

Missouri Public Service Commission



Information Guide

Commission Purpose and Responsibilities

Established in 1913, the Missouri Public Service Commission (Commission) has the statutory responsibility of ensuring that consumers receive safe and adequate service at just and reasonable rates. Those rates must be set at a level which will provide the companies' shareholders with the opportunity, not a guarantee, to earn a reasonable return on their investment. The Commission must balance a variety of often competing private interests to ensure the overall public interest.

The Commission regulates investor-owned electric, natural gas, steam, telephone, water and sewer companies operating in the state. The Commission also regulates the manufacturers and dealers of manufactured homes and modular units. In addition, the Commission regulates the state's rural electric cooperatives and municipally-owned utilities for operational safety. The Commission 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 Commission also acts as 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 these utilities fulfill these essential needs, the Commission must assure the rate paying public that quality services will be available on a nondiscriminatory basis at just and reasonable rates.

The Commission does not regulate the cell phone industry, companies that provide Internet or paging services or cable television rates and services.

The basic statutory provisions governing the Commission are contained in Chapters 386, 392, 393 and 700 RSMo.

The Commission is funded through assessments of those entities the Commission regulates and not by general revenue.

The Commission has established standards for safety and quality of service to which companies must adhere. Routine and special investigations are conducted by the Commission Staff to ensure companies comply with those standards.

The Commission is both quasi-judicial and quasi-legislative. The Commission is responsible for deciding cases brought before it and for the promulgation of administrative rules and their enforcement. Many of the Commission's duties are performed in hearings of contested cases. Hearings are conducted in a trial-type setting using evidentiary standards of the Missouri Administrative Procedures Act.

Commissioners

The Commission consists of five Commissioners who are appointed by the governor with the advice and consent of the Missouri Senate. The governor designates one member as the chairman who serves in that capacity at the pleasure of the governor. Commissioners are appointed to six-year terms. These terms are staggered so no more than two terms expire in any given year.

PSC Staff

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

The Commission Staff participates as a party in all cases before the Commission. Staff conducts audits of the books and records of utilities and makes recommendations to the Commission based on these findings. Staff testimony and recommendations, along with filings of other parties to a proceeding, are evaluated by the Commission in reaching a decision in a complaint or rate case.

The Commission has established standards for safety and quality of service to which companies must adhere. Routine and special investigations of utilities are conducted by the Commission Staff to ensure compliance.

Organizational Functions of the Commission

Administration and Regulatory Policy Division

The Administration and Regulatory Policy Division is responsible for managing the Commission's human and fiscal resources. The division has agency-wide responsibilities with units that are responsible for the annual budget, fiscal services and procurement, human resources and payroll. The Regulatory Policy and Public Information Unit, another unit of the division, develops and distributes information to the media on agency activities, responds to media requests, and provides utility consumer education materials. The Legislative Coordinator, the agency's primary contact person with the General Assembly, is also assigned to this division and assists in responding to constituent inquiries.

Secretary/General Counsel Division

The General Counsel is authorized by statute to represent the Commission in all actions and proceedings, whether arising under the Public Service Commission Law or otherwise. Attorneys in the General Counsel's Office appear in state and federal trial and appellate courts on behalf of the Commission. The General Counsel also provides legal advice to the Commission and each Commissioner as requested. When authorized by the Commission, the General Counsel seeks civil penalties from persons or companies that have violated the Public Service Commission Law or the Commission's regulations or orders. Within the Secretary/General Counsel Division, the Adjudication Department is the Commission's quasi-judicial component. A staff of regulatory judges handles cases from their filing until their resolution. 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 Data Center receives all incoming pleadings and issues all Commission orders. In addition, the Data Center maintains and preserves the official case files, tariffs and other official documents of the Commission.

Regulatory Review Division

The Director of Regulatory Review supervises and coordinates a number of Commission Staff functions including rate cases, complaints, tariff filings, certificate applications, rulemakings and investigatory dockets. The Tariff, Safety, Economic & Engineering Analysis Department and the Audits, Accounting & Financial Analysis Department are a part of the Regulatory Review Division. The Staff Counsel's Office also reports to the Regulatory Review Division regarding case related and investigatory activities.

The **Tariff, Safety, Economic & Engineering Analysis Department** consists of four units: Energy, Telecommunications, Water and Sewer, and Manufactured Housing. These units support the Commission in meeting its statutory responsibilities by providing technical expertise in safety; utility rates, tariffs, rules and regulations; eco-

conomic analysis; engineering oversight and investigations; and construction inspections. These units accomplish their mission by making recommendations to the Commission in the form of expert testimony, formal recommendations and presentations.

The **Audits, Accounting & Financial Analysis Department** consists of five units which provide expertise to the Commission in the areas of utility accounting, auditing, engineering, finance, management and natural gas procurement. Staff members perform audits, examinations, analyses and review the books and records of the utilities providing service in Missouri. These employees express their conclusions and findings in the form of expert testimony and recommendations that are filed with the Commission. These units are also responsible for investigating and responding to consumer complaints and making recommendations to the Commission regarding their resolution.

Attorneys of the **Staff Counsel's Office** represent the Commission's Staff in administrative matters before the Commission. The Staff Counsel's Office also provides legal advice to the Commission's Staff. The office houses the Consumer Services Unit, the clearinghouse for all utility consumer inquiries. Consumer Services investigates and responds to complaints to ensure compliance with Commission rules and utility tariffs. When a consumer has an issue that is not satisfactorily resolved after an initial contact with the utility, the consumer may call the PSC consumer hotline **(1-800-392-4211)** for assistance.

Office of the Public Counsel

The general public is represented in proceedings before the Missouri Public Service Commission by the Office of the Public Counsel. The Office of the Public Counsel is not a part of the Commission; it is a separate state agency. The Office of the Public Counsel may be contacted by writing to: Office of the Public Counsel, P.O. Box 2230, Jefferson

City, Missouri 65102, telephone 1-866-922-2959 or 573-751-4857 or email at opcservice@ded.mo.gov .

Rate Case Proceedings

Utility rate cases handled by the Commission perhaps have the most immediate impact on public utilities and the customers they serve. Rate cases are often both lengthy and complex and can, at times, draw much public attention.

The process begins when a utility files, with the Commission, new tariffs for authority to increase its rates. The Commission then, except in unusual or emergency situations, sets a schedule for hearing the case. In general rate cases, the Commission has 11 months from the date a case is submitted to make a decision on that proposal. Less formal procedures apply for some smaller utilities and the process takes approximately 150 days.

Before any proceedings are held, the Commission Staff conducts an independent on-site investigation into the company's books and records. This helps the Commission Staff provide the Commission with a recommendation as to the fair amount of profit the company should have an opportunity to earn and what amount of a proposed increase, if any, should be granted. This investigation can take several weeks or months. Other parties such as the Office of the Public Counsel, consumer groups, industries, and cities are also given an opportunity to present evidence on the proposed increase and take part in the proceedings.

Once the participants in a case file their written evidence, a prehearing conference is held. The parties in a case meet at the prehearing conference to determine which issues are contested and which issues they may agree to settle.

Local Public Hearings

Prior to any evidentiary trial-type hearings, the Commission may also hold local public hearings in a company's service area. These hearings give customers an opportunity to express their views on cases before the Commission such as proposed rate increases.

During local public hearings, customers may also bring to the Commission's attention any service related problems. Public comments from local public hearings are a part of the official record in the case and are considered as evidence when Commissioners make their decision.

Hearings, Deliberations and Decisions

At formal evidentiary hearings, participants in the case present evidence to the Commission regarding their various recommendations. These hearings are very similar to local civil courtroom proceedings and witnesses are cross-examined by other parties as well as Commissioners.

After the hearing is completed, a transcript of the hearing is filed and parties in the case file post-hearing arguments. When all the filings are in, the entire record is before the Commission. Commissioners review that record in making their decision on the case.

Once a decision has been reached, the Commission announces that decision in a written report and order. That decision is subject to appeal to the courts by any of the participants in the case, except the Commission Staff.

Consumer Complaints and/or Inquiries

Consumers who have specific questions about matters relating to utility service or who wish to file a complaint against a utility company under the jurisdiction of the Commission, have a number of avenues they may wish to pursue.

FIRST, customers should call the utility company and attempt to work out their problem. If the company is not able to satisfy the customer's concerns adequately, he or she should call the Commission's Consumer Services Unit which has a toll-free hotline number **1-800-392-4211**.

The mailing address is:

**Public Service Commission
Governor Office Building
200 Madison Street, P.O. Box 360
Jefferson City, Missouri 65102.**

The email address is: **pscinfo@psc.mo.gov** and the Commission's website is: **www.psc.mo.gov** .

The Missouri Public Service Commission
is an equal opportunity employer.

February 2013

**Missouri Public Service Commission
Governor Office Building
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102
website: www.psc.mo.gov
email: pscinfo@psc.mo.gov
1-800-392-4211**