



ELECTRIC



NATURAL GAS



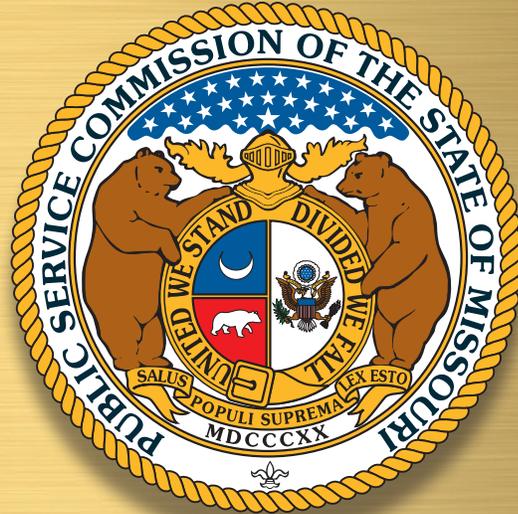
WATER & SEWER



TELECOMMUNICATIONS



MANUFACTURED HOUSING



MISSOURI PUBLIC SERVICE COMMISSION

2017 ANNUAL REPORT

PSC COMMISSIONERS



— Photo by Mark Hughes

Pictured left to right: Commissioner **Scott T. Rupp**; Commissioner **Stephen M. Stoll**;
Chairman **Daniel Y. Hall**; Commissioner **Maida J. Coleman**; and Commissioner **William P. Kenney**



Commissioners

DANIEL Y. HALL
Chairman

STEPHEN M. STOLL

WILLIAM P. KENNEY

SCOTT T. RUPP

MAIDA J. COLEMAN

SHELLEY BRUEGGEMANN
General Counsel

MORRIS WOODRUFF
Secretary

LOYD WILSON
Director of Administration

NATELLE DIETRICH
Staff Director

Missouri Public Service Commission

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

October 19, 2017

The Honorable Eric Greitens
Governor of Missouri
State Capitol
Jefferson City, Missouri

Dear Governor Greitens,

As Chairman of the Missouri Public Service Commission, it is my pleasure to submit the agency's Annual Report for the fiscal year July 1, 2016, through June 30, 2017, as well as additional information for the calendar year 2017. The Commission's work this year included the following:

- **Review of Commission Rules:** The Commission opened a working case to review its regulations in compliance with Executive Order 17-03. Throughout the process, the Commission actively sought public comment regarding its existing rules and regulations and how it could simplify them, make them more effective and remove any unnecessary regulatory burdens.
- **Working Dockets:** The Commission continued its work in several dockets examining:
 - Security practices for protecting essential utility infrastructure;
 - Policies to improve electric regulation;
 - Emerging issues related to utility regulation;
 - Rules regarding natural gas safety; and
 - Rules regarding small water and sewer companies.
- **Major Rate Cases:** The Commission reached decisions in electric rate cases of all four of the electric utilities the Commission regulates in the state. Those electric utilities serve more than 1.9 million customers. The Commission decided rate cases filed by Ameren Missouri, KCP&L-Greater Missouri Operations Company, The Empire District Electric Company and Kansas City Power & Light Company. During the 2018 fiscal year, the Commission will decide rate cases filed by Spire, Inc. (formerly Laclede Gas Company and Laclede Gas Company d/b/a Missouri Gas Energy) and the Missouri-American Water Company, the state's largest regulated water provider.
- **Solar Partnership Program:** The Commission approved an Ameren Missouri application granting a Certificate of Convenience and Necessity (CCN) to construct, operate and maintain various small solar generation facilities at different locations within Ameren Missouri's service territory. This is part of a pilot program.

- **Merger Case:** The Commission held hearings in a proposed merger between Great Plains Energy and Westar. That case was subsequently withdrawn and a new merger case was filed with the Commission at the beginning of the 2018 fiscal year.
- **Transmission Line Case:** The Commission reached a decision in an electric transmission line case filed by Grain Belt Express Clean Line LLC (Grain Belt). The Commission, in an August 16, 2017 decision, determined it did not have the statutory authority to grant the application because Grain Belt failed to obtain all county assents necessary for a CCN as required by a Missouri Western District Court of Appeals decision in a recent Ameren Transmission Company of Illinois CCN case.
- **Federal Activity:** The Commission continued to be a strong and active voice for Missouri ratepayers by monitoring and intervening in cases before the Federal Energy Regulatory Commission (FERC) and the Federal Communications Commission (FCC).
- **Consumer Services:** The Commission, through its Consumer Services Department, responded to more than 13,000 customer-related contacts and saved Missouri consumers approximately \$161,000 during the 2017 fiscal year working with consumers and utility companies to resolve disputes (i.e. billing, service charge issues). The Commission handled 8 formal and 1,590 informal complaints during the fiscal year.
- **Consumer Outreach and Education:** In fiscal year 2017, the Commission conducted or participated in approximately 58 different consumer outreach activities. The Commission continues its efforts to educate consumers on energy efficiency options that can impact customers' monthly utility bills.
- **Local Public Hearings:** The Commission held local public hearings across the state to receive customer comments on contested cases. These hearings provide the Commission with an opportunity to educate consumers on the role of the Commission and to answer questions the consumers may have about the Commission or about the utility services customers receive. The Commission held 35 local public hearings during the 2017 fiscal year.
- **Manufactured Housing and Modular Unit Program:** During the fiscal year, the Program licensed 122 manufacturers, 207 retail dealers and 64 installers. Field Staff conducted 33 consumer complaint inspections. The program held several installer training classes throughout the state to keep licensed installers up to date on industry changes. Approximately 1,167 new manufactured homes and modular units were sold in Missouri during the 2017 fiscal year (up 12% from fiscal year 2016).
- **Open Proceedings:** The Commission continues to pursue transparency in its proceedings. Consumers can access the Commission's website and view, in real time, hearings in cases before the Commission or watch the Commission conduct business in its weekly Agenda meeting. In addition, consumers can view all public information in cases before the Commission by accessing the website (psc.mo.gov).

I hope that you will find this Annual Report helpful. If there is any additional information I can provide, please contact me.

Sincerely,



Daniel Y. Hall
Chairman

2017

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BUDGET

Fiscal Year 2018

Public Service Commission

| | |
|---|-----------------|
| Public Service Commission-Personal Service | \$10,889,234 |
| Public Service Commission-Expense & Equipment | \$2,536,462 |
| Public Service Commission-Refunds | <u>\$10,000</u> |

Total \$13,435,696

Full-Time Employees (F.T.E.) 192.00

| | |
|--|------------------|
| Office of Public Counsel-Personal Service | \$899,815 |
| Office of Public Counsel-Expense & Equipment | <u>\$265,609</u> |

Total \$1,165,424

Full-Time Employees (F.T.E.) 16.00

Deaf Relay Service and Equipment Distribution Program

| | |
|-----------------------------------|--------------------|
| Expense & Equipment Appropriation | <u>\$2,495,808</u> |
|-----------------------------------|--------------------|

Total \$2,495,808

Full-Time Employees (F.T.E.) 0.00

Manufactured Housing Department

| | |
|---|-----------------|
| Personal Service | \$358,748 |
| Expense & Equipment | \$354,466 |
| Program Specific Distribution & Refunds(MH) | \$20,000 |
| MH-Refunds | <u>\$10,000</u> |
| Subtotal | \$743,214 |

Program Specific Distribution MH Consumer Recovery* \$192,000

Total \$935,214

Full-Time Employees (F.T.E.) 8.00

TOTAL BUDGET **\$18,032,142**

TOTAL FTE **216.00**

*Consumer Recovery Fund Appropriation

COMMISSIONER BIOGRAPHIES



Daniel Y. Hall
Chairman



Stephen M. Stoll
Commissioner



William P. Kenney
Commissioner



Scott T. Rupp
Commissioner



Maida J. Coleman
Commissioner

Chairman Daniel Y. Hall



Chairman Daniel Yves Hall was appointed to the Missouri Public Service Commission on September 27, 2013 by Governor Jay Nixon, and unanimously confirmed by the Missouri State Senate in January, 2014. He was appointed Chairman by Governor Nixon on August 10, 2015. He is the 101st PSC Commissioner in the 100-year history of the PSC – Missouri's oldest state agency.

Chairman Hall is an active member of the National Association of Regulatory Utility Commissioners (NARUC), serving as Vice Chair of the Committee on Water, the Washington Action Committee, and the Subcommittee on Education and Research. In addition, he serves on the Organization of MISO States Board of Directors and Executive Committee, is Chair of the Financial Research Institute's Advisory Board, and is a board member on the Public Council for the Water Research Foundation.

From January of 2009 when Governor Nixon was sworn into office until his appointment to the Commission, Hall served as the Legislative Director to the Governor, overseeing efforts to advance the Nixon Administration's legislative agenda and serving as lead liaison between the Governor and members of the Missouri General Assembly.

From 2003 to 2009, Hall served as Senior Counsel and Assistant Attorney General in the Office of Missouri Attorney General Jay Nixon. In this position, he litigated in state and federal courts, both trial and appellate, and provided counsel to the Attorney General concerning a wide range of topics including tobacco, sunshine law, education, elections, federal military base closure, and constitutional legislative procedures.

Between 2001 and 2003, Hall served in the Administration of Governor Bob Holden, first as Assistant Commissioner for Policy in the Office of Administration, then as a Senior Policy Adviser to the Governor. In these positions, Hall worked in policy development and legislation in the areas of transportation, natural resources, conservation, labor, agriculture, economic development and the annual state operating budget.

From 1998 to 2001, Hall served as Chief of Staff to Missouri House Speaker Steve Gaw. His responsibilities included coordinating the formulation and passage of the legislative agenda of the Speaker and House majority caucus, supervision of the Speaker's office staff and liaison with the Chief Clerk regarding House legal and personnel matters.

Prior to his state government service, between 1995 and 1998, Hall worked in private practice as an associate with Bryan Cave, LLP in Kansas City. His litigation practice included labor and employment, class action defense and commercial disputes.

From 1993 to 1995, Hall served as a Law Clerk to United States District Court Judge Dean Whipple. In this capacity, Hall conducted research and drafted opinions and orders in a broad range of civil and criminal cases, and provided counsel to the Judge concerning the court's management of state and local entities under its supervision.

Hall was awarded a Juris Doctorate from the University of Missouri School of Law in 1993. His law school honors include the Order of the Coif, Order of the Barristers and Board of Advocates. He was a member of the Law Review, serving as Note and Comment Editor.

In 1988, Hall graduated cum laude with a Bachelor of Arts degree from Carleton College in Northfield, Minnesota, with a major in history and a minor in political economy.

Hall and his wife, Cindy, have three children – Elly, Kate and Keaton – and make their home in Columbia.

Commissioner Stephen M. Stoll



Commissioner Stephen M. Stoll was appointed to the Public Service Commission by Missouri Governor Jay Nixon in December of 2011.

Commissioner Stoll is well-known to the Missouri House of Representatives and Senate, having been elected to both legislative bodies by the citizens of Jefferson County, Missouri. Stoll was first elected to the Missouri House of Representatives in 1992 and was re-elected in 1994 and 1996. During his tenure in

the Missouri House, Stoll served on a number of legislative committees and as chairman of the House Elementary and Secondary Education Committee.

In 1998, Stoll was elected to a four-year term to the Missouri Senate and was re-elected in 2002. He served on a number of committees, including the Senate Committee on Commerce and the Environment, the Senate Ways and Means Committee and the Senate Appropriations Committee. He also served as chairman of the Committee on Elections, Veterans and Corrections during his first term in the Senate.

In 2005, Stoll returned to Jefferson County to serve as the City Administrator of Festus, Missouri, a position he held for four years.

In 2009, Stoll was named Director of Administration for Jefferson County, Missouri, becoming the first director to serve under the Home Rule Charter of Jefferson County.

Commissioner Stoll is a member of the National Association of Regulatory Utility Commissioners (NARUC) where he serves on the Committee on Electricity and the Subcommittee on Nuclear Issues – Waste Disposal. He also serves as the Missouri Public Service Commission's representative on the Regional State Committee (RSC) for the Southwest Power Pool (SPP), and currently serves as the RSC president and as chairman of the Regional Allocation Review Task Force (RARTF).

Stoll is a veteran of the U.S. Army. He holds a Bachelor of Arts degree in political science from the University of Missouri-Columbia and a Master of Education degree from the University of Missouri-St. Louis.

Stoll worked as a classroom teacher in Jefferson County schools, where he taught social studies for 20 years. He was first elected to public office in Crystal City, Missouri, where he served on the City Council from 1983 to 1992.

Commissioner Stoll and his wife, Kathy, have four children (Emily Stoll, deceased) and five grandchildren.

Commissioner William P. Kenney



Commissioner William P. Kenney was appointed to the Missouri Public Service Commission by Governor Jay Nixon on January 9, 2013. On January 24, 2013, he was confirmed by the Missouri Senate to a six-year term.

Commissioner Kenney was born in San Francisco, California and grew up in Southern California with his parents and eight siblings. He received an Associate of Arts Degree from Saddleback Junior College and attended Arizona

State University prior to graduating from the University of Northern Colorado with a Bachelor's Degree in Business Management.

Commissioner Kenney was drafted as a quarterback in the National Football League by the Miami Dolphins in 1978. He went on to play professional football for 11 years, 10 with the Kansas City Chiefs. Among his many accomplishments were becoming the National Football League's fourth quarterback to ever throw for 4,000 yards in a single season, Pro Bowl 1983 and Kansas City Chiefs Most Valuable Player in 1983.

Upon his retirement from football, Commissioner Kenney became a licensed real estate broker. He is president of Bill Kenney & Associates, a real estate brokerage and development company. He is also president of Bill Kenney Homes, a residential construction company.

Commissioner Kenney was elected to the Missouri Senate in 1994 and served the citizens of eastern Jackson County until 2002. In 2001, Commissioner Kenney was selected by Senate members to serve as the Majority Floor leader, the first Republican to hold this office in over 50 years.

In 1996, Commissioner Kenney was the Republican nominee for Lieutenant Governor. From January 2011 until accepting his current position, Commissioner Kenney was Chief of Staff for Missouri Lieutenant Governor Peter Kinder.

In August of 2013, Commissioner Kenney was appointed to the National Association of Regulatory Utility Commissioners (NARUC) Committee on Gas.

Commissioner Kenney is married to Sandra (Ehrlich) Kenney. They reside in Lee's Summit and have four adult children.

Commissioner Scott T. Rupp



Commissioner Scott T. Rupp was sworn in as Commissioner at the Missouri Public Service Commission in April of 2014. Previously he served two terms in the Missouri State Senate from 2006-2014, and two terms as a State Representative from 2003-2006.

Before his career in public service, Commissioner Rupp founded a college preparatory company, Educational Funding & Financial Aid Specialists, in which he assisted parents of high school students

in preparing their children for college. Having held his securities licenses, Scott also founded the investment firm Rupp & Associates along with a mortgage brokerage called Educational Financing Company, which specialized in loans for parents of college-bound students. Upon his election to the Missouri Senate, he sold his businesses and took a position with UMB Bank in Missouri, where he served as vice president of business development.

Commissioner Rupp serves on the Energy and Environment, Critical Infrastructure, and International Relations committees at the National Association of Regulatory Utility Commissioners (NARUC). He is also a member of the North American Numbering Council.

Commissioner Rupp earned his MBA from Lindenwood University and his Bachelor's degree from the University of Missouri.

Commissioner Rupp is passionate about providing information to consumers about the energy industry in an easy to understand and straight forward manner. He writes weekly blog posts and produces weekly podcasts about current events in the energy industry, which can be found at his website SimplifyingEnergy.com. Commissioner Rupp is also active on social media on the following platforms: [Twitter: @Scott_Rupp](https://twitter.com/Scott_Rupp) [FB: @Scott.T.Rupp](https://www.facebook.com/Scott.T.Rupp) [LinkedIn: ScottRupp1](https://www.linkedin.com/in/ScottRupp1) [Instagram: Scottrupp](https://www.instagram.com/Scottrupp)

Commissioner Maida J. Coleman



Commissioner Maida J. Coleman was appointed to the Missouri Public Service Commission by Governor Jay Nixon, effective August 10, 2015. She was unanimously confirmed by the Missouri State Senate on January 21, 2016.

Prior to her appointment, Commissioner Coleman was the Director of the Office of Community Engagement. She previously served as the Executive Director of the Missouri Workforce Investment Board at the Missouri

Department of Economic Development, and was in a leadership role at the Missouri Department of Labor.

From 2001 until 2009, Commissioner Coleman served first as a State Representative and then as State Senator from St. Louis, becoming the first African-American woman in state history to serve as Senate Minority Leader.

While in the Missouri Senate, Commissioner Coleman sponsored the Hot Weather Rule (Law) which is designed to protect Missourians, particularly those who are older or low-income. The Hot Weather Rule prevents utilities from disconnecting cooling-related service for residential customers during summer weather extremes. She also sponsored legislation that became law to protect children from lead poisoning.

Commissioner Coleman previously held management level positions at the office of the Missouri Secretary of State and the St. Louis Housing Authority. She is a former member of the Board of Directors of Heat-Up/Cool-Down St. Louis. In the early 1980s, Commissioner Coleman worked in the transportation division of the Missouri Public Service Commission.

Commissioner Coleman is Chair of National Association of Regulatory Utility Commissioners (NARUC) Committee on Consumer Affairs.

Commissioner Coleman has a B.A. in Journalism from Lincoln University in Jefferson City and was awarded a Doctor of Humane Letters Degree from Harris-Stowe State University in St. Louis in 2008. Commissioner Coleman is a native of Sikeston, Missouri.



PSC KEY PERSONNEL

COMMISSIONERS

| | |
|---------------------------------------|----------|
| Daniel Y. Hall, Chairman..... | 751-3243 |
| Stephen M. Stoll, Commissioner | 751-4221 |
| William P. Kenney, Commissioner | 751-7508 |
| Scott T. Rupp, Commissioner | 751-0946 |
| Maida J. Coleman, Commissioner..... | 751-4132 |

ADMINISTRATION DIVISION

| | |
|---|----------------|
| Loyd Wilson, Director | 751-7435 |
| John Hanauer, Manager-Information Services..... | 522-2453 |
| Kevin Kelly, Public Information Administrator | 751-9300 |
| Beth Oetting, Manager-Human Resources | 751-5606 |
| Debbie Quick, Public Information Coordinator | 522-2760 |
| Erica Ziegler, Manager-Consumer Services..... | 751-3160 |
| Consumer Services Toll-Free Hotline | 1-800-392-4211 |
| EFIS Toll-Free Help Desk | 1-866-365-0924 |

GENERAL COUNSEL DIVISION

| | |
|---|----------|
| Shelley Brueggemann, General Counsel | 526-7393 |
| Morris Woodruff, Secretary/Chief Regulatory Law Judge | 751-2849 |
| Kim Happy, Manager-Data Center | 522-6225 |
| Cherlyn Voss, Manager-Regulatory Analysis Department | 751-3966 |

COMMISSION STAFF DIVISION

| | |
|---|----------------|
| Natelle Dietrich, Director | 751-7427 |
| Jamie Myers, Deputy Director | 526-6036 |
| Dan Beck, Manager-Engineering Analysis Unit | 751-7522 |
| Jim Busch, Manager-Water & Sewer Department | 751-7529 |
| Contessa King, Manager-Customer Experience Department | 751-5239 |
| Robin Kliethermes, Manager-Tariff/Rate Design Unit | 522-3782 |
| Kathleen McNelis, Manager-Safety/Engineering Unit | 751-3456 |
| David Murray, Manager-Financial Analysis Unit | 751-9160 |
| Mark Oligschlaeger, Manager-Auditing Department | 751-7443 |
| John Rogers, Manager-Energy Resources Department | 751-7524 |
| Bob Schallenberg, Manager-Operational Analysis Department | 751-7162 |
| Justin Smith, Manager-Manufactured Housing Department | 526-2833 |
| David Sommerer, Manager-Procurement Analysis Unit | 751-4356 |
| Kevin Thompson, Chief Staff Counsel | 751-6514 |
| John Van Eschen, Manager-Telecommunications Department | 751-5525 |
| Manufactured Housing Toll-Free Hotline | 1-800-819-3180 |

573 Area Code unless otherwise noted



THE ROLE OF THE PSC

JURISDICTION AND GOALS

The Missouri Public Service Commission (Commission or PSC) was created in 1913 by the Public Service Commission Law, now Chapter 386 of the Missouri Revised Statutes. The Commission regulates investor-owned electric, natural gas, steam, water and sewer utilities in Missouri. The Commission also has limited jurisdiction over telecommunications providers in the state. In addition, the Commission regulates the operational safety of the state's rural electric cooperatives and municipally-owned natural gas utilities. The Commission also regulates manufacturers and dealers of manufactured homes and modular units, and enforces initial home or unit installation.

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

Virtually every Missouri citizen receives utility service, whether it is electric, natural gas, water, sewer or telecommunications, from a company regulated in some manner by the Commission. 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 ensure the environmentally sound disposal of wastewater. Because 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.

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 that no more than two terms expire in any given year.

COMMISSION

The Commission is both quasi-judicial and quasi-legislative. The Commission is responsible for deciding cases brought before it by the utilities it regulates, as well as by the customers of those utilities, or by other interested stakeholders. Many of the Commission's actions or decisions are made after it hears complaints or applications in which the rights of individuals, ratepayers, utilities, or other stakeholders are determined. Such hearings are held in a trial-like setting using appropriate evidentiary standards. The Commission's decisions are subject to review by Missouri's courts.

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 PSC Staff participates as a party in all cases before the Commission, conducting audits of the books and records of utilities and making recommendations to the Commission. PSC Staff recommendations, like those filed by other parties to a proceeding, are evaluated by the commissioners in reaching a decision. 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 PSC Staff to ensure compliance.

WEEKLY AGENDA MEETINGS

The Commission holds weekly agenda meetings to discuss various cases, policies and rulemakings, and to issue its decisions. Those meetings are open to the public and are webcast on the Commission's website (psc.mo.gov).



PSC ORGANIZATIONAL FUNCTIONS



Loyd Wilson
Director

ADMINISTRATION DIVISION

The Administration Division is responsible for managing the Commission's human and fiscal resources. The division has agency-wide responsibilities with departments that are responsible for the annual budget, fiscal services and procurement, human resources and payroll. The Public Policy and Outreach Department, another department 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. The Outreach and Diversity Officer, a part of the division, is responsible for consumer outreach and education events and promotes the PSC in conjunction with recruiting diverse and qualified job applicants.

The division also houses the Consumer Services Department, the clearinghouse for all utility consumer inquiries. Consumer Services investigates and responds to informal 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 Commission consumer hotline (1-800-392-4211) for assistance.



Shelley Brueggemann
General Counsel

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. 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. The External Litigation Department manages and processes these cases. The General Counsel also provides legal advice to the Commission and each Commissioner as requested. The Regulatory Analysis Department, within the General Counsel's Division, represents the Commission's interests in various forums related to federal energy issues, including providing assistance in cases before the Federal Energy Regulatory Commission, along with providing analysis on policy issues facing the Commission.

The Adjudication Department is the Commission's quasi-judicial component and is part of the General Counsel Division. Regulatory law judges within the Adjudication Department handle cases from their filing until their resolution. The judge assigned to a case presides over any hearing, rules on objections and motions, and drafts orders, as directed or delegated by the Commission.



Morris Woodruff
Secretary of the
Commission/
Chief Regulatory
Law Judge

SECRETARY OF THE COMMISSION / CHIEF REGULATORY LAW JUDGE

The Secretary of the Commission is statutorily responsible for the records of the Commission and, acting through the Data Center, manages, maintains and preserves the official case files, tariffs and other official documents of the Commission. The Secretary, again acting through the Data Center, receives all incoming pleadings and issues all Commission orders.

The Chief Regulatory Law Judge oversees the operations of the Adjudication Department.



Natelle Dietrich
Staff Director

COMMISSION STAFF DIVISION

The Staff Director and Deputy Staff Director are responsible for leading all departments of the Commission's Staff. These positions supervise and coordinate a number of PSC Staff functions including rate cases, complaints, tariff filings, certificate applications, rulemakings and investigatory dockets. The Operational Analysis, Staff Counsel, Auditing, Energy Resources, Water and Sewer, Manufactured Housing, Customer Experience and Telecommunications Departments are a part of the Commission Staff Division.



Jamie Myers
Deputy
Staff Director

The Commission Staff Division supports the Commission in meeting its statutory responsibilities by providing technical expertise in safety; utility rates, tariffs, rules and regulations; economic analysis; engineering oversight and investigations; and construction inspections. Commission Staff provide expertise 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 regulated utilities providing service in Missouri. The Commission Staff Division is also responsible for investigating and responding to consumer complaints and making recommendations to the Commission regarding their resolution. The Commission Staff Division makes recommendations to the Commission in the form of expert testimony, formal recommendations and presentations.

Attorneys in the Staff Counsel's Department represent the PSC Staff in matters before the Commission. The Staff Counsel's Department also provides legal advice to the PSC Staff on matters before the Commission.



GENERAL UTILITY CASES

Security Practices for Protecting Essential Utility Infrastructure (File No. AW-2015-0206)

The Commission continues to place high importance on both physical and cyber security at Missouri utilities. The Critical Infrastructure Security Engineer (CISE) position, created in 2016, has been filled and is active in addressing cyber and physical security threats to Missouri's critical infrastructure (CI). On July 11, 2017, a workshop was held to discuss current CI security issues and what the path forward might look like for the PSC, the utilities, and other interested stakeholders.

As a result of the workshop discussions, several initiatives are underway to address both security and emergency response issues.

- The CISE is now an active member of the Missouri Information and Analysis Center (MIAC) at the Missouri State Highway Patrol (MSHP). This close cooperative arrangement enables the timely dissemination of critical security information with the Public Service Commission.



- The CISE has been working to understand the state of both cyber and physical security at Missouri utilities. To that end, customer centric measure(s) are being considered which would assess the current state of utility cyber and physical security.
- The CISE has developed a consolidated electric outage reporting process for emergency response in Missouri. This enables rapid accumulation of current outage information during an emergency response event. Additionally, the CISE is consulting with the Department of Energy on its nationwide electric outage reporting system efforts.
- The Commission and Staff are considering a legislative proposal to clearly shield from public release both cyber and physical security information which may have been shared with the PSC.
- A Staff report will be filed on the workshop, and will include analyses of the initiatives, and recommendations on cyber and physical security monitoring and reporting.

Policies to Improve Electric Regulation – (File No. EW-2016-0313)

On June 8, 2016, the Commission opened a working case to facilitate stakeholder discussions regarding possible policies intended to improve the way in which the Commission regulates Missouri's investor-owned electric utilities. The Commission invited interested stakeholders to submit written suggestions for policy changes by July 8, 2016, and responses to those suggestions by August 8, 2016.

Staff submitted a report to the Commission on October 17, 2016, describing and evaluating the submitted suggestions, and offering recommendations. On December 6, 2016, the Commission issued "A Report Regarding Policies to Improve Electric Utility Regulation" recommending the General Assembly consider the following principles in drafting any legislative proposal: 1) Missouri's current regulatory structure has functioned very effectively for over a century, and there is no need for a massive, radical overhaul; 2) Any new mechanism must not impede the Commission's authority or ability to meet its statutory obligations to set just and reasonable rates while balancing the interests of utilities and their customers; 3) Any modification of the current regulatory structure should be narrowly tailored; and, 4) As with the use of other modified rate mechanisms, a utility's use of any new mechanism must be contingent upon Commission review and authorization.

Emerging Issues (File No. EW-2017-0245)

On March 24, 2017, Staff requested the Commission open a workshop docket noting, “[u]tility regulation is constantly affected by new advancements in technology and law”. Staff identified five emerging issues for which it believed a workshop would be beneficial to better understand advancements and methods related to the regulation of solar energy; the Commission’s role in installation of advanced metering infrastructure; the Commission’s role regarding Property Assessed Clean Energy (PACE) and Pay as You Save (PAYS) programs; the implementation of modified rate design proposals; and, the Commission’s role in the promotion of a competitive market for plug-in electrical vehicles.

Comments on these topics were received in early May 2017 and a workshop was held on May 19, 2017. A Staff Report was filed on July 10, 2017, recommending additional workshops to address: potential revisions to Commission rules related to cogeneration and net metering; methodologies of calculating avoided costs; standardized contracts; net metering; disconnection standards; the need for a value of distributed resources study; and, policy questions related to modified rate design proposals. Additional workshops will be held in late 2017 and early 2018.

Working Case to Facilitate Discussion of Responses to Gas Leaks and Prevention of Third-Party Damage to Natural Gas Facilities (File No. GW-2016-0013)

On July 22, 2015, the Commission opened a working docket to facilitate discussion regarding the prevention of third-party damages to natural gas facilities and the response to natural gas incidents when they occur. The Commission directed that this proceeding be used as a repository for receiving information and comments from interested stakeholders and suggested the possible establishment of a workshop to gather additional ideas and input.

To facilitate these discussions, Laclede Gas Company (Laclede) representatives hosted four workshops across Missouri to discuss preventing third-party damages to natural gas facilities and responding to natural gas incidents. Among the attendees to these workshops were natural gas operators and emergency responders. Additionally, Laclede implemented several measures to improve responses to natural gas emergencies, including holding 70 training sessions for fire and police departments for responding to natural gas emergencies.



The Safety Engineering Unit Staff filed a report summarizing the programs and presenting its recommendations on August 15, 2016. Laclede filed its response on August 31, 2016 which included additional recommendations. The Commission closed the case on November 22, 2016. Since that time, the Safety Engineering Unit Staff has continued to discuss progress on recommendations with Laclede. One outcome has been that the Missouri Association of Natural Gas Operators (MANGO) is now sponsoring on-line first responder training for natural gas emergencies at no cost to first responders. Information on this online training course through RTUE LLC is available at: <https://mango.rtueonline.com/>.

Working Case Regarding a Review of the Commission’s Rules Regarding Natural Gas Safety (File No. GW-2017-0347)

The Commission opened a working docket on June 28, 2017 to assist its Staff in its review of the Commission’s rules regarding natural gas safety. Staff is seeking input from interested stakeholders on how to best conform the Commission’s rules to recent changes in federal natural gas safety rules, and how to otherwise clarify, correct, and improve the Commission’s natural gas safety rules. This file will serve as a repository for documents and comments.

Rules Regarding Small Water and Sewer Companies (File No. WW-2017-0283)

In April 2017, the Commission opened a working docket to review the small company rate request rule.

This rule allows for a simpler process for utilities with fewer than 8,000 customers to file for rate increases. The current rule took effect in 2008. The proposed rule is designed to take knowledge learned over the past nine years of rate requests for small utilities and refine the process so that it is more efficient and provides better value to the ratepayer and the utility.

A rulemaking docket (File No. AX-2018-0050) was opened on August 16, 2017, to begin the formal rulemaking process. The working docket remains open to review other water and sewer rules.

OTHER ISSUES

A General Review of the Commission's Rules (File No. AW-2017-0336)

The Commission opened this case to review its regulations in compliance with Executive Order 17-03. Throughout the review process, the Commission sought comments from parties who regularly appear before the Commission and the general public about the Commission's existing regulations and suggestions on how those regulations could be improved to simplify them and make them more effective, while removing any unnecessary regulatory burdens. To support this effort, the Commission developed a website, made social media and press release announcements, held a workshop and two public hearings, and attended a State Fair open house.

House Bill 1 – 1st Special Session 2017 (Sections 393.355 and 393.356 RSMo)

House Bill 1, which is now Sections 393.355 and 393.356 RSMo, grants the Commission authority to approve a special electric rate for qualifying facilities – aluminum smelters, steel mills, and some large consumers with new or incremental increases in energy demand – outside of a general rate case. According to the newly implemented statutes, the special rate does not have to be based on the electric utility's cost to serve the qualifying facility. The statutes further detail what party may apply for a special rate, what findings the Commission must make to approve a special rate, and how the special rate would be accounted for in future ratemakings.

ELECTRIC Rate Cases Decided

KCP&L-Greater Missouri Operations Company (Case No. ER-2016-0156)

On February 23, 2016, KCP&L-Greater Missouri Operations Company (GMO) filed an electric rate case with the Commission seeking to increase annual electric operating revenues by approximately \$59.3 million.

According to the GMO's filing, increases in net fuel expenses, other operation and maintenance costs, transmission fees charged by regional transmission organizations, property taxes, and reduced electricity usage per customer were among the factors creating the need for increased customer rates.

On September 28, 2016, the Commission approved an agreement reached by parties in the case which authorized GMO to increase annual electric operating revenues by approximately \$3 million.

As part of the rate request, GMO sought to combine the two rate jurisdictions in the company's area (MPS-Missouri Public Service and L&P-St. Joseph Light & Power). The agreement accepts the consolidation of the MPS and L&P rate districts into a common GMO-wide rate structure.

Under the agreement the Fuel Adjustment Clause (FAC) will be continued with GMO adjusting customer bills twice a year to reflect any increases or decreases in fuel and purchased power costs.



The Empire District Electric Company (Case No. ER-2016-0023)

On October 16, 2015, The Empire District Electric Company (Empire) filed an electric rate case with the Commission seeking to increase annual electric revenues by approximately \$33.4 million.

According to Empire's filing, the most significant factor driving the rate increase request were costs associated with the conversion of the Riverton Unit 12 natural gas combustion turbine to combined cycle operations. Additional factors included increased transmission expense, administrative and maintenance expenses and costs incurred as a result of a mandated solar rebate program.

On August 10, 2016, the Commission approved an agreement reached by parties in the case that granted an increase of approximately \$20.4 million.

As part of its decision, the Commission authorized Empire to implement an experimental residential low-income pilot program that provides a 100% discount on the customer charge (\$13.00 a month) for certain eligible low-income customers, based on Low Income Home Energy Assistance Program (LIHEAP) eligibility.

Under the agreement, Empire will continue its FAC, which will allow Empire to adjust customer bills twice a year to reflect increases or decreases in the cost of fuel used to generate electricity.

Union Electric Company d/b/a Ameren Missouri (Case No. ER-2016-0179)

On July 1, 2016, Union Electric Company d/b/a Ameren Missouri filed an electric rate case with the Commission seeking to increase annual electric revenues by approximately \$206.4 million. According to Ameren Missouri, the main drivers for the requested rate increase included new capital investment of Ameren Missouri's system covering significant generation, transmission and distribution projects, higher transmission operator charges, reduced revenues from Ameren Missouri's largest customer and reduced revenues due to reduced demand on Ameren Missouri's system.

On March 8, 2017, the Commission approved a unanimous agreement filed by parties in the case which authorized Ameren Missouri to increase annual electric revenues by approximately \$92 million.

Under the agreement approved by the Commission, the budget for a program (called Keeping Current)



designed to provide bill payment assistance to eligible low-income customers will increase by approximately \$250,000 above its 2016 budget of approximately \$1 million. The agreement also called for continuation of a low-income weatherization program. Under the agreement, the FAC will be continued with Ameren Missouri adjusting customer bills quarterly to reflect any increases or decreases in fuel and purchased power costs.

Kansas City Power & Light Company (Case No. ER-2016-0285)

On July 1, 2016, Kansas City Power & Light Company (KCP&L) filed an electric rate case with the Commission seeking to increase annual electric revenues by approximately \$90.1 million. According to KCP&L, key components of the rate request were to recover money spent upgrading the company's infrastructure, adding regional transmission lines, and complying with environmental and cybersecurity mandates.

On May 9, 2017, the Commission granted KCP&L a rate increase of approximately \$32.5 million. KCP&L will continue its Economic Relief Pilot Program, a low-income residential customer assistance program. In addition, the FAC will be continued with KCP&L adjusting customer bills twice a year to reflect any increases or decreases in fuel and purchased power costs.

In this case, KCP&L sought recovery of costs related to its Clean Charge Network, a network of electric vehicle (EV) charging stations in the Kansas City region owned and operated by KCP&L. The

Commission determined it lacked statutory authority to regulate EV charging stations because they are not used for furnishing electricity for light, heat or power. The Commission also determined KCP&L may include in rate base any equipment, such as distribution lines, transformers and meters necessary to provide electric service to an owner of an EV charging station, whether or not that owner is affiliated with KCP&L.

Other Electric Cases:

Ameren Missouri—Solar Partnership Pilot Program (Case No. EA-2016-0208)

In December 2016, the Commission approved an Ameren Missouri application which grants the state's largest electric provider a certificate of convenience and necessity (CCN) to construct, install, own, operate, maintain and otherwise control and manage various small solar generation facilities at different locations within Ameren Missouri's service territory. This is part of a pilot program.

In the Solar Partnership Pilot Program, Ameren Missouri would own, operate and maintain photovoltaic solar equipment on a customer's premises under a long-term lease agreement. Ameren Missouri would retain and own all electricity and associated renewable benefits from the facility. Effectively, each solar installation would constitute a small Ameren Missouri generating unit interconnected to Ameren Missouri's electric distribution system.

The pilot program involves distributed generation, which is electricity generated by one of a variety of small, grid-connected devices, which can be located throughout the company's service territory at the distribution level as opposed to the transmission level.

All Ameren Missouri non-residential electric customers in good standing may participate in the pilot program if they have the legal authority to enter into a contractual agreement assigning rights to the company necessary to allow production of electricity on the customer's premises using photovoltaic solar equipment as a renewable resource.

Ameren Missouri anticipates installing three to five facilities through the pilot program, each in the range of between 100 kilowatts to 2 megawatts.

Ameren Missouri Electric Vehicle Tariff (Case No. ET-2016-0246)

On August 15, 2016, Ameren Missouri filed an application for the approval of a tariff authorizing a pilot

program for EV charging stations. Ameren Missouri's tariff was developed to specifically address a pilot program for EV owners to fill up/charge their vehicles using a network of six charging stations in Ameren Missouri's service area along I-70 and Highway 54 in Jefferson City, Missouri. Ameren Missouri's proposed tariff would not be applicable to private charging stations in homes and businesses.

Evidentiary hearings were held on January 12, 2017 and January 31, 2017. On April 19, 2017, the Commission issued its *Report and Order*, which denied Ameren Missouri's application for approval of a tariff authorizing a pilot program to install and operate electric vehicle charging stations. The Commission found that EV charging stations are not "electric plant" as defined in statute because they are not used for furnishing electricity for light, heat, or power.¹ In addition, the Commission directed Ameren Missouri to submit an amended tariff to revise the existing prohibition on the resale of electricity to clarify that EV charging stations are not reselling electricity.

Ameren Missouri filed the required substitute tariff sheet with an effective date of June 17, 2017.

Ameren Transmission Company of Illinois (Case No. EA-2015-0146)

On May 29, 2015, Ameren Transmission Company of Illinois (ATXI) submitted a conditional application for a CCN authorizing it to construct, install, operate, control, manage and maintain a new 345,000 volt (345-kV) electric transmission line running generally from Palmyra, Missouri and extending westward to a new substation located near Kirksville, Missouri, and a new 345-kV transmission line extending from the new substation north to the Iowa border, and a 2.2 mile 161,000 volt (161-kV) connector line from the new substation to an interconnection with the existing Adair substation owned by Ameren Missouri (Mark Twain project); or alternatively, for an order declining jurisdiction on the grounds that the Commission does not have jurisdiction over ATXI because ATXI is not a "public utility" under Missouri law.

Local public hearings were held in October 2015, and an evidentiary hearing was held in December 2015. On April 27, 2016, the Commission granted ATXI's application for a CCN to construct the Mark Twain project, subject to several conditions including ATXI providing certified copies of county assents from the Missouri counties of Marion, Shelby, Knox, Adair and Schuyler. Requests for rehearing, reconsideration and clarification were filed in May and June 2016.

¹ (Page 10, *Report and Order*)

The Commission's order was appealed in July 2016. On March 28, 2017, the Western District Court of Appeals issued an opinion which determined that the Commission lacked authority to grant a CCN without evidence that ATXI had received the county assents, even if the Commission made the CCN conditional on ATXI obtaining the assents in the future. The Western District Court of Appeals vacated the Commission's Report and Order issuing a CCN to ATXI.

Grain Belt Express Clean Line LLC (Case No. EA-2016-0358)

On August 30, 2016, Grain Belt Express Clean Line LLC (Grain Belt) filed an application for a CCN authorizing it to construct, own, operate, control, manage, and maintain electric transmission facilities within the Missouri counties of Buchanan, Clinton, Caldwell, Carroll, Chariton, Randolph, Monroe and Ralls, as well as an associated converter station in Ralls County. An evidentiary hearing was held on March 24, 2017.

On March 28, 2017, the Missouri Court of Appeals-Western District filed an opinion in the *Matter of Ameren Transmission Co. of Illinois* (ATXI) (See ATXI discussion above). In light of the ATXI opinion, the Commission determined supplemental briefing and oral argument was appropriate to discuss the effect of the ATXI opinion on the Grain Belt case. An oral argument was held on August 3, 2017.

The Commission, in its Report and Order issued on August 16, 2017, denied Grain Belt's request for a CCN because Grain Belt "failed to meet, by a preponderance of the evidence, its burden of proof to demonstrate that it has obtained all county assents" necessary for a CCN as required by the ATXI opinion. Commissioners Hall, Kenney, Rupp and Coleman issued an opinion concurring with the Report and Order and stating, "However, had it not been for the *Matter of Ameren Transmission Co.* opinion, we would have granted the [Grain Belt] application, as the evidence showed that the [Grain Belt] project is 'necessary or convenient for the public service'".

Great Plains Energy, Inc.'s Acquisition of Westar Energy, Inc. (Case No. EM-2016-0324)

On June 1, 2016, the Public Service Commission Staff (Staff) filed a motion for an investigation of the announced acquisition of Westar Energy, Inc. (Westar) by Great Plains Energy, Inc. (GPE) to determine whether the proposed transaction was likely to be detrimental to the public interest and the interests of Missouri ratepayers and grant such other and

further relief as the Commission deemed just in the circumstances. GPE is the holding company wholly owning two Missouri electric utilities, KCP&L and GMO.

On July 25, 2016, Staff filed its Investigation Report. The Commission closed this investigatory docket on August 3, 2016.

(Case No. EE-2017-0113)

About the time Staff filed its investigation report in Case No. EM-2016-0324, it entered into discussions with GPE. A Non-Unanimous Stipulation and Agreement between Staff, GPE and its operating subsidiaries, KCP&L and GMO, which included several conditions with respect to the Westar transaction (Staff Stipulation), was filed on October 12, 2016. The Office of the Public Counsel (OPC) also reached an agreement with GPE and its operating subsidiaries that incorporated the Staff Stipulation and added additional conditions (OPC Stipulation). The Midwest Energy Consumers Group (MECG) objected to both stipulations. On March 1, 2017, this case was consolidated with Case No. EM-2017-0226.

(Case Nos. EC-2017-0106 and EC-2017-0107)

On October 11, 2016, MECG filed complaints concerning GPE's and Westar's alleged ongoing violation of the Commission's *Order Approving Stipulation and Agreement and Closing Case* in Case No. EM-2001-464. In that case, the Commission authorized the corporate restructuring of KCP&L and the creation of the GPE holding company conditioned upon certain commitments made by GPE, including agreeing to seek Commission approval of any acquisition of a public utility or an affiliate having controlling interest in a public utility.



On October 12, 2016, the Commission ordered Staff to file a recommendation in each of the cases. Staff recommended the Commission take up and approve the Staff Stipulation and the OPC Stipulation in order to preserve the negotiated conditions and concessions contained in those agreements. Staff further recommended that if the Commission, after hearing, determined GPE violated Section 393.190.2 RSMo and/or the Case No. EM-2001-464 stipulation and agreement, that there be no penalties.

The Commission held an oral argument on jurisdiction on December 21, 2016, and on February 22, 2017, issued a Report and Order finding that GPE was in violation of the Commission's July 31, 2001, *Order Approving Stipulation and Agreement and Closing File* in Case No. EM-2001-464. The Commission directed GPE to file an application for Commission approval of the GPE/Westar Agreement and Plan of Merger and a determination of whether the Westar transaction is detrimental to the public interest no later than March 4, 2017.

(Case No. EM-2017-0226)

On February 23, 2017, GPE filed an application for approval of the Westar transaction, a motion to consolidate proceedings and a motion for expedited treatment. A hearing was held on April 5-7, 2017. On April 19, 2017, the Kansas Corporation Commission (KCC) issued an order denying approval of GPE's acquisition of Westar. In light of the KCC order, on April 20, 2017, GPE filed a motion to suspend the briefing schedule in the instant case. The Commission approved that motion. On July 10, 2017, GPE announced that a revised merger agreement had been reached with Westar, and on July 14, 2017, GPE filed a motion to dismiss the pending application.

(Case No. EM-2018-0012)

On August 31, 2017, GPE, KCP&L, GMO and Westar filed a new application for approval of merger, a request for variance from certain Commission rules and a motion for expedited treatment. A procedural conference is scheduled for October 2, 2017.

RESIDENTIAL

| State Name | Avg. Revenue (cents/kWh) | State Rank |
|---------------------|--------------------------|------------|
| Louisiana | 9.11 | 1 |
| Washington | 9.38 | 2 |
| Arkansas | 9.90 | 3 |
| Oklahoma | 10.07 | 5 |
| Kentucky | 10.29 | 7 |
| Tennessee | 10.33 | 8 |
| Nebraska | 10.87 | 11 |
| Missouri | 10.89 | 12 |
| Indiana | 11.39 | 20 |
| Illinois | 12.23 | 29 |
| Iowa | 12.25 | 30 |
| U.S. Average | 12.55 | |
| Kansas | 12.95 | 35 |
| Alaska | 20.61 | 51 |
| Hawaii | 27.46 | 52 |

COMMERCIAL

| State Name | Avg. Revenue (cents/kWh) | State Rank |
|---------------------|--------------------------|------------|
| Oklahoma | 7.47 | 1 |
| Texas | 7.71 | 2 |
| Idaho | 7.80 | 3 |
| Arkansas | 8.13 | 6 |
| Illinois | 8.75 | 10 |
| Nebraska | 8.88 | 13 |
| Missouri | 9.07 | 14 |
| Iowa | 9.35 | 19 |
| Kentucky | 9.37 | 20 |
| Indiana | 9.75 | 26 |
| Tennessee | 10.03 | 30 |
| Kansas | 10.24 | 34 |
| U.S. Average | 10.37 | |
| Alaska | 18.19 | 51 |
| Hawaii | 24.64 | 52 |

INDUSTRIAL

| State Name | Avg. Revenue (cents/kWh) | State Rank |
|---------------------|--------------------------|------------|
| Washington | 4.53 | 1 |
| Oklahoma | 4.85 | 2 |
| Montana | 4.97 | 3 |
| Kentucky | 5.49 | 6 |
| Tennessee | 5.82 | 9 |
| Arkansas | 5.93 | 12 |
| Iowa | 6.14 | 17 |
| Illinois | 6.37 | 21 |
| U.S. Average | 6.75 | |
| Missouri | 6.81 | 26 |
| Indiana | 7.02 | 29 |
| Kansas | 7.40 | 33 |
| Nebraska | 7.64 | 35 |
| Alaska | 15.56 | 51 |
| Hawaii | 20.70 | 52 |

Source Reference: U.S. Energy Information Administration's Electric Monthly February 2017 with data through December 2016. Table 5.6b.

FUEL AND PURCHASE POWER PRUDENCE REVIEWS

All four investor-owned electric utilities - Ameren Missouri, Empire, KCP&L, and GMO - have Commission-approved FACs through which the electric utility recovers from or refunds to customers 95 percent of fuel and purchased power costs, net of off-system sales revenues, which have been under-collected or over-collected relative to a base amount set in the utility's last general rate case.

In fiscal year 2017, Staff completed prudence reviews of fuel and purchased power related costs included in the FACs of Ameren Missouri (Case No. EO-2016-0228) and Empire (Case No. EO-2017-0065). Staff investigated each utility to determine whether the conduct of the utility's decision-makers was reasonable at the time, under all the circumstances, considering the utility had to make decisions prospectively rather than relying on hindsight. As a result of these reviews, Staff found no imprudence by the decision-makers of Ameren Missouri or Empire.

Electric Utility Resource Planning Filings

The fundamental objective of the Chapter 22 Electric Utility Resource Planning process is to provide the public with energy services that are safe, reliable, and efficient, at just and reasonable rates, in compliance with all legal mandates, and in a manner that serves the public interest and is consistent with state energy and environmental policies.

The fundamental objective also requires that the utility consider and analyze demand-side resources, renewable energy, and supply-side resources on an equivalent basis, subject to compliance with all legal mandates that may affect the selection of utility electric energy resources. Further, Chapter 22 requires that electric utilities normally file on April 1 of each year either a triennial compliance filing or an annual update filing to comply with 4 CSR 240-22.080(1) or 4 CSR 240-22.080(3), respectively.

No Chapter 22 triennial compliance filings were made in fiscal year 2017. The following Chapter 22 annual update filings were made in fiscal year 2017:

- Empire on March 10, 2017 (Case No. EO-2017-0233);
- KCP&L on June 1, 2017 (Case No. EO-2017-0229); and
- GMO on June 1, 2017 (Case No. EO-2017-0230).

Missouri Energy Efficiency Investment Act

The Missouri Energy Efficiency Investment Act (MEEIA), 393.1075 RSMo, Supp. 2016, was passed by the Missouri legislature and signed by Governor Nixon in August 2009. The purpose of MEEIA is to encourage investor-owned electric utilities to develop and implement demand-side management (DSM) programs, which are commonly called energy efficiency programs or demand response programs.

Rules to implement MEEIA became effective May 30, 2011. The rules provide procedures for filing and processing applications for approval, modification and discontinuance of electric utility demand-side programs and for the establishment and operation of demand-side program investment mechanisms (DSIM), and also allow for periodic adjustments in customer rates between general rate cases related to the recovery of 1) DSM program costs, 2) lost fixed operating costs due to the programs, and 3) an earnings opportunity based on after-the-fact verified energy and demand savings.

On December 12, 2014, in Case No. EO-2015-0055, Ameren Missouri requested approval of demand-side programs, a technical resource manual (TRM) and a DSIM for its MEEIA Cycle 2. A non-unanimous stipulation and agreement was filed on February 5, 2016 and approved by the Commission on February 10, 2016. Implementation of Ameren Missouri's MEEIA Cycle 2 DSM programs began on March 1, 2016. The programs will end February 28, 2019.

The Cycle 2 DSIM will allow for recovery of actual demand-side program costs and recovery of lost fixed operating costs and an earnings opportunity based on after-the-fact verified energy and demand savings for Cycle 2. The Cycle 2 DSIM also allows for recovery of outstanding over- or under-recovered balances and an earned performance incentive award as a result of Ameren Missouri's MEEIA Cycle 1 DSIM, in Case No. EO-2012-0142. Programs started on January 2, 2013 and ended December 31, 2015.

On August 28, 2015, in Case No. EO-2015-0240, KCP&L requested approval of demand-side programs, a TRM and a DSIM for its MEEIA Cycle 2. A non-unanimous stipulation and agreement was filed on November 23, 2015 and approved by the Commission on March 2, 2016, following an evidentiary hearing concerning some of the terms in the stipulation and agreement.

KCP&L's MEEIA Cycle 2 DSM program implementation began on April 1, 2016, and will end March 31, 2019. The Cycle 2 DSIM will allow for recovery of actual demand-side program costs and

recovery of lost fixed operating costs and an earnings opportunity based on after-the-fact verified energy and demand savings for Cycle 2.

The Cycle 2 DSIM also allows recovery of outstanding over- or under-recovered balances and an earned performance incentive award as a result of KCP&L's MEEIA Cycle 1 DSIM, in Case No. EO-2014-0095. Programs started on July 6, 2014 and ended December 31, 2015.

On August 28, 2015, in Case No. EO-2015-0241, GMO requested approval of demand-side programs, a TRM and a DSIM for its MEEIA Cycle 2. A non-unanimous stipulation and agreement was filed on November 23, 2015 and approved by the Commission on March 2, 2016, following an evidentiary hearing concerning some of the terms in the stipulation and agreement. GMO's MEEIA Cycle 2 DSM program implementation began on April 1, 2016, and all programs will end March 31, 2019.

The Cycle 2 DSIM will allow for recovery of actual demand-side program costs and recovery of lost fixed operating costs and an earnings opportunity based on after-the-fact verified energy and demand savings for Cycle 2. The Cycle 2 DSIM also allows recovery of outstanding over- or under-recovered balances and an earned performance incentive award as a result of GMO's MEEIA Cycle 1 DSIM, in Case No. EO-2012-0009. Programs started on January 26, 2013 and ended December 31, 2015.

Commission rules require that a prudence review of the costs subject to each approved DSIM shall be conducted by the Commission Staff no less frequently than at 24-month intervals. All amounts ordered refunded by the Commission shall include interest at the electric utility's short-term borrowing rate.

In fiscal year 2017, Staff completed its second prudence review of costs for the DSIMs of 1) Ameren Missouri (File No. EO-2017-0023), 2) KCP&L (File No. EO-2017-0209), and 3) GMO (File No. EO-2017-0210). Staff investigated the utility to determine whether the conduct of the utility's decision-makers was reasonable at the time, under all the circumstances, considering the utility had to make decisions prospectively rather than relying on hindsight.

As a result of its fiscal year 2017 DSIM prudence reviews Staff found: 1) no imprudence on the part of GMO; 2) Ameren Missouri imprudently included certain non-MEEIA costs in its DSIM; and 3) KCP&L incorrectly calculated its Cycle 1 performance incentive amount. Subsequently, the Commission ordered that \$60,000 plus interest and \$4,723 plus interest be returned to Ameren Missouri customers and to KCP&L customers,

respectively, in each utility's next DSIM Rider rate adjustment filing.

NATURAL GAS

Laclede Gas Company and Missouri Gas Energy Name Change (Case No. GN-2018-0032)

On July 28, 2017, Laclede Gas Company (Laclede) and Laclede Gas Company d/b/a Missouri Gas Energy (MGE) filed a notice with the Commission of their intent to change their name to Spire Missouri Inc. d/b/a Spire.

Staff responded on August 16, indicating the companies had complied with all statutory and regulatory requirements for changing their names.

The Commission issued an order on August 30, 2017, recognizing the name change.

NATURAL GAS RATE CASES

Laclede Gas Company & Laclede Gas Company d/b/a Missouri Gas Energy (Case No. GR-2017-0215 & Case No. GR-2017-0216)

On April 11, 2017, Laclede and MGE each filed a rate case with the Commission seeking to increase non-gas annual operating revenues for their gas service areas.

Laclede's proposed rate increase would produce approximately \$58.1 million in additional non-gas annual operating revenues and MGE's approximately \$50.4 million non-gas annual operating revenues. Both proposals include the Infrastructure System Replacement Surcharge (ISRS) already being collected.



According to their filings, the rate increase request for Laclede and MGE is needed to cover increased cost related to certain operating expenses and non-ISRS related investments.

Due to the interrelated nature of the cases and companies, the Commission has set a joint formal evidentiary hearing schedule that is set to begin on December 4, 2017.

NATURAL GAS PIPELINE SAFETY PROGRAM

The Commission has safety jurisdiction over intrastate natural gas pipeline operators in Missouri which includes five intrastate transmission-only pipelines, five investor-owned natural gas distribution utilities (all of which operate intrastate transmission pipelines and all of which have multiple operating districts/inspection units), 41 municipally-owned natural gas distribution systems (one of which also has an intrastate transmission pipeline), one gas distribution system owned and operated by a private company on a U.S. Department of Defense facility at Fort Leonard Wood, and three pipeline systems that supply landfill gas directly to customers and operators of master meter systems.

In 2016, Missouri intrastate natural gas pipeline operators were divided into 107 “inspection units” for purposes of the Natural Gas Pipeline Safety Program’s comprehensive inspections, which included over 27,000 miles of natural gas distribution mains, approximately 1,000 miles of intrastate natural gas transmission pipelines and over 1.5 million service lines.

PSC Safety Engineering Unit Staff are in the field throughout the year inspecting and evaluating these pipeline systems. During the 2016 calendar year, Safety Engineering Unit Staff conducted over 100 individual inspections, including comprehensive records and field compliance follow-up, construction, design, operator qualification, operating and maintenance procedures, integrity management, public awareness effectiveness and incident investigations.

The Commission’s natural gas pipeline safety program is carried out under a cooperative agreement with the U.S. Department of Transportation – Pipeline and Hazardous Materials Safety Administration (PHMSA). As a part of this program, the Commission has adopted the applicable federal pipeline safety regulations, including 49 CFR Parts 191, 192, and 199 that make up the minimum federal safety standards applicable to natural gas pipelines. The most recent changes to the Commission’s natural gas pipeline

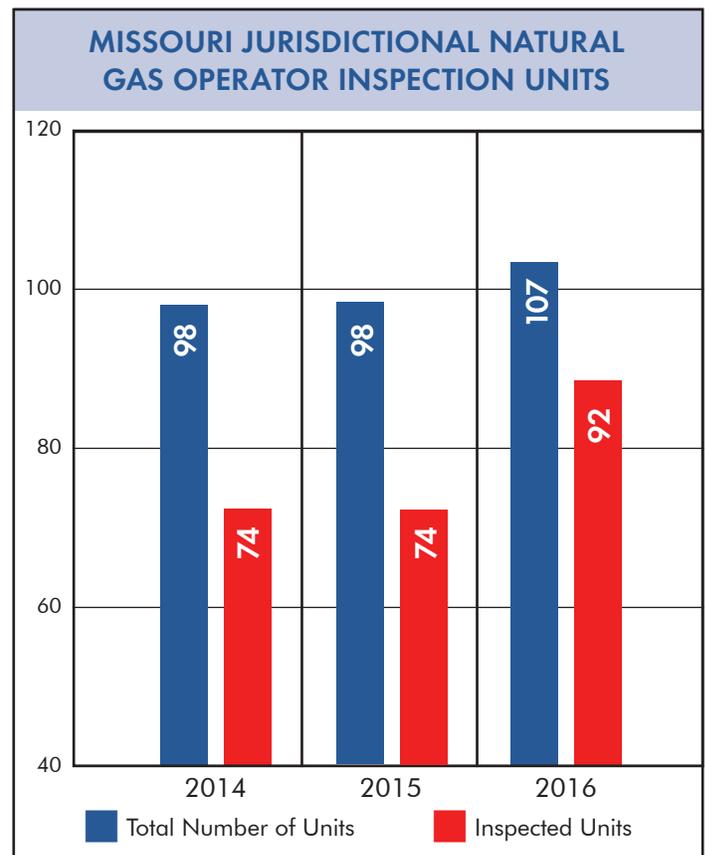
safety regulations adopting amendments to applicable federal regulations became effective June 30, 2017.

The Commission continues to take a proactive approach in Missouri to improve the safety and integrity of each pipeline system. This approach includes: conducting on-site inspections including tracking and evaluating various vintage pipeline replacement programs; leak survey inspections; evaluation of leak and damage responses; response to public reported gas leaks/odors; leak investigations and classifications; corrosion control of metallic pipelines; pipeline integrity management; operator procedures and qualifications; public awareness programs and effectiveness; and incident investigations.

PROCUREMENT ANALYSIS

NATURAL GAS ACA ACTIVITIES

There are five natural gas local distribution companies (LDC) serving Missouri – Ameren Missouri, Liberty Utilities, The Empire District Gas Company, Laclede (Missouri Gas Energy and Laclede are operating divisions of Laclede Gas Company), and Summit Natural Gas of Missouri.



The Procurement Analysis Unit conducts an annual Actual Cost Adjustment (ACA) review for each natural gas local distribution company after the LDCs close out their records following the end of each ACA period. A primary purpose of the ACA process is to reconcile the company's actual gas costs with what it charged customers (its billed revenues).

In its purchased gas adjustment (PGA) filings, the company estimates its gas costs for the upcoming year. In the ACA, the estimate is reconciled with the actual prudently incurred cost of gas. In this function, the Procurement Analysis Staff reviews the LDC's true-up of gas costs for the period under review. A comparison of billed revenue recovery with actual gas costs will normally yield either an over-recovery or under-recovery of the ACA balances.

Another purpose of the ACA process is to examine the prudence of the LDC's gas purchasing and operating decisions. For its analysis, Staff reviews the estimated peak day requirements and the capacity levels to meet those requirements; peak day reserve margin and the rationale for this reserve margin; natural gas supply plans for various weather conditions; and hedging for the ACA period.

Staff will consider the financial impact on customers of the LDC's use of its gas supply, transportation, and storage contracts in light of the conditions and information available when the operational decisions were made.

The Procurement Analysis Unit, in conjunction with other Staff, held discussions with the LDCs regarding their hedging activities for the 2016/2017 winter to inquire as to whether the LDCs were taking actions to mitigate the effects of potential winter price spikes on their price of gas.

OTHER PROCEEDINGS

Although focused largely on natural gas ACA activities, the Procurement Analysis Unit, because of its knowledge of natural gas issues, assisted in the review of LDC complaint cases, merger cases, proposed tariff changes, and natural gas rate cases. The Procurement Analysis Unit also assisted in the review of affiliated transactions that impacted the recovery of gas costs.

The Procurement Analysis Unit also participates in the rate design review of ISRS filings.

FEDERAL NATURAL GAS AND ELECTRIC CASES

The Commission actively participates in proceedings at the Federal Energy Regulatory Commission (FERC) because FERC regulates interstate natural gas and electric companies and its decisions directly affect Missouri natural gas and electric customers.

The Commission filed its notice of intervention (NOI) in 34 cases at FERC during the fiscal year ending June 30, 2017. An NOI allows the Commission to participate in a case before FERC as a party to the case. As a party to a FERC case, the Commission has access to all confidential documents provided to parties throughout the case and may participate in settlement negotiations to resolve any issues brought by the parties to the case. In FERC cases where the Commission has specific concerns, either comments or a protest may be filed. The Commission filed either comments or protests in three of the cases to which it was a party in fiscal year 2017.

The Commission continued to negotiate settlements in cases from prior fiscal years. The Commission also monitors a variety of FERC cases filed from other regions of the country, where it does not file an NOI, when issues that may have a future impact on Missouri are raised.

FEDERAL NATURAL GAS CASE PARTICIPATION

FERC regulates interstate natural gas pipeline companies and those regulatory decisions directly



affect Missouri natural gas consumers. The Commission actively participates at FERC in company specific and generic proceedings, focusing on those pipelines having the greatest impact on Missouri consumers and/or those where representation of Missouri interests is otherwise limited or absent. The Commission strives to ensure that Missouri consumers receive reliable natural gas transportation service at reasonable rates.



Missouri's LDCs, including both natural gas utilities and electric utilities that generate energy with natural gas-powered combustion turbines, must rely on FERC regulated interstate pipelines for storage and delivery of natural gas supplies. Currently 11 interstate pipelines physically located within the boundaries of the state are able to serve Missouri utility companies, with an additional 4-6 upstream pipelines providing transportation and, in some cases, natural gas storage service.

Three pipelines deliver the majority of the state's natural gas to Missouri LDCs: Panhandle Eastern Pipe Line Company, LP (Panhandle), Southern Star Central Gas Pipeline Inc. (Southern Star), and Enable Mississippi River Transmission Corporation, LLC (MRT). Southern Star has several pipelines that serve the Kansas City, St. Joseph, Springfield and Joplin areas as well as a small lateral terminating in St. Louis. Panhandle serves Kansas City, central Missouri and St. Louis. MRT serves St. Louis and portions of southeast Missouri. In addition, Natural Gas Pipeline Company of America (NGPL), Ozark Gas Transmission, LLC and Texas Eastern Transmission serve southeastern Missouri; Tallgrass Interstate Gas Transmission, LLC and KPC Pipeline, LLC serve the Kansas City area; ANR Pipeline Company serves northern Missouri and MoGas Pipeline serves from St. Louis to Rolla. Rockies Express Pipeline, LLC also crosses the state of Missouri.

ANR Pipeline Company FERC Docket No. RP16-440

ANR filed a general rate case at FERC on January 29, 2016 asking for a rate increase to cover a cost of service (\$925 million) approximately 60% over its cost of service in its last rate case (Docket No. RP94-43) filed over 20 years ago. ANR's system consists of approximately 9,400 miles of pipeline and nearly 216 billion cubic feet (Bcf) of storage.

ANR has two mainlines, the Southwest Mainline extending from Texas through northwestern Missouri to

Wisconsin and the Southeast Mainline beginning in Louisiana and ending in Michigan. ANR serves a portion of Empire District Gas Company's system including Mound City, Rock Port and Maryville, Summit Natural Gas of Missouri and several municipal natural gas systems in northwestern Missouri.

The settlement of the rate case provided a refund of over-collections from customers of Post-Employment/Post-

Retirement Benefits other than Pensions established through the settlement of the last rate case. This refund was 50% of the regulatory liability balance of \$78.8 million. ANR is also required to expend \$837 million over a 3-year period ending December 31, 2018 for projects to increase reliability and modernization of its pipeline.

ANR is required to file a general rate case with rates to be effective no later than August 1, 2022 unless an over-earnings complaint sets rates effective prior to August 1, 2022. In addition to other conditions established in the settlement, rates were set considerably lower than initially proposed by ANR. The Commission participated in the settlement negotiations on behalf of Missouri customers. FERC approved the settlement agreement on December 26, 2016.

Natural Gas Pipeline Company of America (NGPL) FERC Docket No. RP17-303/RP17-913

FERC initiated an over-earnings proceeding against NGPL in January 2017. NGPL serves Ameren Missouri, Laclede, Liberty Utilities and several municipal natural gas systems in southeastern Missouri. The Commission and numerous customers of NGPL intervened in the case and participated in settlement discussions beginning in May. A cost and revenue study completed by NGPL at FERC's direction indicated that the pipeline needed a sizable rate increase to cover its revenue requirements.

Through multiple settlement conferences, parties, FERC Staff and NGPL were able to reach a settlement of the over-earnings case in late July. Firm transportation customers of NGPL will receive a 4.5% reduction in existing rates beginning no later than November 2017 with the rate reduction increasing to 6.5% in November 2018. In addition, NGPL agreed to expend \$400 million for pipeline integrity-related activities between 2017 and 2021. A number of additional concessions benefiting NGPL customers were also included in the settlement agreement. It is anticipated that FERC will approve the settlement offer.

Spire STL Pipeline FERC Docket No. CP17-40

Spire STL Pipeline filed an application for CCNs on January 26, 2017 to construct, own and operate a new interstate natural gas pipeline to serve the St. Louis, Missouri area. Spire Missouri, Inc., formerly Laclede Gas Company and Missouri Gas Company d/b/a Missouri Gas Energy, has entered into a precedent agreement with Spire STL Pipeline, its affiliate, for firm transportation capacity to deliver natural gas to its LDC customers.

The Commission filed a conditional protest in the case requesting FERC to thoroughly examine all of the circumstances and impacts of the proposed pipeline as it determines whether Spire STL Pipeline has shown that construction of the pipeline is in the public interest, and not inadvertently expand the decision into traditionally state jurisdictional decision-making authority. Comments and protests from other parties were also filed in the case raising additional issues.

The majority of the pipeline will be constructed in Illinois connecting to the Rockies Express Pipeline providing the St. Louis area with access to shale gas from the eastern United States. Since the filing of the Spire STL Pipeline application, the course of the pipeline has been modified. An environmental study is currently underway to analyze the impact of the pipeline construction. FERC has not yet approved the application.

FEDERAL ELECTRIC FORMULA RATE CASE PARTICIPATION

The Commission actively participates in FERC cases filed by the two regional transmission operators (RTOs) active in Missouri on behalf of their transmission-owning members, as well as cases independently filed by such transmission-owning members. The RTOs active in Missouri are the Midcontinent Independent System Operator (MISO) and the Southwest Power Pool (SPP). Examples of RTO transmission-owning members include, but are not necessarily limited to, regulated electric utilities, municipal utilities, electric cooperatives and public power districts.

MISO CASE COMMISSION PARTICIPATION

MISO Transmission Customers v. MISO Transmission Owners FERC Docket No. EL14-12

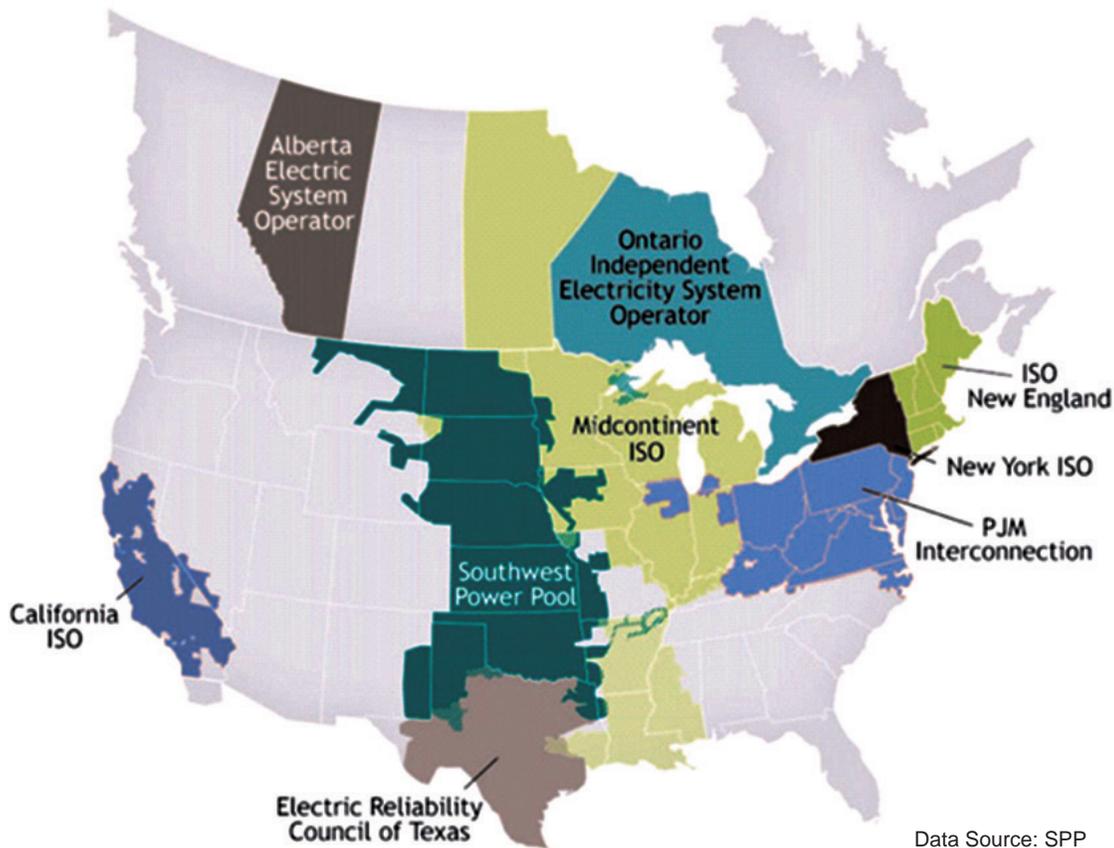
Several organizations of large industrial electric energy consumers in Illinois, Indiana, Michigan, Minnesota and Wisconsin filed an overearnings complaint case against MISO transmission owners in November 2013. The complainants challenged the just and reasonableness of the 12.38% base return on equity (ROE) being collected by MISO transmission owners through transmission formula rates. The Commission intervened in this case and also supported the collective efforts by the state commissions within the MISO service territory. The Commission contributed to the comments filed by the Organization of MISO States (OMS) and the litigation strategy leading up to the August 2015 hearing. The initial decision issued on December 22, 2015 in this case lowered the base ROE to 10.32% and ordered refunds for the difference collected plus interest. The refund period covered revenues collected from November 12, 2013 through February 11, 2015. FERC issued a decision in this case on September 28, 2016 supporting the initial decision. Refunds were issued to MISO members in February 2017, including Ameren Missouri. However, a rehearing request in this case is still pending at FERC.

MISO Transmission Customers v. MISO Transmission Owners FERC Docket No. EL15-45

This case was filed to provide for refunds beginning February 12, 2015 through May 11, 2016 because FERC electric complaint cases only provide for refunds covering a 15 month period. The arguments in this case expanded those filed in Docket No. EL14-12 and extended out in time the Discounted Cash Flow analysis period used in determining the base ROE.

The Commission partnered with the Mississippi Public Service Commission, Missouri Joint Municipal Electric Utility Commission and Resale Power Group of Iowa to sponsor rebuttal testimony challenging the current 12.38% base ROE received by shareholder-owned MISO members with transmission formula rates. MISO transmission owners earn a rate of return on rate base that is included in the revenue requirement setting the transmission formula rate. The initial decision issued on June 30, 2016 reduced the base ROE to 9.7%. Refunds with interest were also ordered in this case.

The Commission is awaiting the FERC's final decision in this case which could accept or reject the 9.7% base ROE. A reduction in base ROE would reduce transmission costs to members of MISO. Ameren Missouri is a member of MISO and recovers these transmission formula rate costs from its retail customers. The reduction in base ROE may lead to millions of dollars in savings annually.



MISO Transmission Owners appealed the June 18, 2015 and July 21, 2016 Orders in this case to the U.S. District of Columbia Circuit Court of Appeals. It is unknown at this time how this appeal will affect the outcome of Docket No. EL15-45. A companion case (Docket No. EL16-99) was also appealed. The companion case asked if non-public MISO transmission owners should also be required to provide refunds related to transmission formula rate reduction in ROE.

Commission Participation in SPP Transmission Formula Rate Cases

The Commission filed several NOIs and commented or protested in a number of transmission formula rate cases filed by SPP transmission owners or SPP on behalf of its member transmission owners which were mostly located in Iowa and the Dakotas. Transmission formula rates set the price paid by SPP members using the transmission facilities of the RTO. These rates are adjusted annually based on data provided in the transmission company's annual FERC Form 1 filing to FERC.

The cases in which the Commission filed comments and/or a protest included newly formed transmission

companies seeking to participate in SPP transmission projects or cooperative and municipal transmission owners joining SPP as a result of the Western Area Power Administration's (WAPA's) membership. These cooperatives and municipals receive electricity from WAPA and in many cases share transmission facilities.

The Commission's comments and protests in the SPP transmission formula rate cases generally challenged the transmission owner's proposed base ROE. The ROE is used to calculate an investment return on the transmission owner's rate base, including plant. Proposed ROE's have ranged from 10% to nearly 15%. FERC has specific precedent in determining an appropriate base ROE leading to just and reasonable rates. The financial turmoil in the U.S. that began in 2008 has led to challenges to FERC's methodology in determining a base ROE. This issue has been hotly contested at FERC over the past several years with cases pending before the U.S. District of Columbia Circuit Court of Appeals and FERC.

In some cases, the Commission challenged the proposed transmission formula rate protocols. Protocols document the transmission owner's filing requirements for providing interested parties access to

information about the transmission formula rate cost of service through informal discovery and an informal and formal challenge process. The protocols also provide for a public meeting annually to discuss the FERC Form 1 inputs to a transmission owner's transmission formula rate. The Commission has been successful in having consistent protocols adopted by SPP transmission owners in the cases where it has negotiated settlements. The Commission also worked with FERC Staff in drafting and amending many of the protocols.

Many of the SPP transmission formula rate cases to which the Commission has been a party during this fiscal year have had settlement agreements filed and accepted by FERC:

ER15-1775 Basin Electric Power Cooperative: Settled

ER15-1777 Heartland Consumers Power District: Settled

ER15-1976 East River Electric Power Cooperative: Settled

ER15-2028 Corn Belt Power Cooperative: Offer of Settlement filed, "Grandfathered" Transmission Agreement (GFA) issue remains

ER15-2069 and ER15-2075 NorthWestern Corporation: Settled

ER15-2115 Northwest Iowa Power Cooperative: Offer of settlement filed, GFA issue remains

ER15-2237 Kanstar Transmission: Settled. Petition for review filed by Kansas Corporation Commission to D.C. Circuit (16-1164)

ER15-2324 MRES Members: Settled

ER15-2594 South Central MCN: Settled

ER16-209 Central Power Electric Cooperative: Settled

ER17-253 Omaha Public Power District: Case Withdrawn

Two of the above cases have led to comments and protests by parties after the settlement agreements were filed. Corn Belt Power Cooperative (Corn Belt) and Northwest Iowa Power Cooperative (NIPCO) have a similar remaining issue that may require a FERC decision regarding the rate treatment of loads served under GFAs. These GFAs were entered into by Corn Belt and NIPCO prior to membership in SPP. The Commission has taken no position on this issue in these cases.



OTHER COMMISSION FEDERAL CASE PARTICIPATION

Great Plains Energy Inc. and Westar Energy, Inc.
FERC Docket No. EC16-146

GPE and Westar filed at FERC for approval of the proposed disposition of jurisdictional assets and merger on July 11, 2016. The Commission filed a conditional protest asserting that the absence of a determination of Commission authority to review the merger under its state jurisdiction created a regulatory gap where Missouri retail ratepayers would lack protections from the impact of the merger.

Specific regulatory commitments were extended by GPE and Westar to the KCC jurisdictional retail ratepayers through the filing of a merger application in Kansas. The FERC merger application did not provide similar regulatory commitments to the Commission to hold harmless Missouri retail ratepayers. GPE and Westar stated in the merger application that regulatory commitments to Missouri ratepayers of GPE's affiliates, KCP&L and GMO, would likely occur in the next rate cases filed under the Commission's jurisdiction.

The KCC denied the Kansas jurisdictional GPE and Westar merger application on April 19, 2017. The denial of the GPE and Westar merger application before the KCC led to the withdrawal of the merger application at FERC on July 20, 2017. As of September 1, 2017, it has been refiled at FERC in Docket No. EC 17-171. The Commission has intervened in that case.

REGIONAL ELECTRIC TRANSMISSION ACTIVITY

The Commission routinely engages in a wide range of activities affecting Missouri electric utilities related to regional electric transmission grid management and other activities of the RTOs operating in Missouri. Additionally, the Commission regularly participates in meetings of MISO and SPP.

RTOs are organizations mandated by FERC to operate the interstate Electric Transmission Grid (the Grid), plan upgrades and expansions of the Grid, manage wholesale bulk electric markets through which utilities buy and sell electricity to one another and to ensure reliable supplies of electric power. The Commission participates in RTO activities to ensure Missouri electric ratepayers and customers receive reliably safe services at reasonable rates.

SPP's service territory covers about 546,000 square miles and all or parts of 12 states stretching from Montana, North Dakota and Minnesota to Texas and Louisiana. SPP manages about 65,750 miles of transmission line and currently manages about 89,950 megawatts of generation.

MISO's service territory covers about 900,000 square miles and all or parts of 15 states stretching from Montana and Michigan in the north to Texas, Louisiana and Mississippi in the south, and Manitoba, Canada. MISO manages 65,800 miles of transmission line and about 191,000 megawatts of generation.

Some rural areas of Missouri, Oklahoma and Iowa are served by 51 local electrical distribution cooperatives that provide electricity to about 875,000 customers. These local cooperatives receive electric generation and transmission services from Associated Electric Cooperatives, Inc. (AECI), a generation and transmission cooperative that also buys and sells electricity to SPP and MISO. While AECI is not an RTO, it performs services similar to an RTO by jointly and individually planning electric transmission grid management with SPP and MISO. AECI is headquartered in Springfield, Missouri.

SOUTHWEST POWER POOL

There are three Missouri jurisdictional electric utilities that are members of SPP: KCP&L, GMO and Empire. City Utilities of Springfield and many smaller Missouri municipal utilities and cooperatives are also members of or participate in SPP and its bulk wholesale energy markets.

SPP Regional State Committee (RSC)

Commissioner Stephen Stoll became the president of the SPP RSC on January 1, 2017. Commissioner Stoll provides guidance to and sets the agenda of

the RSC as it provides state-regulatory commission guidance to the SPP board of directors. The SPP delegated to the RSC authority to set resource adequacy and transmission cost recovery policy oversight, and authorizes the RSC to compel SPP to submit filings before FERC when it deems it necessary. The Staff assists the Commission in its oversight of and participation in SPP working groups and transmission planning activities.

Regional Cost Allocation Review (RCAR)

On July 8, 2016, SPP's Regional Cost Allocation Review Task Force (RCAR Task Force) under Commissioner Stoll's chairmanship, completed a 24-month SPP region-wide cost allocation review. The RTOs jointly plan large transmission projects and assign the costs and benefits of those projects to member utilities. Each RTO utility-member jointly pays their portion of those costs and receives benefits pursuant to FERC approved tariffs. In 2010, FERC approved an SPP tariff that requires SPP to periodically review the fairness of SPP's Highway/By-way transmission cost allocation method and make recommendations to the SPP board of directors to remedy any inequities found in the review.

In the instant review, the RCAR Task Force did not find an unfair under-allocation of transmission benefits or over-allocation of shared transmission costs compelling remediation. The RCAR Task Force did identify the City of Springfield, Missouri as warranting additional analysis due to Springfield's monetized benefits being less than 80% of its costs. This helped lead to the Brookline and Morgan projects discussed later in this report. The RCAR Task Force is currently determining its next steps and preparing recommendations for the next RCAR.

Regional State Committee's Cost Allocation Review Working Group (CAWG)

The CAWG is a multi-state-employee working group that reviews, monitors and performs analysis of any and all SPP proposals and practices, and reports and makes recommendations to the RSC and its president. The CAWG also monitors and participates in other SPP stakeholder working groups to ensure adequate state oversight. Currently, the CAWG chair coordinates its activities with the SPP staff and the RSC sets the CAWG agenda. Currently the CAWG is chaired by Missouri staff, as the CAWG chair comes from the same state as the RSC president.

Staff working with the CAWG directed and just concluded a 2-year review of the SPP "Safe Harbor" transmission cost sharing protocol and found that the

protocol continues to provide benefits at least equal to its cost. The “Safe Harbor” protocol impacts how the costs of transmission projects are allocated across the SPP footprint.

Staff working with the CAWG also monitor SPP’s capacity, that is its ability to generate specific amounts of electricity at any given time, and the reserve criteria working group referred to as the Supply Adequacy Working Group (SAWG). The function of the SAWG is to ensure sufficient generation is online at all times thus ensuring sufficient electrical energy is available on demand to meet all foreseeable requirements while reducing wholesale energy costs when possible.

SPP recently reformed reserve requirements criteria to be based on electric load and subsequently found it could reduce the number of megawatts of generating capacity required to be held in reserve for system reliability from about 13% to 12% which is valued at about \$1.3 billion and would otherwise have to be recovered from ratepayers.

CAWG members also participate on SPP stakeholder working groups that review transmission planning processes, transmission project construction engineering and cost reviews, and electric energy market rule reviews.

MIDCONTINENT INDEPENDENT TRANSMISSION SYSTEM OPERATOR (MISO) PARTICIPATION

Entergy’s Participation in MISO

It is uncertain whether the Entergy system will continue to participate or withdraw from MISO as Entergy approaches the end of its five-year transition period, due to expire in December 2018. This decision will further add to the impacts of Entergy’s integration into MISO that continued to be felt in fiscal year 2017. MISO expanded to include the Entergy system in December 2013, including facilities in Arkansas, Louisiana, Mississippi and Texas. As set out in more detail below, review and assessment of the impact of Entergy’s integration into MISO continues to be an issue for Missouri, especially as the deadline when Entergy may withdraw from MISO without paying an exit fee approaches.

The Entergy system footprint, commonly referred to as “MISO South”, is electrically connected to the original MISO footprint by a single transmission line in the Missouri Bootheel. The energy flows between MISO north and south exceeded the capacity of the single line between the two regions causing significant energy flows over SPP-Missouri utilities’ facilities and those of AECL. In response to these flows a number of

complaint cases were initiated by SPP before FERC. The Commission has and continues to actively monitor this situation.

Both GMO and Empire have an ownership interest in power plants outside of their franchised territory and use Entergy/MISO controlled transmission facilities to serve their customers in Missouri. The charge to use these Entergy/MISO facilities to move electricity from these power plants to Missouri, called the “Regional Through And Out Rate”, increased significantly when Entergy joined MISO. GMO, Empire and the Commission have made filings to FERC, in FERC Docket Nos. EL13-948 and EL14-19, arguing that this increase in costs improperly burdens Missouri ratepayers who receive no additional benefit for the increase in transmission costs.

SPP and MISO initially settled this long-running transmission dispute in 2015 in FERC Docket No. EL11-34 by agreeing to a compensation package for MISO’s use of SPP’s transmission system (the Settlement). The Settlement was filed in a series of FERC Dockets, including one related to an unexecuted service agreement filed by SPP (FERC Docket No. ER14-1174) and a subsequent MISO counter complaint (FERC Docket ER14-30). Subsequently, the Settlement led to two litigated companion FERC cases, one between MISO’s stakeholders, (FERC Docket No. ER14-1736) and the other between SPP’s stakeholders (ER16-791), on how to recover costs MISO would owe to SPP and how SPP would distribute that revenue to its members.

The decision in MISO’s stakeholder’s case allocated financial responsibility to MISO’s stakeholders for MISO-originated electrical flows transiting SPP’s system to serve MISO load. The MISO decision further ensured that GMO and Empire will be excluded from certain cost allocations. The decision in SPP’s stakeholder’s case distributed MISO’s payments to SPP among SPP’s stakeholders. The compensation paid by MISO to SPP includes charges levied against Ameren Missouri customers. When paid to SPP, part of those charges will flow back to Missouri customers receiving service from KCP&L, GMO and Empire.

MISO Competitive Capacity Construct

On November 1, 2016, MISO filed proposed tariff changes with FERC seeking to add a “Competitive Retail Solution” to its existing “Planning Resource Auction”, which involved a three-year forward looking auction process to address competitive retail requirements in Illinois and Michigan (FERC Docket ER17-284).

FERC rejected the filing on February 2, 2017, on the grounds that MISO was seeking to create

a bifurcated marketplace that would be unjust and unfair. MISO currently uses an annual Planning Resource Auction to set rates to be paid for generating capacity and to ensure there will be enough electrical generation to serve the entire MISO region throughout the upcoming MISO planning year. If MISO had been allowed to utilize the three-year forward looking process it requested, it could have limited Missouri's access to Missouri owned generation located in Illinois.

Even before FERC rejected MISO's requested tariff changes, Commissioners and Staff worked with MISO to ensure that any Missouri controlled generation located in the areas covered by the proposed MISO changes would continue to be available to Missouri utilities to meet their electricity needs. MISO has indicated in stakeholder meetings in FY 2017 it is not planning to make any filing at FERC seeking further changes in its "Planning Resource Auction" that could impact Missouri's access to generation located in Illinois in the foreseeable future.

To protect Missouri's interests, Staff continued its participation in multiple MISO stakeholder committees, including the Planning Advisory Committee (PAC) and Regional Expansion Criteria Benefits (RECB) Work Group meetings. The PAC deals with transmission project planning for the MISO footprint. The RECB both develops criteria for planning which transmission projects should be constructed in the MISO footprint and determines how the cost of those transmission projects will be shared across the MISO footprint. During fiscal year 2017, Staff helped refine the scenario analysis used to determine which transmission projects should be built and evaluated and whether additional transmission project benefit metrics were needed.

Additionally, Staff participated in the Resource Adequacy Subcommittee, formerly the MISO Supply Adequacy Working Group. The Resource Adequacy Subcommittee covers issues involving Resource Adequacy, including MISO's annual "Planning Resource Auction." Staff continues to make sure Missouri's interests are represented in these discussions by participating in the draft of "hot topic" responses of the Organization of MISO States (OMS).

OMS Leadership Participation

Chairman Daniel Hall currently serves on the OMS Board of Directors. In calendar year 2017, Chair Hall is serving as the Executive Committee "At Large" position within the OMS Executive Committee. This "At Large" position in part involves Chair Hall serving on the MISO Advisory Committee, which is the MISO committee that directly advises the MISO Board of Directors. In the "At Large" position, Chair Hall also serves as the OMS representative on the Planning Advisory Committee.

Chair Hall also serves as the OMS Commissioner Liaison on the issue of Distributed Energy Resources. In this position, Chair Hall and Staff lead the OMS effort to study and plan for the possible fiscal and system reliability impacts of items such as residential solar cells, energy efficiency programs, demand response programs, and "behind the meter" generation.

InterRTO PARTICIPATION

Continuing Joint Operating Agreement Discussions

MISO and SPP are continuing the process of renegotiating their Joint Operating Agreement which governs their *inter*-RTO electrical exchanges. Because the border between MISO and SPP runs through Missouri, the outcome of these negotiations will affect the amount Missouri utilities pay for energy transactions between the two RTOs and the price Missouri utilities would receive when they sell energy through the RTOs. With the launch of the SPP-MISO "Market to Market" initiative in March 2015, which remained in effect through the current fiscal year, there is a continued need to determine how energy prices are set at the SPP-MISO border, including many spots within Missouri. Staff has been actively involved in this process as well as other seams issues between MISO and SPP.

Seams Planning Portion

SPP and AECI recently agreed to coordinate upgrades and enhancements of their electrical transmission systems in the Springfield area that will enhance City Utilities of Springfield's ability to serve its customers reliably at reasonable rates. SPP has filed at FERC (Docket Nos. ER17-2256 and ER17-2257) to share the costs of (1) installing a 345- Kilovolt transformer at AECI's Morgan substation, northwest of Springfield and (2) upgrade the capacity of the transmission line from Morgan to AECI's Brookline substation. FERC filings in FY 2018 will determine how the costs of these projects will be divided between SPP and AECI.

It is difficult to get two or more transmission planning regions, such as SPP and AECI, to find transmission projects outside of their respective regional transmission planning processes. Commissioners and Staff have worked for multiple years to support such interregional planning efforts. Missouri is at the edge of three separate transmission planning regions: SPP, MISO, and AECI. Supporting these interregional planning efforts brings added value to Missouri utilities and ratepayers.

SPP and MISO also performed an interregional planning study during FY 2017. This SPP-MISO study in part looked at the same Springfield, Missouri area concerns as did the SPP-AECI study. The SPP-MISO study did not find any interregional projects that met the criteria of the study. Commissioners and Staff will continue to work with SPP and MISO on their interregional planning efforts.

MISO AND SPP COMMISSION PRESENTATIONS

Pursuant to Commission requests, both MISO and SPP representatives made presentations and provided updates at the Commission's November 2, 2016 and August 20, 2017 Agenda sessions. These meetings allowed Commissioners to get a better understanding of how decisions made by MISO and SPP impact Missouri utilities and ratepayers. These meetings also allowed Commissioners to ask MISO and SPP representatives questions about how Missouri data was reported.

WATER AND SEWER DEPARTMENT

The main functions of the Water and Sewer Department (W/S Department) are to conduct inspections of utility operations, assist customers, investigate customer complaints, work on tariff filings, review small and large company rate requests, and review applications for certificates of convenience and necessity to ensure that water and sewer utilities are providing safe and adequate service to their customers.

Another major role fulfilled by the W/S Department is investigating customer complaints regarding quality of service issues. W/S Department personnel spend many hours in the field investigating complaints and working with the customer and the company to find solutions to customer concerns.

There are approximately 65 regulated water and/or sewer companies in Missouri. Most of these companies are considered small or very small based upon those definitions as provided by the National Regulatory Research Institute (NRRI). Typically, these systems have less than 500 customers. One of the major challenges is providing the utility with revenue to make needed repairs and Missouri Department of Natural Resources (DNR) mandated upgrades while at the same time keeping rates reasonable for consumers.

In fulfilling its duties, the W/S Department also works very closely with DNR whose responsibilities include ensuring that utilities are complying with the

applicable federal and state environmental and water quality laws and regulations.

MISSOURI-AMERICAN WATER COMPANY CASE (Case No. WR-2017-0285)

At the end of FY 2017, Missouri-American Water Company (MAWC) filed a rate case with the Commission.

In this case, MAWC is requesting the use of a future test year. Typically, Missouri utility companies use an historic test year, meaning the audit looked at a prior 12-month period's data. In this case, MAWC is proposing to look forward by using an historic year's expenses and then estimating what the expenses will be in the future.

Another issue in this request is whether customer usage is declining. MAWC is also requesting a Revenue Stabilization Mechanism (RSM). This regulatory mechanism would allow MAWC to add a surcharge to customer bills if revenue was less than what was authorized by the Commission.

SMALL RATE CASES

During FY 2017, eight small water and/or sewer companies filed for rate requests. A small water or sewer utility is a utility that serves fewer than 8,000 customers. In addition, there were three small utilities that filed for rate cases in FY 2016 and had rates approved by the Commission in FY 2017.

RECEIVERSHIP ACTIONS

In March, 2017, Staff filed a petition (Case No. WO-2017-0236) with the Commission to place the Ridge Creek Water Company and Ridge Creek Development Company under control of a receiver. Staff alleged the owners were unwilling and unable to provide safe and adequate service. The Commission granted Staff's request to appoint an interim receiver. The case is now pending in Cole County Circuit Court for the permanent appointment. It is the receiver's general duty to operate the system in a manner that provides safe and adequate service and to prepare the utility for ultimate



sale to a provider that will take over the operations. Receivers are not owners and do not have the ability or resources to make investments that are usually necessary to solve all issues at these troubled utilities.

INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE

Since the early 2000s, MAWC was allowed to recover the costs of replacing aged water mains in its St. Louis County service area outside of the normal rate case process through an ISRS. The enabling statute limited use of this mechanism to counties with greater than one million residents. In July 2015, OPC appealed MAWC's use of the ISRS by stating St. Louis County's population had fallen below the population threshold during the last census. During the 2017 legislative session, the General Assembly passed, and the Governor signed, legislation that states once a utility meets the population threshold, it always meets the threshold.

LEAD REPORT

In April 2017, the W/S Department finalized a report on lead in Missouri drinking water. The report largely focused on PSC-regulated entities and did not delve into any review of major municipal systems such as St. Louis City or Kansas City.

Generally, the report indicated that the main potential threat for lead to be found in the drinking water system is through contact with lead-based service lines and/or lead-based plumbing fixtures in the home, with the service line being a larger issue. Most homes built after the 1950s did not have lead service lines installed. However, any home built prior to the 1990s may have some lead-based plumbing fixtures. Even though there may be lead-based infrastructure at the home, water supplies are treated such that the water is non-corrosive and any lead cannot leach into the drinking water. At this time, there are no PSC-regulated systems that are not meeting state and federal guidelines for lead contamination.

On May 12, 2017, MAWC filed an application with the Commission seeking an accounting authority order (AAO) for its lead service line replacement program (Case No. WU-2017-0296). According to its application, MAWC has an active main replacement program. In its application, MAWC is requesting to replace lead-based customer-owned service lines when these lines are found during main replacements. A hearing is scheduled for September 27-28, 2017.

NEEDED INVESTMENT

Many of Missouri's small systems are older systems with much needed investment requirements, but the operators do not have the financial means to make improvements to the systems. The W/S Department is constantly engaged with small systems that are regulated by the PSC, and other interested entities, to look for creative solutions so that the utilities can make the appropriate upgrades and continue to provide safe and adequate service at just and reasonable rates.

TELECOMMUNICATIONS Commission Authority/Responsibilities

The Commission's authority over telecommunications has changed over the years, with jurisdiction primarily limited to wholesale matters, telephone numbering and administering telecommunications-related programs and funds. Companies providing various forms of landline telecommunications services and Interconnected Voice over Internet Protocol (IVoIP) service must be certificated or registered with the Commission. Companies offering video service have the option to seek authorization through the Commission rather than through a local municipality.

Universal Service Fund Programs

The Federal Communications Commission (FCC) administers the federal Universal Service Fund (USF). This federal fund is used for a variety of different programs; however, the FCC relies on state commissions to specifically help in the administration of the high-cost program and the Lifeline program. Any landline or wireless company operating in Missouri wanting to receive financial support from the high-cost program or the Lifeline program must first obtain status from the Commission as an eligible telecommunications carrier (ETC). ETC status ensures a company meets certain qualifications and also makes certain commitments for complying with various program requirements. Minimum ETC requirements are identified in FCC rules; however, a state commission may expand upon those requirements. A total of 66 companies have ETC status in Missouri.

High-Cost Support Program: The high-cost program is intended to ensure voice and broadband services are available to consumers throughout the nation at comparable rates. Essentially the high-cost support program provides financial support to companies serving high-cost areas such as rural and sparsely-populated areas. In Missouri, 43 landline companies and three wireless companies received

approximately \$164.8 million in federal high-cost support in 2016.

The FCC relies on state commissions to annually certify companies receiving high-cost support payments. This certification process is intended to ensure a carrier's high-cost support was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance and upgrade of facilities and services for which the support is intended. Failure to obtain this state certification results in termination of a company's high-cost support. The Commission has established rules identifying requirements for obtaining annual certification. In addition, Staff annually conducts on-site visits evaluating a company's facilities and overall operations.

Lifeline Program:

The Lifeline program is designed to provide discounted phone service to qualifying low-income consumers. The program has been in existence since 1985 and is overseen by the FCC in partnership with the states. During the 2017 fiscal year, qualifying criteria for the Lifeline program was revised by the FCC.

Landline and wireless companies participating in the Lifeline program currently receive federal USF funding of \$9.25 per month for each Lifeline subscriber. Missouri provides an additional \$6.50 per month but this amount only applies to landline voice Lifeline service. Federal financial support for the Lifeline program is available for a broadband-only service. At this time, Missouri support for the Lifeline program is limited to voice service or a package of services that includes voice service.

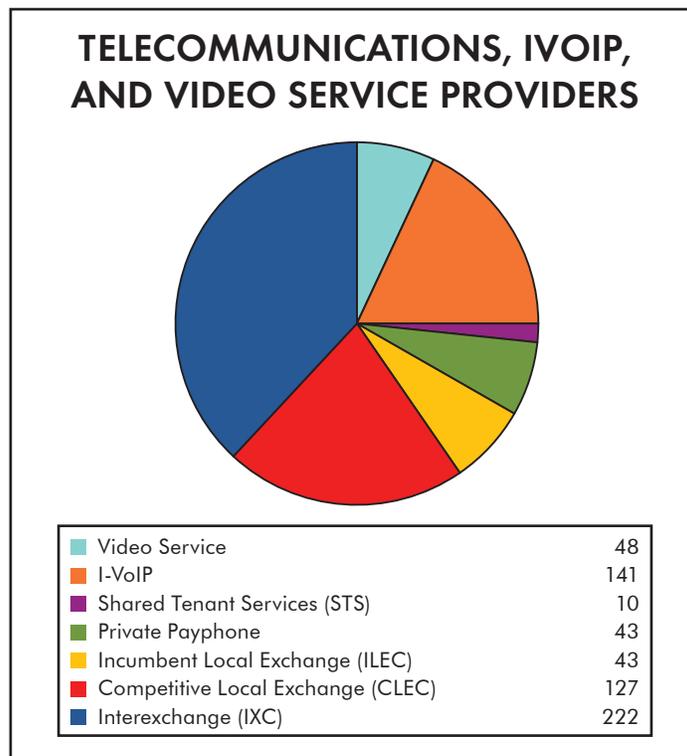
Qualifying criteria for the Lifeline program changed during the past fiscal year. Consumers participating in the following programs are eligible for the Lifeline program: Missouri HealthNet, food stamps, supplemental security income, federal public housing and Veterans and Survivors Pension Benefit program. Consumers with a household annual income at or below 135% of the federal poverty level are eligible for the Lifeline program. Plans are being made to begin

routing all Lifeline enrollments through a national verifier in 2018. During the past fiscal year compliance issues surfaced with one wireless company and the company was subsequently removed from participating in the Lifeline program.

As of June 2017, there were approximately 10.6 million Lifeline subscribers nationwide. Missouri has 137,741 Lifeline subscribers which is a decrease from the prior year of 146,874 Lifeline subscribers.

Disabled Program: The disabled program is similar to the Lifeline program in that it provides discounted phone service to consumers participating in the following programs: veterans' administration disability benefits, state blind pension, state aid to blind persons, state supplemental disability assistance payments, or federal social security disability program.

In contrast to the Lifeline program, the disabled program is solely funded through the Missouri USF. The disabled program is limited to landline providers and offers a \$6.50 a month discount. Approximately 566 subscribers were participating in the program at the end of June 2017 versus 713 subscribers a year earlier.



This past year, AT&T Missouri, Inc. (AT&T) requested to no longer participate in the Lifeline and Disabled programs effective July 5, 2017. In general, FCC regulations allow an incumbent local telephone company such as AT&T to no longer participate in the Lifeline program if other providers offer Lifeline service in the area.

AT&T met the criteria through evidence of wireless providers offering Lifeline service in AT&T's area. In an order issued on January 12, 2017, the Commission approved AT&T's request. No other providers in AT&T's area currently participate in the Disabled program which is a Missouri program. AT&T provided advance notice to affected customers before removing the discount from customer bills.

Funds Administered by the Commission

Missouri Universal Service Fund: The Missouri Universal Service Board, consisting of the Commission and OPC, oversees the Missouri USF pursuant to Section 392.248, RSMo. Commissioner Bill Kenney serves as President of the Universal Service Board. The Missouri USF currently provides funding to landline carriers for the provisioning of discounted voice service to qualifying Lifeline and disabled customers. The Missouri USF is funded through a percentage-based assessment on retail net jurisdictional revenues of landline telecommunications companies and interconnected VoIP providers. This assessment is ultimately paid for by consumers and shows up as the Missouri USF surcharge on monthly bills. Fund administration is handled by a third party selected through a competitive bid process which was conducted during FY 2017.

The Missouri USF fund balance has declined from \$2,642,483 to \$2,254,072 during the July 2016 through June 2017 time period. The Missouri USF assessment was last changed from .0017 to .0010 effective October 1, 2014. During FY 2017, input was solicited on the fund's future operations.

Relay Missouri Fund: The Commission oversees the Relay Missouri Fund (a.k.a. Deaf Relay Service and Equipment Distribution Program Fund) pursuant to Section 209.258, RSMo. This fund provides financial support to ensure deaf, hearing-impaired and speech-impaired consumers have reasonable access to telephone service. More specifically, the Relay Missouri Fund provides financial support for Relay Missouri service, Captioned Telephone service (CapTel) and the Telephone Access Program. During fiscal year 2017, Relay Missouri celebrated its 25th anniversary. The Commission contracts with a party to provide relay and CapTel services. The existing contract expires in 2017 and is currently being rebid. Missouri Assistive Technology administers the Telephone Access Program.

The Relay Missouri Fund is funded by a surcharge applied to landlines with basic local telecommunications service or interconnected VoIP service. The Commission reduced the Relay Missouri surcharge from \$.06 to \$.04 effective April 1, 2017. The Relay Missouri Fund balance was \$4,298,558 as of June 2017. Relay and CapTel usage paid by the fund has declined as users transition to IP-based relay and CapTel services which are supported through a corresponding federal fund.

Pricing Reforms

Pricing flexibility has been available for all companies for several years depending on the type of



service or competitive status; however, effective August 28, 2014, all retail telecommunications rates were de-regulated. Terms, conditions and rates associated with telecommunications services can either be maintained in a tariff filed with the Commission or by maintaining rates on a company's website. Currently 52 companies have withdrawn their tariffs and maintain their rates on their website.

Telephone Numbering

The Commission serves as an impartial telephone numbering administrator in Missouri, working closely with the National Number Pool Administration to implement industry guidelines to include telephone number reclamation procedures, and the issuance of new telephone numbers in quantities sufficient to serve new telephone numbering needs.

The Commission also monitors national activities that impact telephone number administration in Missouri. These activities serve to meet expectations that telephone numbers are utilized efficiently as the Public Switched Telephone Network continues its evolutionary migration to an Internet Protocol-based successor network.

The Commission also serves in a capacity to review, and potentially reverse, decisions by federal authorities which have denied additional telephone numbers to telephone companies when specific utilization guidelines are not met. Often referred to as "safety valve" requests, such authority permits the Commission to examine and verify telephone numbering needs involving individualized company-specific situations. In the 2017 fiscal year, the Commission was asked to examine and make determinations in nine situations.

The Commission continues its efforts to conserve telephone numbers. Those efforts have enabled Missouri to delay the implementation of new area codes in the state. The following table shows Missouri's area code projected exhaust dates as well as the percentage of available telephone numbers currently assigned to carriers:

| AREA CODE | PROJECTED DATE OF TELEPHONE NUMBER EXHAUSTION* | PERCENTAGE OF NUMBERS ASSIGNED TO CARRIERS |
|-----------|--|--|
| 314 | 4th quarter of 2021 | 57% |
| 417 | 1st quarter of 2036 | 37% |
| 573 | 1st quarter of 2025 | 30% |
| 636 | <i>Exhaust date exceeds 30 years</i> | 40% |
| 660 | 4th quarter of 2036 | 27% |
| 816 | 2nd quarter of 2025 | 47% |

*Forecast as approved by the FCC in April 2017. The exhaust dates are reviewed twice a year by numbering authorities.

CONSUMER SERVICES

The Consumer Services Unit (Consumer Services or CSU):

- Responds to information requests, consumer complaints and inquiries regarding utility service. CSU also handles the submission of public comments regarding pending cases related to rate increases, certificate requests, formal complaints and working cases.
- Ensures utility compliance with Commission rules and regulations as well as with the utility's Commission-approved tariffs.
- Works to educate customers, utilities and the public on utility-related consumer service issues, rights and responsibilities, with a focus on promoting understanding to prevent disputes.

Consumer Services has full-time investigators who handle a variety of consumer issues including billing problems, payment arrangements, denial of service issues, disconnection and service connection issues, enforcement of rules and regulations and safety issues. CSU is the link between consumers and the utility company that serves them. Consumer Services handles all contacts in a prompt, fair and practical manner.

All parties are encouraged by Consumer Services to focus on preventing problems before they occur. When consumer issues are found, investigators guide the parties to identify and correct the cause.

The Commission received over 13,000 customer-related contacts in 2017. Contacts include complaints,

inquiries regarding rules and regulations, information requests, non-jurisdictional requests and public comments related to pending utility cases.

CSU, the Outreach and Diversity Officer and Public Information Staff were actively involved in consumer education efforts throughout the state during the 2017 fiscal year.

Consumer Outreach and Education:

The Commission attends a number of outreach events every year with the goal of educating consumers on important utility issues. Communication and collaboration with various organizations in the state is a key part of the Commission's outreach and education mission.

In the fall of 2013, the Commission expanded its outreach and education efforts with the creation of an Outreach and Diversity Officer. During FY 2017, the Commission attended approximately 58 different consumer outreach and education events in the state. Those venues included senior, health, career, back to school and resource fairs, energy forums and local public hearings.

The Commission continues to meet with consumers across the state on topics such as the regulatory process, energy efficiency and consumer rights and responsibilities.

At these outreach and education events, the Commission provides materials on a number of important topics such as: how to be energy efficient, budget billing, a consumer's bill of rights, special protections that are available to consumers during the cold winter and hot summer months, utility payment arrangements and customer notice prior to a discontinuance of service.

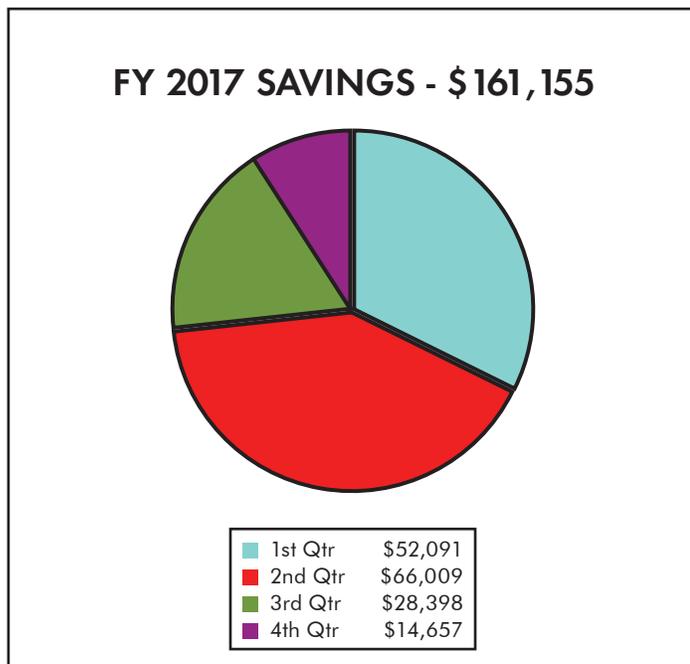
These community events also give the Commission an opportunity

to educate consumers on who we are and what the Public Service Commission does. Some of these events attract thousands of consumers which gives the Commission an opportunity to talk with



consumers in a large group setting on key issues. Other venues give the Commission an opportunity to meet one-on-one with consumers and address their particular questions or issues.

The Commission is committed to increasing its visibility and working with others across the state to help consumers better understand the utility issues of the day.



CONSUMER AND MANAGEMENT ANALYSIS UNIT

Management Analysis Staff

Management Analysts in the Consumer and Management Analysis Unit (CMAU) participated in a variety of cases and audit projects during FY 2017. CMAU Staff performed analysis in conjunction with the review of numerous small water and sewer companies to assist them in finding ways to provide sound customer service as well as efficient and effective business practices.

The small water and sewer audit program is designed to provide recommendations to small companies (defined as having approximately 8,000 or fewer customers), in a variety of areas including: customer billing, payment remittance, credit and collections, complaint handling, business office

operations and record retention. This program is utilized by Management Analysts when a small utility requests a rate increase.

As part of the audit program, Management Analysts produce a report which contains a description of the companies' processes and procedures as well as audit findings and recommendations for improvement. The audit program also includes implementation reviews, along with continued monitoring of the small utilities after completion of the audit reports.

Management Analysts performed service quality analysis during FY 2017 on a number of small water and sewer companies in the context of rate increase requests, acquisitions, new certificate cases, implementation reviews and general consultative activity.

Service quality analyses were performed on the following small companies during FY 2017: Ridge Creek Water Company, LLC, Rex Defender Enterprises Inc., Stockton Hills Water Company, Indian Hills Utility Operating Company, Gladlo Water & Sewer Company, TUK LLC, Raccoon Creek Sewer Company and Terre du Lac Utilities Corporation.

During this time period, CMAU Staff also participated in a variety of other cases including the *Joint Application of The Empire District Electric Company, Liberty Utilities (Central) Co., and Liberty Sub Corp. for Approval of an Agreement and Plan of Merger and For Other Related Relief* (Case No. EM-2016-0213). The Commission issued its September 7, 2016 order with an effective date of October 7, 2016 approving all stipulations and agreements in the case. In the Matter of an Investigation of *Missouri-American Water Company with Regard to Certain Issues Disclosed During the Recent Rate Case* (Case No. WO-2017-0012), CMAU conducted discovery into faulty water meters Staff learned of during the Missouri-American rate case process. Staff's final report was filed on March 31, 2017. Staff completed an informal investigation into a potential data breach at a Laclede Gas Company call center. Laclede Gas Company is owned by the holding company, Spire, Inc.



Staff also participated and performed analysis *In the Matter of Great Plains Energy, Inc.'s Acquisition of Westar Energy, Inc., and Related Matters* (Case EM-2016-0324). CMAU's portion of Staff's report highlighted the potential service quality declines that may result when utilities pay significant sums to acquire other utilities. Staff also performed similar analyses *In the Matter of Spire, Inc.'s Acquisition of EnergySouth, Inc., and Related Matters* (Case No. GM-2016-0342).

CMAU along with the Staff Auditing Department completed a management audit ordered by the Commission of KCP&L (Case No. EO-2016-0124). Staff's report was filed January 17, 2017. CMAU Staff also participated in rate cases filed by KCP&L, GMO and Ameren Missouri (Case Nos. ER-2016-0285, ER-2016-0156 and ER-2016-0179, respectively).

CMAU Staff continues to meet quarterly with KCP&L and GMO to address service quality topics as a result of the Great Plains Energy/Kansas City Power & Light Company/Aquila, Inc. merger (Case No. EM-2007-0374). A variety of service quality topics are continuously reviewed with the companies to monitor utility performance and customer service.

CMAU Staff also participated in the Commission's Telecommunications Department's review of USF certifications for four telecommunication's companies during this time period: Citizens Telephone, Alma Telephone Company, BPS Telephone Company and Windstream Communications. Staff analyzed a variety of processes and practices during each of these reviews, including customer billing and payment remittance, credit and collections, local business office operations and the companies' handling of customer complaints and inquiries. CMAU Staff submitted a number of data requests, performed on-site work and prepared written reports regarding its analysis.

CMAU Staff continues to receive and review quality of service reports from a variety of companies as a result of mergers and rate cases. These reports contain information regarding customer service, including data on staffing levels, call center indicators such as average speed of answer, abandoned call rate, and the number of billing estimates performed. Staff monitors the call center performance of all of the state's large regulated natural gas and electric companies as well as Missouri-American Water Company.

CMAU Staff also continues to meet with MAWC periodically and receive quarterly status reports in the context of *In the Matter of Staff's Investigation into the Adequacy of the Call Centers serving Missouri American Water Company* (Case No. WO-2014-0362).

CMAU Staff specifically reviews and analyzes call center performance trends, and these reviews often

result in additional inquiries and discussion with the utilities regarding performance. Staff also performed analysis on a variety of customer complaints during this period.

MANUFACTURED HOUSING AND MODULAR UNITS PROGRAM

The Manufactured Housing and Modular Units Program (Program) is responsible for overseeing the annual registration of dealers and manufacturers of manufactured homes and modular units, as well as the licensing of installers of new manufactured federal Housing and Urban Development (HUD) homes. Program Staff also prescribes and enforces uniform construction, safety and installation standards by conducting inspections, which include enforcement of tie down and anchoring requirements.

The Commission has a toll-free number, **1-800-819-3180**, for consumers who have questions or complaints regarding manufactured homes or modular units. Staff conducts **free** home inspections for consumers requesting an inspection if the consumer is the first owner of the home and the home is less than two years old. Additional information is available on the Commission website at www.psc.mo.gov/manufacturedhousing.

During the 2017 fiscal year, the Program licensed 122 manufacturers, 207 retail dealers, and 64 installers. Field Staff conducted a total of 33 consumer complaint inspections. The program held several installer training classes throughout the state to keep licensed installers up to date on industry changes, and as a form of continuing education.

On-site inspections can help identify any installation problems and those problems can be repaired before the installation of the home is completed, reducing repair costs and ensuring that the consumer has a properly installed, longer lasting home. In many cases, these on-site inspections are initiated or requested by the home installer, dealer or owner to ensure the site is properly prepared before the home is placed on the site.

Oversight and Regulation

Structures that are not properly installed may result in very expensive repairs which can take weeks to complete. Most of today's homes and commercial units are multi-section structures installed on crawl

spaces or basement foundations or below frost grade footings. Many of these structures have high pitched hinged roofs and require specialized equipment to install.



modular classrooms all across the state to ensure a safe learning environment; inspecting the site, foundation, connection of units, anchoring, access and egress, etc.

Many multi-section units require several weeks to fully complete from site preparation to final close up and interior finish. Program Staff works with local communities around the state to ensure manufactured homes and modular units are built to the applicable building and safety codes and are set up and installed according to applicable state and federal standards.

Manufactured Homes & Modular Unit Sales

Approximately 1,167 new manufactured homes and new modular units were sold in Missouri during the 2017 fiscal year (up 12% from FY 2016). In addition, 1,069 used homes were sold in the state.

Modular and manufactured homes fill a major housing void in many rural areas where site built homes are difficult to construct in a timely manner. Manufactured homes also offer an affordable alternative to site built homes.

Commercial modular units range from small single section units to large 16 to 20 section multi-family structures. Other commercial units include specialized units such as medical facilities, banks and jails. Many of these commercial units can be delivered and be fully operational within a very short period of time. Program Staff works with local building and code officials to ensure these structures meet the applicable commercial building code requirements under the International Building Codes (IBC).

Modular unit classrooms are a major component of affordable classrooms in many school districts throughout the state. Program Staff continues to work with school districts to ensure these units are installed and anchored properly so that schools have safe environments for all school children.

Recent Projects

The use of modular classrooms has become more and more common across the state to accommodate for expanding school districts. Program Staff has inspected

Recently Program Staff created a Modular Classroom Informational Bulletin to assist school districts who have little or no experience with modular classrooms. Program Staff has created informational bulletins that can be referenced by registered retailers, licensed installers, and even Missouri homeowners to confirm their modular or manufactured home is installed correctly.

Program Staff has also been very involved in the completion of a 68 unit modular apartment building project in Kansas City, Missouri. The plans were reviewed to ensure the units met the required building codes. Once approved, Program Staff visited the site periodically to inspect the site preparation, foundation, utility connections, and the connection and anchoring of each unit.

STATISTICS FOR FISCAL YEAR 2017

| | |
|---|-------|
| Registered Manufacturers: | 122 |
| Registered Dealers: | 207 |
| Registered Installers: | 64 |
| Homes Sold (New & Used): | 2,236 |
| Consumer Complaint Inspections: | 33 |
| On-Site Inspections: | 392 |
| Dealer Lot Inspections: | 28 |
| Dealer Lot Investigations: | 16 |
| Modular Unit Seals Issued: | 642 |
| Modular Unit Plans Approved: | 412 |
| Installer Decals Issued: | 1,164 |

RATE CASES DECIDED DURING THE 2017 FISCAL YEAR

ELECTRIC

| Date of Order | Case No. | Company | Rate Request | PSC Decision |
|---------------|--------------|-----------------|------------------|----------------|
| 08/10/16 | ER-2016-0023 | Empire District | \$ 33.4 million | \$20.4 million |
| 09/28/16 | ER-2016-0156 | KCP&L-GMO | \$ 59.3 million | \$ 3 million |
| 03/08/17 | ER-2016-0179 | Ameren Missouri | \$ 206.4 million | \$ 92 million |
| 05/03/17 | ER-2016-0285 | KCP&L | \$ 90.1 million | \$32.5 million |

WATER AND SEWER

| Date of Order | Case No. | Company | Rate Request | PSC Decision |
|---------------|---------------------|--------------------------|--------------|--------------|
| 07/12/16 | WR-2016-0064, et al | Hillcrest Utility | \$ 452,679 | \$ 369,181 |
| 11/02/16 | WR-2016-0267 | RDE Water Company | \$ 60,385 | \$ 20,800 |
| 11/02/16 | SR-2016-0202 | Raccoon Creek | \$ 529,557 | \$ 380,300 |
| 05/03/17 | SR-2017-0130 | Gladlo Water & Sewer Co. | \$ 10,330 | \$ 7,460 |
| 06/28/17 | WR-2017-0042 | Ridge Creek Water Co. | \$ 15,500 | \$ 52,925 |

ELECTRIC STATISTICS

Calendar Year 2016 (Missouri Jurisdictional)

| Company Name | Operating Revenues | MWhs Sold | Residential Customers | Total Customers |
|-------------------------------|------------------------|-------------------|-----------------------|------------------|
| Empire District Electric Co. | \$ 459,892,807 | 4,072,975 | 127,898 | 151,723 |
| Kansas City Power & Light Co. | \$ 905,153,034 | 8,435,168 | 247,181 | 279,786 |
| KCP&L-GMO-L&P | \$ 185,862,365 | 2,042,634 | 57,698 | 65,487 |
| KCP&L-GMO-MPS | \$ 580,210,139 | 5,986,137 | 223,251 | 255,046 |
| Ameren Missouri (1) | <u>\$2,832,241,396</u> | <u>32,872,258</u> | <u>1,048,101</u> | <u>1,208,934</u> |
| Totals: | \$4,963,359,741 | 53,409,172 | 1,704,129 | 1,960,976 |

Source: MoPSC FERC Form 1, 2016 Annual Reports (Missouri Jurisdictional)
 (1) Union Electric Company d/b/a Ameren Missouri

STEAM STATISTICS

Calendar Year 2016 (Missouri Jurisdictional)

| Company Name | Operating Revenues | MMBtus Sold | Residential Customers | Total Customers |
|------------------------------------|----------------------|------------------|-----------------------|-----------------|
| KCP&L-GMO | \$ 15,408,870 | 2,671,112 | 0 | 5 |
| Veolia Energy Kansas City, Inc (1) | <u>\$ 17,923,746</u> | <u>1,685,450</u> | <u>0</u> | <u>50</u> |
| Totals: | \$ 33,332,616 | 4,356,562 | 0 | 55 |

Source: 2016 Annual Report
 (1) Reported in MLB's

NATURAL GAS STATISTICS

Calendar Year 2016 (Missouri Jurisdictional)

| Company Name | Operating Revenues | Mcfs Sold | Residential Customers | Total Customers |
|----------------------------|------------------------|--------------------|-----------------------|------------------|
| Liberty Utilities | \$ 43,120,415 | 6,761,081 | 46,451 | 53,360 |
| Empire District Gas Co. | \$ 36,395,860 | 7,353,186 | 37,539 | 43,007 |
| Laclede Gas Company | \$ 638,979,104 | 82,292,117 | 606,361 | 647,201 |
| Missouri Gas Energy (1) | \$ 423,999,587 | 69,360,709 | 449,833 | 508,063 |
| Summit Natural Gas Co. (2) | \$ 28,650,967 | 2,738,255 | 17,762 | 18,262 |
| Ameren Missouri (3) | <u>\$ 122,011,489</u> | <u>16,740,753</u> | <u>116,075</u> | <u>129,472</u> |
| Totals: | \$1,293,157,422 | 185,246,101 | 1,274,021 | 1,399,365 |

Source: MoPSC FERC Form 2, 2016 Annual Reports (Missouri Jurisdictional)
 (1) A division of Laclede Gas Company
 (2) Formerly Missouri Gas Utility and Southern Missouri Gas Company, L.P. d/b/a Summit Natural Gas Company
 (3) Union Electric Company d/b/a Ameren Missouri

COMBINATION WATER AND SEWER COMPANIES FISCAL YEAR 2017*

| COMPANY NAME | WATER CUSTOMERS | SEWER CUSTOMERS |
|---|-----------------|-----------------|
| Branson Cedars Resort Utility Company LLC | 56 | 55 |
| Calvey Brook | 0 | 0 |
| Cedar Green Land Acquisitions | 54 | 54 |
| Foxfire | 252 | 0 |
| Gladlo Water & Sewer Co. (1) | 70 | 62 |
| Highway H Utilities, Inc. | 316 | 316 |
| Hillcrest Utility Operating Company | 228 | 233 |
| Holtgrewe Farms Water Co., LLC | 21 | 21 |
| Lake Northwoods Utility Co. | 18 | 17 |
| Lake Region Water and Sewer Co. (2) | 683 | 926 |
| Liberty Utilities | 1,987 | 936 |
| Lincoln County Sewer & Water, LLC | 172 | 173 |
| Missouri American Water Co. | 452,380 | 11,790 |
| Missouri Utilities Co. (1) | 151 | 151 |
| Osage Water Co. (1) | 418 | 386 |
| Port Perry Service Co. | 335 | 212 |
| Rogue Creek Utilities (1) | 83 | 80 |
| Roy L Utilities, Inc. | 58 | 56 |
| S K & M Water & Sewer Co. | 288 | 152 |
| Seges Mobile Home Park | 55 | 55 |
| Terre Du Lac Utilities Corp. | 1,291 | 1,269 |
| Valley Woods Utility, LLC | 41 | 33 |
| Willows Utility Co. | 151 | 124 |
| Total Number of Customers | 459,108 | 17,101 |

*Active Companies as of 6/30/17. Customer numbers based on most recent data available.

(1) Operating Under Receivership

(2) Sale / Transfer Pending

STAND ALONE WATER AND SEWER COMPANIES FISCAL YEAR 2017*

| NAME OF WATER COMPANY | CUSTOMERS | NAME OF SEWER COMPANY | CUSTOMERS |
|--|---------------|---|--------------|
| Arglye Estates Water System | 52 | Cannon Home Association | 108 |
| Bilyeu Ridge Water Company, LLC | 55 | Central Rivers Wastewater Utility, Inc. | 295 |
| Empire District Electric Co. | 4,529 | M.P.B. Inc. (1) | 216 |
| Environmental Utilities | 21 | Mid Mo Sanitation | 29 |
| Evergreen Lake Water Co. | 56 | Mill Creek Sewer Co. (1) | 74 |
| Franklin County Water Co. | 190 | North Oak Sewer | 78 |
| Gascony Water Co., Inc. | 174 | P.C.B. Inc. (1) | 303 |
| Indian Hills Utility Operating Company, Inc. | 717 | R.D. Sewer Company, LLC | 170 |
| Lakeland Heights Water Co. | 74 | Raccoon Creek*** | 497 |
| Middlefork Water Co. ** (2) | 2 | Taney County Utilities (2) | 54 |
| Midland Water Co. | 94 | Taneycomo Highlands | 31 |
| Moore Bend Water Utility, LLC | 88 | TBJ Sewer Systems, Inc. | 68 |
| Oakbrier Water Co. | 58 | Timber Creek Sewer Co. | 2,078 |
| Public Funding Corp of Ozark (2) | 219 | TUK LLC | 27 |
| Raytown Water Co. | 6,620 | Warren County Sewer Co. | 35 |
| Rex Defenderfer Enterprises Inc. | 1,138 | | |
| Ridge Creek Water Company, LLC (1) | 136 | Total Number of Customers | 4,063 |
| Riverfork Water Co. | 143 | | |
| Smithview H2O Co. | 104 | | |
| Spokane Highlands Water Co. | 50 | | |
| Stockton Hills Water Co. | 164 | | |
| Taney County Water, LLC | 511 | | |
| Village Greens Water Co. | 79 | | |
| Whispering Hills Water Co. | 53 | | |
| Whiteside Hidden Acres, LLC | 33 | | |
| Total Number of Customers | 15,360 | | |

*Active Companies as of 6/30/17. Customer numbers based on most recent data available.

**Middlefork Water Company provides water to Grant City and Stanberry

***Company formed from acquisition of Village Water & Sewer, West 16th Street, and WPC Sewer Co.

(1) Operating Under Receivership

(2) Sale / Transfer Pending



YEAR-IN-REVIEW

2016

| | | | |
|---------------------|---|--------------------|---|
| JULY 1 | KCP&L files an electric rate case with the Commission seeking to increase annual electric revenues by approximately \$90.1 million. | | |
| JULY 1 | Ameren Missouri files an electric rate case with the Commission seeking to increase annual electric revenues by approximately \$206.4 million. | | |
| AUGUST 10 | Commission approves an agreement which authorizes Empire to increase annual electric revenues by approximately \$20.4 million. When the company filed its rate request on October 16, 2015, it sought to increase annual electric revenues by approximately \$33.4 million. | | |
| SEPTEMBER 7 | Commission approves merger between The Empire District Electric Company, Liberty Utilities (Central) Co. (LU Central) and Liberty Sub Corp. LU Central is a wholly-owned subsidiary of Liberty Utilities Co. and is an indirect subsidiary of Algonquin Power & Utilities Corp. | | |
| SEPTEMBER 14 | Commission approves an agreement in a merger case filed by ITC Midwest LLC and Fortis, Inc. | | |
| SEPTEMBER 28 | Commission approves agreement which authorizes GMO to increase annual electric revenues by approximately \$3 million. When the company filed its rate request on February 23, 2016, it sought to increase | | annual electric revenues by approximately \$59.3 million. |
| | | OCTOBER 5 | Commission approves application which grants Transource Missouri, LLC a certificate of convenience and necessity to own, operate and maintain a switch station in DeKalb County that will connect the Osborn Wind Energy Center with Transource Missouri's Nebraska City-Mullin Creek-Sibley transmission line. |
| | | OCTOBER 19 | Commission approves application authorizing the sale of the sewer system assets of House Springs Sewer Company, Inc. to the Jefferson County Public Sewer District. |
| | | NOVEMBER 1 | Commission's Cold Weather Rule takes effect. |
| | | NOVEMBER 30 | Commission approves a joint application which authorizes MAWC to acquire a substantial portion of the sewer assets of EMC of St. Charles County, LLC (EMC). MAWC was also granted a certificate of convenience and necessity to provide sewer service in the area previously served by EMC. |
| | | DECEMBER 6 | Commission issues report regarding policies to improve electric utility regulation in Missouri. |
| | | DECEMBER 21 | Commission approves Ameren Missouri request to offer a pilot distributed Solar Program. |

2017

| | |
|--------------------|---|
| JANUARY 4 | Commission reduces Relay Missouri surcharge. |
| JANUARY 11 | AT&T Missouri may relinquish its ETC designation and cease providing discounted telephone service under the Lifeline and Disabled Programs effective July 5, 2017. |
| FEBRUARY 22 | Commission orders GPE to file a case requesting Commission approval of its acquisition of Westar. |
| MARCH 8 | Commission approves agreement which authorizes Ameren Missouri to increase annual electric operating revenues by approximately \$92 million. When Ameren Missouri filed its rate request on July 1, 2016, it sought an increase of approximately \$206.4 million. |
| MARCH 20 | Commission supports National "Fix-A-Leak Week". |
| APRIL 3 | Commission observes National Safe Digging Month. |
| APRIL 6 | Commission opens working case to permit Staff to gather information and facilitate discussions regarding emerging issues related to utility regulation. |
| APRIL 11 | Laclede files a natural gas rate case with the Commission seeking to increase annual natural gas revenues by approximately \$58 million, of which approximately \$32.6 million is already being recovered from customers through the ISRS. |
| APRIL 11 | Laclede Gas Company d/b/a Missouri Gas Energy files a natural gas rate case with |

the Commission seeking to increase annual natural gas revenues by approximately \$50.4 million, of which approximately \$16.4 million is already being recovered from customers through the ISRS.

| | |
|-----------------|--|
| APRIL 14 | Commission approves application which authorizes Camden County Public Water Supply District No. 4 to acquire the existing water and sewer assets of Lake Region Water & Sewer Company. |
| APRIL 19 | Commission issues decision stating it lacks statutory authority to regulate electric vehicle charging stations. Ameren Missouri sought to offer a pilot program to install and operate electric vehicle charging stations at locations within Ameren Missouri's service area along the Interstate 70 corridor between St. Louis and Boonville and in Jefferson City. |
| MAY 3 | Commission issues decision in KCP&L electric rate case authorizing an increase in annual electric revenues of approximately \$32.5 million. When KCP&L filed its rate request on July 1, 2016, it sought an increase of approximately \$90.1 million. |
| JUNE 14 | Commission opens working case to conduct a general review of its rules in compliance with Executive Order 17-03. |
| JUNE 30 | Missouri-American Water Company files water and sewer rate cases with the Commission seeking to increase annual operating revenues by approximately \$74.6 million. |



COMMISSIONERS PAST AND PRESENT

| COMMISSIONER | LENGTH OF SERVICE | COMMISSIONER | LENGTH OF SERVICE |
|--------------------|-------------------|--------------------------|---------------------|
| John M. Atkinson | 1913-1916 | D.D. McDonald | 1955-1961 |
| William F. Woerner | 1913-1914 | William Barton | 1956-1965 |
| John Kennish | 1913-1917; 1920 | Frank J. Luen | 1959-1963 |
| Frank A. Wightman | 1913-1915 | Frank W. May | 1961-1967 |
| Howard B. Shaw | 1913-1917 | Donal D. Guffey | 1963-1968 |
| Edwin J. Bean | 1914-1925 | William R. Clark | 1965-1975 |
| Eugene McQuillin | 1915-1917 | Charles J. Fain | 1965-1977 |
| William G. Busby | 1916-1921 | Howard Elliot, Jr. | 1967-1970 |
| David E. Blair | 1917-1920 | Marvin E. Jones | 1967-1973 |
| Noah W. Simpson | 1917-1923 | Willard D. Reine | 1968-1975 |
| Edward Flad | 1917-1921 | James F. Mauze | 1971-1975 |
| John A. Kurtz | 1920-1923 | A. Robert Pierce, Jr. | 1973-1977 |
| Hugh McIndoe | 1921-1923 | James P. Mulvaney | 1975-1977 |
| A.J. O'Reilly | 1921-1925 | Stephen B. Jones | 1975-1979 |
| Richard H. Musser | 1923-1925 | Hugh A. Sprague | 1975-1979 |
| Merrill E. Otis | 1923-1924 | Charles J. Fraas | 1977-1983 |
| Thomas J. Brown | 1923-1928 | Leah Brock McCartney | 1977-1983 |
| D.E. Calfee | 1925-1929 | Alberta Slavin | 1977-1981 |
| Almon Ing | 1925-1933 | Stephanie Bryant | 1979-1981 |
| S.M. Hutchinson | 1925-1931 | Larry W. Dority | 1979-1983 |
| J.H. Porter | 1925-1933 | John C. Shapleigh | 1981-1984 |
| James P. Painter | 1928-1929 | Charlotte Musgrave | 1981-1988 |
| Milton R. Stahl | 1929-1933 | Allan G. Mueller | 1983-1996 |
| J. Fred Hull | 1929-1934 | Connie Hendren | 1983-1989 |
| George H. English | 1931-1936 | James M. Fischer | 1984-1989 |
| J.C. Collet | 1933-1935 | William D. Steinmeier | 1984-1992 |
| William Stoecker | 1933-1936 | David Rauch | 1989-1993 |
| W.M. Anderson | 1933-1938 | Kenneth McClure | 1990-1997 |
| Harry E. McPherson | 1934-1935 | Ruby Letsch-Roderique | 1990-1991 |
| Sam O. Hargus | 1935-1937 | Patricia Perkins | 1991-1995 |
| John S. Boyer | 1935-1941 | Duncan Kincheloe | 1992-1997 |
| Albert D. Nortoni | 1936-1938 | Harold Crumpton | 1993-2000 |
| John A. Ferguson | 1936-1944 | M. Dianne Drainer | 1995-2001 |
| J.D. James | 1937-1942 | Karl Zobrist | 1996-1997 |
| Marion S. Francis | 1938-1941 | Robert Schemenauer | 1998-2001 |
| Scott Wilson | 1938-1941 | Sheila Lumpe | 1997-2003 |
| Paul Van Osdol | 1941-1943 | Connie Murray | 1997-2009 |
| Frederick Stueck | 1941-1943 | Kelvin Simmons | 2000-2003 |
| Kyle Williams | 1941-1952 | Bryan Forbis | 2001-2003 |
| Charles L. Henson | 1942-1959 | Steve Gaw | 2001-2007 |
| Albert Miller | 1943-1944 | Linward "Lin" Appling | 2004-2008 |
| Richard Arens | 1944-1945 | Robert Clayton III | 2003-2011 |
| Agnes Mae Wilson | 1943-1949 | Jeff Davis | 2004-2012 |
| E.L. McClintock | 1945-1967 | Kevin Gunn | 2008-2013 |
| Morris E. Osburn | 1945-1952 | Terry Jarrett | 2007-2013 |
| John P. Randolph | 1949-1951 | Robert S. Kenney | 2009-2015 |
| Henry McKay Cary | 1950-1955 | Stephen M. Stoll | 2012-present |
| Maurice Covert | 1952-1953 | William P. Kenney | 2013-present |
| Tyre W. Burton | 1952-1965 | Daniel Y. Hall | 2013-present |
| Frank Collier | 1953-1954 | Scott T. Rupp | 2014-present |
| M.J. McQueen | 1954-1956 | Maida Coleman | 2015-present |



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 a.m.-12:00 noon and 1:00 p.m.-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
Telephone No.: (573) 751-3234
Fax: (573) 751-1847

St. Louis: Missouri Public Service Commission

Wainwright State Office Building
111 North 7th Street, Suite 105
St. Louis, MO 63101
Telephone No.: (314) 340-4700, Ext. 27
Fax: (314) 340-4758

Kansas City: Missouri Public Service Commission

Fletcher Daniels State Office Building
615 E. 13th Street, Room 201
Kansas City, MO 64106
Telephone No.: (816) 889-3944
Fax: (816) 889-3957

**Toll-free Consumer Hotline for
Complaints/Inquiries: (800) 392-4211**

**Manufactured Housing/Modular Unit
Complaints: (800) 819-3180**

Website address: psc.mo.gov



Missouri Public Service Commission

P.O. Box 360
Jefferson City, Missouri 65102

psc.mo.gov
1-800-392-4211

