the PSC Staff, the Commission, the Office of the Public Counsel and several social service agencies.

House Bill 453 Sewer Disconnects

The Missouri General Assembly passed legislation during its last session which enables a sewer corporation, municipality or sewer district to contract with a water corporation, municipality or public water supply district to terminate water services for nonpayment of a sewer bill.

Under the law, a sewer utility must provide a 30 day notice to the customer except if that sewer service provider is also that customer's water service provider. In that case, no additional notice or waiting period is required other than that used by the water utility to disconnect water service for nonpayment of a water bill.

A water utility acting pursuant to this contract is not liable for damage related to termination unless caused by negligence on the part of the water utility. If that were to occur, the water company is indemnified by the sewer utility.

Unless specified in the contract, all costs relating to termination and establishment of services by the water utility shall be reimbursed by the sewer utility.

Federal Activity

The Commission continued to aggressively represent the interest of Missouri utility customers in proceedings before the Federal Energy Regulatory Commission (FERC), the Federal Communications Commission (FCC), the Environmental Protection Agency (EPA) and Congress in FY'93. As has been the case in recent years, Congress, federal regulators and the federal courts continue to consider and act on questions which have major consequences for Missouri utility ratepayers.

The Commission continues to closely monitor Congressional activity and works as needed with the Missouri Congressional delegation on significant regulatory topics affecting the state.

The Commission and staff remain active participants in the National Association of Regulatory Utility Commissioners (NARUC) which works to promote state interests in the national arena.

Federal Telecommunications Issues

Increasing competition in the telecommunications industry and issues that continue to surface from the AT&T divestiture make the role of coordination between federal and state regulatory bodies vital. This coordination is pivotal in resolving common issues involving the needs of consumers and telecommunications companies. The Commission continues to take an active role in federal dockets that may in one way or another affect telecommunications users in the State of Missouri. Issues of a federal nature that the Commission and Policy and Federal Department staff have been involved in include: depreciation simplification; SFAS No. 109 concerning accounting for income taxes; SFAS No. 106 concerning post-retirement benefits; accounting and ratemaking treatment for the allowance for funds used during construction; collocation and expanded interconnection; federal cost allocation process; comprehensive access rate review and the joint state/federal affiliate transaction audit.

Additionally, the Policy and Federal Department staff strive to keep apprised of events occurring in other states. The staff participates in numerous NARUC activities and has members on subcommittees on Telecommunications and Energy. The Federal Telecommunications Department is also active in the Southwestern Region Regulatory Group which is an association of staff members from the five public utility commissions in the Southwestern Bell Telephone Company territory. This group meets periodically to review matters of common interest relating to the regulation of all telecommunications utilities in the region.

Depreciation Simplification - Comments on simplification of the depreciation prescription process (CC Docket No. 93-296) were filed in March 1993, with the FCC by the Missouri Commission. On December 29, 1992, the FCC released a Notice of Proposed Rulemaking seeking comments on four proposals that would simplify the procedures and reduce the costs associated with the depreciation prescription process. The four proposals included the following: **The Basic Factor Range Option** - this would establish ranges for the basic factors that determine the parameters used in the depreciation rate formula and would eliminate the need for carriers to submit detailed studies in support of their proposed factors; **The Range of Rates Option** - this would establish ranges for depreciation rates; **The Depreciation Schedule Option** - this option would establish a single depreciation schedule for each plant account applicable to all LECs; **The Price Cap Carrier Option** - this option would allow price cap carriers to file depreciation rates with no supporting data and would require commission prescription of depreciation rates. The Commission's comments noted the potential application benefits of the Basic Factor Range Option. The comments found the other three options not viable alternatives.

Federal Activity

Accounting Issues - The Commission filed comments with the FCC in CC Docket No. 89-360 which pertained to Statement of Financial Accounting Standards No. 109 relating to accounting for income taxes. The Commission also filed comments in CC Docket No. 93-50 which pertained to the accounting and ratemaking treatment for the allowance for funds used during construction.

Collocation and Expanded Interconnection - "Collocation" is an issue that continues to remain controversial in both the federal and state jurisdictions. Collocation allows end-users, long distance telecommunications companies and competitors of a local exchange telephone company (LEC) to place their own equipment within the LEC's central office facilities and interconnect this equipment to the equipment of the LEC. This arrangement is termed physical collocation. Virtual collocation provides the same type of interconnection, but the interconnector's equipment would not be located within the LEC central office facilities. The stated intention of collocation is to improve interconnection, reduce costs, improve service and open up the local network to competition.

Interexchange companies and competitive access providers could benefit from reduced access charges which would allow them to physically (or virtually) collocate in a LEC's central office. Access charges are paid by an interexchange company to the LEC for use of the local network. The potential provision of access at lower rates has caused state regulators to raise concerns that additional pressure to increase local phone rates may occur due to the loss of access revenues by LECs. In addition, collocation may increase pressure for regulators to consider geographic deaveraging and to provide pricing flexibility to incumbent LECs in areas where competition arises.

The FCC has issued orders in both the switched access and special access collocation dockets that mandate physical collocation, with exceptions for lack of space in certain instances. The FCC orders further require that a "Fresh

Look" at various elements of both switched access and special access interconnection be conducted. The Missouri Commission initiated rulemaking proceedings in an attempt to set forth guidelines for collocation activities in Missouri. During this process it became apparent that balancing the competing interests for and against collocation would be difficult. In response to this concern, the Commission withdrew its proposed rulemaking and is considering a task force approach for interested parties to assist the Commission in the establishment of collocation rules.

The Missouri Commission will continue to participate in proceedings pertaining to collocation in order to preserve the authority to promulgate collocation policies on the state level.

Federal/State Cost Allocation Process - Since local exchange telephone plant is used both for intrastate and interstate toll calls, the cost of telephone plant is allocated between the interstate jurisdiction and the intrastate jurisdiction. This process is called "separations" and the procedures used are recommended by a Federal/State Joint Board made up of three FCC Commissioners and four state Commissioners, supported by 13 staff personnel from the FCC and various states. Missouri currently has a member serving on the staff of the major Joint Board established in CC Docket 80-286.

Changes made in the way costs are assigned to the jurisdictions may change the "share" of the revenue requirement of a telephone company that must be borne by each jurisdiction. In recent years, FCC actions have tended to shift responsibility for additional costs to the states. In addition, current separations procedures have not kept pace with the rapid technological advances in the telecommunications field. The Joint Board has recently indicated that it will perform a comprehensive review of the separations process. The Commission plans to remain

Federal Activity

very active in this process to ensure that Missouri consumers are represented in the development of new separations rules for joint services.

Comprehensive Access Rate Review - The FCC is considering a major overhaul of access rate/pricing/cost policies. Access primarily deals with the recovery of costs from interexchange carriers (e.g. AT&T, MCI, Sprint) by the LECs (e.g. Southwestern Bell, GTE, United) for completion of calls.

With the advent of major investments in new technology, such as packet switching and signaling, development of non-separations based procedures for the allocation and cost recovery of these functions is required.

The National Association of Regulatory Utility Commissioners (NARUC) has initiated an Access Issues Work Group (AIWG) that includes a coalition of state regulators and industry representatives, to develop a NARUC position on access restructure. The Missouri Commission and its staff are active participants in the NARUC AIWG effort.

Joint State/Federal Affiliate Transaction Audit - The Missouri Commission and its staff are active participants in the joint state/federal audit of Southwestern Bell Telephone Company's affiliate transactions. This project is the result of a NARUC resolution adopted November 13, 1991. The November 1991 NARUC resolution called for the states and FCC to work together to perform audits of the affiliate transactions of the seven Regional Bell Operating Companies (RBOCs). The audit of Southwestern Bell is currently the only audit where cooperation between the RBOC and full participation of all states in the RBOC region and the FCC has been achieved. Cooperation between the state commissions and the FCC has been outstanding and the Missouri Commission and staff have taken the lead to facilitate cooperation between all parties involved in order to see this audit through to a successful culmination. The audit is progressing on schedule and a

final report to the Executive Committee of NARUC is anticipated to be transmitted at the July 1994 NARUC Summer meeting.

Federal Electric Issues

The Energy Policy Act of 1992

On October 24, 1992, President Bush signed into law the Energy Policy Act of 1992 (EPACT). The enactment process for this comprehensive energy bill was long and complex. The staff and the Commission took an active part in many meetings with elected officials to work out the details of the bill.

The legislation has a number of features contained in some 30 titles and over 400 pages.

Title VII - Electricity - This title is possibly the most far-reaching section of the energy bill and will probably produce the most changes in the electric industry. The legislation allows the Federal Energy Regulatory Commission (FERC) to issue orders mandating that electric utilities provide electric transmission services for third party transactions (wheeling).

This title also creates a new class of electricity producers known as "Exempt Wholesale Generators" (EWGs), which are essentially Independent Power Producers. This section also allows utilities to own foreign utilities.

The Act requires state commissions to consider within two years whether utilities should employ integrated resource planning for gas and electric service. This Commission adopted an electric IRP rule which became effective on May 5, 1993. The first resource plan by an electric utility will be filed in December 1993.

Clean Air Act

The Clean Air Act Amendments of 1990 (CAAA) will continue to impact the planning of the regulated electric utilities in Missouri. Even though the utilities do not have to be in compliance with emission limits until January 1, 1995, much planning is underway. Rules for compliance are being issued by the Environmental Protection Agency (EPA). The staff continues

Federal Activity

to work with Missouri electric utilities to aid compliance with the CAAA in the most efficient and cost effective manner.

Federal Natural Gas Issues

The Commission's resolve to protect the interests of Missouri natural gas consumers remained strong in fiscal year 1993 with extensive involvement in Federal Energy Regulatory Commission (FERC) and related judicial proceedings. The Commission believes its efforts are necessary to ensure Missouri utility consumers receive reliable service at reasonable rates.

The Commission's participation in rate cases (primarily those of Mississippi River Transmission Corporation, Panhandle Eastern Pipe Line Company, and Williams Natural Gas Company, the major pipelines serving Missouri) focused on cost of capital issues, selected cost of service items, and various tariff provisions. The Commission has previously protested Williams' recovery of approximately \$25 million from Missouri ratepayers in ad valorem tax reimbursements and is attempting to obtain a decision in related cases which remain stalled at the FERC.

The Commission continued to monitor federal initiatives to restructure the natural gas transportation industry by intervening in and following the Order No. 636 restructuring dockets of each pipeline directly serving Missouri. Staff actively participated in the restructuring cases of Mississippi River, Panhandle Eastern and Williams. The Commission remains concerned with the effect these changes will have upon the reliability and cost of providing natural gas service to consumers. The 1993-94 winter heating season will be the first since restructuring in which Missouri local distribution companies (LDCs) will be solely responsible for procuring adequate gas supplies to meet anticipated demand.

As the previous year's federal restructuring

initiatives progress to the implementation phase, the Commission anticipates continued vigilance will be required in fiscal year 1994. The Commission expects pipelines will seek to pass through millions of dollars of "transition costs" to Missouri LDCs in the coming year, which will in turn file to recover such costs in their retail natural gas rates. The Commission will need to be concerned with whether these costs were prudently incurred and minimized.

Given the changes occurring at the federal level, the Commission established the Gas Purchasing/Cost Recovery Project Team. The project team, made up of key staff members, is charged with identifying the effects of these changes upon the LDCs' purchased gas cost recovery mechanisms and other related issues. The project team has surveyed other states, met with LDC representatives and expects to release a draft report to interested parties before the end of calendar year 1993. The Commission will also be addressing its responsibilities as required by the Federal Energy Policy Act of 1992 with respect to integrated resource planning for natural gas.

Regulatory Activities

Year-at-a-Glance

1992

July 31

Missouri Public Service files \$19.4 million electric rate case with the Missouri PSC.

August 7

St. Joseph Light & Power Company files \$330,000 natural gas rate case and a \$6.1 million electric rate case with Commission.

August 20

United Cities Gas Company files \$1.2 million natural gas rate case with PSC.

August 21

PSC approves agreement which authorizes the Laclede Gas Company to increase natural gas revenues by approximately \$13.5 million. Company sought \$28.9 million.

August 21

PSC issues decision in nuclear decommissioning fund cases filed by Union Electric Company and Kansas City Power & Light Company.

September 8

PSC issues decision which authorizes Raytown Water Company to increase water revenues by approximately \$390,000 a year.

October 2

PSC announces rate adjustment to Relay Missouri surcharge in order to adequately fund the program.

October 2

PSC names interactive video programming advisory committee.

October 14

PSC approves agreement reached by Staff, the Office of the Public Counsel and Southwestern Bell which extends the current experimental incentive regulation plan for Southwestern Bell by one year to December 31, 1993.

November 3

PSC approves agreement which reduces the electric revenues of Union Electric by approximately \$40 million a year.

November 25

Missouri Public Service files \$3.8 million natural gas rate case with PSC.

December 7

United Telephone Company files \$9.5 million rate case with PSC.

December 8

PSC issues rules regarding future electric planning.

December 21

PSC grants transitionally-competitive status to Southwestern Bell for its long-distance service as well as WATS and 800. Decision also grants transitionally-competitive status for various operator services (station-to-station, calling card and person-to-person).

December 22

PSC approves applications authorizing Union Electric to sell its electric systems serving customers in Iowa and Illinois.

December 23

St. Louis County Water Company files \$15.8 million rate case with PSC.

December 23

PSC adopts two extra exchange calling plans, Metropolitan Calling Area (MCA) and Outstate Calling Area (OCA), designed as a comprehensive solution to the expanded calling requirements of Missouri telephone customers.

December 24

PSC approves electric economic development rate for St. Joseph Light & Power Company.

Regulatory Activities

December 30

Missouri-American Water Company files \$2.2 million rate case with PSC.

1993

January 8

PSC issues decision in Missouri Cities Water Company rate cases involving water and sewer operations. Water revenues were increased by approximately \$93,740 and sewer revenues were increased by approximately \$1,800.

February 1

PSC Staff files complaint against Southwestern Bell alleging that under traditional ratemaking methods, Southwestern Bell's current rates and charges produce excessive revenues totaling approximately \$150 million.

February 5

Gas Service files rate case with Commission seeking to increase natural gas revenues by approximately \$20.8 million a year.

March 18

PSC approves request filed by Southwestern Bell to provide Caller ID.

March 26

PSC approves agreement which authorizes St. Joseph Light & Power to increase natural gas revenues by approximately \$275,000 a year. Company sought a rate increase of \$330,000.

April 30

PSC approves technical committee schedule for implementation of MCA and OCA calling plans in Missouri.

May 3

Harold Crumpton is appointed to the Missouri Public Service Commission as Commissioner replacing David Rauch whose term expired.

May 3

Governor Mel Carnahan names Allan Mueller to serve as Chairman of the Missouri PSC.

May 4

PSC grants competitive status on Speed Calling 8 and Speed Calling 30 services offered by Southwestern Bell.

May 19

PSC approves agreement which grants a \$2.3 million rate increase to the Missouri Pipeline Company.

June 11

PSC approves the sale of the Cuivre River Electric Service Company (CRESCO) to Cuivre River Electric Cooperative, Incorporated.

June 18

PSC approves non-unanimous agreement authorizing Missouri Public Service to increase electric revenues by approximately \$4.9 million. A rehearing in this case was granted by the Commission based upon a filing made by the Office of the Public Counsel.

June 25

PSC reaches decision which reduces the electric revenues of St. Joseph Light & Power by approximately \$876,000. Company sought rate increase of \$6.1 million.

Regulatory Activities

Electric Rate Cases Decided During Fiscal Year 1993

Date of Order	Case No.	Company	Company Requested	PSC Decision
11/3/92	ER-93-52	Union Electric Company	-0-	(\$ 40,000,000)
6/18/93	ER-93-37	Missouri Public Service	\$ 19,400,000	\$ 4,900,000*
6/25/93	ER-93-41 & EC-93-252	St. Joseph Light & Power	\$ 6,100,000	(\$ 876,000)

* Rehearing granted in this case. Matter is pending before PSC.

Natural Gas Rate Cases Decided During Fiscal Year 1993

Date of Order	Case No.	Company	Company Requested	PSC Decision
8/21/92	GR-92-165	Laclede Gas Co.	\$ 28,900,000	\$ 13,500,000
3/26/93	GR-93-42	St. Joseph Light & Power	\$ 330,000	\$ 275,000
5/19/93	GR-92-314	Missouri Pipeline Company	\$ 4,100,000	\$ 2,300,000

Telephone Rate Cases Decided During Fiscal Year 1993

Date of Order	Case No.	Company	Company Requested	PSC Decision
3/17/93	TR-93-153	Orchard Farm Telephone Co.	\$ 84,000	\$ 64,000

Regulatory Activities

Water and Sewer Rate Cases Decided During Fiscal Year 1993

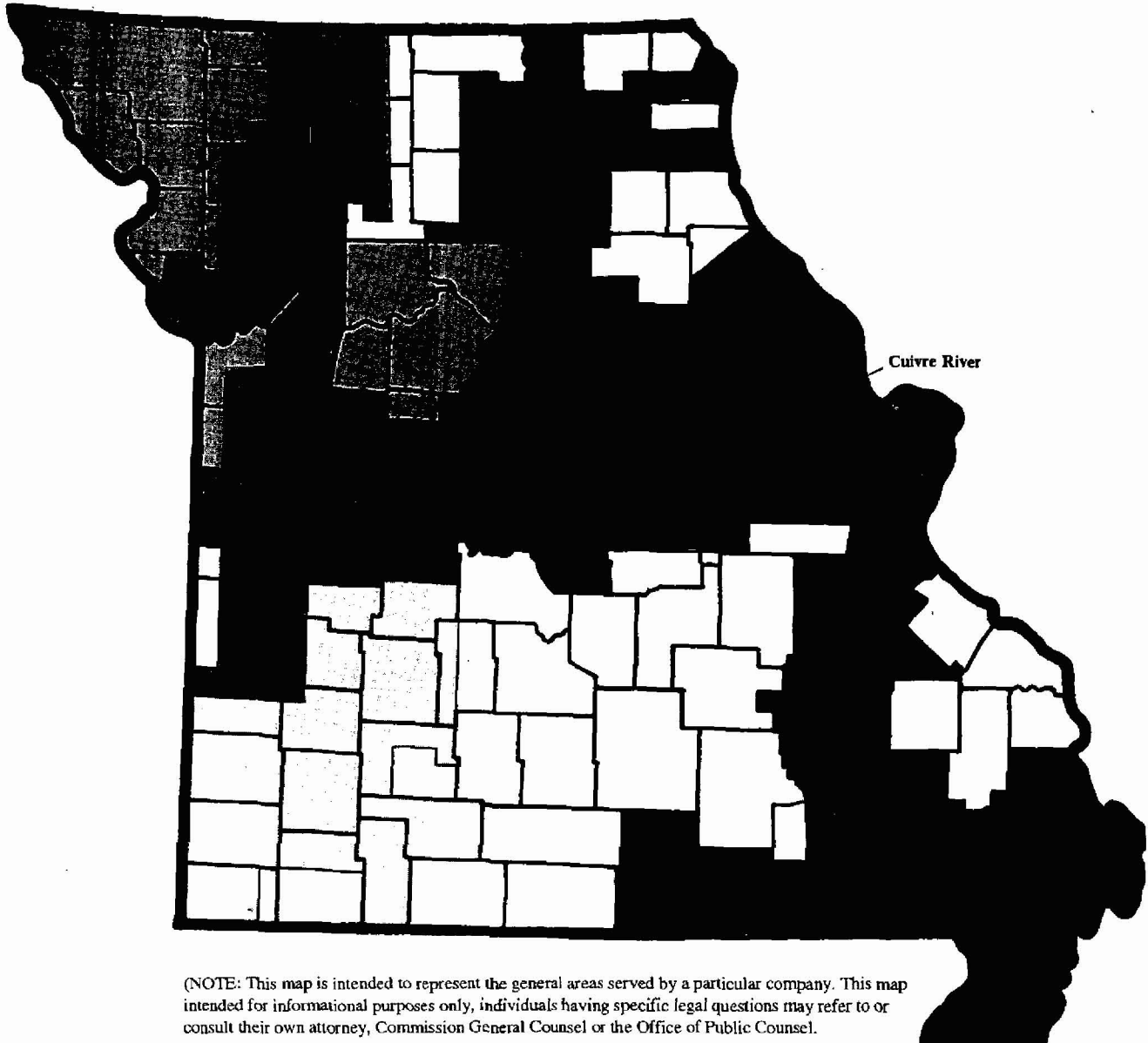
Date of Order	Case No.	Company	Company Requested	PSC Decision
—	WR-92-32	Raytown Water Company	\$ 374,656	Withdrawn
9/8/92	WR-92-85	Raytown Water Co. Perm.	\$ 497,086	\$ 389,798
12/13/93	WR-92-88	Raytown Water Co. Interim	\$ 497,086	\$ 425,000
1/12/93	WO-92-142	St. Louis County Water Co.	Rate Classification	
1/8/93	WR-92-207	Missouri Cities Water (Water)	\$ 846,500	\$ 93,741
1/8/93	SR-92-208	Missouri Cities Water (Sewer)	\$ 6,500	\$ 1,797

Informal Rate Cases







Case No.	Company	Decision
9300052	Finley Valley	Settled 2/1/93
9300165	Moore Bend	Settled 6/1/93
9300171	Terre Du Lac	No Increase
9300202	CAT PAC	Settled 11/1/93
9300077	Meadows	Settled 6/1/93
9300209	Port Perry	Pending
9300252	WPC Sewer	Settled 9/1/93
9300262	Hickory Hills	No Increase
9300322	KMB Lakewood Hills	Settled 11/1/93
9300323	KMB High Ridge Manor	Settled 11/1/93
9300324	KMB Cape Rock	Settled 11/1/93
9300370	Central Jefferson County	Pending
9300423	Noel Water	Pending
9300451	Woodland Heights	Settled 8/15/93
9300476	Suburban Water and Sewer	Settled 11/1/93
9300582	Riverside Utility	Settled 6/1/93
9300612	L.W. Sewer	Pending
9300703	Herculaneum	Pending
9300689	Clarence Cannon	Settled 8/1/93

Maps and Statistics

Electric Service Areas of Regulated Utilities



(NOTE: This map is intended to represent the general areas served by a particular company. This map intended for informational purposes only, individuals having specific legal questions may refer to or consult their own attorney, Commission General Counsel or the Office of Public Counsel.

- | | | | |
|---|-------------------------------|---|------------------------------|
|  | CITIZENS ELECTRIC CORP. |  | ST. JOSEPH LIGHT & POWER CO. |
|  | EMPIRE DISTRICT ELECTRIC CO. |  | UNION ELECTRIC CO. |
|  | KANSAS CITY POWER & LIGHT CO. | | |
|  | MISSOURI PUBLIC SERVICE | | |

Maps and Statistics

Calendar Year 1992 Electric Utilities' Statistics (Missouri Jurisdictional)

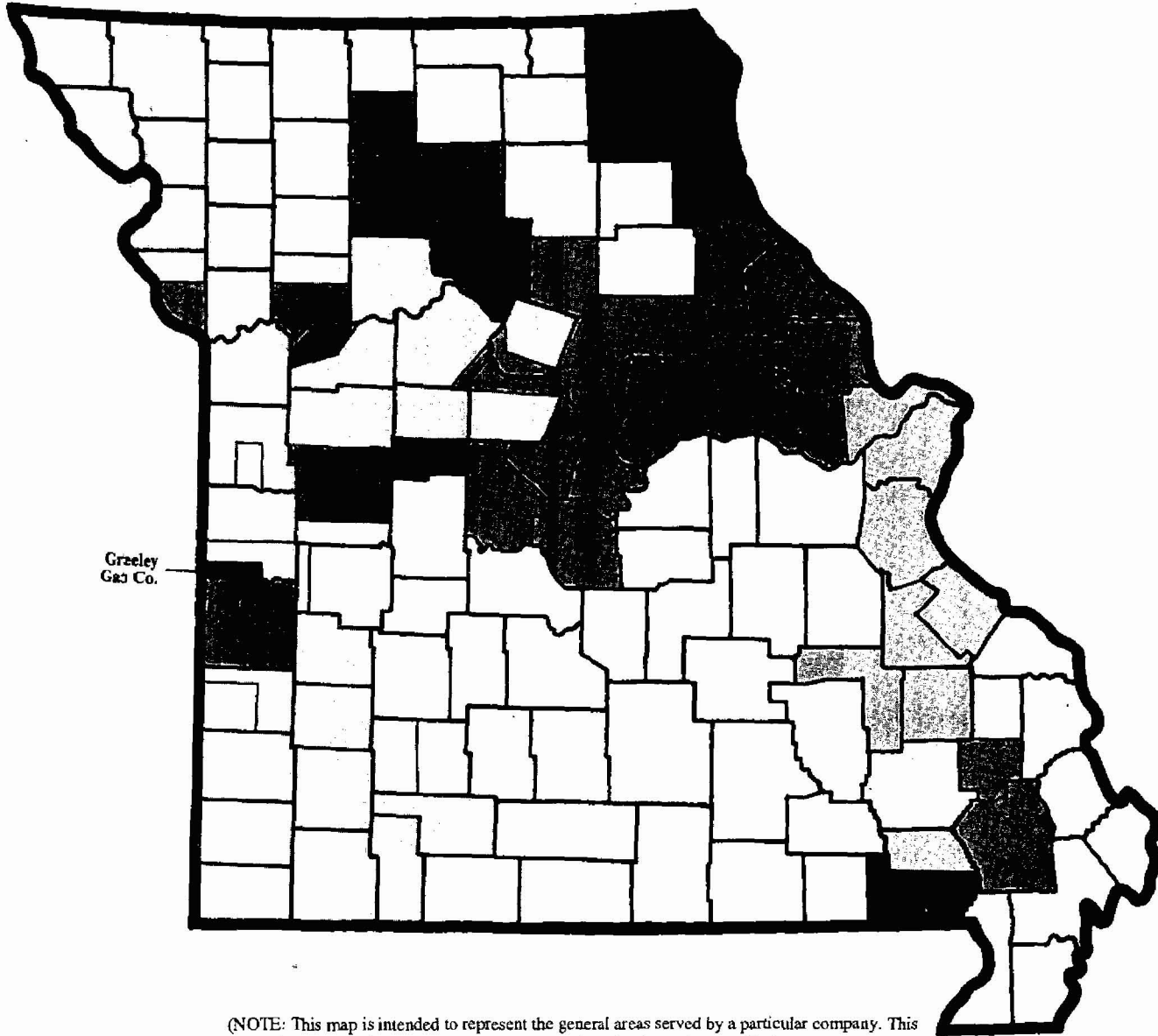
Name of Company	MWH's Sold 1992	Total Operating Revenues 1992	Total Number Residential Customers	Total Number of Customers
Citizens Electric Corporation	621,184	\$ 33,393,715	18,072	19,982
Cuivre River Electric Service Co.	62,926	4,347,009	3,405	3,499
Empire District Electric Company	2,343,659	116,604,513	86,749	103,398
Kansas City Power & Light Co.	7,101,004	489,091,251	218,285	250,110
Missouri Public Service	3,205,456	218,250,208	150,306	172,888
Sho-Me Power Corporation*	2,385,822	98,362,194	0	27
St. Joseph Light & Power Co.	1,343,297	69,610,874	53,037	59,751
Union Electric Company	24,554,279	1,638,313,068	908,065	1,031,606
TOTALS:	41,617,627	\$ 2,667,972,832	1,437,919	1,641,261

Source: 1992 Annual Reports (Missouri Jurisdictional)








*Includes wholesale customers, no annual report for 1992.

Maps and Statistics

Gas Service Area of Regulated Utilities



(NOTE: This map is intended to represent the general areas served by a particular company. This map is intended for informational purposes only, individuals having specific legal questions may refer to or consult their own attorney, Commission General Counsel or the Office of Public Counsel.)

- | | | | |
|---|----------------------------|---|--------------------------------|
|  | ASSOCIATED NATURAL GAS CO. |  | ST. JOSEPH LIGHT AND POWER CO. |
|  | GAS SERVICE |  | UNION ELECTRIC CO. |
|  | LACLEDE GAS CO. |  | UNITED CITIES GAS CO. |
|  | MISSOURI PUBLIC SERVICE | | |

Maps and Statistics

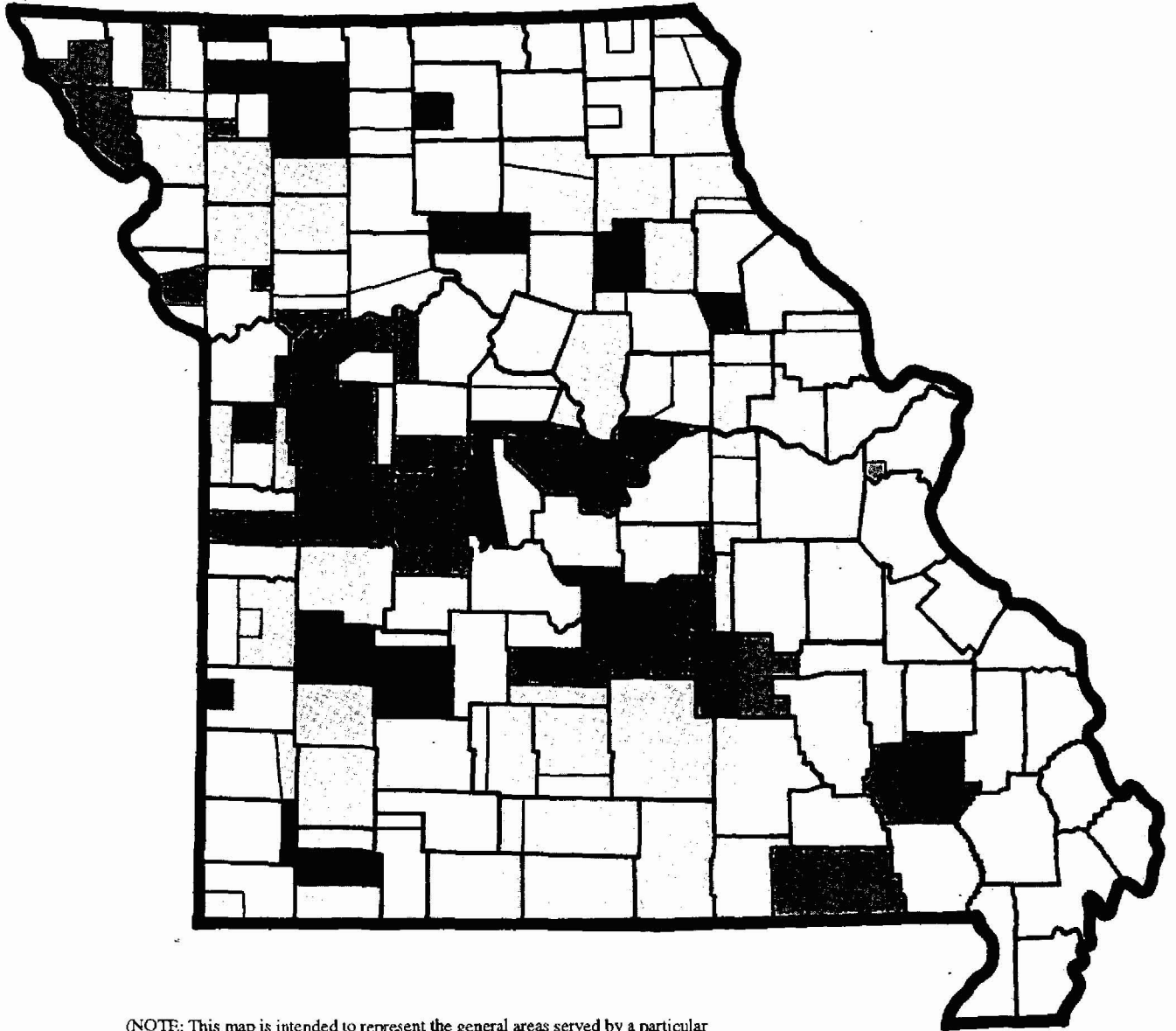
Calendar Year 1992 Natural Gas Utilities' Statistics (Missouri Jurisdictional)

Name of Company	MCF's Sold 1992	Total Operating Revenues 1992	Total Number Residential Customers	Total Number of Customers
Associated Natural Gas Company	5,717,402	\$ 28,988,006	38,776	44,317
Greeley Gas Company	51,424	344,328	506	572
Gas Service	61,803,977	269,674,877	400,544	458,623
Laclede Gas Company	81,548,487	401,752,805	558,467	595,390
Missouri Public Service	5,340,776	29,307,305	35,976	40,545
St. Joseph Light & Power Company	789,171	4,035,677	5,315	6,134
Union Electric Company	11,211,218	71,341,306	85,035	95,515
United Cities Gas Company	2,037,461	11,129,016	12,330	13,938
TOTALS:	<u>168,499,916</u>	<u>\$ 816,573,320</u>	<u>1,136,949</u>	<u>1,255,034</u>

Source: 1992 Annual Reports (Missouri Jurisdictional)

Maps and Statistics

Telephone Service Area of Regulated Utilities



(NOTE: This map is intended to represent the general areas served by a particular company. This map is intended for informational purposes only, individuals having specific legal questions may refer to or consult their own attorney, Commission General Counsel or the Office of Public Counsel.)



GTE INC.

ALLTEL SERVICE CORP.



SOUTHWESTERN BELL TELEPHONE CO.

UNITED TELEPHONE CO.

Maps and Statistics

Other Telephone Companies and Counties They Serve

Mark Twain Rural Telephone Company: Adair, Clark, Knox, Schuyler, Shelby, Lewis, Marion, and Scotland Counties.

Citizens Telephone Company: Lafayette County

Northeast Missouri Telephone Company: Adair, Clark, Knox, Linn, Macon, Putnam, Schuyler, Scotland, and Sullivan Counties.

Kingdom Telephone Company: Callaway and Montgomery Counties

Mid-Missouri Telephone Company: Cooper, Moniteau, and Saline Counties

Steelville Telephone Company: Crawford, Washington and Iron Counties

Green Hills Telephone Corporation: Caldwell, Carroll, Daviess, Livingston, and Ray Counties

McDonald County Telephone Company: McDonald County

Granby Telephone Company: Newton County

Eastern Missouri Telephone Company: Montgomery, Audrain, Lincoln, and Pike Counties

Chariton Valley Telephone Corporation: Linn, Chariton, and Macon Counties

Seneca Telephone Company: Newton and McDonald Counties

Craw-Kan Telephone Company: Bates and Jasper Counties

Rock Port Telephone Company: Atchison County

Bourbeuse Telephone Company: Franklin and Gasconade Counties

Goodman Telephone Company: McDonald County

Ellington Telephone Company: Reynolds County

KLM Telephone Company: Vernon and Bates Counties

Iamo Telephone Company: Atchison and Nodaway Counties

Oregon Farmers Mutual Telephone Company: Holt County

Lathrop Telephone Company: Clinton County

Orchard Farm Telephone Company: St. Charles County

Le-Ru Telephone Company: Newton and McDonald Counties

Grand River Mutual Telephone Corporation: Daviess, Gentry, Grundy, Harrison, Linn, Livingston, Mercer, Nodaway, Putnam, Sullivan, and Worth Counties

Miller Telephone Company: Lawrence County

Stoutland Telephone Company: Camden and Laclede Counties

New London Telephone Company: Ralls County

Holway Telephone Company: Holt and Nodaway Counties

Mo-Kan Dial, Inc.: Cass County

Choctaw Telephone Company: Lawrence and Greene Counties

Wheeling Telephone Company: Livingston County

New Florence Telephone Company: Montgomery County

Alma Telephone Company: Lafayette County

Peace Valley Telephone Company: Howell County

Farber Telephone Company: Audrain County

Fidelity Telephone Company: Gasconade and Franklin Counties

(NOTE: Companies serve all or parts of the counties listed. This is for informational purposes only, individuals having specific legal questions may refer to or consult their own attorney, Commission General Counsel or the Office of Public Counsel.)

Maps and Statistics

Missouri Jurisdictional Telephone Companies by Access Lines*

Company	No. of Access Lines
1. Southwestern Bell Telephone Company, St. Louis	2,344,377
2. GTE Telephone Operations, Columbia	360,704
3. United Telephone Company, Jefferson City	198,484
4. ALLTEL Service Corporation, Little Rock, Ark.	29,000
5. Missouri Telephone Company, Bolivar	15,524
6. Grand River Mutual Telephone Corporation, Princeton	12,744
7. Fidelity Telephone Company, Sullivan	10,724
8. Chariton Valley Telephone Corporation, Bucklin	6,916
9. Kingdom Telephone Company, Auxvasse	3,956
10. Mark Twain Rural Telephone Company, Hurdland	3,850
11. Citizens Telephone Company, Higginsville	3,686
12. Northeast Missouri Rural Telephone Company, Green City	3,685
13. Steelville Telephone Exchange, Inc., Steelville	3,635
14. Mid-Missouri Telephone Company, Pilot Grove	3,139
15. Green Hills Telephone Corporation, Breckenridge	2,804
16. Eastern Missouri Telephone Company, Bolivar	2,578
17. Seneca Telephone Company, Seneca	2,546
18. McDonald County Telephone Company, Pineville	2,540
19. Granby Telephone Company, Granby	2,390
20. Craw-Kan Telephone Cooperative, Inc., Girard, Kansas	2,016
21. Bourbeuse Telephone Company, Sullivan	1,781
22. Ellington Telephone Company, Ellington	1,604
23. Rock Port Telephone Company, Rock Port	1,569
24. Goodman Telephone Company, Goodman	1,566
25. KLM Telephone Company, Rich Hill	1,306
26. Lathrop Telephone Company, Princeton	1,176
27. Le-Ru Telephone Company, Stella	1,100
28. Iamo Telephone Company, Coin, Iowa	1,080
29. Stoutland Telephone Company, Stoutland	1,050
30. Oregon Farmers Mutual Telephone Company, Oregon	1,020
31. Miller Telephone Company, Miller	923
32. Orchard Farm Telephone Company, St. Charles	860
33. New London Telephone Company, New London	853
34. Mo-Kan Dial, Inc., Louisburg, Kansas	634
35. Holway Telephone Company, Maitland	560
36. Choctaw Telephone Company, Halltown	455
37. New Florence Telephone Company, New Florence	395
38. Alma Telephone Company, Alma	330
39. Wheeling Telephone Company, Breckenridge	326
40. Peace Valley Telephone Company, Peace Valley	325
41. Farber Telephone Company, Farber	238
Total Access Lines in Missouri	3,034,449

*Access Lines in use as of May 1993. (Note: Billed access lines would be somewhat less.)

Maps and Statistics

Calendar Year 1992 Sewer Company Statistics (Missouri Jurisdictional)

Classification and Company	Customers	Classification and Company	Customers
Class A (Revenue over \$500,000)		KMB Utility Corp.	216
West Elm Place Corp.	3,528	LW Sewer Corp.	185
Class B (Revenue from \$250,000-\$500,000)		Lake Carmel Development Co.	18
Imperial Utility Corp.	1,900	Lake Hannibal Sewer Corp.	14
Class C (Revenue from \$50,000-\$250,000)		Lake Northwoods Utility Co.	13
Capital Utilities Inc.	1,054	J.L. Lewis Construction Inc.	73
Cedar Hill Utility Co.	374	Lincoln County Utility Co.	127
Four Seasons Lakesites W&S Co.	9	Meadows Water Co.	202
Herculaneum Sewer Co.	235	Mill Creek Sewers Incorp.	74
House Springs Sewer Co.	678	Missouri Cities Water Co.	103
Meramec Sewer Co.	702	MPB Inc.	135
Terre Du Lac Utilities Corp.	944	Ozark Water & Wastewater Mgmt. Inc.	358
Class D (Revenue under \$50,000)		P.C.B. Inc.	256
Batson Development Co.	240	Peaceful Valley Service Co.	126
Central Jefferson County Utility Inc.	205	PIHI Investments Inc.	212
Cleanco Sewer Corp.	8	Port Perry Service Co.	51
Eastern Missouri Utilities Co.	2	Riverside Utility Co.	76
Franklin County Service Co.	48	Rogue Creek Valley Inc.	71
Gladlo Water & Sewer Co.	61	Roy L. Utilities Inc.	45
Bill Gold Investments Inc.	109	SK&M Water & Sewer Co.	97
Hickory Hills Water & Sewer Co.	41	Schell Sanitation Inc.	147
Highway H Utilities	33	South Jefferson County Utility Co.	129
Hillcrest Utilities Co.	137	Southwest Sewer Corp.	0
Incline Village Sewer Co.	68	Stoddard County Sewer Co.	152
		Swiss Villa Utilities Inc.	87
		Village Water & Sewer Co., Inc.	34
		Vogel Sewer System Inc.	162
		West 16th Street Sewer Co.	50
		Willows Utility Co.	149
		Woodland Heights Utilities Inc.	68
		WPC Sewer Co.	43

Maps and Statistics

Calendar Year 1992 Water Company Statistics (Missouri Jurisdictional)

Classification and Company	Customers	Classification and Company	Customers
Class A			
(Revenue over \$500,000)			
Capital City Water Co.	9,934	Frimel Water Systems Inc.	74
Empire District Electric Co.	4,124	Gladlo Water & Sewer Co.	60
Missouri Cities Water Co.	32,892	Hickory Hills Water & Sewer Co.	44
Missouri-American Water Co.	49,816	KMB Utility Corp.	276
Raytown Water Co.	6,701	Highway H. Utilities Inc.	191
St. Louis County Water Co.	290,836	Hillcrest Utility Co.	134
U.S. Water/Lexington, Mo., Inc.	2,323	Incline Village Water Co.	68
Class B			
(Revenue from \$250,000 - \$500,000)			
Ozark Shores Water Co.	811	Kimberling City Water Co.	107
Tri-State Utility Co.	1,263	Lake Northwoods Utility Co.	13
Class C			
(Revenue from \$50,000 - \$250,000)			
Capital Utilities, Inc.	380	Lakeland Heights Water Co.	136
I H Utilities, Inc.	664	Lakewood Manor Water Co.	27
Noel Water Co.	568	Little Water Co.	34
Rex Deffenderfer Enterprises Inc.	621	LTA Water Co.	78
Rocky Ridge Ranch Utilities Inc.	353	McCord Bend Water Co.	121
Taney County Utilities Corp.	466	Middlefork Water Co.	2
Terre Du Lac Utilities Corp.	941	Missouri Utilities Co.	136
The Meadows Water Co.	845	Moore Bend Water Co.	103
Class D			
(Revenue under \$50,000)			
Argyle Estates Water Co.	45	Oakbrier Water Co.	40
Big Val Utility Corp.	8	Osage Water Co.	49
Camelct Utility Co.	182	Ozark Mountain Water Co.	296
Cat-Pac Waterworks Inc.	136	Peaceful Valley Service Co.	137
Cedar Hills Estates Water Co.	162	PIHI Investments Inc.	212
Central Jefferson County Utility Inc.	205	Port Perry Service Co.	106
Community Water Co.	2	Quail Run Water & Land Co.	39
Coney Island Water System Inc.	94	Rankin Acres Water Co.	88
Davis Water Co.	176	Riverfork Water Co.	29
Evergreen Lake Water Co.	65	Riverside Utility Inc.	329
Finley Valley Water Co.	125	Rogue Creek Utility Inc.	90
Franklin County Service Co.	33	Roy L. Utilities Inc.	49
Franklin County Water Co.	125	SK&M Water & Sewer Co.	204
		South Jefferson County Utility Co.	129
		Stockton Hills Water Co.	128
		Suburban Water Co.	155
		Swiss Villa Utilities Inc.	90
		Village Water & Sewer Co., Inc.	34
		Whispering Hills Water System	49
		White River Valley Water Co.	129
		Wilden Heights Water Co.	22
		Willow Utility Co.	149
		Woodland Heights Utilities Inc.	68
		Woodland Manor Water Co.	81

Additional Information

Consumer Services

The Missouri Public Service Commission has two offices for assisting consumers. The offices are located in Jefferson City and St. Louis. The Commission is open from 8-12 noon and 1-5 p.m., Monday through Friday, except on state holidays.

If you live outside of the St. Louis area, you may contact the Jefferson City office without charge by using the toll-free Consumer Hotline: (800) 392-4211.

If you live in the St. Louis area, you may take your complaint to the PSC Consumer Services offices.

Jefferson City: Missouri Public Service Commission
Harry S Truman State Office Building
301 W. High
(Mailing Address: P.O. Box 360)
Jefferson City, MO 65102
Toll-free Consumer Hotline for
Complaints: (800) 392-4211
Other Business: (314) 751-3234

St. Louis: Missouri Public Service Commission
The New Frisco Building
Suite 330
906 Olive Street
St. Louis, MO 63101
Telephone No: (314) 340-6807

Additional Information

Commissioners Past and Present

The Missouri Public Service Commission was formed in 1913 by the Missouri General Assembly. Those who have served as Commissioners of the Missouri Public Service Commission since its beginning appear below:

Present Commission

*Allan G. Mueller	July 11, 1983
*Kenneth McClure	January 3, 1990
Patricia D. Perkins	March 19, 1991
Duncan E. Kincheloe	January 4, 1992
Harold Crumpton	May 3, 1993

<i>Former Commissioners</i>	<i>Length of Service</i>	<i>Former Commissioners</i>	<i>Length of Service</i>
* John M. Atkinson	**1913-1916	Richard Arens	1944-1945
William F. Woerner	**1913-1914	* Kyle Williams	1941-1952
John Kennish	**1913-1917 and 1920	Agnes Mae Wilson	1943-1949
Frank A. Wightman	**1913-1915	* Morris E. Osburn	1945-1952
Howard B. Shaw	**1913-1917	John P. Randolph	1949-1951
Edwin J. Bean	1914-1925	Henry McKay Cary	1950-1955
Eugene McQuillin	1915-1917	Frank Collier	1953-1954
* William G. Busby	1916-1921	Maurice W. Covert	1952-1953
David E. Blair	1917-1920	Charles L. Henson	1942-1959
Noah W. Simpson	1917-1923	M.J. McQueen	1954-1956
Edward Flad	1917-1921	D.D. McDonald	1955-1961
* John A. Kurtz	1920-1923	Frank J. Iuen	1959-1963
Hugh McIndoe	1921-1923	* Tyre W. Burton	1952-1965
A. J. O'Reilly	1921-1925	William Barton	1956-1965
Richard H. Musser	1923-1925	Frank W. May	1961-1967
* Merrill E. Otis	1923-1924	E.L. McClintock	1945-1967
D.F. Calfee	1925-1929	Donal D. Guffey	1963-1968
* Thomas J. Brown	1923-1928	Howard Elliott, Jr.	1967-1970
James P. Painter	1928-1929	* Marvin E. Jones	1967-1973
* Almond Ing	1925-1933	* William R. Clark	1965-1975
S. M. Hutchison	1925-1931	Willard D. Reine	1968-1975
* Milton R. Stahl	1929-1933	* James F. Mauze	1971-1975
J. Fred Hull	1929-1934	* A. Robert Pierce, Jr.	1973-1977
* J. C. Collet	1933-1935	* James P. Mulvaney	1975-1977
Harry E. McPherson	1934-1935	Charles J. Fain	1965-1977
J.H. Porter	1925-1933	Stephen B. Jones	1975-1979
George H. English	1931-1936	Hugh A. Sprague	1975-1979
William Stoecker	1933-1936	Stephanie Bryant	1979-1981
Albert D. Nortoni	1936-1938	* Alberta Slavin	1977-1981
W. M. Anderson	1933-1938	Larry W. Dority	1979-1983
Scott Wilson	1938-1941	Leah Brock McCartney	1977-1983
* Sam O. Hargus	1935-1937	* Charles J. Fraas	1977-1983
John S. Boyer	1935-1941	* John C. Shapleigh	1981-1984
Marion S. Francis	1938-1941	Charlotte Musgrave	1981-1988
* J.D. James	1937-1942	Connie Hendren	1983-1989
Paul Van Osdol	1941-1943	James M. Fischer	1984-1989
* Frederick Stueck	1941-1943	Ruby Letsch-Roderique	1990-1991
John A. Ferguson	1936-1944	* William D. Steinmeier	1984-1992
* Albert Miller	1943-1944	David Rauch	1989-1993

*Those who have served as Chairman of the Public Service Commission

**First Commissioners of the Public Service Commission