



MISSOURI PUBLIC SERVICE COMMISSION

2002 ANNUAL REPORT

**Informed Consumers, Quality Utility Services,
and a Dedicated Organization
for Missourians in the 21st Century**



Missouri Public Service Commission

Commissioners
KELVIN L. SIMMONS
Chair
CONNIE MURRAY
SHEILA LUMPE
STEVE GAW
BRYAN FORBIS

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.state.mo.us>

December 2, 2002

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

The Honorable Bob Holden
Governor
State Capitol Building

Governor Holden:

The Missouri Public Service Commission met new and exciting challenges during the past fiscal year with a great deal of interest and energy as it began the 21st century. The Commission has faced complex issues that forced it to look outside of the typical regulatory box in trying to adjust to the ever-changing regulatory environment. While change is almost certain, its mission remains the same. Decisions made at the Missouri Public Service Commission must ensure that our Missouri utility consumers have safe, adequate, efficient and affordable services while allowing those utility companies under our jurisdiction an opportunity to earn a reasonable return on their investment and remain financially secure. The Commission and Staff are dedicated to fulfilling these public interest goals.

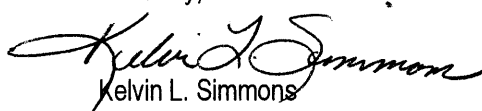
The PSC Staff is to be commended for its work in a major complaint case involving the state's largest electric company. Through their work, all parties in the AmerenUE complaint case were able to reach an agreement which brings rate reductions to customers, customer-assistance programs funded by AmerenUE's shareholders and a commitment regarding infrastructure investment in Missouri. This agreement was truly a win-win for all parties. Included in that agreement is a rate moratorium that provides rate stability to AmerenUE customers as well as to the utility.

The Commission continues to carefully monitor natural gas pricing in Missouri. While it has no control over the prices set by wholesale suppliers of natural gas, the Commission has implemented several recommendations offered by a Natural Gas Commodity Price Task Force which are designed to bring rate stability to customers. A number of those recommendations also have the support of the Governor's Energy Task Force. The Commission continues to strongly encourage Congress to increase federal funding through the Low-Income Energy Assistance Program to help needy Missourians stay warm during the winter. In addition, the Commission has approved agreements in rate cases that establish experimental low-income programs designed to help natural gas and electric customers with their bills. Such an experimental program exists for Missouri Gas Energy and Empire District Electric Company customers in the Joplin area.

The Commission also continues to closely monitor and encourage competition in various telecommunications markets in Missouri and works to ensure that Missouri consumers receive safe and adequate water service in the State. In recent months, the Commission has been active in its comments on a new Federal Energy Regulatory Commission (FERC) initiative for a Standard Market Design that provides a national framework for the investment in and operation of the country's electric transmission infrastructure and operation of the wholesale electric power market.

I hope that you will find our report to be informative. I am pleased to submit it to you in order that you can see, in more detail, the Commission's work for the 2002 fiscal year.

Sincerely,


Kelvin L. Simmons



From left to right, Commissioner Bryan Forbis, Commissioner Connie Murray, Chairman Kelvin Simmons, Commissioner Sheila Lumpe, and Commissioner Steve Gaw.

MISSOURI PUBLIC SERVICE COMMISSION

KELVIN SIMMONS, CHAIRMAN

CONNIE MURRAY, COMMISSIONER

SHEILA LUMPE, COMMISSIONER

STEVE GAW, COMMISSIONER

BRYAN FORBIS, COMMISSIONER



Missouri Public Service Commission offices are located in the Governor Office Building, 200 Madison Street, in Jefferson City.

TABLE OF CONTENTS

Key Personnel.....	6
Commission Biographies.....	7
Budget.....	10
Organizational Functions.....	11
Mission.....	13
Practice Before the Commission.....	17
Utility Issues.....	19
Service Quality.....	40
Organizational Chart.....	42
Year in Review.....	43
Statistical Information.....	46
Contact Information.....	53
Commissioners:Past & Present.....	54



Key PSC Personnel

Kelvin Simmons, Chairman	751-0946
Connie Murray, Commissioner	751-4132
Sheila Lumpe, Commissioner	751-4221
Steve Gaw, Commissioner	751-3243
Bryan Forbis, Commissioner	751-3233
Robert Quinn, Executive Director	751-2690
Toni Messina, Legislative Coordinator	751-5472
Kevin Kelly, Public Information Administrator	751-9300
Gregg Ochoa, Public Information Coordinator	522-2760

Administration Division

Donna M. Prenger, Director	751-7492
Rhonda Byers, Manager - Human Resources Department	751-7508
Todd Craig, Manager - Computer Information Services Department	526-8153
Dan Redel, Manager - Internal Accounting Department	751-2457
Janet Hoerschgen, Manager - Consumer Services Department	751-3160
Gay Smith, Project Manager - Electronic Filing & Information System	751-5526

Adjudication Division

Dale Hardy Roberts, Secretary/Chief Regulatory Law Judge	751-4256
----------------------------------------------------------	----------

General Counsel

Dana K. Joyce, General Counsel	751-8705
--------------------------------	----------

Utility Operations Division

Wess Henderson, Director	751-7435
Dale Johansen, Manager - Water and Sewer Department	751-7074
John Van Eschen, Manager - Telecommunications Department	751-5525
Warren Wood, Manager - Energy Department	751-2978
Ron Pleus, Manager - Manufactured Housing Department	751-7119

Utility Services Division

Robert Schallenberg, Director	751-7162
Ron Bible, Manager - Financial Analysis Department	751-8517
Joan Wandel, Manager - Accounting Department	751-4785
David Sommerer, Manager - Procurement Analysis Department	751-4356
Lisa Kremer, Manager - Management Services Department	751-7441

PSC COMMISSIONERS

KELVIN L. SIMMONS

Chairman

Governor Mel Carnahan appointed Commissioner Kelvin L. Simmons to the PSC on May 5, 2000. In July 2001, Governor Bob Holden named Simmons Chairman of the PSC.

Prior to his appointment to the PSC, Simmons was a member of the Kansas City Council. He represented more than 72,000 constituents in Kansas City's 5th Council District.

Chairman Simmons also worked as a senior staff member to the late Governor Mel Carnahan, serving as the Director for Constituent Services from 1993 until 1996. In addition, Chairman Simmons was the State Director for Equal Employment Opportunity in the Office of Administration.

In addition to his Commission duties, Chairman Simmons serves on the Missouri Universal Service Board and is a member of the National Association of Regulatory Utility Commissioners (NARUC) where he currently serves on the Electricity Committee. Simmons also serves on the NARUC Committee for International Relations. Chairman Simmons currently serves as Co-Chairman of the Utilities Commission of the Homeland Security Task Force. He is also a member of the Governor's Security Council.

Mr. Simmons has two baccalaureate degrees in Communications and Interdisciplinary Studies from University of Missouri-Columbia obtained in 1986 and an Executive Masters in Business Administration from the University of Missouri-Kansas City in 1999. Commissioner Simmons has also studied and engaged in missions of understanding internationally in Sweden, Finland, South Africa, Cuba, Hong Kong and Beijing, China.

Mr. Simmons' term expires on April 15, 2005.



Chairman Simmons listens to discussion during an agenda meeting.



CONNIE MURRAY

Commissioner

Commissioner Connie Murray was appointed to a six-year term to the PSC by Governor Mel Carnahan in May, 1997.

Commissioner Murray served as Representative of the 135th legislative district in the Missouri House of Representatives from 1991 through 1996. She was appointed House Manager of Articles of Impeachment of Missouri Secretary of State before the Missouri Supreme Court in 1994. She served on several committees, including Budget and Judiciary & Ethics. She was treasurer of Women Legislators of Missouri and a member of various national legislative organizations.

Since her appointment to the PSC, Commissioner Murray has participated in a number of state and national utility regulatory organizations. She is a member of the NARUC Committee on Water and has served on a working group of the National Drinking Water Advisory Council. She has also participated in various PSC Roundtables. She serves on the Advisory Council for the Center for Public Utilities, New Mexico State University.

Commissioner Murray earned her bachelor of arts degree in English literature from Loyola College in Baltimore, Maryland, where she graduated cum laude in 1975, and a juris doctorate in 1980 from the University of Maryland School of Law where she was Notes and Comments Editor of the Law Review.

Commissioner Murray's term expires in May of 2003.



SHEILA LUMPE

Commissioner

Sheila Lumpe was appointed to the PSC on June 5, 1997, by Governor Mel Carnahan. In August of 1997, she was named Chair of the Commission and served in that capacity until July 2001.

Prior to her appointment, Lumpe was chair of the House Budget Committee of the Missouri House of Representatives. A nine term state representative, Ms. Lumpe represented St. Louis County in the Missouri House since first elected in 1980. In addition to chair of the House Budget Committee, Ms. Lumpe also served on a number of Legislative committees including the Utilities Regulation Committee. Prior to the Legislature, Commissioner Lumpe served eight years on the University City School Board.

Lumpe is Vice Chair of the Water Policy Roundtable of the PSC. She also serves on the Board of the Missouri Humanities Council, the Gas Committee of NARUC, and on the Advisory Board of the Public Utility Division/Financial Research Institute, University of Missouri.

Lumpe graduated summa cum laude with a baccalaureate degree in government from Indiana University in 1957 and received a master's degree in political science from the University of Missouri-St. Louis in 1989.

Commissioner Lumpe's term expires on April 15, 2003.



STEVE GAW

Commissioner

Commissioner Steve Gaw was appointed to the Missouri Public Service Commission in March 2001, by Governor Bob Holden. Following Senate confirmation, Gaw began serving on the Commission on April 2, 2001.

Prior to his appointment, Commissioner Gaw was Speaker of the Missouri House and served as a State Representative of the 22nd District representing Randolph County as well as parts of the Missouri counties of Howard, Chariton and Boone. Gaw was first elected to the Missouri House in 1992, became Speaker in 1996 and served until January 2001.

While House Speaker, Gaw was instrumental in bringing new technology to the chamber, as the Missouri House became the first state legislative body to broadcast their proceedings live over the Internet.

As a legislator and as Speaker, Gaw was a leader on education issues requiring greater accountability in schools and more emphasis on the basics, particularly reading, in the early grades. His work on education earned him several awards including the prestigious Geyer Award, the Horace Mann Friend of Education for Legislation Award and the Distinguished Legislator Award from the Missouri Community College Association.

Commissioner Gaw graduated summa cum laude in 1978 from Truman State University with a bachelor's degree in physics. He earned a law degree from the University of Missouri-Columbia in 1981. Gaw served as Moberly city prosecutor and practiced law in Moberly with the firm of Schirmer, Suter, & Gaw.

Commissioner Gaw's term expires on January 4, 2007.



BRYAN FORBIS

Commissioner

Bryan Forbis was appointed to the PSC on November 1, 2001 by Governor Bob Holden.

Prior to his appointment, Forbis served as deputy director for Institutional Services in the Missouri Division of Aging (now a section in the Missouri Department of Health and Senior Services). In that position, he supervised over 300 employees responsible for monitoring and enforcing state and federal regulations in 1,250 nursing and residential care facilities. From 1995 until 1999, Mr. Forbis was special assistant to the director in the Missouri Division of Aging/Department of Social Services. He is a 20-year veteran of state government, having also served in the Department of Natural Resources and the Division of Child Support Enforcement.

Mr. Forbis graduated in 1979 from the University of Missouri-Columbia (UMC) with bachelor degrees in political science and interdisciplinary honors. In 1981, he received a master's in political science (public policy) from UMC.

In addition to his Commission duties, Mr. Forbis is Secretary of the Missouri Universal Service Board and is a member of the National Association of Regulatory Utility Commissioners (NARUC) where he serves on the Committee on Telecommunications.

Commissioner Forbis' term expires on April 15, 2007.





BUDGET

Fiscal Year 2003**Public Service Commission**

Personal Service	\$ 9,417,895
Expense and Equipment	3,738,714
Program Specific Distribution (PSD)	10,000*
Total	<u>\$ 13,166,609</u>

Full-Time Employees (F.T.E.) 209

**Deaf Relay Service and
Equipment Distribution Program**

\$ 5,000,000

F.T.E. 0

Manufactured Housing Dept.

Personal Service	\$ 336,548
Expense and Equipment	173,558
PSD	17,935*
Total	<u>\$ 528,041</u>

F.T.E. 11

TOTAL BUDGET**\$ 18,694,650****F.T.E.****220**

Budget includes program specific distributions.

* estimated appropriation

Organizational Functions

Executive Director

Robert Quinn, Executive Director



The Executive Director is the PSC's chief operations officer. The Executive Director is responsible for the overall administrative functions and the policy direction of the Staff. The Executive Director also serves as the primary liaison between the Commissioners and the Staff. The Executive Director also oversees the Public Information and Education Department and the PSC's Legislative Coordinator. The Public Information and Education Department develops and distributes press and consumer information on current PSC activities, develops educational pieces for distribution, maintains the PSC Reports, and deals with other media requests. The Legislative Coordinator is the PSC's primary liaison with the Missouri General Assembly and also assists with education and consumer relations activities.

Adjudication Division

Dale Hardy Roberts, Secretary/Chief Regulatory Law Judge



The Adjudication Division is the PSC's quasi-judicial Division. A staff of nine Administrative Law Judges (sometimes called regulatory law judges) handle the cases from the day the case is filed until the day it is finally resolved. New cases go to the Chief Judge who assigns them to himself or to one of the other eight judges. Thereafter, the assigned Judge presides over the hearings, rules on objections and motions, and drafts all orders, as directed by the Commission, for that particular case. The Adjudication Division's Data Center performs the functions of a Clerk of the court in that the Data Center receives all incoming pleadings and issues all Commission orders. In addition, the Data Center stores and preserves the official case files, tariffs and other official documents of the Commission.

Administration Division

Donna M. Prenger, Director



The Administration Division is responsible for managing the fiscal, personnel, and information resources of the agency. This Division oversees budget development, strategic planning, internal accounting, procurement, staff services, consumer services, personnel, payroll, information services and training functions for the agency. Consumer Services, with offices in Jefferson City and St. Louis, is the clearinghouse for all inquiries and complaints received by the PSC.



General Counsel

Dana K. Joyce, General Counsel



The Office of the General Counsel represents the Staff and Commission in all matters relating to Missouri utility regulation. Its duties consist of traditional legal work and include providing advice, upon request, to the Commission and each Commissioner. The Office also represents the Commission in actions involving questions under the PSC or other laws, the defense of Commission orders or decisions and, as directed or authorized by the Commission, the intervention in related proceedings and the prosecution of actions on behalf of the state as authorized by law.

Utility Operations Division

Wess Henderson, Director



The Utility Operations Division is comprised of four departments: Telecommunications, Energy, Water and Sewer, and Manufactured Housing. It supports the Commission in meeting its statutory responsibilities by providing technical expertise in energy safety; utility rates, tariffs, rules and regulations; economic analysis; engineering oversight and investigations; and construction inspections. The Utility Operations Division also has oversight of the Manufactured Housing Department's regulation of manufactured home dealers operating in Missouri. The division accomplishes its mission by making recommendations to the Commission in the form of expert testimony and formal recommendations.

Because of its diverse responsibilities, the Utility Operations Division retains a professional staff with expertise in accounting, economics, finance and engineering.

Utility Services Division

Robert Schallenberg, Director



The Utility Services Division consists of five departments and supports the Commission by providing technical expertise in utility finance, accounting and auditing, natural gas procurement, depreciation analysis and management services. Staff members assigned to the Division accomplish their mission by performing audits and/or reviews of the books and records of the utilities. Staff draws conclusions from these findings and makes recommendations to the Commission in the form of expert testimony and formal recommendations. The Division is also responsible for investigating

and responding to consumer complaints and making recommendations to the Commission regarding their resolution.



Mission

The Missouri Public Service Commission (PSC) regulates investor-owned public utilities operating in Missouri. The PSC has the statutory responsibility for ensuring that customers receive adequate amounts of safely delivered and reasonably priced utility services at rates that will provide the companies' shareholders with the opportunity to earn a reasonable return on their investment. The PSC must balance a variety of often competing private interests to ensure the overall public interest.

Jurisdiction and Goals

The Missouri Public Service Commission was created in 1913 by the Public Service Commission Law, now Chapter 386 of the Missouri Revised Statutes. Today, the PSC regulates over 1,000 investor-owned electric, natural gas, telephone, and water and sewer utilities. In addition, the PSC regulates the state's 48 rural electric cooperatives and 42 municipally-owned natural gas utilities for operational safety. The PSC also regulates the manufacturers and dealers of manufactured and modular homes.

The PSC also oversees service territory issues involving investor-owned electric utilities, rural electric cooperatives and municipally-owned electric utilities as well as investor-owned water and sewer utilities and public water supply districts. Under federal law, the PSC acts as a mediator and arbitrator of local telephone service disputes regarding interconnection agreements.

Virtually every Missouri citizen receives some form of utility service from an investor-owned public utility company. Utility services and infrastructure are essential to the economy of Missouri. They provide heating and cooling during extreme temperatures. They offer access to emergency services and vital information systems. They provide safe drinking water and assure the environmentally sound disposal of wastewater. Because



PSC Commissioners meet twice weekly in agenda sessions--open to the public--to discuss, consider evidence and vote on pending utility cases.

utilities fulfill these essential needs, the PSC must assure the ratepaying public that quality services will be available on a nondiscriminatory basis at just and reasonable rates.

Commissioners

The PSC 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 Chair who serves in that capacity at the pleasure of the Governor.

Commissioners are appointed to six-year terms. These terms are staggered so that no more than two terms expire in any given year.

The PSC is both quasi-judicial and quasi-legislative. The PSC is responsible for deciding cases brought before it and for the promulgation of administrative rules and their enforcement. Many of the PSC's duties are performed by conducting hearings in contested cases, which by statute must be transcribed by a court reporter. Hearings are



conducted in a trial-like setting using evidentiary standards under the Missouri Administrative Procedures Act. The PSC must render decisions in a timely manner to afford all parties procedural and substantive due process, and to comply with statutory time limits.

The PSC Staff

The Commission is assisted by a staff of professionals in the fields of accounting, consumer affairs, economics, engineering, finance, law and management. Duties range from helping individual consumers with complaints to investigating multi-million dollar utility rate requests.

The Staff participates as a party in all cases before the PSC. It conducts audits of the books and records of utilities and makes recommendations to the PSC as to what type of rate increase, if any, should be granted. PSC Staff recommendations, like those filed by other parties to a proceeding, are evaluated by the PSC in reaching a decision in a complaint case or rate case. The PSC has established standards for safety and quality of service to which companies must adhere. Routine and special investigations of utilities are conducted by the PSC Staff to ensure compliance.

PSC Electronic Filing and Information System Project (EFIS)

The PSC EFIS system was implemented in April 2002. Faster service and improved processing efficiency brought about significant gains in productivity and improved customer satisfaction. Instead of walking to and from filing cabinets all day, PSC staff can now retrieve and archive information from their desks using a common Web browser to access a customized Web portal that connects employees to a central content repository. The new Web portal solution drives the agency's business processes and enables the automation and management of Web-based content. The time it takes to respond to requests and inquiries from utility companies and consumers has been reduced

from weeks or months to a day or less. As a result, the PSC staff can handle workload more efficiently and enhance their ability to achieve the agency's core business mandates. EFIS also permits consumers and the media to have, at their fingertips, access to all public testimony and exhibits filed in cases before the Commission.

“The Missouri Public Service Commission is the first state government utility regulator in the nation to offer this level of Web-enabled business process capability,” stated Gay Smith, project manager.

Baseline Awareness Survey

Since 2000, the Missouri Public Service Commission, through its Public Education Survey Team, has worked with the Center for Advanced Social Research at the University of Missouri-Columbia on the development and implementation of a baseline awareness survey. This survey has provided the Missouri Public Service Commission with valuable information on name recognition, how people perceive the Commission, what they know about the agency as a whole and what they think of the type of service and rates of the utility companies that provide them with water, natural gas, telephone, sewer and/or electricity.

Recently, the Center for Advanced Social Research completed a second survey for the PSC. One thousand twenty-nine randomly selected interviews were completed via the telephone from December 4, 2001 to February 3, 2002. Trained interviewing and supervising staff at the Center for Advanced Social Research at UMC conducted the interviews.

Some 2002 General Survey Results:

- Awareness of the Missouri Public Service Commission is high as nearly 75% of those surveyed said they had heard of the PSC.
- About two-thirds (66%) knew citizens could file utility complaints with the Commission.
- The majority of those surveyed were satisfied with their utility service and fairness in rates.

- Nearly 91 percent of those surveyed showed confidence in the safety of their utility services. Responses included “ultimately government will control the issues” or “I have no reason to be worried about the safety.”
- Approximately 75% of those who attended a Commission hearing in the past three years were satisfied with the way the hearings were conducted.
- Most of the citizens who were engaged in contacting the Commission indicated satisfaction with the outcome of their contact with the PSC.



The Missouri Public Service Commission held several local public hearings around the state to address a wide variety of topics, including rate requests and service quality issues.

General Conclusions/Recommendations:

- The 2002 survey results suggest the PSC is making significant progress toward achieving goals of informing consumers of the PSC’s work and accomplishing quality utility services.
- Increased publicity and alternatives for communicating with the public are needed for local public hearings using various mediums (print, radio, television).
- Increase public awareness of the PSC and issues by using Public Service Announcements, billboards, talk show forums, etc.
- Increase education of the ratepayers of tomorrow.

The Commission’s Public Education Survey Team continues to work with the University of Missouri-Columbia regarding various survey recommendations.

Local Public Hearings

The Missouri Public Service Commission often holds local public hearings throughout the state to receive customer comment on a rate request before the Commission. Customers are also encouraged to attend local public hearings to give the Commission information on any service-related problems they might be having.

During fiscal year 2002, the Commission held a number of local public hearings including ones in St. Louis, Raytown, Warrensburg, Foristell and Linn. These hearings addressed a wide range of issues from rate requests and service quality issues to the building of a proposed electric transmission line.



Public Information and Education Department

As the environment around utility regulation continues to change, the role of the Missouri Public Service Commission with regards to public information and education changes as well. At no other time has the general public's thirst for information regarding their utility company and the services and rates it provides been greater. The Public Information and Education Department works to meet that need in terms of educational materials and media information.

During the past fiscal year, the Public Information and Education Department created several information brochures and flyers on a number of topics including: what you should know about natural gas heating bills, helping you understand your telephone bill, winter service disconnections, a snapshot of what the Public Service Commission does, energy conservation tips for winter and summer, electricity safety, what to do when changing utility service when you move, the telephone link-up and lifeline programs, and saving water can save you money.

In addition, the Public Information and Education Department has developed a quarterly newsletter that provides utility-related information pieces for consumers.

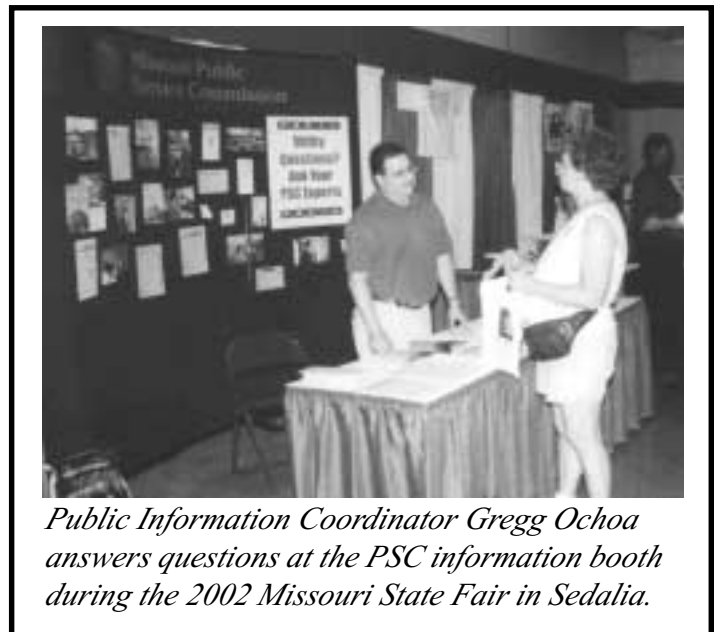
As part of its function, the Public Information and Education Department also issues press releases on Commission decisions and provides detailed information sheets that are used at local public hearings conducted throughout Missouri. As part of that local public hearing process, the department facilitates an open question-and-answer session

prior to the actual local public hearing to give consumers the opportunity to ask questions about a rate case before the Commission.

The Public Information and Education Department also operates a list serve which allows the media and consumers to get press releases and other consumer information electronically as soon as it is issued by the Commission.

Each year, the Public Information and Education Department coordinates the Public Service Commission booth at the Missouri State Fair in Sedalia. This PSC fair booth gives consumers from across the state an opportunity to speak one-on-one with PSC Staff about any utility questions and/or problems.

This fiscal year, the Public Information and Education Department began development of a program designed to help educate grade school students to be safe around electricity.



Public Information Coordinator Gregg Ochoa answers questions at the PSC information booth during the 2002 Missouri State Fair in Sedalia.

Practice Before the Commission

The Adjudication Division is comprised of the Data Center (formerly known as the Records Department) and the Regulatory Law Judges. The Division Director is both the Secretary of the PSC and the Chief Judge. The Secretary is statutorily responsible for the records of the PSC and is specifically called upon to superintend the issuance of all PSC orders.



Regulatory Law Judge Nancy Dippell (far right) conducts a formal evidentiary hearing on a proposed transmission line case before the PSC. Looking on is Commissioner Connie Murray (seated at left behind the bench).

The Data Center is responsible for maintaining a complete and accurate record of every case which comes before the PSC. This department receives thousands of documents per month, each one of which must be reviewed, distributed and maintained in the permanent case file. The Data Center also issues hundreds of formal orders each month.

The Chief Judge is the Division Director of the Adjudication Division and acts as the Chief Judge of the nine-judge panel. The Judges receive training at the National Judicial College for procedural skills specific to the PSC and also at various utility seminars and conferences for substantive training in the disciplines of economics, accounting and

engineering as they relate to the regulated utilities. The Chief Judge assigns newly filed cases to the other Judges on a rotational basis and, thereafter, the individual judge is responsible for supervising that particular case and coordinating the procedures with the Commissioners.

The Judge prepares and issues preliminary orders to provide notice and procedural due process so that all parties have the opportunity for a full, fair and informative hearing. The primary concern for the Judge is to ensure a complete and competent record is compiled upon which the PSC may base its decision. It is the duty of the Judge to take the case from initial assignment all the way through to the post hearing briefs and preparation of a final order reflecting the Commission's findings of fact and conclusions of law.

Mediation Process

The Adjudication Division has developed a mediation process whereby parties may refer complaint cases to a third-party neutral mediator. This service is offered, at no cost, by the Alternative Dispute Resolution Center at the University of Missouri-Columbia School of Law, which was recently ranked the number one mediation center in the United States.

The mediation process is voluntary, and cases are resolved when both parties come to a mutual agreement. This process does not require legal counsel and should be less expensive, less adversarial, less formal, less time-consuming and more personal than a formal evidentiary hearing before the full PSC.

Mediations are confidential and settlement offers as well as other disclosures made during a mediation session are not admissible at a later hearing or trial.

Chapter 2

This portion of State Regulations contains the Missouri PSC's rules and the procedural requirements for pleading and practice before the PSC. These are the "rules of court," for practice before



the PSC and contain filing requirements and evidentiary rules, as well as many other procedural rules and requirements for contested cases and for rulemaking procedures. The PSC has worked to reduce the filing burden on all parties who appear before the PSC. In several places the filing requirements have been eased so that the amount of paper filed with the PSC has been significantly reduced or completely eliminated. In addition, this chapter is filed and has been published by the Missouri Secretary of State.



Deputy Chief Regulatory Law Judge Kevin Thompson (center) meets with new Regulatory Law Judges Ron Pridgin (seated) and Kennard Jones.

List Serve

On May 1, 1999, the Adjudication Division initiated an interactive e-mail delivery service (generically referred to in computer circles as a “list serve”) for the purpose of delivering the PSC Agenda, hearing schedule(s), orders and other documents to various interested parties.

This service provides free access to citizens by providing a Web-based e-mail list management system. The software automatically sends email to all presubscribed parties on the mailing list with just one click, manages the mailing list and conveniently stores all issued messages for reference or re-use. This allows the Adjudication Division to ensure mass, and immediate, electronic distribution of any order, notice or other document to all recipients and eliminates the delay

and cost which is inherent in regular delivery of the paper copy. Any interested person may subscribe to this service, at no cost, by visiting the PSC’s web page at:

<http://www.psc.state.mo.us>



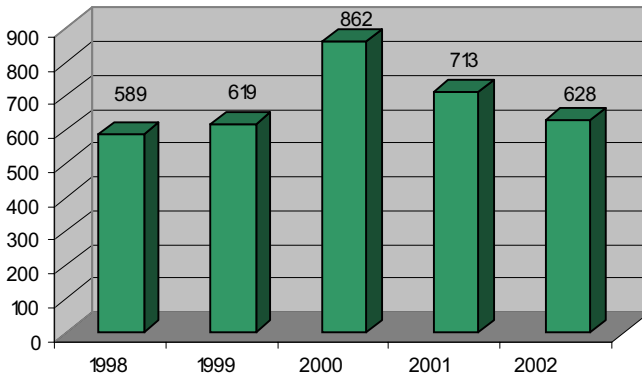
Data Center Manager Kim Happy (left) and Christy Kempker scan documents so they may be entered into EFIS.

Utility Issues

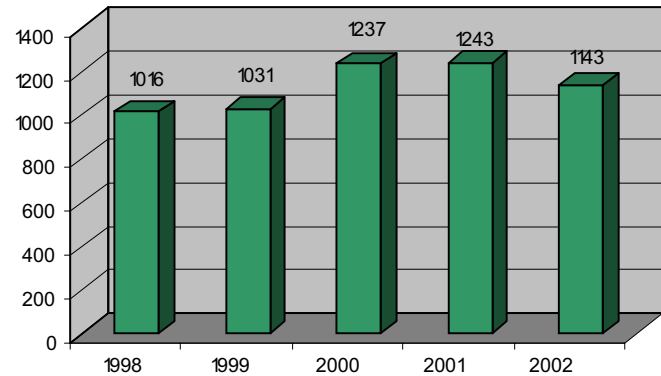
Change continues to occur in utility industries, and with that change, the workload of the Missouri Public Service Commission continues to grow as the PSC evaluates and implements these changes.

New state and federal legislation as well as federal agency activity and the changing regulatory environment have required, and will continue to require, a large commitment of resources in order for the PSC to stay current on developments and to influence state and national policy to the benefit of Missouri ratepayers.

PSC Cases Per Year



Tariff Filings Per Year



ELECTRIC

AmerenUE Electric Rate Reduction

In July 2002, the Commission approved an agreement between its Staff, AmerenUE, the Office of Public Counsel, and numerous intervenors, which resulted in an electric **rate reduction that was among the largest in state history**. Over the next three years, electric rates for AmerenUE's 1.1 million electric customers **will drop** by increasing amounts reaching \$110 million on an annual basis. In addition, this agreement provides for a one-time bill credit of \$40 million as well as customer-assistance programs that are funded solely by AmerenUE's shareholders.

"Rate reductions, a bill credit, customer-assistance programs and a commitment regarding infrastructure investment in Missouri make this agreement a win-win for all parties," stated Commission Chairman Kelvin Simmons.

This complaint case was initiated by the PSC Staff with testimony that alleged AmerenUE's electric rates were not just and reasonable and should be reduced. Chairman Simmons recognized the Staff's commitment in the case. "The PSC

Staff worked very hard in this case and this agreement results from their efforts as well as the efforts of all other parties to the proceedings."

The agreement approved by the Commission also includes funding by AmerenUE shareholders of approximately \$16 million in customer-assistance programs as well as another \$9 million for an economic development program.

Under the agreement, AmerenUE committed to undertake billions of dollars worth of energy infrastructure investment including additional generation capacity and transmission system upgrades.

The agreement also states that unless there is a significant, unusual event that has a major impact on AmerenUE, AmerenUE will not file for a rate increase and the parties will not file for a rate decrease before January 1, 2006.

According to AmerenUE, these Commission authorized rate reductions will place electric rates in their service territory at 1986 levels. Preceding the series of rate reductions that has occurred in the last decade, significant rate increases to AmerenUE's customers were necessary to implement costs of the Callaway nuclear plant.

**Missouri Electric Rates**

Through the efforts of Missouri's electric utilities and the PSC, all classes of Missouri customers have benefited from low electric rates. The United States Energy Information Administration, a non-partisan office in the federal Department of Energy, annually ranks states according to their average rates in cents per kilowatt-hour. In 2001, Missouri electric rates for residential, commercial and industrial customers were better than the national average (see tables on this page).

Missouri Public Service Electric Rate Reduction

On June 8, 2001 Missouri Public Service, a division of UtiliCorp United, Inc. (MPS), filed a rate case designed to increase revenues by \$49.3 million (16.9%) to recover costs associated with a contract for capacity and energy as well as to reflect an increase in natural gas prices.

The PSC Staff conducted an audit of the books and records of MPS that resulted in the Staff filing testimony stating that MPS's current rates should be reduced. In February 2002, the Commission approved an agreement that reduced the annual electric revenues of MPS by approximately \$4.2 million.

Emergency Preparedness

The terrorist attacks in New York City and Washington on September 11, 2001, had a profound impact on our country. At the Missouri Public Service Commission, the PSC Staff filed a motion with the Commission seeking to open a case to receive information from Missouri utility companies regarding their preparedness for disaster and emergency situations.

Utility Operations Division Director Wess Henderson noted: "In light of the disaster in New York City and Washington on September 11, 2001, we believe now is a very good time to review Company preparedness in case of a disaster or emergency." The Commission did something very similar when working with utility companies preparing for Y2K.

A questionnaire was sent to all utility companies operating in Missouri asking for information

RESIDENTIAL

State Name	Avg. Revenue (cents/kWh)	State Rank
Hawaii	16.41	1
New York	14.03	2
New Hampshire	13.14	3
California	10.85	9
Illinois	8.83	13
Iowa	8.37	18
U.S. Avg.	8.21	
Kansas	7.65	26
Arkansas	7.45	32
Missouri	7.04	37
Oklahoma	7.03	38
Nebraska	6.53	41
Kentucky	5.47	49
Idaho	5.39	50
Washington	5.13	51

COMMERCIAL

State Name	Avg. Revenue (cents/kWh)	State Rank
Hawaii	14.81	1
New York	12.54	2
New Hampshire	10.87	3
California	10.55	6
Illinois	7.53	16
U.S. Avg.	7.36	
Iowa	6.57	24
Kansas	6.25	33
Oklahoma	6.14	34
Arkansas	5.93	38
Missouri	5.83	40
Nebraska	5.42	45
Oregon	5.06	49
Washington	4.86	50
Idaho	4.24	51

INDUSTRIAL

State Name	Avg. Revenue (cents/kWh)	State Rank
Hawaii	14.69	1
New Hampshire	9.1	2
Rhode Island	8.7	3
California	7.22	9
Illinois	4.76	18
U.S. Avg.	5.57	
Kansas	4.55	23
Missouri	4.43	26
Arkansas	4.2	29
Oklahoma	4.09	34
Iowa	3.89	38
Nebraska	3.61	44
Idaho	3.11	49
Kentucky	3.01	50
Montana	2.48	51

Source: US Energy Information Administration - 2000 data

regarding their plans in case of a disaster or emergency including employee training, emergency drills, and coordination with and reporting to local, state and federal agencies. The PSC Staff held a roundtable with the state's utilities and other interested parties to discuss security issues and a list of best practices was developed and posted to the PSC's Internet site.

Ice Storm

The worst ice storm in over 100 years hit western Missouri in late January 2002 causing a disruption in service to nearly 400,000 customers. Work crews from 16 different states and from as far away as Georgia came to western Missouri in an effort to rapidly restore power to as many customers as possible. The PSC Staff filed a report in June regarding the utilities' responses. Staff found that the utilities quickly activated emergency response and restoration plans. However, the Staff also found a need for utilities to work to enhance their communications with affected customers and city officials. Staff's investigation also showed that tree-trimming cycles were not on schedule. Prior to the end of 2002, the PSC Staff plans to review each of the report's recommendations with the utility companies affected by the ice storm.

Federal Activity in Electricity

This past year, most federal activity focused on transmission, with significant changes in Regional Transmission Organizations (RTOs). The size of the RTO in the Midwest has expanded as the Federal Energy Regulatory Commission (FERC) rejected both the Southwest Power Pool's (SPP's) and the Alliance Companies' applications for approval as separate RTOs. The basis for these rejections was insufficient geographic size and scope for electricity markets. These FERC decisions related to RTO size and scope resulted in: 1) a proposed merger of the Midwest Independent System Operator (MISO) with the SPP; and 2) the Alliance Companies, which included AmerenUE,



A devastating ice storm hits western Missouri in late January. (Photo courtesy of Missouri Public Service.)

having to choose whether to join MISO or another RTO. With these changes, it appears that all Missouri investor-owned utilities are likely to join the merged SPP/MISO entity.

The merged SPP/MISO covers an area on the western section, from northern Texas to Manitoba, Canada; in the mid-section from Missouri-Illinois to Wisconsin; and in the eastern section, from Kentucky to Michigan. In addition, this large multi-state RTO is working with the Pennsylvania, New Jersey and Maryland Independent System Operator (PJM ISO) to form a single electricity market.

This summer (July 31, 2002), the FERC issued a Notice of Proposed Rulemaking (NOPR) that describes its Standard Market Design (SMD). The proposed SMD includes a number of significant changes. These significant changes in market structure will have a major impact on the operation of wholesale electricity markets, and could also affect the costs of providing service to bundled retail consumers in Missouri. The Missouri PSC continues to be highly involved in the development of the RTOs, but with the issuance of this proposed change, these efforts are now extended to include the impacts that such a significant change may have on Missouri electricity consumers.



Transmission Upgrades

As the demand for electricity continues to increase, electric utilities make upgrades to improve their transmission and distribution systems. In January 2002, AmerenUE filed for Commission authority to construct a transmission line in Maries, Osage and Pulaski counties to enable AmerenUE to provide reliable service to its customers and to relieve overloads on nearby lines. Testimony was filed regarding the need for the line and the impact that the line will have on the public whose property will be impacted. Hearings were scheduled for September and October of 2002.

Rate Cases Decided:

The Empire District Electric Company

On November 2, 2000, The Empire District Electric Company (Empire) filed a rate case requesting that its permanent electric revenues be increased by approximately \$41.4 million a year to reflect the addition of the State Line Combined Cycle Power Plant as well as natural gas costs associated with the operation of that facility.

The PSC approved an agreement reached by parties in the case in September 2001, which resulted in a permanent increase of \$17.1 million. This agreement also established an experimental interim energy charge designed to attempt to address the potential volatility in natural gas and

wholesale electricity prices. This interim energy charge is subject to refund, with interest, depending on Empire's prudently natural gas and purchased power costs.

Citizens Electric Corporation

The Commission approved an agreement that authorized Citizens Electric Corporation (Citizens) to increase its rates on an interim basis by \$4.6 million on January 1, 2002 to reflect the cost of a new purchase power agreement that took effect on that day. Citizens purchases all of its power from wholesalers.

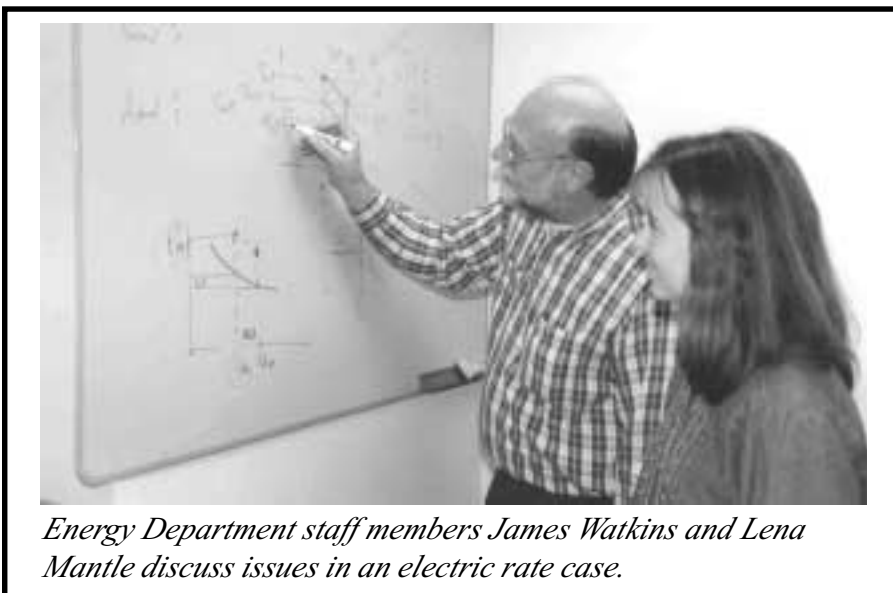
In June 2002, the PSC approved an agreement between the parties in the rate case that made the interim revenue increase permanent and increased Citizens' electric revenues by an additional \$1.6 million. Citizens is an electric cooperative, wholly owned by its members, that is regulated by the PSC. This was the first general rate increase for Citizens in approximately 20 years.

Pending Rate Increase Request:

The Empire District Electric Company

On March 8, 2002, The Empire District Electric Company (Empire) filed a \$19.7 million electric rate case. Empire also filed for interim rate relief to correct a mistake that was discovered after the Commission reached its decision in the last Empire

electric rate case. The Commission denied the request for interim rate relief. The Commission did approve an agreement that reduced the experimental interim energy charge approved in Empire's last rate case by approximately \$7 million, effective in June 2002. Hearings on the permanent rate request were scheduled for October 2002.



Energy Department staff members James Watkins and Lena Mantle discuss issues in an electric rate case.

**Reorganizations/
Restructuring**

During the fiscal year, the Missouri Public Service Commission approved applications filed by Kansas City Power & Light Company (KCPL) and Laclede Gas Company (Laclede) regarding reorganization plans or restructuring.

In July 2001, the Commission approved an agreement which authorized KCPL to reorganize and become one of three companies under the holding company Great Plains Energy, Incorporated.

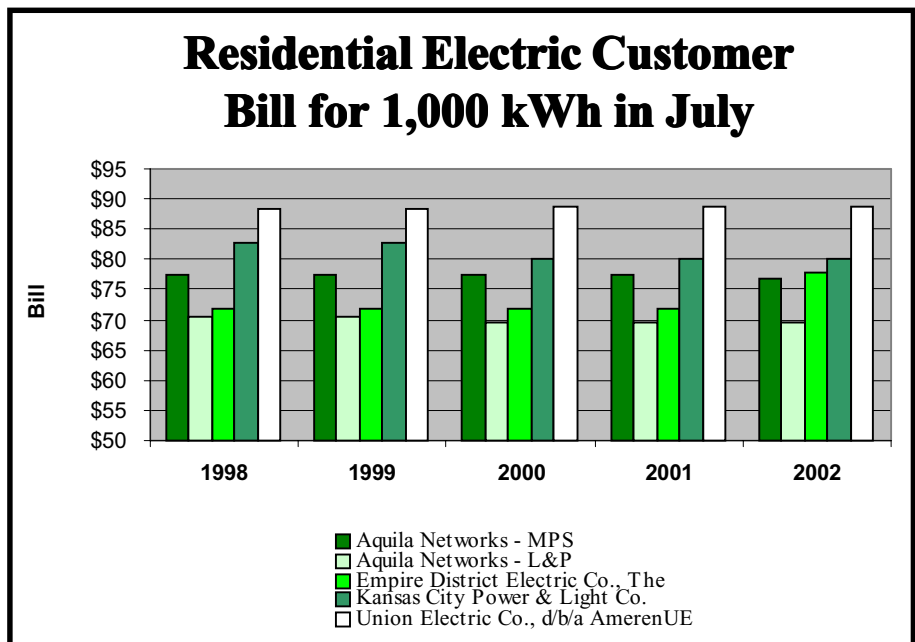
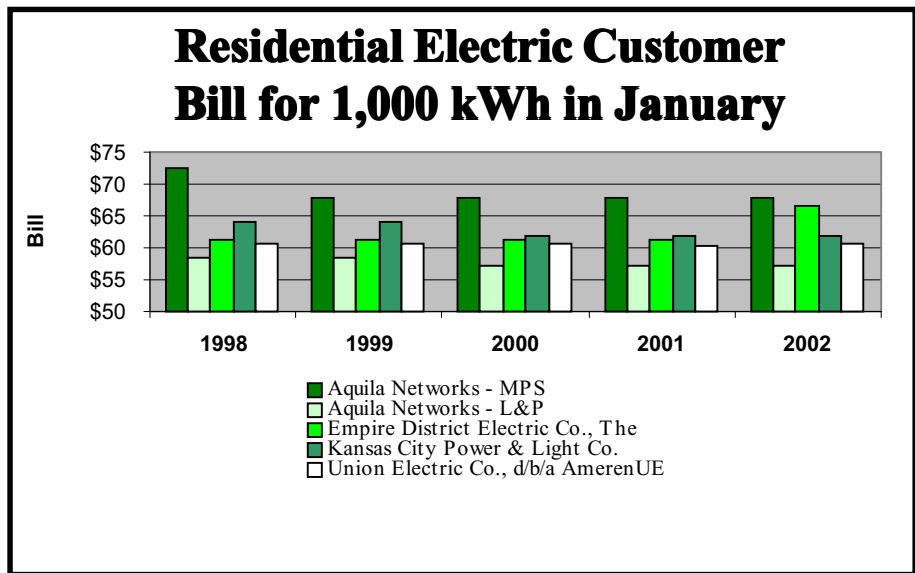
Under the reorganization plan, KCPL will still retain all of its current power plant facilities. In addition, the Missouri Public Service Commission will retain jurisdiction (including the setting of electric rates) of KCPL.

The three subsidiaries under Great Plains Energy will be KCPL, KLT and Great Plains Power, Incorporated.

The agreement approved by the Commission contains several financial conditions designed to protect Missouri KCPL customers.

In August, the Commission approved an agreement which authorized Laclede Gas Company to restructure, merge and form subsidiary companies.

Laclede Group, Inc. is the parent holding company and Laclede Gas Company becomes an independent subsidiary.



Laclede Gas Company stated in its application that the proposed restructuring would provide a separation between its regulated and unregulated assets and operations.

Laclede further noted that the proposed restructuring did not involve the transfer of utility-owned assets or any significant transfer of utility employees.



NATURAL GAS

Natural Gas Commodity Price Task Force

In response to the extraordinary weather and natural gas price spikes of the 2000-2001 winter the PSC created a Natural Gas Commodity Price Task Force on January 23, 2001.

This task force was created to investigate the process for the recovery of natural gas commodity cost increases by LDCs (Local Distribution Companies) from their customers and to discuss options.

The result of this effort was a task force report that provided an assessment of what happened to natural gas prices during the 2000-2001 winter, the impacts to natural gas consumers, a policy statement, and 11 recommendations to the PSC. The transcripts from the public meetings and final report of this task force have been made available on the PSC website.

The recommendations of this group are each being evaluated and implemented as determined to be appropriate. One recommendation that has already been incorporated is changing the frequency of PGA rate change filings to four times a year. Other recommendations regarding gas purchasing planning and volatility mitigation continue to be addressed in meetings with LDCs. A generic docket was opened by the Commission to address a number of the remaining recommendations. Tariff changes and rulemaking associated with this generic docket are ongoing.

Purchased Gas Adjustment (PGA)

On March 26, 2002, the Commission established a case (GO-2002-452) to review the PGA clauses of all Missouri LDC's. Establishment of such a case was one of a number of recommendations contained in a report filed by the PSC Natural Gas Commodity Price Task Force.

The PSC Staff and other interested parties are currently reviewing the PGA process, and will make recommendations at a later point in time.



Gas safety specialists like John Kottwitz (left) and Greg Williams conduct inspections of natural gas systems across the state to ensure compliance with Commission rules and regulations.

Chairman Simmons Takes Energy Assistance Needs to State Capitol

In October 2001, Commission Chairman Kelvin Simmons took his call for more funding to help those in need pay their utility bills to the Missouri State Capitol. Appearing before the Joint Interim Committee on Telecommunications & Energy, Chairman Simmons discussed energy assistance funding and disconnects-reconnects of natural gas service heading into the winter.

“Approximately 29,000 Missouri households currently are still without natural gas service due to disconnections while another 50,000 households face the possibility of being disconnected for nonpayment,” Simmons told committee members. “There are a number of our citizens that are greatly in need of assistance before cold weather sets in. I plan to continue to work with the Missouri Congressional delegation on their behalf. I will also have to explore other strategies which may be able to help.”

Emergency Amendment to Cold Weather Rule

Prior to the onset of cold weather during the winter of 2001-2002, the PSC issued an order approving an Emergency Amendment to the Cold Weather Rule that stated:

“The Missouri Public Service Commission finds that there is an immediate danger to the public health, safety, and welfare and a compelling governmental interest because thousands of Missourians face immediate and irreparable harm from the impending winter weather without a source of heat. This immediate danger requires emergency action.” The emergency amendment took effect on November 18, 2001 and continued until the end of the Cold Weather Rule period (March 31, 2002).

“There is no question that an emergency amendment to the Cold Weather Rule is needed given the extraordinary circumstances of last winter,” stated Commissioner Sheila Lumpe. “This emergency amendment is designed to provide more lenient payment terms to those customers with limited incomes while also helping to restore service to their homes.”

The Commission noted in its order that there was an unusually high number of residential customers without natural gas service. “There are at least 29,000 Missouri residential households without gas service, and perhaps as many as 40,000 to 50,000. The cause of so many customers being without gas

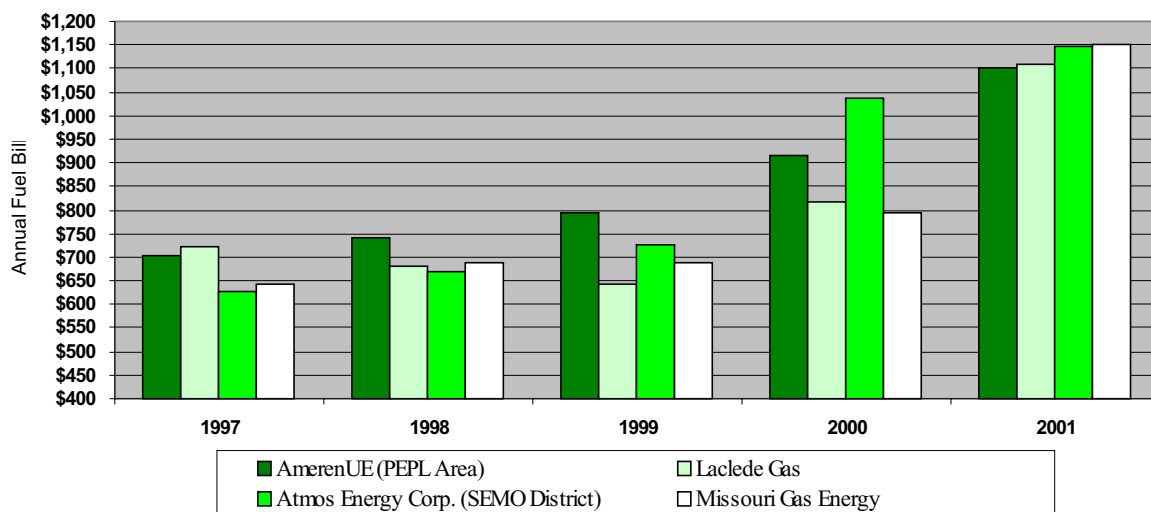
service is the combination of extremely high gas prices in combination with extremely cold weather in November and December of 2000. This combination was an extraordinary event. As a result, not only are an extraordinary number of households without gas service or in danger of losing service, but the average amount of arrearage is also extraordinarily high. As of August 2001, there was a 37 percent increase in the number of disconnects for Missouri LDCs as a group, and the amount owed increased by 117 percent.”

The emergency amendment was implemented by all but two natural gas companies. Missouri Gas Energy and Atmos Energy Corporation challenged the Commission’s decision in the courts.

Consumer Alert for the Upcoming Heating Season

The Commission issued an alert to consumers in April of 2002, which indicated that the winter of 2000-2001, with its extremely cold weather and record-high natural gas prices, created an extraordinarily difficult situation for Missourians as well

Residential Natural Gas Heating Customer Annual Usage at 120Mcf(Dth)





as natural gas customers throughout the country. In the winter 2001-2002, consumers saw significantly lower natural gas prices because of warmer weather and adequate natural gas supplies. The Commission's alert indicated that a number of factors give rise to concern regarding natural gas prices for the 2002-2003 winter heating season. A few of the reasons noted were lower rig counts, additional gas fired electric generation, the possibility of an El Nino summer, instability in the Middle East and a possible increase in overall economic activity. These factors could lead to a possible increase in natural gas prices.

Incentive Regulation

On September 20, 2001, the Commission determined that Laclede Gas Company's Experimental Gas Supply Incentive Plan (GSIP) should expire on October 17, 2001.

This experimental program expired due to the fact that Laclede did not sustain its burden of proof that the GSIP struck a proper balance between ratepayer and shareholder interests, the goal of such a plan. The Commission noted in its decision that the GSIP generated large profits for Laclede Gas Company, but did not create any significant savings on the demand cost of gas for its customers. The Commission indicated that pre-approval as requested by Laclede could discourage the natural gas company from taking opportunities to secure fixed price contracts that would produce reasonable price protection for its customers.

New Experimental Low-Income Rate Granted in MGE Rate Case

On November 7, 2000, Missouri Gas Energy, a division of Southern Union Company (MGE), filed a natural gas rate case seeking to increase annual revenues by approximately \$39.3 million. On July 5, 2001, the Commission accepted an agreement reached by parties in the case that authorized an annual revenue increase of approximately \$9.9 million. Part of the increased funding will expand MGE's weatherization program, which has been benefiting low-income customers for several years. In addition, a new experimental low-income rate will be implemented in the Joplin area. The experi-

mental two-year program will operate in Joplin, providing financial assistance to a maximum of 1,000 low-income families. Participants in the experimental plan will receive bill credits of either \$20 or \$40 a month, depending on income.

School Aggregation Tariffs

During the 2002 legislative session, the Missouri General Assembly passed House Bill 1402. This bill in part, established initiation of aggregation and transportation of natural gas for public school districts. Upon the Governor's approval of the bill, all LDCs were required to file experimental tariffs by August 1, 2002 allowing public school districts the opportunity to aggregate and transport natural gas for a period beginning no later than November 1, 2002 through June 30, 2005. For the first year, these tariffs are designed to allow any seven-director school district to purchase gas on an aggregated basis through a not-for-profit school association and transport it to the participating school districts. Beginning in July of 2003, the program will expand to include any school for elementary or secondary education whether a charter, private or parochial school district.

Underground Utility Damage Prevention Legislation

During the 2001 legislative session, the PSC worked with Missouri One-Call Systems (MOCS) personnel, numerous underground utility operators, and representatives of excavation contractors to gain support for improved damage prevention legislation. House Substitute for House Committee Substitute for House Bill No. 425 was passed by the 91st General Assembly. This legislation establishes a true one-call system in the state. All owners of underground facilities in Missouri are required to be members of the MOCS. So, with one call, a person planning excavation work can have all the underground facility owners in the area of a proposed excavation notified and facilities located. Signed by Governor Bob Holden, this bill became law on August 28, 2001. Previously, a reliable system was not available for those seeking to perform excavation work to identify all underground facility owners in an excavation area. Prior

to this legislation, owners of natural gas facilities were required to participate in the MOCS, but participation in the MOCS by the other underground facility owners was voluntary. Universal participation in the MOCS will increase public safety by better protecting Missouri’s underground infrastructure. The PSC Staff has worked with MOCS to inform all PSC regulated utilities with underground facilities about changes to the statute. Specifically, owners and operators of underground facilities in first-and second-class counties are required to become MOCS members before January 1, 2003, and in third and fourth-class counties before January 1, 2005.

Underground Damage Prevention Programs

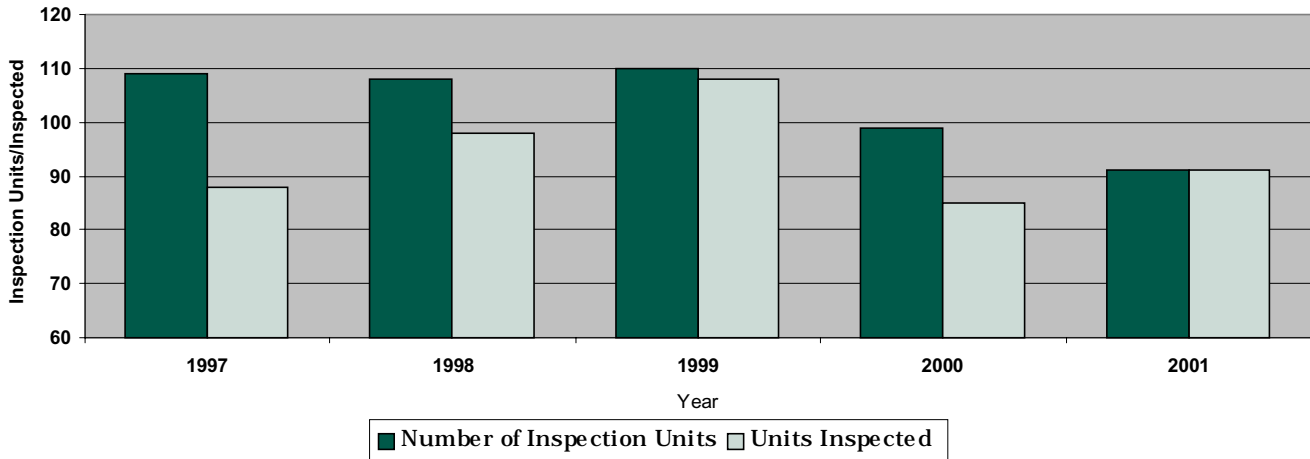
In 1999, the PSC participated in an unprecedented national study of Damage Prevention Best Practices, sponsored by the Federal Office of Pipeline Safety (OPS). This study was conducted by more than 160 stakeholders representing multiple industries and interest groups across the country.

The study resulted in a report titled “Common Ground: Damage Prevention Best Practices Report” (August 1999) which contains key elements to successful damage prevention programs. Damage prevention work on a national level continues through Common Ground Alliance (CGA). The PSC continues its participation in this national initiative which seeks to reduce damage to underground facilities.

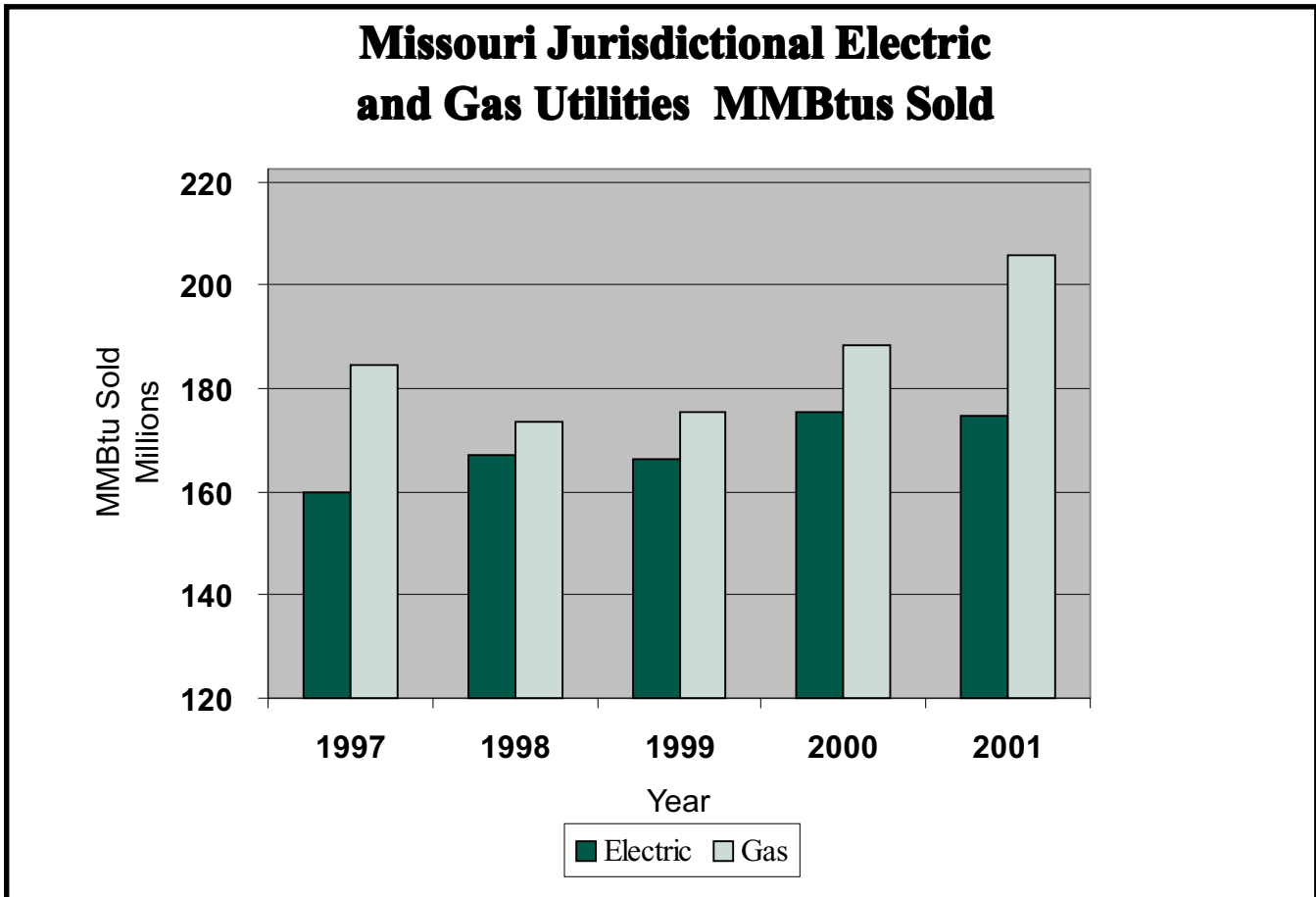
A group of Missouri stakeholders formed Missouri Common Ground (MCG) with the mission of identifying and promoting the Best Practices to prevent underground facility damage. The PSC’s Gas Safety/Engineering Staff is part of the Steering Committee of MCG, facilitating its formation and continuing to encourage the development of several Regional Damage Prevention Councils throughout Missouri.

To date, seven Regional Damage Prevention Councils have been established with the intent of providing a forum to promote not only communication and education, but to improve policies, improve coordination, form guidelines, and enhance

**Missouri Jurisdictional Gas Utilities
Inspection Units - Gas Safety**



Source: MoPSC FERC pipeline safety budget material submitted to the U.S. Department of Transportation



Missouri’s damage prevention statute.

Grass-roots participation in, and support of damage prevention practices by all stakeholders (all underground facility owners, excavators, locating personnel, builders/developers and others) is the foundation upon which a successful damage prevention program, for all underground facilities in Missouri, can be built.

MCG recently became a partner with CGA, which will bring national recognition to this state organization and will better facilitate communication on Best Practices and improve membership.

Missouri Association of Natural Gas Operators

MANGO (Missouri Association of Natural Gas Operators) is a nonprofit organization comprised of Natural Gas Operators. These Operators work together with the PSC Gas Safety/Engineering Staff to enhance the operations and safety of natural gas utilities.

MANGO works with the PSC to review existing regulations, clarify interpretations and provide

support in developing new regulations. The goal is to work together to address potential hazards such as directional drilling, defective materials and other issues that arise, as well as foster continuing dialog to operate the natural gas systems in the state as safely as possible.

The PSC and MANGO conduct annual meetings to stay current on issues, trends in the industry and other issues affecting the operators’ operations.

Federal Natural Gas Activities

Decisions by the Federal Energy Regulatory Commission (FERC) directly impact Missouri ratepayers since Missouri’s LDCs must use FERC-regulated interstate pipelines for delivery of their natural gas supplies. The PSC believes its involvement in FERC and related judicial proceedings is necessary to ensure that Missouri natural gas consumers receive reliable service at reasonable rates.

There are 10 interstate pipelines directly

servicing Missouri with several additional upstream pipelines that are not in our state which are used by our LDCs. The PSC actively participates in many proceedings, company-specific and generic, focusing on those having the greatest impact to Missouri and/or those where representation of Missouri interests is limited or absent. **The PSC's federal gas activities resulted in \$26.7 million in cost savings (\$2.3 million in rate refunds and \$24.4 million in rate reductions) for Missouri consumers during fiscal year 2001.**

The three pipelines delivering a majority of the state's natural gas are: Williams Gas Pipelines-Central (Williams), Mississippi River Transmission Corporation (MRT), and Panhandle Eastern Pipe Line Company (Panhandle). Williams serves western Missouri, including the Kansas City, St. Joseph, Springfield and Joplin areas and has a small lateral terminating in St. Louis. MRT serves St. Louis and portions of southeast Missouri. Panhandle serves a number of systems across the central part of the state.

Kansas Ad Valorem Tax Refunds

Since 1989, the PSC has been aggressively seeking refunds of Kansas ad valorem taxes unlawfully collected from Williams and Panhandle consumers during 1988-1993. Of the estimated \$75 million in refunds owed to Missouri ratepayers, \$20.5 million has been received - \$13 million during 1994-1995, \$7.3 million during 1998-1999, and \$1.5 million during 2000-2001.

Settlements seeking final resolution of all Kansas ad valorem tax refund issues were filed in the Williams (RP98-52) and Panhandle (RP98-40) dockets in February and June 2001, respectively. In both cases, the PSC agreed with provisions settling small-to-medium-sized refund obligations, but opted-out of settlement provisions granting 25% waivers on producers' large refund obligations. If the PSC is unable to negotiate a lesser, more reasonable waiver with the large producers, it will continue to litigate to obtain full refunds from these producers. The PSC is also pursuing certain unpaid refunds other parties have deemed uncollectible.

Mississippi River Transmission Corporation (MRT)

MRT, in its 1999 annual fuel use and loss rate filing, sought to recover from St. Louis and other eastern Missouri consumers, approximately 1.75 Bcf of gas losses it incurred during the period of November 1993 through June 1998. The PSC opposed the flow-through of these out-of-period gas losses. In a May 31, 2001 order, FERC set this matter for hearing, while also directing parties to participate in settlement discussions under the auspices of a FERC settlement judge.

In March 2001, MRT filed a case seeking a rate increase (18% for Missouri customers), to become effective October 1, 2001, subject to refund. The PSC protested numerous aspects of the filing. FERC rejected several of MRT's proposals protested by the PSC, and set the remaining issues for a January 2002 hearing.

Negotiations in MRT's fuel and rate case dockets (Docket Nos. TM00-1-25 and RP01-292, respectively) culminated in the filing of an uncontested settlement on November 5, 2001, which was approved by FERC on January 16, 2002. Regarding the fuel docket, the settlement requires customers to make in-kind fuel reimbursements to MRT for one-fourth of the claimed losses. In return, storage rates are being lowered and frozen (for five years ending September 2006) and MRT will bear all costs associated with maintaining late season storage deliverability.

Under the settlement customers will receive small rate decreases from October 2001 through September 2003, with further reductions in each of the three years commencing October 2003. A conditional five year rate moratorium through September 2006 was obtained, as well as additional protection for retroactive refunds applicable to future MRT rate cases.

Kansas Pipeline Company (KPC)

A portion of the gas supply for Kansas City is transported over KPC. FERC allowed KPC (in Docket No. CP96-152) to begin charging FERC transportation rates, which were significantly higher



than what the PSC believed to be reasonable. The PSC obtained a favorable U.S. Court of Appeals decision in its appeal of the initial FERC rate orders (Case No. 99-1203). However, the PSC believed FERC's orders on remand were erroneous, and therefore filed another appeal (Case No. 02-1132) on April 17, 2002. At issue is approximately \$1.8 million per year in rates paid by Missouri customers since early 1998 through the date final rates in KPC's subsequent rate case (Docket No. RP99-485) become effective.

KPC's August 1999 rate filing in Docket No. RP99-485 sought to maintain or slightly increase the initial rates FERC had approved in May 1998. During 2000, the PSC used six of its staff to present expert testimony in this case seeking a \$20 million reduction to KPC's annual cost-of-service. On September 10, 2002, FERC issued its order upholding most of the hearing judge's initial decision and directing KPC to file tariff sheets within 30 days implementing prospective rate reductions based on a \$20.5 million cost-of-service rather than the \$34.7 million requested by KPC. However, a final FERC order in this proceeding is not expected before the end of 2002.

Williams Gas Pipelines-Central (Williams)

The PSC actively participated in Docket No. R01-298, seeking to have minimum delivery pressures defined in Williams' tariff, so as to protect customer service quality. The PSC's concerns were satisfactorily addressed in a July 30, 2001 Stipulation and Agreement, which was approved by FERC in late 2001.

In March 2002, Williams filed tariffs (Docket No. RP02-179) to implement daily balancing and schedul-

ing penalties on its system by September 1, 2002. The PSC and other customers identified numerous deficiencies and shortcomings in Williams' proposal and actively participated in technical conference proceedings. On August 30, 2002, FERC rejected Williams' proposed tariffs.

Other Proceedings

In February 2000, FERC issued Order No. 637 amending its regulations, policies and procedures to improve the competitiveness and efficiency of natural gas transportation markets. FERC has nearly completed its review of all pipeline compliance filings or settlements implementing capacity release, right-of-first-refusal, penalty, and other aspects of Order No. 637.

The PSC has been thoroughly analyzing pipeline refund filings and fuel reimbursement requests and expressing concerns about the lack of consistency in the documentation supporting those filings. It has been successful in obtaining corrective modifications to pipeline fuel waiver requests.



Warren Wood, Manager of the PSC Energy Department, conducts a roundtable meeting with Commissioners, PSC staff, electric utilities, and other interested parties regarding proposed federal rulemaking.

TELECOMMUNICATIONS

Competition for Basic Local Telephone Service

Competition for local telephone service in Missouri continues to be most noticeable among business customers, and concentrated among Missouri's major metropolitan areas. Since the Commission first authorized local exchange telephone competition in 1997, a total of 85 companies have been authorized by the Commission to provide telecommunications service in competition with the traditional incumbent local exchange carriers. As of July 2002, it is estimated that competitors serve approximately 450,000 access lines in Missouri, or approximately 13% of Missouri's approximately 3.4 million access lines.

Competitors provide local exchange telephone service a variety of ways including: (1) through the resale of the incumbent's facilities (2) by using portions of the incumbent's network (called Network Elements) or (3) through the use of the competitor's network.

Southwestern Bell's Application to Provide Interstate Long Distance Service in Missouri

Pursuant to federal guidelines and a recommendation by the PSC, Southwestern Bell Telephone Company (SWBT) received Federal Communications Commission (FCC) approval to begin providing interstate long distance telephone service to its Missouri customers on December 10, 2001. SWBT's approval to provide interstate long distance telephone service came as a result of the passage of the federal Telecommunications Act of 1996.

As part of the process enabling SWBT to provide interstate long distance, SWBT was first required to open its local telecommunications market to competition. In order to ensure that SWBT continues to keep its local telephone market open to competition, the PSC and the PSC staff will regularly monitor the status of local telephone competition. As part of the monitoring process, SWBT is required to adhere to certain performance standards. These standards are used to determine if SWBT is providing acceptable

levels of service quality for those services provided to competitive local exchange companies. If performance falls below certain levels, SWBT may be required to submit financial payments to both the affected competitive telephone company and to the state of Missouri.

Rule Revisions

Missouri Universal Service Fund (4 CSR 240-31)

In March 2002, the PSC established a universal service fund to assist low-income and disabled consumers in obtaining affordable essential telecommunications services. The PSC is modifying current Missouri Universal Service Fund rules to include guidelines for implementing and administering the fund.



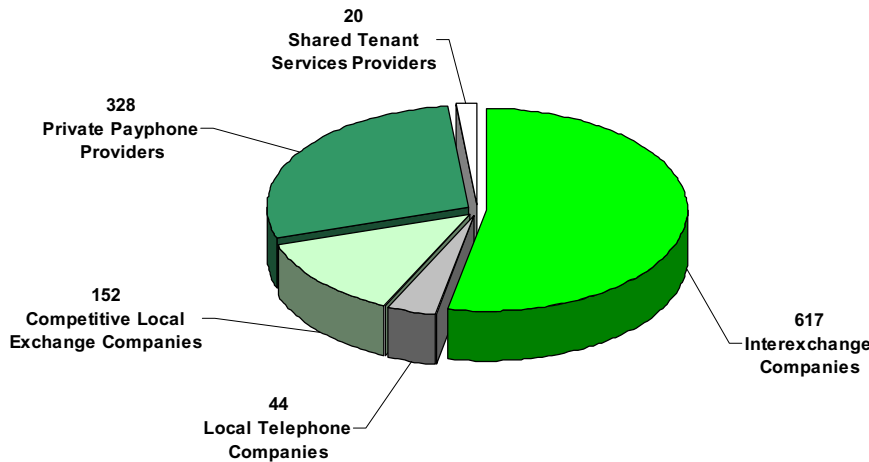
Mick Johnson of the PSC staff tests some telephone equipment to ensure compliance with PSC rules regarding quality of service.

Service and Billing Practices for Telecommunications Companies (4 CSR 240-33)

The PSC is proposing revisions to this rule that closely match the FCC's Truth-in-Billing Rules. The proposed revisions should allow consumers to better understand their telecommunications bills, giving consumers the ability to control what type of



Certificated Telecommunications Providers



calls are made from their telephone and allowing consumers to have some control over what charges are found on their bill.

The Telecommunications Staff has also been working on various proposed rulemakings to codify existing procedures on such things as the filing of interconnection agreements, current tariffing requirements, customer notification requirements, filing requirements for competitive local exchange carriers and the inter-company record exchange process for traffic transmitted between companies.

Consumer Outreach

The PSC continues to update the “Show-Me-Rates” price comparison center web site www.psc.state.mo.us/teleco-showmerates.asp Show-Me-Rates is an on-going project that includes rates for local toll and in-state long distance calls and provides contact information for various competitive local telecommunications companies throughout the state.

The PSC web site also includes telecommunications-specific information to keep the public and industry informed. Topics such as telecommunications rules and statutes, metropolitan calling area (MCA), telecommunications carriers’ quality of service workshop, LATA (Local Access Transport Area) maps and area code maps are all located under the Telecommunications section of the web

page. This section of the web page also contains various consumer publications such as: understanding telephone numbers, the Missouri No Call Law and telemarketing.

Federal Telecommunications Activity

The PSC continues to actively monitor federal telecommunications activity at the FCC, other state commissions and federal courts. During the past year, the FCC has addressed such issues as initiating a triennial review of unbundling requirements for telecommunications network elements, various broadband issues and the release of proprietary customer information. The U.S. Supreme Court and the U.S. Court of Appeals issued major telecommunications decisions impacting wholesale pricing and the sharing of network components between telecommunications carriers. The PSC filed comments in proceedings before the FCC on such issues as customer notice requirements for rate changes, cost recovery for deaf relay services provided using the internet, performance measurement requirements for incumbent local telecommunications carriers, and unbundling requirements for telecommunications network elements.

Interconnection Agreements

Interconnection Agreements are negotiated or arbitrated “contracts” between two telecommunications carriers. The PSC conducted an arbitration proceeding between Southwestern Bell Telephone Company and Brooks Fiber Communications of Missouri, Inc., MCImetro Access Transmission Services LLC, and MCI WorldCom Communications, Inc. This arbitration case addressed such issues as rates, terms and conditions for unbundled network elements, network interconnection and architecture and operations support systems.

The PSC held hearings on several cases that were established to determine Southwestern Bell's rates, terms and conditions for DSL conditioning (the preparation of telephone lines to allow advanced services such as high-speed Internet access), line sharing/line splitting (the ability to "split" a consumer's telephone line to allow voice service and advanced services such as high-speed Internet access over the same line) and unbundled network elements (the various components of Southwestern Bell's telephone network a competitive local exchange carrier purchases to provide telecommunications service to consumers). Decisions were issued in the DSL conditioning and unbundled network elements cases with compliance activity to be completed by the end of 2002.

Relay Missouri

During 2002, some significant events have impacted Relay Missouri. First, the PSC allowed an Internet hyperlink (link) on its website which allows users to transit to the Relay Missouri website using a single click.

In addition, the FCC has agreed to fund, on an interim basis, both Internet Relay, and Video Relay services. Links to both of these services are accessible by following the link provided on the Missouri Public Service Commission website.

Anyone with an Internet connection and a browser can access Internet Relay. The service essentially works the same as a TTY-based call, except the caller does not need a TTY. In addition, the service provides split-screen capability, so the caller can type ahead, and the caller does not have to wait for the Communications Assistant (CA) to first stop typing.

The Missouri Video Relay Service (MoVRS) allows a caller to communicate with the CA via American Sign Language (ASL). Allowing a caller to communicate visually in his or her primary language speeds and eases the use of communications for both the caller and the called party. The equipment required to make a MoVRS call includes a video camera, an adequate computer, and a broadband Internet connection (i.e. DSL, T-1, or cable modem connection).

Telephone Numbers

The PSC has strived to improve how telephone numbers are distributed in Missouri through various number conservation efforts, including Number Pooling, Reclamation, and Sequential Number Assignment. Through the use of Number Pooling, telephone numbers are distributed to telecommunications carriers in blocks of 1,000 telephone numbers rather than the past FCC practice of blocks of 10,000 numbers. In January and February 2002, the Missouri PSC implemented number pooling trials in the 314 and 816 area codes. Number pooling began in the 573 area code in April 2002. The 660 and 636 area codes are scheduled to begin pooling later this year with pooling in the 417 area code due to begin in 2003.

Telephone number reclamation is another way to conserve telephone numbers. Number reclamation prevents a telecommunications carrier from hoarding or stock-piling large blocks of telephone numbers that may go unused for a significant period of time. Once telephone numbers are returned, they are available for use by another company.

Sequential number assignment establishes requirements for telecommunications carriers in distributing telephone numbers. In general, sequential number assignment requires telephone companies to assign telephone numbers within an existing opened block of one thousand numbers before assigning telephone numbers from another block of numbers.

Through the Missouri PSC's telephone number conservation efforts, the lives of Missouri area codes have been extended. Current exhaust projections for Missouri area codes are:

314 - 1st quarter of 2008

816 - 1st quarter of 2008

417 - 1st quarter of 2009

573 - 1st quarter of 2010

636 - 4th quarter of 2017

660 - 3rd quarter of 2022



The Telecommunications Department continues to investigate area code usage, reclaiming of unused telephone numbers, and implementation of telephone number conservation.

Missouri Universal Service Fund

Effective March 31, 2002, the Missouri Public Service Commission approved the establishment of a Missouri Universal Service Fund (MoUSF) to help low-income and disabled Missourians receive basic local telephone service.

The establishment of the MoUSF is pursuant to state law passed by the Missouri General Assembly in 1996 (Senate Bill 507). The plan would result in a fund of approximately \$4.8 million, excluding any fund administration costs, which would provide support for a substantial number of low-income and disabled Missouri residents.

The program will be funded through a Missouri telecommunications carrier assessment. The purpose of the MoUSF program is to implement assistance to low-income and disabled customers for telecommunications services under the Lifeline and/or Link-up programs funded from the Federal Universal Service Fund. One goal established by the PSC was to fashion a state program so that the support amount provided to the low-income and disabled customers is set at a level necessary to gain the maximum Federal Universal Service Fund support for services to such customers. The PSC

established a state support of \$3.50 per customer per month which would provide the maximum in federal funding.

The Federal Universal Service Fund and the MoUSF may offer a total discount to qualifying customers of up to \$13.00 per month on their telephone bill. Adoption of the Missouri USF low-income/disabled program will increase the level of telephone penetration in households made up of low-income and disabled consumers.

The Missouri Universal Service Fund is administered by the Missouri Universal Service Board comprised of members of the PSC and the Office of Public Counsel, a separate state agency which represents the general public in proceedings before the PSC. Currently, the Missouri Universal Service Board is gathering information for a Request For Proposal to hire a Fund Administrator to work with the Missouri Universal Service Board in administering the fund.

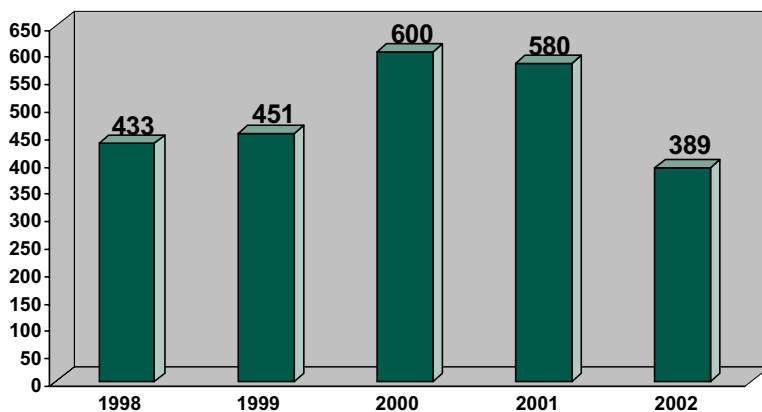
Wireless/Landline Traffic

The Missouri PSC does not regulate wireless traffic (cell phone or paging services) when such services and facilities are provided under a license granted by the FCC. However, the PSC does have jurisdiction over interconnection arrangements between local telephone companies and wireless carriers. The federal Telecommunications Act of 1996 authorizes interconnection agreements between telecommunications carriers (wireless,

landline) exchanging traffic. These interconnection agreements are negotiated or arbitrated “contracts” between two telecommunication carriers and are submitted to the PSC for approval.

In order for traffic to flow in both directions, the Missouri PSC approved over 30 “wireless termination tariffs” establishing the terms and conditions for service in a situation where wireless carriers are sending traffic to each others’ customers in the

Annual Number of New Telecommunications Cases Filed



absence of an interconnection agreement between the two parties.

Multi-Year Term Commitments

In fiscal year 2002, the PSC was confronted with new challenges to the competitive telecommunications marketplace in Missouri. In Case Nos. TT-2001-108 and TT-2002-227, the PSC was presented with many telecommunications company proposals for multi-year term-contracts which offered customers discounts for basic telecommunications services.

The PSC determined that the fundamental issues in these cases dealt with the dichotomy between individual interest and social interests. The PSC, out of a concern that competitive local exchange carriers be able to find and market their services to new customers, in the interest of fairness to all local exchange providers, and out of a desire to maximize the number of provider-choices a telecommunications consumer in Missouri may enjoy, decided to limit the period all local telecommunications services providers may contract for basic services with a given customer to a maximum of one year.

Metropolitan Calling Area Service

The Commission continued its investigation into the Metropolitan Calling Area (MCA) plan during the past year. MCA is a service allowing expanded local calling in the Kansas City, Springfield, and St. Louis areas. In January 2002, the MCA Industry Task Force filed its Final Status Report making a number of recommendations for Commission consideration.

The task force is comprised of the PSC staff, the Office of Public Counsel, and representatives of new competitive and traditional incumbent local



Commissioner Bryan Forbis (left) examines a fiber switching hub with Keith Jaegers, an engineer with Sprint.

telephone companies in Missouri.

In order to allow discussion and exploration of the industry task force recommendations, an on-the-record presentation was conducted on July 15, 2002.

Switched Access Cost Investigation

The PSC established an investigative docket to identify the costs of providing intrastate switched access service in Missouri. Switched access service refers to service provided by local telephone companies to long distance companies for the use of the local telephone company's

facilities in originating and terminating long distance calls. Switched access rates can ultimately impact long distance rates charged by long distance companies. The Telecommunications Department Staff and several telecommunications carriers provided the Commission with various studies outlining the cost of providing switched access service.

Sale of Verizon exchanges

On May 31, 2002, the PSC issued an order authorizing the transfer of GTE Midwest, Inc. d/b/a Verizon's 96 Missouri exchanges to CenturyTel of Missouri, LLC. According to the agreement approved by the Commission, "CenturyTel proposes no immediate change in the field operations of the Verizon properties and proposes to retain all of Verizon's existing employees. Moreover, CenturyTel proposes no immediate changes in rates, terms and conditions of the telecommunications service currently provided to the customers in the former Verizon exchanges." Verizon customers became CenturyTel customers on September 1, 2002.



Water & Sewer Department

Department Personnel

The Water & Sewer Department consists of seven professional/technical positions and is split into two sections, Rates and Engineering. Although the Department is split into the Rates and Engineering Sections, staff members work closely together as a team and it is not unusual for them to share responsibilities.

As with most departments within the Commission's organizational structure, the Department's management personnel carry out not only their administrative duties, but are also involved in a great deal of the technical and analytical case work that falls within the scope of the Department's responsibilities. As a group, the Department's staff members have compiled more than 150 years of regulatory and/or water and sewer utility work experience, with much of that experience having been gained by their work in the Department.

Department Responsibilities

By law, the PSC is responsible for regulating the rates, fees and operating practices of privately owned water and sewer corporations that operate in Missouri. The Water & Sewer Department helps the Commission fulfill its responsibilities by providing technical expertise to the Commission on matters relating to water and sewer system operations and the tariffed rates, charges and services of regulated water and sewer companies. The general objectives of the Department are twofold. The first objective is to ensure that regulated water and sewer companies provide safe and adequate service to their customers at rates that are deemed just and reasonable. The second objective is to ensure that companies provide service according to applicable Commission rules and procedures and the provisions of their Commission-approved tariffs. Specific aspects of the Department's work include:

-- Evaluating company tariff filings to determine



PSC Staff engineer Martin Hummel (left) and Missouri-American Water Company Production Manager Steve Ridenhour discuss the water treatment processes of a company water plant chemical room.

whether proposed new/revised tariff provisions comply with applicable Commission rules, policies and state laws;

-- Reviewing existing company tariffs to determine whether the provisions of the tariffs continue to comply with applicable Commission rules, policies and state laws, as they change over time;

-- Participating in all formal and informal rate filings from the perspective of evaluating the appropriateness and design of proposed rates and charges, the adequacy of system operations and the appropriateness of and/or need for system plant additions that have been or will be placed in service;

-- Participating in the review of all applications for new/expanded certificated service areas from the perspective of evaluating the need for the service proposed, the reasonableness and design of proposed rates and charges, proposed system design, plans for system operations and overall project feasibility;

-- Participating in the review of financing applications to determine the appropriateness of and/or need for projects being financed, as necessary;

- Conducting regularly scheduled field inspections to determine whether company facilities and overall system operations comply with applicable Commission rules, company tariff provisions and proper operational procedures;
- Interacting with company owners/operators regarding operational and technical matters;
- Investigating customer complaints and responding to customer inquiries concerning matters related to rates, charges, system operations and quality of service; and
- Providing expert testimony before the Commission on water and sewer cases pending before it, and providing technical advice to the Commission in its rulemaking actions on water and sewer matters.

Interaction With The Department Of Natural Resources

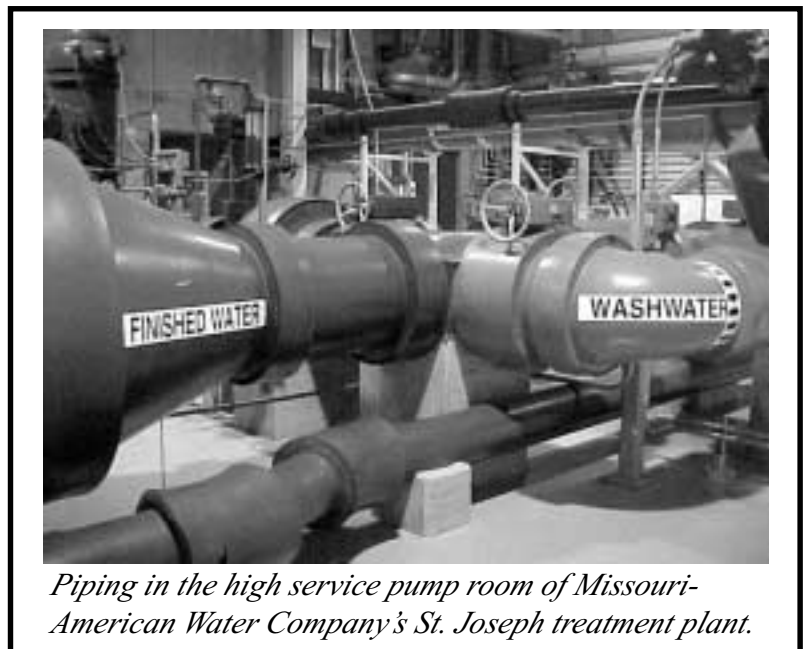
Of the utilities regulated by the Commission, water and sewer utilities are unique in that another state agency, the Department of Natural Resources (DNR), also has significant jurisdiction over the utilities. Specifically, DNR's jurisdiction covers the area of the water and sewer utilities' compliance with applicable federal and state environmental and water quality laws and regulations. While the Commission's rules provide for general oversight regarding water quality and sewage treatment standards, the Commission generally relies upon DNR to determine whether companies are complying with applicable federal and state environmental and water quality laws and regulations.

Because of the overlapping jurisdiction between the Commission and DNR, staffs of the agencies attempt to work cooperatively in achieving the agencies' respective missions. For some time, the two agencies have shared information regarding companies for which the agencies share regulatory responsibilities, under the provisions of a Memorandum of Understanding (MOU) between the agencies. However, the Commission and the DNR's Director recently pressed for im-

provements in the agencies' cooperation and coordination on overlapping matters, such as the DNR's issuance of construction and operating permits and the Commission's utility service area certification process. As a result, the agencies executed a new MOU in July 2001, which, among other things, includes provisions that will result in the streamlining of the application processes for new water system construction, permitting and certification, and which will better coordinate the agencies' respective review and approval processes for such systems. It is anticipated that such efforts will eventually extend to the permitting and certification of all water and wastewater systems for which the agencies share jurisdiction.

PSC Regulated Water & Sewer Companies

The Commission currently has jurisdiction over 58 sewer companies and 69 water companies, which operate in various locations throughout the state. The tables on the following page show the distribution of the number of companies based upon the number of customers served, using the most recently available customer numbers. As is shown in these tables, the vast majority of the Commission's jurisdictional water and sewer utilities are very small, which presents unique situations with which the Commission and the PSC Staff must deal.



Piping in the high service pump room of Missouri-American Water Company's St. Joseph treatment plant.

**Regulated Sewer Companies**

Customer Base	Number of Companies	Customers Served	% of Total Customers Served
1,000 & Up	2	2,565	22.10
500 - 999	3	2,185	18.83
200 - 499	11	3,340	28.78
100 - 199	16	2,375	20.47
50 - 99	12	810	6.98
0 - 49	14	330	2.84
TOTALS	58	11,605	100.0

NOTE: Tables compiled 9/25/02 based on most recently available information. Customers rounded to the nearest "five."

Regulated Water Companies

Customer Base	Number of Companies	Customers Served	% of Total Customers Served
100,000 & Up*	1	413,580	92.93
5,000 – 9,999	1	6,770	1.52
2,500 – 4,999	1	4,515	1.01
1,500 – 2,499	2	4,735	1.06
750 – 1,499	5	5,105	1.15
500 – 749	4	2,600	0.58
250 – 499	9	2,970	0.67
150 – 249	14	2,610	0.59
100 – 149	9	1,080	0.24
50 – 99	13	880	0.20
0 – 49	10	215	0.05
TOTALS	69	445,060	100

NOTE: Tables compiled 9/25/02 based on most recently available information. Customers rounded to the nearest "five."

* Merged company consisting of Missouri-American Water Company, St. Louis County Water Company and Jefferson City Water Works Company.

MANUFACTURED HOUSING AND MODULAR UNIT PROGRAM

The PSC regulates new manufactured homes and modular units sold in the state. Through the Manufactured Housing and Modular Units Program (Program), the PSC acts as the state administrative agency to the United States Department of Housing and Urban Development (HUD). HUD is the federal agency that regulates the manufactured housing industry in the United States.

The PSC has a toll-free hotline for consumers who have questions and/or complaints regarding manufactured homes or modular units. The toll-free number is **1-800-819-3180**.

The Program continues to experience a negative impact involving economic trends within the manufactured housing industry. Due to a thriving industry during the past decade, the industry overproduced and obtained large volumes of inventory. Many manufacturers and dealers suffered when home sales dropped dramatically after the industry's interest rates increased, which shifted sales to a repossession sales oriented situation. Subsequently, manufacturers and dealers were left with large inventories, and some have gone out of business. This impact has decreased the number of manufacturer and dealer registrations the Program administers.

The PSC Manufactured Housing Department will be working with other entities in the future regarding the implementation of new federal mandates which must be placed into effect by December 2005. These new mandates include: licensing of all home installers, inspections of new homes and dispute resolution.



Gene Winn, Manufactured Housing Inspector/Supervisor, inspects the siding installation on a new manufactured home.

ANNUAL STATISTICS FOR FISCAL YEAR 2002

Registered Manufacturers:	176
Registered Dealers:	330
Homes Sold (new & used):	7,567
Consumer Complaint Inspections:	164
Dealer Lots Inspected:	306
Modular Unit Seals Issued:	1,594
Modular Unit Plans Approved:	731

Source: PSC Manufactured Housing Department database



SERVICE QUALITY

Engineering and Management Services Department

The Engineering and Management Services Department's (EMSD, Staff or Department) mission is to develop, enhance and support utility management to provide quality services to customers and effective cost control of critical resources such as capital, technology and human resources. The Engineering Staff of EMSD conducts depreciation studies and provides specialized engineering analysis and assistance for all types of regulated utilities.

Major Projects During 2002

The EMSD staff participated in a variety of cases and audits during the year. Specifically, Staff initiated and completed a customer service and gas supply review of Atmos Energy Corporation. Atmos serves approximately 65,000 Missouri customers. The EMSD department traveled to company headquarters in Dallas, Texas and other locations to review the company's call center and credit and collection activities, meter reading, disconnect and reconnect activities, gas procurement processes and others. Staff's report resulted in 27 recommendations made to company management for improvement. Subsequent to receiving Staff's report, the company submitted its implementation plan.

The EMSD Staff participated on a multi-disciplined team to review electric company responses to the severe ice storm that occurred in Missouri during January 2002. Staff met with city employees and utility operational and management employees from KCPL, Aquila and AmerenUE to review each company's response to the ice storm including company policies and procedures. A report was developed that included recommenda-

tions to company management that addressed a range of areas including workforce configuration, communication and call center performance.

During this fiscal year, the Staff also performed follow-up activities in a review of Aquila's gas procurement processes as well as participated in the company's rate case regarding the company's call center performance. The EMSD Staff also participated in a PSC Staff earnings complaint case against AmerenUE, performing analysis and filing testimony regarding the company's quality of service.

EMSD Staff continued to receive and review status reports from a variety of companies as a result of merger cases.

These reports contain information regarding customer service at the companies including data on call center indicators such as average speed of answer (ASA) and abandoned call rate (ACR). Information on distribution reliability at specific electric companies is also received.

EMSD Staff continued graphing and analyzing company complaint data received from the PSC Consumer Services Department. This data is maintained to track performance trends in the areas of consumer complaints to the Commission.

The department participated in PSC Staff reviews of several small water and sewer companies to assist them in providing sound customer service. The audit program is designed to assist such companies in a variety of areas including customer billing, credit and collections, complaint handling and others.

During fiscal 2002, Engineering Staff compiled depreciation studies and reports on seven water companies, six sewer companies, three telephone companies, four electric companies and one gas company. Five of these depreciation studies were major rate or PSC staff complaint cases. In these



Depreciation Engineers Rosella Schad and Jolie Mathis prepare for a hearing with Deputy General Counsel Tim Schwarz.

five large cases, engineers developed proposals that would allow for an approximate \$130 million reduction in the positions requested by utilities. Depreciation comprises a significant component of the cost used to develop utility rates paid by consumers.

Depreciation engineers made company visits and participated in plant tours to further develop their knowledge and understanding of each company's tangible plant. This knowledge, coupled with statistical analysis of plant mortality data, serves as the basis of the PSC Staff's work in each rate case. These "depreciation studies" are the support for Staff's depreciation rates in each case.

The engineering staff also organized a two-day technical telecommunications training seminar. By bringing in telecommunications experts, the industry, the PSC Staff, rural economic development directors, legislators and educational institutions, the PSC provided a forum where information could be shared on present, as well as future technology. The cross-section of attendees, from community officials to educators, was indicative of the impact that telecommunications technology makes on Missourians. The first live interactive broadcast of a Missouri PSC event brought the seminar to multiple points across the state.

Consumer Services

The Consumer Services Department serves as the central repository for consumer complaints and inquiries received by the Commission.

Consumer complaints may be filed with the Commission by mail, facsimile, e-mail or the Commission's consumer toll-free hotline. Complaints may also be submitted on-line through the Commission's website. Consumer Services Specialists receive, investigate and respond to billing and service issues involving gas, electric, water, sewer, and telecommunications companies regulated by the Commission. The investigation of complaints may involve consulting with the Commission's technical Staff, utility representatives and researching utility tariffs and Commission rules and regulations. Through the handling of consumer complaints, Specialists work to enforce



Consumer Services Department Manager Janet Hoerschgen answers utility questions on the department's toll-free hotline.

Commission rules and utility tariffs.

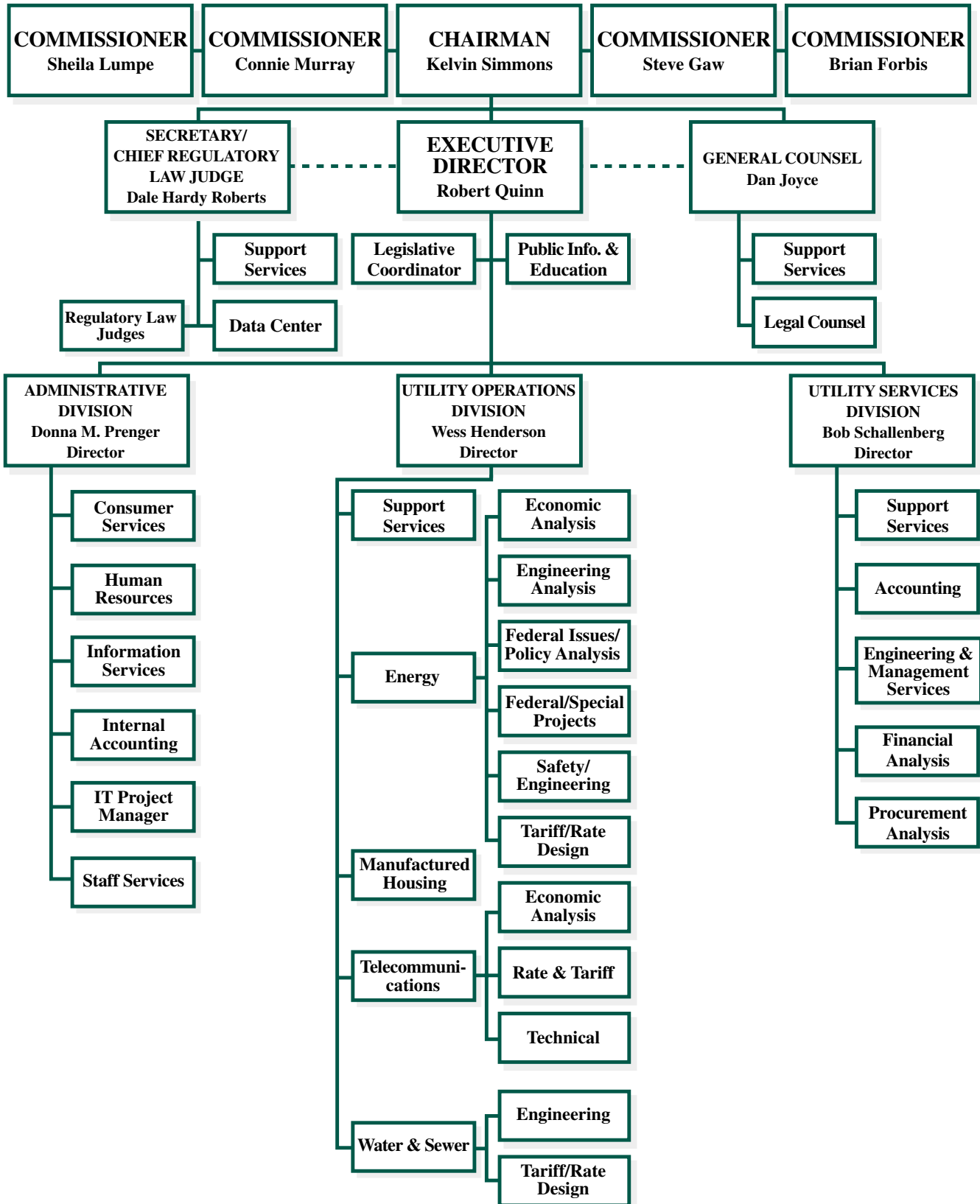
Specialists also interact with other PSC Staff regarding consumer service issues in proposed rulemakings on the state and federal level. This interaction also involves participating in customer service focused reviews of utility operations and participating in formal cases before the Commission regarding issues that impact customer services.

Consumer Service specialists also interact with social service agencies by referring consumers to other agencies that may provide the needed assistance. During the past year, Specialists participated in the Emergency Amendment to the Cold Weather Rule, as well as several variance and formal complaint cases before the Commission.

In mid April 2002, the Commission converted from the mainframe complaint/inquiry system to the Consumer Quality portion of the Electronic Filing and Information System (EFIS). This electronic system replaced the mainframe complaint/inquiry system that Specialists had used since the 1970s. This has enhanced the PSC Staff's capabilities to communicate electronically, attach files, measure handling times and receive, record and track both public comments and outage reports which may be submitted electronically. Future enhancements will include the activation of a consumer survey to enable the PSC to measure the level of satisfaction consumers experience in contacting Commission offices.



MISSOURI PUBLIC SERVICE COMMISSION ORGANIZATIONAL CHART





YEAR IN REVIEW

2001

July 2 – PSC Staff files complaint against AmerenUE seeking to reduce electric revenues in the range of \$213 million to \$250 million a year.

July 5 – PSC approves agreement which authorizes Missouri Gas Energy to increase natural gas revenues by approximately \$9.9 million. MGE sought to increase revenues by approximately \$39.3 million when it filed its rate request on November 7, 2000.

July 9 – Governor Bob Holden names Kelvin Simmons Chairman of the Missouri Public Service Commission.

July 27 – PSC and Missouri Department of Natural Resources enter into a new working agreement called a Memorandum of Understanding.

July 31 – PSC approves agreement which authorizes Kansas City Power & Light to reorganize and become one of three companies under Great Plains Energy, Incorporated.

August 2 – Chairman Simmons calls for increased funding for those who are struggling with high utility bills.

August 14 – PSC approves agreement authorizing Laclede Gas Company to restructure, merge and form subsidiary companies.

August 24 – Commission expresses its concern over the number of utility disconnects with cold weather approaching.

August 28 – Natural Gas Commodity Price Task Force issues final report.

August 30 – PSC approves agreement which reduces the annual telephone revenues of the Ozark Telephone Company by approximately \$548,000.

September 3 – PSC denies applications filed by various parties to either reconsider or open a new case to evaluate Southwestern Bell’s desire to offer interLATA long-distance service in Missouri.

September 12 – Robert Quinn becomes new PSC Executive Director.

September 18 – PSC approves application which authorizes the purchase of all of the issued and outstanding capital stock of the Miller Telephone Company by TelAtlantic Communications, Incorporated.



Formal hearings are held in the Commission’s hearing room located on the 3rd floor of the Governor Office Building in Jefferson City.

September 20 – PSC issues decision authorizing The Empire District Electric Company to increase electric revenues by approximately \$17.1 million. When the Company filed its request on November 3, 2000, it sought to increase annual electric revenues by approximately \$41.4 million.

September 25 – Commission delays, indefinitely, implementation of the 557 overlay in the 314 area code in eastern Missouri and the 975 overlay in the 816 area code in western Missouri. Commission also orders state pooling trials in 314 and 816 area codes.



PSC Year in Review

(continued)

September 26 – PSC approves the merger of St. Louis County Water Company d/b/a Missouri-American Water Company and Jefferson City Water Works Company d/b/a Missouri-American Water Company into the Missouri-American Water Company.

October 2 – PSC announces its Consumer Services Department saved Missouri consumers more than \$280,000 during the fiscal year ending June 30, 2001.

October 9 – PSC approves application authorizing Gateway Pipeline Company, Incorporated to acquire the outstanding shares of UtiliCorp Pipeline Systems.

October 30 – PSC opens case to receive information from Missouri utilities regarding their preparedness for disaster and emergency situations after the terrorists attacks on September 11th.

November 1 – Governor Bob Holden appoints Bryan Forbis to the PSC.

November 1 – Citizens Electric Corporation files a \$6.5 million electric rate case with the PSC. That filing also seeks interim rate relief.

November 11 – PSC orders emergency amendment to the Cold Weather Rule.

November 29 – PSC approves agreement reached in Laclede Gas Company natural gas rate case which results in an increase of approximately \$15 million in annual revenues.

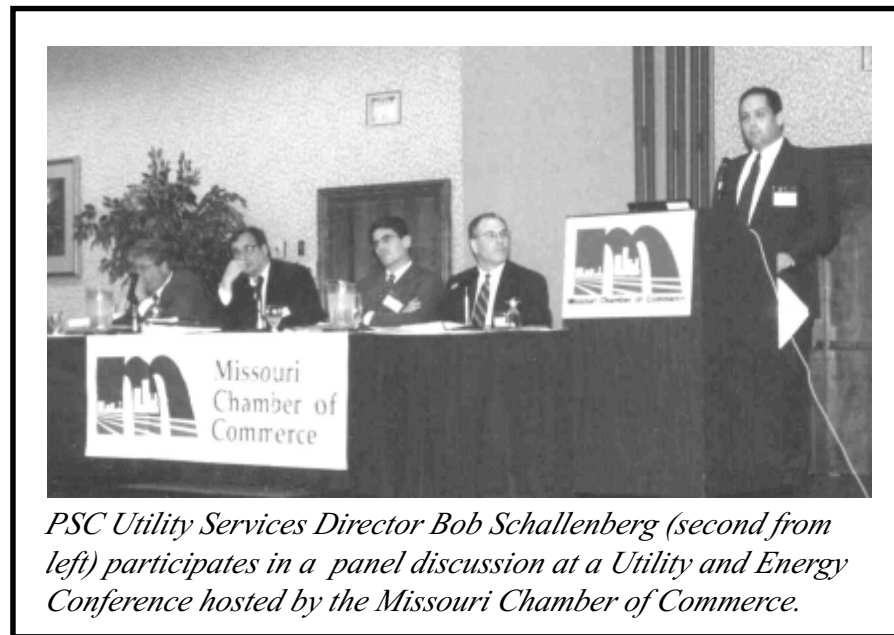
When the Company filed its rate request on May 18, 2001, it sought to increase natural gas revenues by approximately \$39.8 million.

November 29 – The PSC denies Citizens Electric Corporation's request for interim rate relief of approximately \$6.5 million by December 1, 2001.

December 17 -- PSC holds roundtable on properly structured incentive plans for electric companies.

December 20 – PSC approves agreement which authorizes an interim rate increase of approximately \$4.6 million for Citizens Electric Corporation.

December 28 – PSC determines that effective competition does not currently exist in most Southwestern Bell Telephone Company exchanges in Missouri.



PSC Utility Services Director Bob Schallenberg (second from left) participates in a panel discussion at a Utility and Energy Conference hosted by the Missouri Chamber of Commerce.

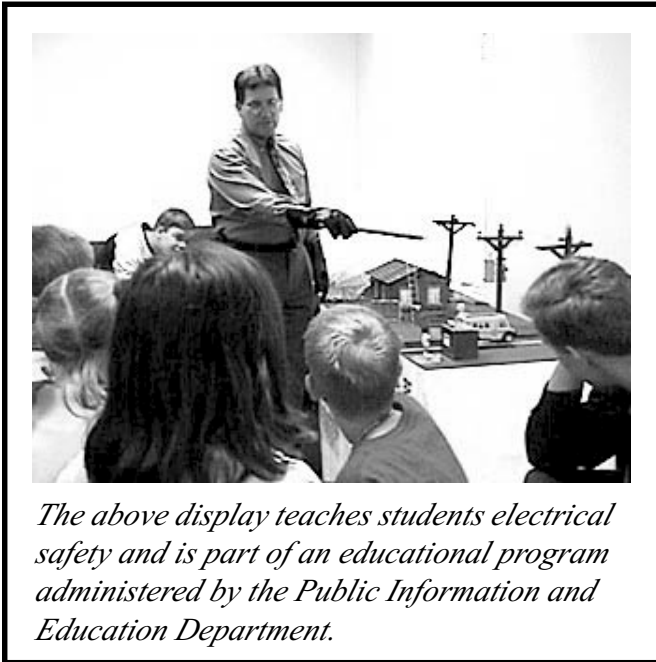
October 21 – Chairman Simmons testifies before State Joint Interim Committee on Telecommunications and Technology regarding energy assistance funding and disconnects-reconnects of natural gas service heading into the winter.

October 27 – PSC conducts a roundtable on properly structured incentive plans for natural gas companies under PSC jurisdiction.

2002

January 25 -- Laclede Gas Company files a \$36 million natural gas rate case with the PSC.

January 30 -- Severe ice storm hits western Missouri including the Kansas City area. Nearly 400,000 customers experience service disruptions.



The above display teaches students electrical safety and is part of an educational program administered by the Public Information and Education Department.

February 21 -- PSC authorizes merger between UtiliCorp United, Inc. and UtiliCorp Renaming Corporation, to effect a name change after the purchase by UtiliCorp of stock in Aquila, Inc.

February 22 -- PSC approves agreement which reduces the annual electric revenues of Missouri Public Service by approximately \$4.2 million. When the Company filed its rate request on June 8, 2001, Missouri Public Service sought to increase electric revenues by approximately \$49.3 million a year.

March 8 -- The Empire District Electric Company files a \$19.7 million electric rate increase request case with the Public Service Commission.

March 14 -- PSC urges Missouri telephone cus-

tomers to evaluate whether they want the information contained in their monthly telephone bills to be given to another party (Opt-Out).

March 21 -- PSC establishes Missouri Universal Service Fund to help low-income and disabled Missourians receive basic local telephone service.

March 26 -- PSC approves the merger of the Mississippi Valley Gas Company with and into the Atmos Energy Corporation.

March 27 -- PSC opens case to examine issues related to natural gas companies and their purchased gas adjustment clauses in Missouri.

April 28 -- PSC issues consumer notice that natural gas prices for the 2002-2003 heating season may be higher than last winter.

May 9 -- PSC denies \$3.56 million interim rate increase request sought by The Empire District Electric Company.

May 21 -- PSC approves sale of 96 Missouri telephone exchanges of GTE Midwest, Incorporated d/b/a Verizon Midwest to CenturyTel of Missouri, LLC.

June 3 -- PSC approves agreement reducing The Empire District Electric Company interim energy charge by approximately \$7 million.

June 10 -- PSC approves the sale of Quail Run Water & Land Company water system to the Public Funding Corporation of the City of Ozark.

June 15 -- PSC Staff issues Kansas City ice storm report.

June 18 -- PSC approves agreement which authorizes the Citizens Electric Corporation to increase electric revenues by approximately \$6.2 million. This amount includes an interim increase of approximately \$4.6 million granted to the Company in December 2001.



Statistical Information

RATE CASE DECISIONS DURING FISCAL YEAR 2002

NATURAL GAS

<u>Date of Order</u>	<u>Case No.</u>	<u>Company</u>	<u>Rate Request</u>	<u>PSC Decision</u>
7/5/01	GR-2001-292	Missouri Gas Energy	\$39,300,000	\$9,892,228
11/29/01	GR-2001-629 & GT-2001-662	Laclede Gas Co.	\$39,800,000	\$15,000,000

TELEPHONE

<u>Date of Order</u>	<u>Case No.</u>	<u>Company</u>	<u>Rate Request</u>	<u>PSC Decision</u>
8/30/01	TC-2001-402 & TT-2001-117	Ozark Telephone Co.	-0-	(\$ 548,000)

ELECTRIC

<u>Date of Order</u>	<u>Case No.</u>	<u>Company</u>	<u>Rate Request</u>	<u>PSC Decision</u>
9/20/01	ER-2001-299	Empire District Electric Co.	\$41,400,000	\$17,100,000 (1)
12/20/01	ER-2002-217	Citizens Electric Corporation	\$6,500,000	\$ 4,600,000 (2)
2/21/02	ER-2001-672	Missouri Public Service	\$49,300,000	(\$ 4,200,000)
5/9/02	ER-2002-425	Empire District Electric Co.	\$3,560,000	-0- (3)
6/4/02	ER-2002-1074	Empire District Electric Co.	-0-	(\$ 7,000,000) (4)
6/18/02	ER-2002-217	Citizens Electric Corporation	\$ 6,500,000	\$ 6,200,000 (5)

(1) Commission also approved an agreement which authorized an interim energy charge totaling approximately \$19.6 million. The interim energy charge was to be in effect from October 1, 2001 through October 1, 2003.

(2) Interim rate relief authorized under an agreement reached in this case.

(3) Interim rate relief sought.

(4) Agreement reached in this case reduces interim energy charge.

(5) This figure includes interim rate relief of approximately \$4,600,000 granted in December 2001.

WATER & SEWER

Small Company Rate Increase Requests (Resolved and/or Submitted)

<u>Tracking Number</u>	<u>Company</u>	<u>Status of Request</u>	<u>Increase Granted</u>
2001 00917	Gladlo Water & Sewer Company (water)	No Increase Granted	N/A
2001 00918	Gladlo Water & Sewer Company (sewer)	No Increase Granted	N/A
2001 00966	The Meadows Water Company (water)	Request Pending	N/A
2001 01195 (WR-2002-371)	Argyle Estates Water Supply	Increase Effective -- 03/22/02	\$5,435
2001 01207	South Jefferson County Utilities (water)	No Increase Granted	N/A
2001 01208 (SR-2002-350)	South Jefferson County Utilities (sewer)	Increase Effective -- 03/04/02	\$7,080
2002 00019	Warren County Water & Sewer Co. (water)	No Increase Granted	N/A
2002 00020	Warren County Water & Sewer Co. (sewer)	No Increase Granted	N/A
2002 00223	Taney County Utilities Corporation (water)	Request Withdrawn	N/A
2002 00224	Taney County Utilities Corporation (sewer)	Request Withdrawn	N/A
2002 00225	Valley Woods Water Company (water)	No Increase Granted	N/A
2002 00226 (SR-2002-475)	Valley Woods Water Company (sewer)	Increase Effective -- 05/21/02	\$1,000
2002 00556 (SR-2002-1163)	Foxtire Utility Company (sewer)	Pending	N/A
2002 00557 (WR- 2002-1162)	Foxtire Utility Company (water)	Pending	N/A
2002 00623	Stoddard County Sewer Company	Pending	N/A
2002 00682	Mill Creek Sewers, Inc.	Pending	N/A
QS-2002-0006	Savannah Heights Industrial Treatment	Request Withdrawn	N/A
QW-2002-0007	The Empire District Electric Company	Pending	N/A
QW-2002-0009	Rogue Creek Utilities	Pending	N/A
QS-2002-0010	Rogue Creek Utilities	Pending	N/A

(1) The first block of numbers (2001 or 2002) in the "Tracking Number" column reflects the fiscal year in which the rate increase request was originally submitted to the Commission.

(2) EFIS Tracking Numbers used in lieu of tariff tracking number effective 04/17/02.
QW - small water company request QS - small sewer company request

(3) An entry of "Pending" indicates that a final disposition of the rate increase request had not been reached as of June 30, 2002.

(4) Dollar amounts in "Increase" column rounded to the nearest "five."

(5) N/A - "Not Applicable"



Telephone Statistics

<u>Company</u>	<u>Access Lines</u>
Southwestern Bell Telephone Co.	2,525,663
CenturyTel of Missouri, LLC	352,516
Sprint Missouri, Inc. d/b/a Sprint	275,182
Spectra Communications, LLC d/b/a CenturyTel	130,635
ALLTEL Missouri Service Corp.	68,856
Fidelity Telephone Co.	17,310
Grand River Mutual Telephone Corp.	15,547
Chariton Valley Telephone Corp.	8,692
Cass County Telephone Co.	8,032
Kingdom Telephone Co.	5,633
Steelville Telephone Exchange, Inc.	4,878
Northeast Missouri Rural Telephone Co.	4,730
Mark Twain Rural Telephone Co.	4,666
Citizens Telephone Co.	4,439
Modern Telecommunications Co.	4,348
Mid-Missouri Telephone Co.	4,199
Green Hills Telephone Corp.	3,943
McDonald County Telephone	3,913
BPS Telephone Co.	3,890
Seneca Telephone Co.	3,382
Granby Telephone Co.	2,824
Craw-Kan Telephone Cooperative, Inc.	2,646
Ozark Telephone Co.	2,481
Ellington Telephone Co.	2,236
Goodman Telephone Co.	1,938
Rock Port Telephone Co.	1,909
KLM Telephone Co.	1,683
Lathrop Telephone Co.	1,602
Stoutland Telephone Co.	1,583
Le-Ru Telephone Co.	1,555
Oregon Farmers Mutual Telephone Co.	1,364
Iamo Telephone Co.	1,242
Miller Telephone Co.	1,137
New London Telephone Co.	1,026
CenturyTel NW Arkansas, LLC	969
Mo-Kan Dial, Inc.	835
Orchard Farm Telephone Co.	831
Choctaw Telephone Co.	646
Holway Telephone Co.	563
New Florence Telephone Co.	545
Peace Valley Telephone Co.	512
Alma Telephone Co.	385
Farber Telephone Co.	241
Iowa Telecommunication Services, Inc., d/b/a Iowa Telecom	105
	3,485,757

Natural Gas Utilities Statistics

Calendar Year 2001 (Missouri Jurisdictional)

Name of Company	Mcfs Sold 2001	Operating Revenues (\$)	Residential Customers	Total Customers
AmerenUE (1)	11,211,501	\$ 108,414,364	99,035	111,055
Atmos Energy Corp. (2) (Associated)	4,509,200	50,592,748	40,470	46,256
Atmos Energy Corp. (3) (UC/Greeley)	6,809,304	69,010,735	56,979	64,958
Fidelity Natural Gas, Inc.	216,417	697,417	1,051	1,211
Laclede Gas Company	87,467,137	872,894,433	595,271	635,443
Missouri Gas Energy (4)	54,744,792	580,137,587	436,855	499,782
Missouri Public Service (5)	4,740,944	50,024,876	40,841	46,234
Southern Missouri Gas Co., L.C.(6)	775,374	9,011,117	6,538	7,227
St. Joseph Light & Power Co. (7)	776,386	6,355,392	5,367	6,214
Totals:	171,251,055	\$ 1,747,498,669	1,282,407	1,418,380

Source: MoPSC FERC Form 2 2001 Annual Reports (Missouri Jurisdictional)

Intrastate Pipelines	Mcfs Delivered	Operating Revenues (\$)	Transportation Customers
Missouri Gas Co. (8)	1,762,065	2,249,457	16
Missouri Pipeline Co. (8)	11,394,029	5,132,992	19
Totals:	13,156,094	\$ 7,382,449	35

(1) Union Electric Co. d/b/a AmerenUE Gas Districts

(2) Associated Natural Gas Co. Missouri Properties purchased by Atmos Energy Corp. effective June 1, 2000

(3) United Cities and Greeley, a division of Atmos Energy Corp.

(4) A division of Southern Union Co.

(5) A division of UtiliCorp United, Inc.

(6) Southern Missouri Gas Co., L.C., Tartan Energy Co.,L.C.

(7) A division of UtiliCorp United Inc., effective December 30, 2000

(8) A division of UtiliCorp Pipeline Systems, Inc.



Electric Utilities Statistics

Calendar Year 2001 (Missouri Jurisdictional)

Name of Company	MWhs Sold 2001	Operating Revenues 2001	Residential Customers	Total Customers
Citizens Electric Corp.	1,120,928	\$ 51,345,919	21,984	24,395
Empire District Electric Co., The	3,670,565	\$ 215,138,853	109,774	131,255
Kansas City Power & Light Co.	8,153,009	\$ 509,667,742	231,005	261,819
Missouri Public Service (1)	4,851,339	\$ 293,326,145	182,895	210,354
St. Joseph Light & Power (2)	1,731,983	\$ 85,262,228	56,319	63,627
Union Electric Co. d/b/a AmerenUE	31,565,620	\$ 1,968,453,389	978,485	1,128,438
TOTALS:	51,123,444	\$ 3,123,194,276	1,580,462	1,819,858

Source: 2001 Annual Reports

(1) Missouri Public Service, a division of UtiliCorp United, Inc.

(2) St. Joseph Light & Power, a division of UtiliCorp United, Inc. effective December 30, 2000

Steam Utilities Statistics

Calendar Year 2001 (Missouri Jurisdictional)

Name of Company	MMBtus Sold 2001	Operating Revenues 2001	Residential Customers	Total Customers
Aquila Networks - L & P	1,650,148	\$ 5,805,176	0	6
Trigen-Kansas City District Energy Corp.	842,955	\$ 9,193,489	0	72
TOTALS:	2,493,103	\$ 14,998,665	0	78

Source: 2001 Annual Reports

Water Statistics

Calendar Year 2001 (Missouri Jurisdictional)

<u>Name of Company</u>	<u>Customers</u>	<u>Name of Company</u>	<u>Customers</u>
Missouri-American Water Company *	413,580	Suburban Water Company	155
Raytown Water Company	6,770	Stockton Hills Water Company	150
The Empire District Electric Company	4,515	Cat-Pac Waterworks	150
Tri State Utility Company	2,485	Swiss Villa Utilities Inc.	140
U. S. Water Company	2,250	Missouri Utilities Company	135
The Meadows Water Company	1,085	Lakeland Heights Water Company	130
Terre Du Lac Utilities Corporation	1,070	White River Valley Water Company	130
Rex Deffenderfer Enterprises	995	Emerald Pointe Utility Company	125
Ozark Shores Water Company	995	Rogue Creek Utilities	110
AquaSource/R.U.	960	Kimberling City Water Company	110
I. H. Utilities	700	Moore Bend Water Company	100
Noel Water Company	695	Riverfork Water Company	100
Silverleaf Resorts	690	Midland Water Company	95
Taney County Utilities Corp.	515	Woodland Manor Water Company	85
AquaSource/C.U.	420	L.T.A. Water Company	85
Central Jefferson County Utility	410	Evergreen Lake Water Company	80
Warren County Water & Sewer Co.	355	Frimel Water Company	75
Highway H Utilities	325	Woodland Heights Utilities	70
Foxfire Utility Company	320	Whispering Hills Water Company	65
KMB Utility Corporation	315	Gladlo Water & Sewer Company	60
S.K.&M. Water & Sewer Co.	290	Shell Knob Estates Utilities	55
Camelot Utility	275	Franklin County Service Company	55
Osage Water Company	260	Roy L Utilities	55
Loma Linda Development Company	245	Argyle Estates Water Supply	50
South Jefferson County Utility Co.	215	Spokane Highlands Water Co.	50
Willows Utility Company	215	Oakbrier Water Company	45
Public Funding Corp. - City of Ozark	210	Hickory Hills Water & Sewer Co.	45
Port Perry Service Company	210	Lakewood Manor Limited	30
Cedar Hill Estates Water Company	200	Lake Region Water & Sewer Co.	25
Hillcrest Utilities Company	190	Wilden Heights Water Company	20
Gascony Water Company	185	Lake Northwoods Utility Company	20
Peaceful Valley Service Company	165	Valley Woods Water Company	15
Roark Water & Sewer Company	160	Bear Creek Water & Sewer Company	10
Franklin County Water Company	160	Kimberling Investments, Inc.**	2
		Middle Fork Water Company ***	2

* Merged company including Missouri-American Water Company, St. Louis County Water Company and Jefferson City Water Works Company

**Provides service to two commercial customers including a condominium development and a shopping center.

*** Provides wholesale service to two distribution systems.

NOTE: Compiled 9/25/02 based upon most recently available data from Water and Sewer Department files. Customer numbers rounded to the nearest "five," except for last two listings.



Sewer Statistics

Calendar Year 2001 (Missouri Jurisdictional)

<u>Name of Company</u>	<u>Customers</u>	<u>Name of Company</u>	<u>Customers</u>
AquaSource/C.U.	1,525	M.P.B. Inc.	100
Terre Du Lac Utilities Corporation	1,040	Missouri-American Water Company	100
House Springs Sewer Company	780	Rogue Creek Utilities	95
Meramec Sewer Company	740	Mill Creek Sewer Company	75
Cedar Hill Utility Company	665	Savannah Heights Industrial Treatment	70
Ozark Water & Wastewater Mgmt.	415	Taney County Utilities Corporation	70
Central Jefferson County Utility	410	Woodland Heights Utilities	70
Silverleaf Resorts	390	North Oak Sewer	70
Warren County Water & Sewer Company	335	Franklin County Service Company	65
P.C.B. Inc.	300	Highway H Utilities	65
Village Water & Sewer	300	WPC Sewer Company	65
The Meadows Water Company	275	Gladlo Water & Sewer Company	60
Timber Creek Sewer Company	265	Roy L Utilities	55
KMB Utility Corporation	220	Shell Knob Estates Utilities, Inc.	50
South Jefferson County Utility Company	215	Hickory Hills Water & Sewer Company	45
Willows Utility Company	215	S. T. Ventures	40
L.W. Sewer Corporation	195	Lake Region Water & Sewer Company	40
Hillcrest Utilities Company	190	Warren County Sewer Company	35
Foxfire Utility Company	180	Cannon Home Association	30
Lincoln County Utilities	175	Central Rivers Wastewater Utility	30
Stoddard County Sewer Company	170	Lake Hannibal Sewer Company	25
S.K.&M. Water & Sewer Company	170	Lake Northwoods Utility Company	20
Osage Water Company	155	Taneycomo Highlands	15
Peaceful Valley Service Company	150	AquaSource Development Company	15
Roark Water & Sewer Company	150	TBJ Sewer Systems	15
Swiss Villa Utilities	140	Bear Creek Water & Sewer Company	10
Missouri Utilities Company	135	Valley Woods Water Company	10
Port Perry Service Company	120	Southwest Sewer Corporation*	0
Emerald Pointe Utility Company	110		

* Out of business, but certificate not cancelled

NOTE: Tables compiled 9/25/02 based upon most recently available data from Water and Sewer Department files. Customers rounded to the nearest "five."

Contacting the PSC

Missouri Public Service Commission offices are located in Kansas City, Jefferson City and St. Louis. The PSC is open from 8:00-12:00 noon and 1:00-5:00 p.m., Monday through Friday, except on state holidays.

Jefferson City: Missouri Public Service Commission
Governor Office Building
200 Madison Street
(Mailing Address: P.O. Box 360)
Jefferson City, MO 65102
**Toll-free Consumer Hotline for
Complaints: (800) 392-4211**
Other Business: (573) 751-3234
Fax: (573) 751-1847

St. Louis: Missouri Public Service Commission
815 Charter Commons Dr.
Suite 100B
Chesterfield, MO 63017-0608
Telephone No.: (636) 207-8001
Fax: (636) 207-8010

Kansas City: Missouri Public Service Commission
3675 Noland Road
Suite 110
Independence, MO 64055
Telephone No.: (816) 325-0100
Fax: (816) 325-0109

Web site address: <http://www.psc.state.mo.us>



PSC Commissioners Past and Present

<u>Commissioner</u>	<u>Length of Service</u>	<u>Commissioner</u>	<u>Length of Service</u>
John M. Atkinson	1913-1916	Henry McKay Cary	1950-1955
William F. Woerner	1913-1914	Maurice Covert	1952-1953
John Kennish	1913-1917; 1920	Tyre W. Burton	1952-1965
Frank A. Wrightman	1913-1915	Frank Collier	1953-1954
Howard B. Shaw	1913-1917	M.J. McQueen	1954-1956
Edwin J. Bean	1914-1925	D.D. McDonald	1955-1961
Eugene McQuillin	1915-1917	William Barton	1956-1965
William G. Busby	1916-1921	Frank J. Iuen	1959-1963
David E. Blair	1917-1920	Frank W. May	1961-1967
Noah W. Simpson	1917-1923	Donal D. Guffey	1963-1968
Edward Flad	1917-1921	William R. Clark	1965-1975
John A. Kurtz	1920-1923	Charles J. Fain	1965-1977
Hugh McIndoe	1921-1923	Howard Elliot, Jr.	1967-1970
A.J. O'Reilly	1921-1925	Marvin E. Jones	1967-1973
Richard H. Musser	1923-1925	Willard D. Reine	1968-1975
Thomas J. Brown	1923-1928	James F. Mauze	1971-1975
D.E. Calfee	1925-1929	A. Robert Pierce, Jr.	1973-1977
Almon Ing	1925-1933	James P. Mulvaney	1975-1977
S.M. Hutchinson	1925-1931	Stephen B. Jones	1975-1979
J.H. Porter	1925-1933	Hugh A. Sprague	1975-1979
James P. Painter	1928-1929	Charles J. Fraas	1977-1983
Milton R. Stahl	1929-1933	Leah Brock McCartney	1977-1983
J. Fred Hull	1929-1934	Alberta Slavin	1977-1981
George H. English	1931-1936	Stephanie Bryant	1979-1981
J.C. Collet	1933-1935	Larry W. Dority	1979-1983
William Stoecker	1933-1936	John C. Shapleigh	1981-1984
W.M. Anderson	1933-1938	Charlotte Musgrave	1981-1988
Harry E. McPherson	1934-1935	Allan G. Mueller	1983-1996
Sam O. Hargus	1935-1937	Connie Hendren	1983-1989
John S. Boyer	1935-1941	James M. Fischer	1984-1989
Albert D. Nortoni	1936-1938	William D. Steinmeier	1984-1992
John A. Ferguson	1936-1944	David Rauch	1989-1993
J.D. James	1937-1942	Kenneth McClure	1990-1997
Marion S. Francis	1938-1941	Ruby Letsch-Roderique	1990-1991
Scott Wilson	1938-1941	Patricia Perkins	1991-1995
Paul Van Osdol	1941-1943	Duncan Kincheloe	1992-1997
Frederick Stueck	1941-1943	Harold Crumpton	1993-2000
Kyle Williams	1941-1952	M. Dianne Drainer	1995-2001
Charles L. Henson	1942-1959	Karl Zobrist	1996-1997
Albert Miller	1943-1944	Robert Schemenauer	1998-2001
Richard Arens	1944-1945	Connie Murray	1997-present
Agnes Mae Wilson	1943-1949	Sheila Lumpe	1997-present
E.L. McClintock	1945-1967	Kelvin Simmons	2000-present
Morris E. Osburn	1945-1952	Steve Gaw	2001-present
John P. Randolph	1949-1951	Bryan Forbis	2001-present

Missouri Public Service Commission
PO Box 360 Jefferson City, Missouri 65102
Consumer Hotline: 1-800-392-4211
Website: <http://www.psc.state.mo.us>
