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Mike Taylor
 Public Service Commission
 Governor Office Building
 200 Madison Street
 P. O. Box 360
 Jefferson City, MO 65102-0360

Dear Mr. Taylor:

Thank you for extending the deadline for the MIEC to submit comments regarding the proposed renewable energy regulation. We have struggled with the proposed regulation because we believe certain important issues have not been resolved in the proposed regulation. Below is our position on these important issues. Because we believe that these issues deserve further vetting, we respectfully request another meeting on the proposed regulation.

The first issue that apparently has not been completely resolved is whether the renewable mandate in section 393.1030.1 is subject to the one percent rate increase condition. We believe that the language of section 393.1030.2(1), especially when coupled with the ballot title ("restricting to no more than 1% any rate increase to consumers for this renewable energy"), is clear that there shall be no rate increase greater than one percent due to the renewable mandate. We believe that such language, when coupled with the language of section 393.1045 that utilities shall recover all costs incurred in meeting the mandate, means utilities need not provide any more renewable energy than will cause them to reach the one percent rate impact cap. However, the proposed regulation, at section (5), provides that the retail rate impact "is only applicable to cost recovery conducted in accordance with section (6)" (automatic rate adjustment clause) of the regulation. The implication of that language is that a rate impact higher than called for in section (5) could be reached through a general rate case. That would conflict with section 393.1030.2(1) and the ballot title. Moreover, the language of section (5)(A)4.D. provides that the rate impact can be over one percent. Again, we view that as a conflict with the statute. Consistent with our position, however, section (8)(A) provides that no penalties shall issue if failure to meet the renewable mandate was the result of reaching the maximum retail rate impact.

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The second issue is whether the one percent retail rate impact cap is a hard one percent cap or an annual cap. In that regard, section 393.1030.2(1) and the ballot title are clear that it is a hard one percent cap, and not an annual cap. We realize that such a position may conflict with section 393.1045, which can be read to provide an annual cap. Any such conflict should be resolved in favor of section 393.1030.2(1) since that statute was approved by the voters on November 4, 2008, and thus became effective after section 393.1045 became effective. To find otherwise is to reduce the ballot title to the legal equivalent of a head fake.

The third issue is a technical one. How does the Commission measure the rate impact of providing more (or less) expensive renewable energy? We believe that the proposed language in section (5), by incorporating the value reported on line 80, page 321, of FERC Form 1, does not fully capture the rate impact of providing renewable energy.

To directly address these issues, attached hereto please find a red-line showing our proposed edits to version 7 of the proposed regulations.

In addition to the above issues, we have identified additional issues that we feel should be addressed in the regulation, but for which we have yet to fashion proposed edits. In that regard, the MIEC believes that whatever information is provided to staff to support a renewable energy rate increase should also be provided to the Office of Public Counsel and to all parties to the utility's last rate case. Furthermore, the MIEC believes that section (6) of the regulation does not provide sufficient time to contest and resolve a disputed cost recovery issue prior to imposing an interim rate increase. The MIEC proposes that an additional six month period be allowed for hearing and resolution of such disputes while an interim rate increase is in effect, but any revenue that the Commission later determines to have been improvidently recovered should be refunded to consumers with interest.

Thank you for your consideration.

Very truly yours,

/s/ Edward F. Downey

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Enclosure