

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Proposed Rule 4 CSR	)	
240-23.020 Establishing Infrastructure	)	Case No. EX-2008-0231
Standards for Investor-Owned Electrical	)	
Corporations.	)	

**COMMENTS OF UNION ELECTRIC COMPANY d/b/a AMERENUE**

COMES NOW Union Electric Company d/b/a AmerenUE (AmerenUE or Company), and for its Comments on the Missouri Public Service Commission's (Commission) proposed Rule 4 CSR 240-23.020, states as follows:

**Background**

1. The rule proposed in this docket is identical to the rule adopted by the Commission in its Order of Rulemaking issued October 2, 2007 in Case No. EX-2007-0214. But for an administrative filing glitch between the Commission and the Secretary of State's office, the October 2, 2007 rule would today have the force and effect of law.

2. To remedy that administrative filing glitch, the Commission proposes, via this docket, to adopt a rule that is identical to the rule it had already adopted, as reflected in the Notice of Proposed Rulemaking published in the *Missouri Register* on January 2, 2008.<sup>1</sup>

3. The Notice of Proposed Rulemaking published in the *Missouri Register* as noted above required that comments be filed respecting the proposed rule on or before February 4, 2008, and set a rulemaking hearing to occur on that same date. These Comments are filed in response to that Notice.

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<sup>1</sup> The Company respectfully requests that official notice be taken of the Comments originally filed in Case No. EX-2007-0214, as well as the testimony at the hearing held in that docket, pursuant to Section 536.070(6), RSMo.

4. To be clear, the Comments filed by AmerenUE in Case No. EX-2007-0214 were specific to the infrastructure rule that had originally been proposed in Case No. EX-2007-0214. That originally proposed rule was substantially different than the rule ultimately adopted by the Commission in that docket, and was substantially different than the rule which is proposed in this docket. Consequently, the Comments filed by AmerenUE in Case No. EX-2007-0214 are not necessarily applicable to the rule currently before the Commission in this case. However, to the extent issues relating to the provisions of the rule originally proposed in Case No. EX-2007-0214 arise in this docket, AmerenUE would direct the Commission's attention to its previous Comments, the testimony at the previous hearing in Case No. EX-2007-0214, and the analysis that led to adoption of the prior rule on October 2, 2007, as reflected in the Commissions Order of Rulemaking issued on that date.

5. In brief, the reasons underlying the Commission's adoption of the final rule on October 2, 2007 remain valid, and the Commission should adopt the rule proposed in this docket without modification. The Company believes, as the Commission previously found, that the proposed rule appropriately balances the varied interests of both utilities and utility customers in the State of Missouri. The goal of this rulemaking should be to produce a rule that balances the need for safe and adequate electric service with the real financial costs of compliance with the rule. The proposed rule achieves that balance.

6. As stated in its August 13, 2007 Comments in Case No. EX-2007-0214, AmerenUE believes an important benefit of these rules will be the greater transparency it brings to utility infrastructure practices. With time, AmerenUE believes this

transparency will lead to a better understanding of utility operations, during both severe and normal weather, for the Commission as well as for the general public.

7. This rule will necessitate the expenditure of significant additional resources in order to comply with its requirements as the rule represents significant change from AmerenUE's historical practices. As the Company stated in its estimate of the cost of compliance, it believes it will spend \$9,000,000 annually to comply with the rule proposed in this docket. Because these costs are borne by ratepayers, the Company and the Commission must be mindful of the benefit to be achieved given the cost to comply with this rule. The rule, as proposed, like the rule previously adopted, appropriately balances the benefits and costs. Indeed, the Commission has not previously had any infrastructure-specific inspection regulations (other than those requirements that might be ordered on a utility-by-utility basis). This rule, once adopted, will represent a very real change from the Commission's previous utility-by-utility approach and will require AmerenUE, and all Missouri utilities, to make significant changes to their practices. For example, the rule will require all utilities to follow set guidelines for inspections, such as inspecting wood utility poles every four years in urban areas and every six years for rural areas, as well as requiring annual compliance plans for the inspections and record keeping, just to list a couple of the requirements this rule will impose.

8. While this rule will impose a significant financial burden on utilities and ultimately on ratepayers over the cost of historical practices, when viewed against the background of the increasingly severe weather experienced in Missouri over the past few years and the resulting outages, the Company considers the change to be an investment

which will benefit all of its customers. In fact, AmerenUE feels strongly enough about the potential benefits of this rule that it has already incorporated many of the requirements into its 2008 practices, even though there was no legal obligation for the Company to do so.

9. AmerenUE urges the Commission to adopt the rule as published and appreciates the opportunity to provide these Comments.

Respectfully submitted,

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Dated: February 1, 2008

## CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to the following this 1st day of February 2008:

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