SNL Financial

Missouri Public Service Commission

General Information

Contact information	200 Madision Street PO Box 360 Jefferson City, MO 65102-0360 (573) 751-3234 http://www.psc.mo.gov/
No. of Commissioners	5 of 5
Method of Selection	Commissioners: Gubernatorial appointment, Senate confirmation Chairperson: Appointed by and serves at the pleasure of the Governor
Term of Office	Commissioners: 6 years Chairperson: Indefinite
Chairperson	Kevin Gunn
Deputy Chairperson	NA
Governor	Jay Nixon (D) -- elected in January, 2009
Services Regulated	Electric cooperatives, Electric utilities, Gas utilities, Securities companies, Sewer utilities, Steam utilities, Telecommunications utilities, Water utilities
RRA Ranking	Average/2 (1/8/2008)
Commission Budget	$12.4 million
Commissioner Salaries	Commissioners: $105,100 Chairperson: $105,100
Size of Staff	205
Rate Cases	Missouri Public Service Commission's Rate Case History
Research Notes	RRA Articles
RRA Contact	Russell Ernst

Commissioners

Name	Party	Began Serving	Term Ends
Kevin Gunn **Chairman**	D	03/2008	03/2014
Terry Jarrett	R	09/2007	09/2013
Robert Kenney	D	07/2009	04/2015
Stephen Stoll	D	06/2012	12/2017
Bill Kenney	R	01/2013	01/2019

Miscellaneous Issues

Gubernatorial Election--On Nov. 6, 2012, Gov. Nixon (D) defeated Dave Spence (R) in the gubernatorial election for a new term that extends to January 2017.

Commissioner Selection Criteria -- Minority party representation is practiced, but not required.

Commission Membership--On Dec. 14, 2011, Gov. Nixon appointed Stephen Stoll to fill a vacancy on the PSC. On Feb. 2, 2012, Gov. Nixon withdrew the appointment, presumably due to a Feb. 4, 2012 deadline for the Senate to confirm the appointment; however, on June 1, 2012, Gov. Nixon again appointed Mr. Stoll to the PSC and he began serving shortly thereafter. Commissioner Stoll is serving pending Senate consideration of his appointment.

On Jan. 16, 2012, Commissioner Jeff Davis left the PSC, and as a result there is a vacancy on the Commission, for an unexpired term extending to April 2015.

Services Regulated--In addition to regulating electric, gas, steam, intra-state telecommunications, water, and sewer utilities, the PSC has authority over rural electric cooperatives (only with regard to safety), and manufactured housing (with regard to building code compliance).

Staff Contact: Kevin Kelly, Public Information Administrator (573) 751 9300 (Section updated 11/7/12)

RRA Evaluation

Missouri regulation is relatively balanced from an investor perspective. Rate case activity in Missouri continues to be fairly robust; rate decisions issued over the past couple of years have generally been neutral and the authorized equity returns have approximated prevailing industry averages at the time established. Several electric utilities have fuel adjustment clauses in place that allocate a portion of fuel and purchased power-related cost variations to shareholders. Statutes permit the PSC to approve environmental cost recovery mechanisms for the utilities; however, no such mechanisms have been authorized to date. In the gas arena, the state's local gas distribution companies (LDCs) are permitted to adjust rates to reflect changes in gas commodity costs on a timely basis, and the Commission has approved the use of surcharges for recovery of infrastructure improvement costs between base rate cases. The PSC has also authorized the use of sharing mechanisms for capacity release and gas procurement activities for several LDCs. In early-2012, the PSC approved two separate LDC merger proposals without imposing onerous restrictions. There is currently a Commission vacancy that was created by the early-2012 resignation of former PSC Chairman Jeff Davis, a Republican. We continue to accord Missouri regulation an Average/2 rating. (Section updated 9/10/12)

RRA Ranking History

Date of Ranking Change	RRA Ranking
1/8/2008	Average / 2
10/13/1993	Average / 3
1/1/1993	Below Average / 1
1/6/1989	Average / 2
10/5/1987	Average / 3
5/16/1986	Below Average / 1
2/1/1984	Average / 3
7/19/1983	Below Average / 1
7/2/1982	Below Average / 2

RRA maintains three principal rating categories for regulatory climates: Above Average, Average, and Below Average. Within the principal rating categories, the numbers 1, 2, and 3 indicate relative position. The designation 1 indicates a stronger rating; 2, a mid-range rating; and, 3, a weaker rating. The evaluations are assigned from an investor perspective and indicate the relative regulatory risk associated with the ownership of securities issued by the jurisdiction's utilities. The evaluation reflects our assessment of the probable level and quality of the earnings to be realized by the state's utilities as a result of regulatory, legislative, and court actions.

Consumer Interest

Represented by the Office of the Public Counsel, a division of the Department of Economic Development (DED). The Public Counsel is appointed by the Director of the DED for an unspecified term. (Section updated 9/10/12)

Rate Case Timing/Interim Procedures

Utilities seeking to increase rates must file tariffs 30 days prior to the proposed effective date. The proposed tariffs may then be suspended by the PSC for 10 months. If the Commission has not issued a final decision within 11 months of the initial filing, the proposed rates would become effective as filed and would not be subject to refund. The PSC may authorize an interim increase, subject to refund, if a company can demonstrate an emergency, or a near emergency situation. Interim increases have rarely been sought or authorized. (Section updated 9/10/12)

Return on Equity

The most recent electric rate decision that specified a return on equity (ROE) was issued in July 2011, when the PSC authorized Union Electric (UE), d/b/a Ameren Missouri, a 10.2% ROE. The most recent rate decision for KCP&L-Greater Missouri Operations (GMO) was issued in May 2011, when the PSC established a 10% ROE. Kansas City Power & Light (KCP&L) is authorized a 10% ROE, as established in an April 2011 decision. The most recent electric decision for Empire District Electric (Empire) that specified an ROE was issued in 2008, when the PSC established a 10.8% ROE.

The most recent gas rate decision that specified an ROE was issued in 2010, when the PSC authorized a 10% ROE for Southern Union division Missouri Gas Energy (MGE). Laclede Gas' (LCG's) most recent fully-litigated gas case was decided in 1999, at which time a 10.5% ROE was established. For certain other gas utilities, rate decisions from previous years have been silent regarding authorized ROEs for their overall operations. However, in certain circumstances, those utilities have riders in place that reflect PSC-approved equity returns (see the Adjustment Clauses section). Specifically, UE is permitted to utilize a 10% ROE in the context of its infrastructure system replacement surcharge (ISRS) rider. LCG utilizes a 10% ROE in the context of the company's ISRS rider. Atmos Energy's ISRS incorporates a 10% ROE. KCP&L and GMO are subsidiaries of Great Plains Energy; UE is a subsidiary of Ameren Corp.; and, LCG is a subsidiary of the Laclede Group, and Southern Union is a subsidiary of Energy Transfer Equity. (Section updated 9/10/12)

Rate Base and Test Period

The PSC generally relies on a year-end original-cost rate base, but, by law, must consider fair value. Rate requests are typically filed based on historical or partly forecasted test period data, which are updated during the course of the proceeding to reflect actual results. The adopted test periods are historical at the time of PSC decisions; however, limited "known-and-measurable" changes beyond the end of the test period may be recognized. By law, the PSC is prohibited from including electric construction-work-in-progress in rate base. (Section updated 9/10/12)

Accounting

Union Electric (UE) and Kansas City Power & Light (KCP&L) are permitted to collect from ratepayers amounts to fund the eventual decommissioning of the Callaway and Wolf Creek nuclear facilities, respectively; these funds are placed in qualified external decommissioning trusts. (UE owns 100% of Callaway and KCP&L owns 47% of Wolf Creek.)

UE, KCP&L, KCP&L Greater Missouri Operations (GMO), Empire District Electric (Empire), and Laclede Gas are permitted to track, as a regulatory asset/liability, incremental variations in pension-related costs. UE, KCP&L, GMO, Empire, Missouri Gas Energy and Atmos Energy are permitted to record regulatory assets for costs related to energy efficiency programs. Empire and UE utilize vegetation management and infrastructure inspection tracking mechanisms, whereby costs associated with these activities that vary from a base level are deferred for future recovery/refund and are to be addressed in future rate cases. (Section updated 9/10/12)

Alternative Regulation

Empire District Electric, KCP&L Greater Missouri Operations, and Union Electric utilize fuel adjustment clauses that permit sharing, on a 95%/5% basis by ratepayers and shareholders, of incremental fuel-cost variations (see the Adjustment Clauses section). Missouri Gas Energy (MGE) has in place a framework that provides for sharing of a portion of off-system sales (OSS) margins and capacity release (CR) revenues, specifically: for the first $1.2 million of OSS margins and CR revenues, 15% is to be allocated to the company and 85% to customers; for the next $1.2 million, 20% is to be allocated to the company and 80% to customers; for the next $1.2 million, 25% is to be allocated to the company and 75% to customers; and, above $3.6 million, 30% is to be allocated to the company and 70% to customers.

From 1996 through 2001, Laclede Gas (LCG) operated under an alternative regulation plan that included sharing provisions for pipeline transportation discounts, CR revenues, and gas procurement. LCG is currently permitted to retain 10% of any gas-cost savings relative to an established benchmark. In addition, LCG shares with ratepayers, to varying degrees, OSS margins and CR revenues. Specifically: the first $2 million of OSS margins and CR revenues are to be allocated 85% to ratepayers and 15% to shareholders; margins between $2 million and $4 million are to be shared 80%/20%; margins between $4 million and $6 million are to be shared 75%/25%; and, margins above $6 million are to be shared 70%/30%. A $3 million "sharing cap" also applies. (Section updated 9/10/12)

Court Actions

Historically, PSC decisions could be appealed to the Cole County Circuit Court or to the circuit court of the county where the hearing was held. Following circuit court action, a case could then be appealed to the appropriate Missouri Court of Appeals (MCA), and ultimately to the Supreme Court of Missouri (SCM). Under certain circumstances, a case could be appealed directly from the Circuit Court to the SCM. Legislation enacted in mid-2011 permits PSC rate orders to be appealed directly to the MCA, thereby bypassing the Circuit Court. In addition, the legislation specifies that prospectively, rates essentially cannot be stayed by the MCA; however, the Court has the authority to require the PSC to amend a company's rates based on the Court's ruling. Cole County Circuit Court judges are elected. The governor initially appoints judges to the SCM, MCA, and certain circuit courts from nominations submitted by judicial selection commissions. Supreme and Appeals Court judges must run for retention of office at the end of a 12 year term, and Circuit Court judges must run after serving for six years.

In 2010, the Cole County Circuit Court issued a stay of an earlier PSC rate order for Union Electric (UE), as it applied to certain of UE's large industrial customers, pending the Court's consideration of the merits of various appeals of the PSC's order. During the pendancy of the appeal, in March 2011, the PSC rejected a request by the Office of Public Counsel to extend the suspension to include all of the company's customer classes; appeals of the 2011 PSC ruling were subsequently rejected by the Courts. In late-2011, the MCA upheld the PSC's 2010 rate order, thereby resolving the parties' appeals and allowing the release of certain funds to UE that were being held in a lower Court's registry.

Separately, UE had appealed a provision of a July 2011 PSC rate order that disallowed recovery of certain reconstruction costs associated with the pumped-storage Taum Sauk plant. The MCA subsequently upheld the PSC's order and UE does not intend to appeal the Court's ruling. (Section updated 9/10/12)

Legislation

The Missouri General Assembly is bicameral and meets annually beginning in January and continuing into May. Annual veto sessions are held in September, whereby bills vetoed by the governor during the prior regular session are considered by the legislature for possible override. Currently there are 106 Republicans, 56 Democrats, and one independent in the House of Representatives; there are 26 Republicans and 8 Democrats in the Senate. No major utility-related legislation was enacted during the 2012 session. (Section updated 9/10/12)

Corporate Governance

By law, the PSC has authority over mergers and reorganizations involving the utilities it regulates, certain financing arrangements, and affiliate issues. The PSC has, in some instances, adopted ring-fencing provisions in the context of approving proposed mergers (see the Merger Activity section).

Reorganizations--In 2001, the PSC conditionally authorized Kansas City Power & Light (KCP&L) to restructure its operations into a holding company, Great Plains Energy, including KCP&L, an integrated utility, and Great Plains Power, an unregulated generation company. The PSC imposed the following conditions: KCP&L's common stock cannot be pledged as collateral for Great Plains Energy's debt without PSC approval; KCP&L cannot guarantee the notes, debentures, debt obligations, or other securities of Great Plains Energy or its subsidiaries without PSC authorization; Great Plains Energy is to maintain a common equity ratio of at least 30%, and KCP&L's common equity ratio must be at least 35%; KCP&L's total long-term debt is not to exceed rate base, and must remain separate from the holding company; and, KCP&L is to maintain an investment-grade credit rating. (Section updated 9/10/12)

Merger Activity

In approving a proposed merger, the PSC must determine that the transaction is "not detrimental to the public interest." There is no statutory timeframe within which the Commission must render decisions on proposed mergers.

Since the late 1990's, the PSC has ruled on a number of mergers and asset transfers. In 1997, the PSC approved the merger of Union Electric (UE) and Central Illinois Public Service (CIPS) to form Ameren. The merger closed in 1997. In 2005, the PSC affirmed a previous decision in which it conditionally approved Ameren's proposal to transfer UE's Illinois electric and gas distribution assets to CIPS at book value ($138 million). The PSC's conditions pertained to the treatment of certain pre-transfer liabilities and off-system sales issues. A related service territory transfer was completed later in 2005, and UE now operates solely in Missouri. The PSC did not have jurisdiction over Ameren's 2003 and 2004 acquisitions of Central Illinois Light and Illinois Power, respectively.

In 1999, the PSC approved the merger of American Electric Power and Central and South West following a settlement that resolved the Commission's concerns regarding the effect of the merger on retail competition in Missouri related to the companies' capacity reservation on Ameren's transmission system. The merger closed in 2000.

In 2000, the PSC approved the merger of UtiliCorp United (subsequently known as Aquila) and St. Joseph Light & Power, but rejected a related five-year alternative regulation plan. The merger closed in 2000. In 2004, the PSC determined that UtiliCorp should not be allowed to recover the acquisition premium from customers; the Commission stated that it has consistently applied the net original-cost standard when placing a value on assets for purposes of establishing a utility's rates.

In 2008, the PSC conditionally approved the proposed acquisition of Aquila by KCP&L parent Great Plains Energy. The conditions include the following: Great Plains will not be permitted to recover from ratepayers any transaction costs associated with the merger; the companies are to track merger-related synergies to demonstrate whether actual synergies exceed the transition costs associated with the merger (the company utilized regulatory lag to retain its share of synergies, and ratepayers share of the synergies have been reflected in rates through rate cases filed subsequent to the completion of the transaction); any post-merger "financial effect" of a credit downgrade of Great Plains, KCP&L, and/or Aquila, that occurs as a result of the merger is to be "borne by the shareholders"; and, the PSC "reserves the right to consider any ratemaking treatment" to be accorded the transactions in a future proceeding. In the company's 2011 rate case decision, the PSC determined that actual synergies exceeded the merger's transition costs and allowed the company to amortize these costs over a five-year period. The transaction closed in mid-2008, and the former Aquila utilities in Missouri are now known as KCP&L Greater Missouri Operations.

In 1997, the PSC authorized Atmos Energy to acquire United Cities Gas. The merger closed in 1997. In 2004, the PSC approved Atmos' acquisition of former TXU Inc. subsidiary TXU Gas, following a settlement specifying that: the acquisition premium may not be recovered from ratepayers; company books and records continue to be available for review by the PSC Staff and the Office of Public Counsel; and, Atmos would issue at least $300 million of new equity to partially fund the acquisition (Atmos' equity issuance later in 2004 generated $235 million in net proceeds). The transaction closed in 2004. In March 2012, the PSC adopted a settlement, thereby approving Atmos' sale of its Missouri-jurisdictional utility assets to Liberty Energy (Midstates) Corp., an affiliate of Algonquin Power & Utilities Corp. The transaction also involved the sale of Atmos' Illinois and Iowa utility assets to Liberty Energy. The transaction closed in August 2012.

In 2006, the PSC authorized Empire District Gas (EDG) to acquire Aquila's Missouri-jurisdictional gas utility operations following a settlement that imposed a three-year base rate freeze.

In February 2012, the PSC adopted a settlement, thereby approving the proposed acquisition of Southern Union by Energy Transfer Equity (ETE). The approved settlement specifies, among other things, that: Southern Union is to be prohibited from guaranteeing certain debts incurred by ETE affiliate Energy Transfer Partners in conjunction with the transaction; the debt of any affiliate is to be non-recourse to Southern Union; Southern Union's equity is not to be pledged as collateral for the debt of any affiliate or non-affiliate; Southern Union is to maintain records separate from its affiliates; Southern Union is to be prohibited from commingling its utility system with any other entity or maintain its system such that it would be "costly or difficult" to separate its assets from those of an affiliate; Southern Union is to continue to be subject to certain customer service performance measures and maintain certain operating procedures; Southern Union agrees to ensure that the company's retail gas distribution rates do not increase as a result of the merger; any adverse impact of the merger on Southern Union's credit ratings "deserves consideration" by the PSC in future proceedings when a "fair and reasonable" return is authorized; the acquisition premium and the transaction and transition costs associated with the merger are not to be recoverable in retail distribution rates; and, Southern Union is to continue its service-line and main replacement programs. The acquisition was completed in March 2012. (Section updated 9/10/12)

Electric Regulatory Reform/Industry Restructuring

Comprehensive retail competition has not been implemented. However, a large industrial customer, Noranda Aluminum, is permitted to contract for the purchase of electricity and delivery services outside of the PSC's jurisdiction. Noranda currently receives service from Union Electric. (Section updated 9/10/12)

Gas Regulatory Reform/Industry Restructuring

Local gas distribution companies (LDCs) have offered transportation-only service since the late-1980s. Missouri Gas Energy (MGE) offers transportation-only service to customers with gas usage of at least 2,000 MCF in any one month or annual usage of at least 30,000 CCF. Laclede Gas offers a transportation rate to customers that have annual gas usage of at least 30,000 MCF. Union Electric offers two transportation rates: a "standard rate" for certain customers with annual usage of less than 60,000 MCF; and, a "large-volume rate" for all other customers. Empire District Gas (EDG) offers transportation-only service to customers with annual gas usage of at least 15,000 MCF. Atmos Energy offers transportation-only service to customers with gas usage of at least 1,550 MCF in a single month. All of the state's LDCs offer transportation-only service to schools on an aggregated basis. No action has been taken with regard to retail choice for small-volume customers. (Section updated 9/10/12)

Adjustment Clauses

State statutes permit the electric utilities to request PSC approval of mechanisms that allow for the recovery of costs related to fuel and purchased power, environmental compliance, renewable energy, gas commodity costs and certain other items.

Fuel Adjustment Clauses (FACs)--According to the PSC's rules: an application for approval of an FAC must be submitted within the context of a general rate case or complaint proceeding; an FAC should provide the utility an opportunity to earn a "fair return on equity"; the Commission may adjust a utility's allowed return in future rate proceedings if it determines that implementation of an FAC would alter the utility's business risk; incentive features may be incorporated into an FAC to improve the efficiency and cost-effectiveness of a utility's fuel and purchased power procurement activities; an FAC is to be subject to true-ups for under- and over-collections, including interest; an FAC may reflect incremental variations in off-system sales (OSS) margins; an FAC may remain in place for a maximum four-year term, unless the PSC were to authorize an extension in the context of a general rate case (the utility must file a rate case within four years after implementation of an FAC); and, such mechanisms are to be subject to a prudence review every 18 months.

KCP&L Greater Missouri Operations' FAC, implemented in 2007, is adjusted semi-annually. Costs recovered through the FAC include 95% of "prudently incurred" fuel and purchased power costs, net emissions allowance costs, and OSS margins that vary from the levels included in base rates.

Empire District Electric (Empire) utilizes an FAC that provides for the company to flow to/recover from ratepayers, on a semi-annual basis, 95% of the fuel and purchased power costs, net emissions allowance costs and revenues, and OSS margins that vary from the levels included in base rates.

Union Electric (UE) utilizes an FAC, implemented in 2009 and modified slightly in 2011, that provides for the company to recover from/flow through to ratepayers 95% of incremental variations in both fuel and purchased power costs, and OSS margins from the levels included in base rates. UE's FAC incorporates an eight-month recovery period and includes the net costs associated with the purchase or sale of SO_2 and NO_x emission allowances.

A comprehensive infrastructure expansion program approved by the PSC in 2005 prohibits Kansas City Power & Light (KCP&L) from seeking implementation of an FAC before June 1, 2015. However, the company is permitted to request approval of an interim energy charge (IEC) that would provide for limited recovery of fuel and purchased power costs, prior to that date.

Environmental Cost Recovery Mechanisms (ECRMs)--The PSC's rules pertaining to ECRMs are similar to those in place for FACs, and specify that: the Commission may consider the magnitude of costs eligible for inclusion in an ECRM and the ability of the utility to manage these costs, when determining which cost components to include in an ECRM; a portion of the utility's environmental costs may be recovered through an ECRM and a portion may be recovered through base rates; the annual recovery of environmental compliance costs is to be capped at 2.5% of the utility's Missouri gross jurisdictional revenues, less certain taxes; a utility that uses an ECRM must file for at least one, and no more than two, annual adjustments to its ECRM rate; adjustments must be made to a utility's ECRM rates within 60 days from the time of filing, if such adjustments adhere to state statutes; an ECRM may remain in place for a maximum four-year term, unless the PSC authorizes an extension in the context of a general rate case (the utility must file a general rate case within four years after implementation of an ECRM); and, such mechanisms are to be subject to a prudence review every 18 months and an annual true-up for under- and over-collections, including interest. None of the utilities currently have an ECRM in place.

Renewable Energy--The PSC's rules specify that the electric utilities may file, in the context of a rate case or in a generic proceeding, for a Renewable Energy Standards rate adjustment mechanism (RESRAM) that would allow for rate adjustments, to provide for recovery of prudently incurred costs or a pass-through of benefits received, as a result of compliance with the state's renewable energy standards. The RESRAM is to be capped at a 1% annual rate impact.

Purchased Gas Adjustment (PGA) Clauses--Local gas distribution companies (LDCs) are authorized to reflect changes in gas costs through a purchased gas adjustment (PGA) clause, with up to four adjustments permitted each year. Differences between actual costs incurred and costs reflected in rates are deferred and recovered from, or credited to, customers over a subsequent 12-month period. The companies are permitted to use financial hedging instruments to mitigate the effects of gas-price volatility, and the PSC has implemented a rule that identifies the types of hedging mechanisms that should be considered. The LDCs may request PSC approval of a mechanism to reflect the impact of changes in customer usage due to variations in weather and/or conservation. Laclede Gas (LCG) and Missouri Gas Energy (MGE) share OSS margins and capacity release revenues with ratepayers, with the related impacts reflected in the PGA clause (see the Alternative Regulation section).

Other Gas--LCG, Union Electric, MGE and Atmos Energy utilize an infrastructure system replacement surcharge (ISRS) to recover costs associated with certain distribution system replacement projects. (Section updated 9/10/12)

Integrated Resource Planning

The state's four largest electric utilities are required by Commission rules to file 20-year resource plans every three years. In these filings, the utility must consider demand-side measures on an equivalent basis with supply side alternatives, and analyze and quantify the risks associated with such factors as: future environmental regulations; load growth; fuel prices and availability; construction costs and schedules; and, demand-side program load impacts.

The electric utilities are subject to a framework that permits recovery of costs associated with PSC-approved energy efficiency programs (EEPs). Demand-side investments are to be accorded regulatory treatment similar to supply-side infrastructure investments. Among the regulatory techniques that the PSC may consider are: including EEP-related costs in rate base; rate design modifications; accelerated depreciation of EEP-related costs; and, sharing by ratepayers and shareholders of any net benefits associated with such programs. In addition, the PSC may approve financial incentives if certain savings thresholds are attained. The utilities are required to submit an annual report to the PSC addressing their EEP-related activities during the previous year. (Section updated 9/10/12)

Renewable Energy

State statutes include a renewable energy standard (RES) that specifies that Missouri-jurisdictional investor-owned electric utilities are to obtain at least 2% of their generation from renewable resources in calendar-years 2011 through 2013, with the threshold rising to 5% in calendar-years 2014 through 2017, to 10% in calendar-years 2018 through 2020, and to 15% in 2021 and thereafter. Eligible renewable resources include solar, wind, biomass and certain hydropower facilities, and at least 2% of each year's renewable-energy-related portfolio requirement is to be from solar resources. RES-related rules subsequently adopted by the PSC include a restriction that adherence to the standard would result in a rate increase of no more than 1%, provide for penalties for non-compliance, and include a provision for recovery outside the context of a general rate case for the "prudently incurred costs and the pass-through of benefits to customers of any savings achieved" in complying with the measure (see the Adjustment Clauses section). (Section updated 9/10/12)

Rate Structure

The major electric utilities have seasonally-differentiated rates in place. All of the electric utilities have some form of time-of-day rates in effect. The PSC has authorized discounted economic development electric rates for new or expanding industrial and commercial customers.

Missouri Gas Energy utilizes a straight-fixed variable (SFV) rate design for the residential and small commercial customer classes, whereby all of the company's fixed costs allocable to those customer classes are recovered through a fixed, monthly customer charge. Laclede Gas has a seasonally-differentiated rate in place. In 2010, the PSC adopted a settlement that required Atmos Energy to terminate its SFV rate design and utilize a traditional rate design under which a portion of fixed costs are recovered through volumetric charges. (Section updated 9/10/12)