

Practice Before the Commission

The Adjudication Division includes the Data Center and the regulatory law judges. The division director is both the secretary of the PSC and the chief regulatory law judge. The secretary is statutorily responsible for the records of the PSC and is specifically called upon to oversee the issuance of all PSC orders.



Chief Regulatory Law Judge Cully Dale (center) meets with members of the Adjudication Division.

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

The chief judge acts as the supervisor of the other seven regulatory law judges. The RLJs receive training at the National Judicial College and at various utility seminars and conferences.

The RLJ assigned to a case prepares and issues procedural orders to provide notice and due process, so all parties have the opportunity for a full, fair and impartial hearing. The RLJ ensures the creation of a complete and competent record upon which the commission may base its decision.

Pursuant to the instructions and substantive guidance from the commission, the RLJ writes the decision and remains responsible for the case through the effective date of the final order.

The Hearing Process

The commission holds evidentiary hearings that are similar to a court proceeding, in which witnesses are sworn, testimony is given and a court reporter records the proceedings. As an administrative case, the rules of evidence are used in determining whether testimony should be stricken or whether an objection should be sustained. In addition, counsel for parties make arguments and formal statements to the commission and file briefs after the hearing. The commission bases its decision on the record in the case.

The commission holds hearings on all manner of disputes between utilities or between utilities and ratepayers. It also hears cases on rate changes, complaints brought by the staff or the public counsel and other matters related to the provision of utility service in Missouri.

Depending on the nature of the dispute and the complexity of the issues, the hearing can be live, with witnesses called to testify; can involve pre-filed written testimony on which the witnesses are cross-examined at hearing; or the case may be submitted with all the facts agreed to, so that the commission hears only arguments about the law. The commission also holds local public hearings, giving members of the community an opportunity to express their opinions. Local

public hearings are generally held in rate cases, rule proposals, service complaint cases or other cases in which input from the public will assist the commission in making its decision.

The Mediation Process

Some of the judges have been trained as mediators. If parties request mediation, a judge other than the one assigned to the case will meet with the parties and facilitate negotiations in the hope that the case can be resolved by mutual agreement. In the past, mediation was provided by an outside mediator, but those tended to be fruitless since the mediator knew little or nothing about utility law. Process improvement led to the additional training of judges to be in-house mediators, which has met with greater success.

The Rate-Making Process

Before a regulated utility can change a rate or service, it must file a tariff with the new rates with the commission. For electric or natural gas utilities, the traditional process includes the tariff and testimony in support of the rate change. The commission, in setting or altering rates, must consider all relevant factors, so the case usually encompasses all of the regulated aspects of the utility's business. When issues are complex, the commission suspends the proposed tariffs for a specified period; existing rates remain in effect during that period. By law, the commission has 11 months from the

date the rate case is filed to make a decision on the proposal.

In response to the utility's rate case filing, the PSC staff will independently investigate the company's books, records and operations and file testimony in support of or against the proposed rate change. Intervenors, such as the public counsel, consumer groups, or industrial customers, become parties to the rate case and file testimony in support of or against the proposed rate change as well.

Parties meet for pre-hearing conferences to discuss settlement of any or all issues in the case, to discuss the mechanics of the case (such as deadlines or presentation order) and to settle on a list of the issues to be determined in the case.

If the parties do settle any or all issues, the commission will review the agreement to ensure that it is reasonable and in the public interest.

After the hearing and legal briefing, the commission will meet and determine which, if any, rates may change. The commission will only authorize rate changes that are fair and reasonable. The company must be allowed the opportunity to make enough money to meet reasonable expenses, pay interest on debts, and provide a reasonable return to stockholders. The commission issues its decision through a written report and order. That order is subject to appeal to a court by any of the participants in the case, except the Public Service Commission staff.

QUICK FACT

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Other Rate Procedures

Many telecommunications providers in Missouri are either under price-cap regulation, or are not price regulated, which allows them to adjust rates with a tariff change, but no rate case.

In such matters, the staff reviews the proposed tariff changes to ensure compliance with applicable statutes and the commission's rules. If the proposed tariffs do

comply, then the matter is processed without becoming a case.

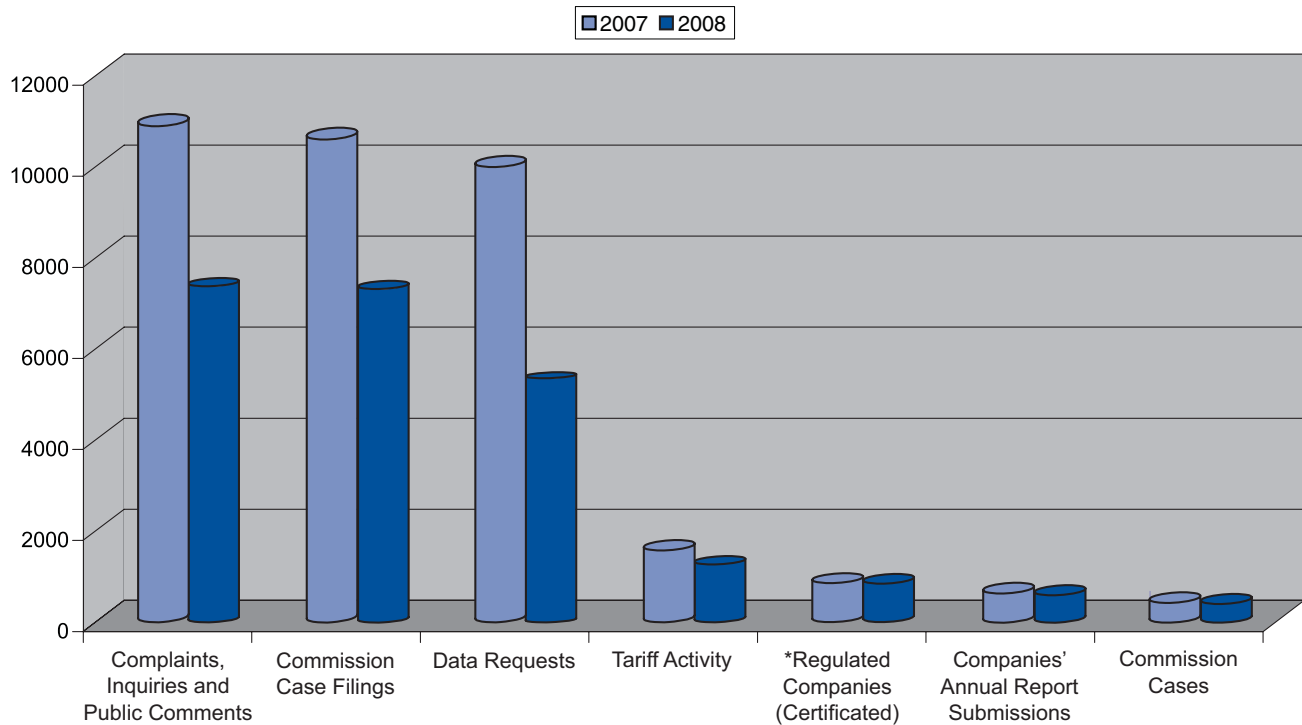
Special rules apply for water and sewer companies with fewer than 8,000 customers in Missouri, which can seek rate changes informally (larger companies must use the rate case procedure). The PSC does not regulate the rates of municipal utilities, utility cooperatives, public water supply or sewer districts, wireless telephones or cable television.

Utility Issues

Missouri PSC Authorized Number of Employees vs. Workload (2007-2008)
Figures Quoted as of 09-25-2008

FY2007 Staffing = 200.5 FTE

FY2008 Staffing = 200.5 FTE



* Not all certificated companies are required to file annual reports.