



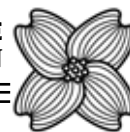
RULES OF

# Department of Commerce and Insurance

## Division 4240—Public Service Commission

### Chapter 50—Water Utilities

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**TITLE 20 – DEPARTMENT OF COMMERCE AND  
INSURANCE**  
**Division 4240 – Public Service Commission**  
**Chapter 50 – Water Utilities**

**20 CSR 4240-50.020 Preservation of Records**

*PURPOSE: This rule prescribes the standards and retention of records of all water utilities.*

*PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. Therefore, the material which is so incorporated is on file with the agency who filed this rule, and with the Office of the Secretary of State. Any interested person may view this material at either agency's headquarters or the same will be made available at the Office of the Secretary of State at a cost not to exceed actual cost of copy reproduction. The entire text of the rule is printed here. This note refers only to the incorporated by reference material.*

(1) The Public Service Commission adopts and prescribes for the use of all water utilities subject to its jurisdiction, *Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities*, published by the National Association of Regulatory Utility Commissioners (NARUC) in April 1974 with the following modifications of retention periods for the item number shown:

(A) Item 30. Plan ledgers: a) Ledgers of utility plant accounts including land and other detailed ledgers showing the cost of utility plant by classes – life of the corporation;

(B) Item 31. Construction work in progress ledgers, work orders and supplemental records: a) work order sheets to which are posted in summary form or in detail the entries for labor, materials and other charges for utility plant additions and the entries closing the work orders to utility plant in service at completions – life of the corporation;

(C) Item 32. Retirement work in progress ledgers, work orders and supplemental records: a) work order sheets to which are posted the entries for removal costs, materials recovered and credits to utility plant accounts for cost of plant retired – life of the corporation; and

(D) Item 62. Budgets and other forecasts: (prepared for internal administrative or operating purposes) of estimated future income, receipts and expenditures in connection with financing, construction and operations and acquisition or disposals of properties or investments by the company and its associate companies, including revisions of estimates and memoranda showing reasons for revisions; also records showing comparison of actual income and receipts and expenditures with estimates – three (3) years beyond the latest period covered by the forecast.

(2) The NARUC regulations apply to all books of account and other records prepared by the water utilities. It provides for protection and storage of records, the use and life of record media (microfilm, magnetic tape, etc.) and then a listing of records by type and their retention periods. The type of records are – corporate and general; automatic data processing; general accounting; insurance, operations and maintenance; personnel; plant and depreciation; purchases and stores; revenue accounting and collecting; tax; treasury; and miscellaneous. A copy of the NARUC regulations may be obtained from NARUC, P.O. Box 684, Washington, D.C. 20044.

*AUTHORITY: section 393.140, RSMo 1986.\* This rule originally filed as 4 CSR 240-50.020. Original rule filed May 7, 1975, effective June 6, 1975. Moved to 20 CSR 4240-50.020, effective Aug. 28, 2019.*

*\*Original authority: 393.140, RSMo 1939, amended 1949, 1967.*

**20 CSR 4240-50.030 Uniform Systems of Accounts – Water Companies**

*PURPOSE: This rule prescribes uniform systems of accounts for and the filing of annual reports by all classes of water companies.*

*PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. Therefore, the material which is so incorporated is on file with the agency who filed this rule, and with the Office of the Secretary of State. Any interested person may view this material at either agency's headquarters or the same will be made available at the Office of the Secretary of State at a cost not to exceed actual cost of copy reproduction. The entire text of the rule is printed here. This note refers only to the incorporated by reference material.*

(1) The uniform systems of accounts for Class A and B and for Class C and D water companies, issued by the National Association of Regulatory Utility Commissioners in 1973, as revised July 1976, are adopted and prescribed for use by all water companies under the jurisdiction of the Public Service Commission.

(2) For the purpose of this rule, the four (4) classes of water companies have annual water operating revenues as follows:

- (A) Class A – \$500,000 or more;
- (B) Class B – \$250,000 to \$500,000;
- (C) Class C – \$50,000 to \$250,000; and
- (D) Class D – Less than \$50,000.

(3) The uniform systems of accounts for Class A and B water utilities contain – definitions of terms; general instructions; utility plant instructions; operating expense instruction balance sheet accounts; utility plant account; income accounts; operating revenue accounts; and operation and maintenance expense accounts. The systems of accounts for Class C and D sewer companies are comprised of the same items but are less complex in their executions.

(4) In prescribing these systems of accounts the commission does not commit itself to the approval or acceptance of any item set out in any account for the purpose of fixing rates or in determining other matters before the commission.

*AUTHORITY: section 393.140, RSMo 1994.\* This rule originally filed as 4 CSR 240-50.030. Original rule filed May 10, 1965, effective May 20, 1965. Amended: Filed Dec. 19, 1975, effective Dec. 29, 1975. Amended: Filed April 26, 1976, effective Sept. 11, 1976. Amended: Filed July 13, 1979, effective Feb. 1, 1980. Amended: Filed March 19, 1996, effective Oct. 30, 1996. Moved to 20 CSR 4240-50.030, effective Aug. 28, 2019.*

*\*Original authority: 393.140, RSMo 1939, amended 1949, 1967.*



**20 CSR 4240-50.050 Environmental Cost Adjustment  
Mechanism**

(Rescinded March 30, 2025)

*AUTHORITY: sections 386.250 and 393.140, RSMo 2000, and section 386.266, RSMo Supp. 2013. This rule originally filed as 4 CSR 240-50.050. Original rule filed Aug. 15, 2013, effective Feb. 28, 2014. Moved to 20 CSR 4240-50.050, effective Aug. 28, 2019. Rescinded: Filed July 31, 2024, effective March 30, 2025.*

**20 CSR 4240-50.060 Filing Requirements for Water Utility  
Applications for Certificates of Convenience and Necessity**

*PURPOSE: This rule sets forth requirements for applications to the commission requesting that the commission grant a certificate of convenience and necessity. As noted in the rule, additional requirements pertaining to such applications are set forth in 20 CSR 4240-2.060(1).*

(1) The procedures and application requirements contained herein are in addition to the requirements of 20 CSR 4240-2.060(1).

(2) If the application is for a service area where service is currently provided by an existing water utility, notice shall be provided to all potential customers within the designated service area within twenty (20) days after the filing of an application for a certificate of convenience and necessity.

(A) The notice shall include a description of the approval being sought, proposed initial rates, and an explanation that the proposed rates are subject to change pending approval.

(B) The notice shall also include a description for how to submit public comments to the commission, the commission case number, and how to track the progress of the case in the commission's electronic filing information system (EFIS).

(C) An example of this customer notice shall be filed in the certificate of convenience and necessity case by the purchasing applicant with any customer-specific information redacted.

(3) Application for a certificate of convenience and necessity by a water utility shall include the following, if available, or be subject to dismissal if the required information is not submitted within any time period that may be established by the commission:

(A) If the application is for a service area, where service is currently provided by an existing water utility, the application shall contain the following items:

1. The legal description of the area to be certified;

2. A legible map of the proposed service area of appropriate scale that meets the following requirements:

A. Be created using professional mapping software, or be based on a color aerial or satellite photograph;

B. Include a defined boundary of the entire service area encompassing all customers;

C. Show nearby roads and highways with large and legible labels;

D. Include a legend of map features for features shown on the map;

E. Include all features of the water system within the service area;

3. A description of the existing utility providing water, including –

A. Age or, if unknown, the estimated age, and a general description of the type of water system;

B. Age or, if unknown, the estimated age, and material of the water system;

C. Water demand total and total for each customer class;

D. Design capacity the treatment system is authorized to serve according to the Missouri Department of Natural Resources (DNR), number of customers presently connected, and the projected number of customers within the next five (5) years; and

E. Any violations of DNR requirements within the last five (5) years;

4. A description of any proposed operation or capital improvements to the water system, including the reason for the improvements, estimated cost of capital improvements, and proposed timeline for completion of the improvements that satisfy any outstanding Missouri State Operating Permit (permit) requirements from DNR;

5. A description and copy of all notifications or meetings with existing customers prior to the filing of the application regarding the change in ownership, and –

A. If the purchase was subject to a vote of customers and that vote was approved by voters, provide a copy of all customer notifications, meeting handouts, presentations, and outreach efforts, including documentation that supported the sale of the system, and a copy of the ballot language in which the voters reviewed when voting for the approval to sell the system and the results of that vote; or

B. If the purchase was not subject to a vote of customers, a copy of all notifications sent to customers by seller or buyer or, if unable to provide a copy of a notification, a statement indicating the notification could not be produced and the reason it could not be provided;

6. An economic feasibility study, with the proposed method for financing, proposed rates, service charges, and revenues and expenses during the first three (3) years of operation;

7. If there are any customers within another service area currently being served by the system to be acquired, the addresses of these customers;

8. A description of the estimated cost the buyer will incur to incorporate the seller's water system customers into the buyer's company;

9. The estimated costs to operate the system, including copies of any available support documentation, for each of the following:

A. Any contracts in effect necessary for the provision of service;

B. Estimated Public Service Commission assessments expense;

C. DNR fees and assessments expense;

D. Estimated corporate allocation/expense including a detailed explanation of how the allocations were calculated;

E. Chemical expense;

F. Electrical expense;

G. Postage expense;

H. Repair and maintenance expense;

I. Testing and sampling expense;

J. Mowing expense;

K. Office supplies expense;

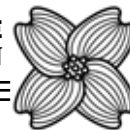
L. Customer billing expense;

M. Outside services expense;

N. Income tax expense; and

O. Any other miscellaneous expenses; and

10. Financial statement, general ledgers, invoices, and billing registers for the seller's water and/or sewer systems, if available, for the previous five (5) years;



11. A rate base calculation following the commission-approved Uniform System of Accounts (USOA) requirements with workpapers and supporting documentation for the assets to be acquired. All workpapers and supporting documents for the valuation of the water utility assets being acquired shall include but not be limited to the following:

A. A list of all USOA accounts that are in use or expected to be in use based on the capital improvements identified in paragraph (3)(A)4;

B. The existing plant in service balance by USOA account number for each plant item;

C. Copies of invoices for the original purchase, installation, and subsequent capital repairs and additions, if any;

D. The current depreciation reserve for each USOA account with supporting backup calculations showing how the amounts were derived and depreciation rates used; and

E. The amount of Contribution in Aid of Construction (CIAC);

12. The purchasing agreement that set forth the terms of the acquisition including purchase price; and

13. Whether an acquisition premium exists and if the purchasing facility intends to seek recovery of the cost from ratepayers;

(B) If the application is for a service area where service is not currently provided by an existing utility providing water, the application shall contain the following items:

1. A description of the circumstances including economic, environmental, or other, driving the need for services in the requested area and the facts showing that the granting of the application is required by the public convenience and necessity;

2. If there are ten (10) or more residents or landowners, the name and address of at least ten (10) proposed service area residents or landowners, or the name and address of all residents and landowners if fewer than ten (10) in the proposed service area;

3. A description of any other water utility service areas of commission-regulated companies or political subdivisions within one (1) mile of the proposed service area;

4. A report bearing the seal of a professional engineer registered in the state of Missouri, including –

A. A physical description of the proposed water system to be constructed;

B. The cost of the proposed water system and the cost of alternative water systems examined; and

C. A timeline for completion of construction that incorporates permit requirements from DNR;

5. Projected financial details including –

A. The proposed method for financing construction and the resulting capital structure;

B. An economic feasibility study detailing expected revenues earned and expected expenses to be incurred during all phases of the project;

C. Projected rate base over all phases of the project;

D. Proposed rates charged to ratepayers over all phases of the project. If the phases of the project will continue past five (5) years, estimated rate charges for phases beyond five (5) years may be submitted; and

E. Projections of customer growth over all phases of the project including the number of existing households currently utilizing an unregulated form of water system that are expected to become utility customers;

6. The legal description of the area to be certificated; and

7. A legible map of the proposed service area, meeting the

following requirements:

A. Be created with professional mapping software, or be based on a color aerial or satellite photograph;

B. Include a defined boundary of the entire service area, which encompasses all customers;

C. Show nearby roads and highways with large and legible labels;

D. Include a legend of the map features; and

E. Include all collection, storage, and treatment features of the sewer system within the service area; and

(C) If the application is for a new structure, such as construction of a new pipeline to convey sewage to a treatment facility that will not involve additional customers, the application shall contain the following items:

1. The legal description of the area to be certificated;

2. A legible map of the proposed service area, meeting the following requirements:

A. Be created with professional mapping software, or be based on a color aerial or satellite photograph;

B. Include defined boundaries of the entire service area(s);

C. Show nearby roads and highways with large and legible labels;

D. Include a legend of map features; and

E. Include all water treatment, storage, and distribution features of the water system with the service area; and

3. A report bearing the seal of a professional engineer registered in the state of Missouri, including –

A. A detailed physical description of the feature to be constructed;

B. A description of why the new features are necessary;

C. The cost of the proposed feature and any of the available alternative examined; and

D. A timeline for completion of construction, which incorporates permit requirements from DNR; and

4. The projected impact upon the applicant's revenue requirements.

(4) When no approval of any affected governmental body is necessary, a statement to that effect shall be submitted with the application.

(5) When approval of affected governmental bodies is required, the following shall be provided:

(A) When consent or franchise by a city or county is required, approval shall be shown by a certified copy of the document granting the consent or franchise, or an affidavit of the applicant that consent has been acquired; and

(B) A certified copy of the required approval of other governmental agencies.

*AUTHORITY: section 386.250, RSMo 2016.\* Original rule filed Oct. 2, 2024, effective May 30, 2025.*

*\*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996.*