



Robin Carnahan
Secretary of State

**Administrative Rules Division
Rulemaking Transmittal Receipt**

Rule ID: 8042
Date Printed: 12/14/2007
Rule Number: 4 CSR 240-23.030
Rulemaking Type: Proposed Rule
Date Submitted to Administrative Rules Division: 12/14/2007
Date Submitted to Joint Committee on Administrative Rules: 12/14/2007

Name of Person to Contact with questions concerning this rule:

Content: Cully Dale	Phone: 751-4255	Email: cully.dale@psc.mo.gov	Fax:
RuleDataEntry:	Phone:	Email:	Fax:

Included with Rulemaking:

Cover Letter	12/14/2007
Public Fiscal Note	12/14/2007
Private Fiscal Note	12/14/2007
Affidavit for public cost	12/14/2007

Print Close

Robin Carnahan

Secretary of State
Administrative Rules Division

RULE TRANSMITTAL

Administrative Rules Stamp

RECEIVED

DEC 14 2007

SECRETARY OF STATE
ADMINISTRATIVE RULES

Rule Number 4 CSR 240-23.030

Use a "SEPARATE" rule transmittal sheet for EACH individual rulemaking.

Name of person to call with questions about this rule:

Content Cully Dale Phone 573-751-4255 FAX

Email address cully.dale@psc.mo.gov

Data Entry same Phone FAX

Email address

Interagency mailing address Public Service Comm'n, 9th Floor, Governor Office Bldg, JC

TYPE OF RULEMAKING ACTION TO BE TAKEN

☐ Emergency rulemaking, include effective date

☒ Proposed Rulemaking

☐ Withdrawal ☐ Rule Action Notice ☐ In Addition ☐ Rule Under Consideration

☐ Order of Rulemaking

Effective Date for the Order

☐ Statutory 30 days OR Specific date

Does the Order of Rulemaking contain changes to the rule text? ☐ NO

☐ YES—LIST THE SECTIONS WITH CHANGES, including any deleted rule text:

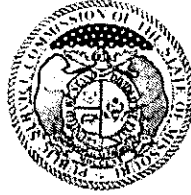
Small Business Regulatory
Fairness Board (DED) Stamp

JCAR Stamp

JOINT COMMITTEE ON

DEC 14 2007

ADMINISTRATIVE RULES



Commissioners

JEFF DAVIS
Chairman

CONNIE MURRAY

TERRY JARRETT

ROBERT M. CLAYTON III

LINWARD "LIN" APPLING

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.mo.gov>

WESS A. HENDERSON
Executive Director

DANA K. JOYCE
Director, Administration

ROBERT SCHALLENBERG
Director, Utility Services

NATELLE DIETRICH
Director, Utility Operations

COLLEEN M. DALE
Secretary/Chief Regulatory Law Judge

KEVIN A. THOMPSON
General Counsel

December 14, 2007

Honorable Robin Carnahan
Secretary of State
Administrative Rules Division
600 West Main Street
Jefferson City, Missouri 65101

Dear Secretary Carnahan:

Re: Proposed Amendment to 4 CSR 240-23.030

CERTIFICATION OF ADMINISTRATIVE RULE

I do hereby certify that the attached is an accurate and complete copy of the proposed amendment lawfully submitted by the Missouri Public Service Commission for filing on this 14th day of December, 2007.

Statutory Authority: Sections 386.210.2 and 386.250 RSMo 2000.

Executive Order 93-13 requires state agencies to undertake a "takings analysis" of each proposed rulemaking in light of the United States Supreme court decision in *Lucas v. South Carolina Coastal Council*, 112 S. Ct. 2886 (1992). Pursuant to that order, I have undertaken a "takings analysis" of the above-referenced proposed rulemaking. In *Lucas*, the Court held that state regulation depriving an owner of real property of all economically beneficial use of that property constitutes a "taking" under the Fifth and Fourteenth Amendments of the U.S. Constitution, for which the property owner must be compensated. Adopting the proposed rulemaking does not implicate the takings clause of the U.S. Constitution, because the proposed rulemaking does not involve the taking of real property.

Section 536.300, RSMo Supp. 2006, requires state agencies to "determine whether the proposed rule amendments affect small businesses and, if so, the availability and practicability of less-restrictive alternatives that could be implemented to achieve the same results of the proposed rulemaking." Executive Order 03-15, which similarly addresses the impacts of rulemakings on small businesses, defines a small business to be "a for-profit enterprise consisting of fewer than one hundred full- or part-time employees" and elaborates

that a proposed rule "affects" a small business if it "impose[s] any potential or actual requirement" that "will cause direct and significant economic burden upon a small business, or that is directly related to the formation, operation, or expansion of a small business." Section 536.300.3, RSMo Supp. 2006, in part, provides: "If the state agency determines that its proposed rule does not affect small business, the state agency shall so certify this finding in the transmittal letter to the secretary of state, stating that it has determined that such proposed rule will not have an economic impact on small business . . ."

Proposed amendments to 4 CSR 240-23.030 do not impose requirements that have an economic impact on small businesses, that "will cause direct and significant economic burden upon a small business, or that is directly related to the formation, operation, or expansion of a small business." The Commission certifies that it has determined that the proposed rule will not have an economic impact on small businesses.

If there are any questions, please contact: Colleen M. Dale, Secretary
Missouri Public Service Commission
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102
(573) 751-4255
cully.dale@psc.mo.gov

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', is written over the printed name.

Colleen M. Dale
Secretary

Title 4 – DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240 – Public Service Commission
Chapter 23 – Electric Utility Operational Standards

Proposed Rule

4 CSR 240-23.030 Electrical Corporation Vegetation Management Standards and Reporting Requirements.

PURPOSE: This rule sets forth requirements that electrical corporations shall follow in managing vegetation in proximity to an energized distribution conductor and sets reporting requirements for transmission line vegetation management in order to promote a safe, efficient and reliable supply of electric power. The requirements in this rule provide the minimum standards for the vegetation management programs of electrical corporations. Each electrical corporation must have a vegetation management plan and keep appropriate records to ensure that timely vegetation management is accomplished. These records must be made available to the Missouri Public Service Commission ("commission") upon request.

(1) Definitions. The following words and terms, when used in this rule, shall have the following meaning unless the context clearly indicates otherwise.

(A) Arboriculture means the cultivation of trees, shrubs and other woody plants.

(B) Contractor means a person or entity, other than the commission, with which electrical corporation contracts to perform work, furnish information and/or material. This term includes all subcontractors engaged by a contractor to perform any of the obligations required by a contract.

(C) Distribution line means a primary electric voltage line, wire or cable, energized at less than two hundred thousand (200,000) volts. However, any distribution line subject to this rule shall thereafter be exempt from this rule at such time the electric corporation provides the Commission written proof that such distribution line has been deemed "critical to the reliability of the region" by the Federal Energy Regulatory Commission (FERC), a regional reliability organization or the North American Electric Reliability Council (NERC).

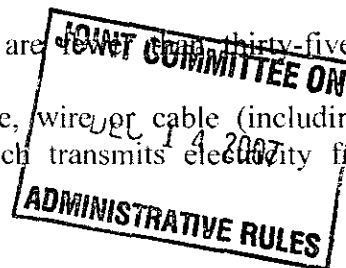
(D) Energized conductor means an electric circuit or equipment through which electricity is flowing or usually flows within the transmission or distribution system.

(E) Electrical corporation means electrical corporation as defined in section 386.020(15), RSMo Supp. 2006.

(F) Right-of-way means less than fee interest in property, which gives a public utility a limited right to use land owned by another person or entity for the purpose of transmitting or distributing electricity. This right is typically memorialized in an easement.

(G) Rural means those areas in which there are fewer than thirty-five (35) customers per circuit mile.

(H) Transmission line means an electrical line, wire or cable (including the supporting structures), and appurtenant facilities which transmits electricity from a



generating plant to electric distribution lines, and is operated at or above two hundred thousand (200,000) volts.

(I) Tree means a woody plant at least twelve feet (12') tall at maturity with one main stem and having a distinct head in most cases.

(J) Urban means those areas in which there are thirty-five (35) or more customers per circuit mile.

(K) Vegetation means trees, shrubs and other woody plants.

(L) Vegetation management means the removal of vegetation or the prevention of vegetative growth to maintain safe conditions around energized conductor(s) and ensure reliable electric service. Vegetation management consists of biological, chemical, cultural, manual and mechanical methods to control vegetation in order to prevent hazards caused by the encroachment of vegetation on energized conductor(s), and to provide utility access to the conductor.

(M) Volts means nominal voltage levels, measured phase-to-phase.

(N) Woody plant means any vascular plant that has a perennial woody stem and supports continued vegetative growth above ground from year-to-year and includes trees.

(2) General Provisions.

(A) An electrical corporation shall ensure that vegetation management is conducted in accordance with this rule along energized distribution line conductors of six hundred (600) volts and higher, that the electrical corporation owns, in whole or in part.

(B) Each electrical corporation shall obtain for its own employees, and shall contractually require that its contractors obtain, all required permits and licenses prior to commencement of vegetation management.

(C) Each electrical corporation and its contractors using chemical or biological agents in vegetation management shall comply with any laws or regulations governing the use of those biological and chemical agents.

(D) Each electrical corporation shall employ a vegetation manager. The vegetation manager shall supervise all aspects of the electrical corporation's vegetation management program, and shall ensure that the electrical corporation complies with this rule. The vegetation manager's name and contact information shall be posted on the electrical corporation's website and shall be included on all notifications provided pursuant to the notice requirements of section (7) of this rule.

(E) Each electrical corporation and its contractors shall inform workers hired to perform vegetation management of all applicable federal, state, county, and municipal laws, rules or regulations that apply to the work performed under this rule. The electrical corporation shall also ensure that all contractors comply with each applicable requirement of this rule.

(F) An electrical corporation that agrees to perform vegetation management at the request of a municipality or government agency, other than vegetation management required under this rule, may require the requesting party to pay any cost above the electrical corporation's cost to perform the vegetation management required by this rule. An electrical corporation shall not perform such additional vegetation management if the additional vegetation management would decrease the reliability or safety of an energized conductor.

(G) Upon an electrical corporation's receiving notice of, or having actual knowledge of, vegetation conditions that pose an imminent threat to the reliable or safe function of electrical facilities, the electrical corporation shall promptly remove or remedy the potential threat. If, pursuant to the first sentence of this section, removal of the vegetation requires the electrical corporation to access or cross property for which it does not hold an easement or other legal authorization, the electrical corporation shall make reasonable efforts to obtain any necessary permission from the property owner and remove or remedy the potential safety concern as promptly as possible.

(3) Maintenance Cycle.

(A) An electrical corporation shall perform a visual inspection at least once every two (2) years of all urban energized distribution conductors and at least once every three (3) years of all rural energized distribution conductors, to determine whether vegetation management is needed. Where needed, the electrical corporation shall perform vegetation management in a timely manner. Vegetation management performed along a circuit in compliance with this rule shall meet this two (2) or three (3) -year visual inspection requirement, accordingly.

(B) In addition to the maintenance required in subsection (3)(A) above, if an electrical corporation becomes aware either through notification or during the inspections required under subsection (3)(A) above or at any other time, of any vegetation close enough to pose a threat to its energized conductor, which is likely to affect reliability or safety prior to the next required vegetation management, the electrical corporation shall ensure that necessary vegetation management is promptly performed as required under section (4) of this rule.

(4) Technical Standards for Vegetation Management.

(A) Each electrical corporation shall ensure that vegetation management conducted on its energized distribution conductors is performed in accordance with the following applicable standards, which are hereby incorporated by reference, include no later amendments or additions, are on file with the commission's data center and available for inspection:

1. "Pruning, Trimming, Repairing, Maintaining, and Removing Trees, and Cutting Brush – Safety Requirements, 2006." This document, also known as ANSI Z133.1-2006, is published by the American National Standards Institute, 1819 L Street, N.W., Suite 600, Washington, DC 20036;

2. Part 1 of the document entitled "Tree, Shrub, and Other Woody Plant Maintenance-Standard Practices, 2001." This document, also known as ANSI A300-2001, is published by the American National Standards Institute, 1819 L Street, N.W., Suite 600, Washington, DC 20036; and

(B) Each electrical corporation shall develop its own vegetation management standards, guidelines and procedures, which shall be consistent with this rule. In developing these standards, guidelines and procedures, an electrical corporation shall prioritize its vegetation management based upon:

1. The extent of the potential for vegetation to interfere with the energized conductor;
2. The voltage of the affected energized conductor; and

3. The relative importance of the affected energized conductor in maintaining safety and reliability.

(C) Each electrical corporation shall file a copy of its vegetation management standards, guidelines and procedures at the commission by July 1, 2008, with verification by affidavit of an officer who has knowledge of the matters stated therein. If an electrical corporation makes a change in its vegetation management standards, guidelines or procedures, it shall file a copy of the change at the commission no later than thirty (30) days prior to implementing the change, with verification by affidavit of an officer who has knowledge of the matters stated therein.

(D) Each electrical corporation's vegetation management standards, guidelines and procedures shall cover, at a minimum, all of the following activities:

1. Tree pruning and removal;
2. Vegetation management around poles, substations and energized conductors;
3. Manual, mechanical, biological or chemical vegetation management along rights-of-way;
4. Inspection of areas where vegetation management is performed, both before and after the vegetation management;
5. Research and development of improved vegetation management; and
6. Public education.

(E) Among the factors the electrical corporation shall consider in determining the extent of vegetation management to be performed at a particular site are:

1. The rate at which each species of vegetation is likely to grow back;
2. The voltage of the energized conductor, with higher voltages requiring larger clearances;
3. Sag of conductors at elevated temperatures and under wind and ice loading, and growth habit, strength, and health of vegetation growing adjacent to the conductor with the combined displacement of the vegetation, supporting structures, and conductors under adverse weather or routine wind conditions; and
4. The electrical corporation's legal rights to access the area where vegetation management is to be performed.

(F) The electrical corporation shall remove all trimmings and cut vegetation resulting from vegetation management that are part of the electrical corporation's regular maintenance cycle, within five (5) business days after the vegetation was cut, except if:

1. The electrical corporation obtains consent from the owner of the property upon which the trimmings or cut vegetation are located to leave the trimmings or cut vegetation; or
2. The vegetation management is performed as a direct result of an outage caused by a storm as described in the electric corporation's standard procedures. The electric corporation shall include a copy of its standard procedures regarding removal of trimmings or cut vegetation during outages caused by a storm in its annual vegetation management filing. If the electric corporation proposes to change its standard procedures regarding removal of trimmings or cut vegetation during outages caused by a storm, the electric corporation shall file the proposed changes with the commission, and other parties shall have thirty (30) days to comment on the proposed changes.

(5) Transmission Line Vegetation Management. Every electrical corporation shall send the commission's energy department a copy of every filing it makes on vegetation management of its transmission lines with the FERC, a regional reliability organization, or the NERC.

(6) Training, Record Keeping and Reporting.

(A) Each electrical corporation shall adopt standards to be used by all persons who perform vegetation management for the electrical corporation, whether employees or contractors, for the proper care of trees and other woody plants, including safety practices and line clearance techniques.

(B) The electrical corporation shall monitor and document all scheduled vegetation management and related activities it or its contractors performs. Documentation shall include, but shall not be limited to:

1. Identification of each circuit and substation where vegetation management was performed;
2. The type of vegetation management performed including removal, trimming and spraying and methods used;
3. The crew size and supervisor's name;
4. The date of activity;
5. Any safety hazards encountered; and
6. Any unexpected occurrence or accident resulting in death, life-threatening or serious injury to a person assigned to perform vegetation management activities or the public;

(C) Each electrical corporation shall include a summary of the information required in subsection (6)(B) above about its vegetation management during the past year, and vegetation management planned for the following year in an annual report to be filed with the commission by April 1 each year, with verification by affidavit of an officer who has knowledge of the matters stated therein. The report shall also include:

1. Expenditures for vegetation management in the preceding year;
2. Vegetation management budget for the current year;
3. Circuits, completion dates and miles trimmed in the preceding year;
4. Circuits, completion dates and miles scheduled for the current year; and
5. Total distribution miles for the system and corresponding classification between rural and urban.

(D) Each electrical corporation shall report its own violations of this rule to the commission within thirty (30) days of discovery and include its plan for correcting the violation.

(E) The staff of the commission shall review each electrical corporation's vegetation management annual report for compliance with the provisions of this rule. The staff shall identify any deficiencies in the annual report of each electrical corporation and file its analysis and recommendations for each electrical corporation complying with the provisions of this rule.

(7) Public Notice of Planned Vegetation Management.

(A) Each electrical corporation shall make a diligent attempt to notify all property owners or occupants that may be affected by planned vegetation management. This requirement will be satisfied if the electrical corporation provides notice to affected property owners or occupants at least seven (7) days, but not more than ninety (90) days, prior to performing planned vegetation management activity. Notice shall be provided by direct mailing, door hanger, postcard, bill insert, personal contact or any other commission-approved method.

(B) Each electrical corporation shall maintain a record of the dates, content, and addresses to which all notices provided under subsection (7)(A) were given until the subsequent vegetation management cycle has occurred for each affected property owner or occupant.

(C) Each electrical corporation or its contractor shall provide written notice of any pending vegetation management activities to a primary contact for each county and municipality affected. The primary contact shall be selected by mutual agreement between the electrical corporation and the highest elected official, or if no elected official, then the highest appointed official, of the county and municipality.

(D) An electrical corporation shall notify counties and municipalities that may be affected by vegetation management activities. The notice shall be made in writing to the primary contact designated under subsection (C) above, at least two (2) months in advance of the planned vegetation management. This notice shall include the planned dates and locations of the vegetation management. In addition, the notice of vegetation management shall be in a form appropriate to each electrical corporation's procedures and easement rights.

(8) Outreach Programs.

(A) Each electrical corporation shall conduct an annual public education program to inform its customers, as well as the political subdivisions in the electric public utility's service territory, of the importance of vegetation management, and of the electrical corporation's role and responsibility in managing vegetation near electric lines.

(B) The public education program required under this section shall be implemented by direct mail or another method approved by the commission.

(C) Each electrical corporation shall post its public education materials on its website.

(9) Specific Requirements.

(A) Each electrical corporation shall perform vegetation management in accordance with this rule as follows:

1. On no less than fifteen percent (15%) of its total urban distribution miles by the twelve (12) month anniversary of the effective date of this rule, and on no less than fifteen percent (15%) of its total rural distribution miles by the eighteen (18) month anniversary of the effective date of this rule;

2. On no less than forty percent (40%) of its total urban distribution miles by the twenty-four (24) -month anniversary of the effective date of this rule, and on no less than forty percent (40%) of its total rural distribution miles by the thirty-six (36) -month anniversary of the effective date of this rule;

3. On no less than seventy percent (70%) of its total urban distribution miles by the thirty-six (36) -month anniversary of the effective date of this rule, and on no less than seventy percent (70%) of its total rural distribution miles by the fifty-four (54) -month anniversary of the effective date of this rule;

4. On no less than one hundred percent (100%) of its total urban distribution miles by the four (4) -year anniversary of the effective date of this rule, and on no less than one hundred percent (100%) of its total rural distribution miles by the six (6) -year anniversary of the effective date of this rule; and

5. Thereafter, on no less than twenty-five percent (25%) of its total urban distribution miles each year, and on no less than twenty-five percent (25%) of its total rural distribution miles each eighteen (18) months.

(B) To the extent permitted by current easements or other authority, each electrical corporation must maintain the following minimum clearances of vegetation from conductors at the time vegetation management is conducted:

1. For conductors energized above fifty thousand (50,000) volts, fifteen feet (15') or the edge of the right of way, whichever is less;

2. For conductors energized at six hundred (600) through fifty thousand (50,000) volts, ten feet (10') or the edge of the right of way, whichever is less;

3. Subtransmission lines and three (3)-phase distribution feeders/backbone circuits (portion of distribution system directly interconnected with distribution substation and prior to the first protective device) shall be trimmed vertically to remove overhanging limbs to the widths prescribed in paragraphs (9)(B)1. and (9)(B)2. above;

4. Notwithstanding any provision to the contrary in this section (9), for conductors energized at or below thirty-five thousand (35,000) volts, mature trees whose trunks or limbs have sufficient strength and rigidity to prevent the trunk or limbs from damaging the conductor under reasonably foreseeable wind and weather conditions are exempt from the minimum clearance requirements in this section (9); and

5. The radial clearances in subsection (9)(B) are minimum clearances that should be established between the vegetation and the energized conductors and associated live parts where practicable. Vegetation management practices may make it advantageous to obtain greater clearances than those listed. In the event that the specific trimming conflicts with any other materials within this chapter the strictest rules shall apply.

(10) In the event an electrical corporation incurs expenses as a result of this rule in excess of the costs included in current rates, the corporation may submit a request to the commission for accounting authorization to defer recognition and possible recovery of these excess expenses until the effective date of rates resulting from its next general rate case, filed after the effective date of this rule, using a tracking mechanism to record the difference between the actually incurred expenses as a result of this rule and the amount included in the corporation's rates, or if there is no identifiable amount included in the corporation's rates, the amount reflected in the appropriate uniform system of accounts account for vegetation management on the corporation's books for the test year (as updated) from the corporation's last rate case will be used to determine the amount

included in current rates. In the event that such authorization is granted, the next general rate case must be filed no later than five (5) years after the effective date of this rule. Parties to any electrical corporation request for accounting authorization pursuant to this rule may ask the commission to require the electrical corporation to collect and maintain data (such as actual revenues and actual vegetation management expenses) until such time as the commission addresses ratemaking for the deferrals. The commission will address the ratemaking of any costs deferred under these accounting authorizations at the time the electrical corporation seeks ratemaking in a general rate case.

(11) Variances. A variance from a provision of this rule may be granted only for good cause shown. Nothing in this rule shall prevent an electrical corporation from proposing and the commission from approving an alternative vegetation management plan in variance of paragraphs (9)(B)(1) and (2), if the electrical corporation can establish that the alternative vegetation management plan has previously produced greater reliability performance than would be produced under this rule or that the alternative vegetation management plan shall produce greater reliability performance in the future than would be produced under this rule.

AUTHORITY: sections 386.040, 386.250, 386.310 and 393.140, RSMo 2000, and 393.130, RSMo Supp. 2006. Original rule filed June 15, 2007; effective January 30, 2008.

PUBLIC COST: This proposed rule will cost state agencies or political subdivisions \$65,767 in the first year, and \$60,747 each year thereafter.

PRIVATE COST: This proposed rule will cost private entities nothing in implementation costs. Annual compliance costs will be \$15,040,000. However, the proposed rule includes a cost recovery mechanism that, when used properly, will allow the electric companies to recover all prudently incurred costs of complying with this rule.

NOTICE TO SUBMIT COMMENTS AND NOTICE OF PUBLIC HEARING: Anyone may file comments in support of or in opposition to this proposed rule with the Missouri Public Service Commission, Colleen M. Dale, Secretary of the Commission, PO Box 360, Jefferson City, MO 65102. To be considered, comments must be received at the Commission's offices on or before February 4, 2008, and should include a reference to Commission Case No. EX-2007-0214. Comments may be submitted via a filing using the Commission's electronic filing and information system at <<http://www.psc.mo.gov/efis.asp>>. A public hearing regarding this proposed rule is scheduled for February 4, 2008, at 1:00 pm in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. Interested persons may appear at this hearing to submit additional comments and/or testimony in support of or in opposition to this proposed rule, and may be asked to respond to commission questions. Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one (1) of the following numbers: Consumer Services Hotline 1-800-392-4211 or TDD Hotline 1-800-829-7541.

Electrical Corporation System Inspection Cycles
(Maximum Intervals in Years)

		Patrol		Detailed		Intrusive		Notes
		Urban	Rural	Urban	Rural	Urban	Rural	
Poles/Overhead Structures								
Wood		4	6	---	---	12	12	Note 1
Non-wood		4	6	12	12	---	---	Note 2
Conductors, Transformers, Reclosers, Regulators, Capacitors, Switching/Protective Devices, and Streetlighting								
Overhead		4	6	8	12	---	---	
Overhead (with real-time remote monitoring)		---	---	12	12	---	---	
Underground-direct buried and conduit		4	6	8	12	---	---	Note 3
Underground-direct buried and conduit (with real-time remote monitoring)		---	---	12	12	---	---	Note 3
Underground Networks		4	---	8	---	---	---	
Underground Networks (with real-time remote monitoring)		---	---	12	---	---	---	
Manholes, vaults, tunnels, and Other underground structures		4	6	8	12	---	---	

Note 1: No intrusive inspection required for first 12 years after installation, however, intrusive inspection required between years 12 and 18. For poles/structures greater than 12 years of age at inception of program, intrusive inspections must be completed within 12 years.

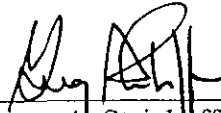
Note 2: No detailed inspection required for first 12 years after installation, however, detailed inspection required between years 12 and 18. For poles/structures greater than 12 years of age at inception of program, detailed inspections must be completed within 12 years.

Note 3: Some components of underground-direct buried and conduit distribution systems are above ground (e.g., pad-mounted transformers, pad-mounted switches, pad-mounted reclosers, etc.) The inspection intervals also apply to these above ground devices. These inspection requirements do not apply to direct-buried cable or cable installed in underground conduit.

**AFFIDAVIT
(PUBLIC COST)**

STATE OF MISSOURI)
)
COUNTY OF COLE)

I, Gregory A. Steinhoff, Director of the Department of Economic Development, first being duly sworn on my oath, state that it is my opinion that the attached fiscal note for proposed rule 4 CSR 240-23.030 is a reasonably accurate estimate.

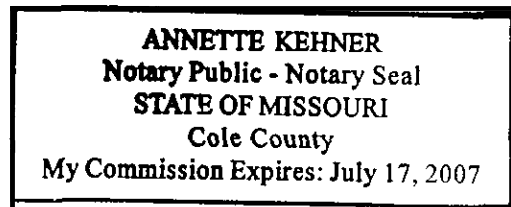


Gregory A. Steinhoff
Director
Department of Economic Development

Subscribed and sworn to before me this 31 day of May, 2007. I am
commissioned as a notary public within the County of COLE, State of
Missouri, and my commission expires on 17 JULY 2007.



NOTARY PUBLIC



FISCAL NOTE

PUBLIC COST

I. RULE NUMBER

Rule Number and Name	4 CSR 240-23.030, Electrical corporation vegetation management standards and reporting requirements
Type of Rulemaking:	Proposed Rule

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Missouri Public Service Commission	\$65,767 first year, \$60,747 each year thereafter

III. WORKSHEET

0.5 FTE Utility Engineering Specialist III \$25,116 annually

0.5 FTE Utility Engineering Specialist II \$22,236 annually

First year equipment \$5,020

Annual Equipment Expense \$1,090

Annual Office Space Rental \$2,700

Annual Travel Expense \$9,605

IV. ASSUMPTIONS

All costs in 2007 dollars

Costs reflect estimates provided for other fiscal notes for various General Assembly bills from this year's session.

A total of two additional FTEs were assumed for this rule and the Electrical Corporation Infrastructure Standards rule that is also being considered. Their time is assumed to be evenly split between these two rules. In most cases, these FTEs will be able to conduct reviews of the utilities' vegetation management and infrastructure inspection practices in the same visit. This should reduce their travel time and increase their productivity. However, these reviews will require facility reviews (including walking electric lines and observing utility employees performing the various tasks required by these rules) and on-site document reviews at various district/division offices. This will also require reports by these two FTEs on the status of the utilities' efforts at various times of the year.

FISCAL NOTE

PRIVATE COST

I. RULE NUMBER

Rule Number and Name:	4 CSR 240-23.030 Electrical Corporation Vegetation Management Standards and Reporting Requirements
Type of Rulemaking	Proposed Rule

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
Four (4)	Investor Owned Electric Utility Companies	
	AmerenUE	Implementation: \$0 \$5,100,000 annually
	Empire	Implementation n/a \$4,830,000 annually
	Aquila	Implementation - n/a \$3,050,000 annually
	Kansas City Power & Light	Implementation - n/a \$2,060,000 annually

III. WORKSHEET

IV. ASSUMPTIONS

Ameren

Based on AmerenUE's understanding of the rule as currently proposed, the rule will mandate that AmerenUE implement the following additional vegetation management practices¹ (the references to section numbers refer to the sections in the rule as presently proposed):

- | | |
|--|---------------------------|
| • Section (3) – mid-cycle visual inspections | In excess of \$500,000 |
| • Section (7) - public notification requirements | Approximately \$110,000 |
| • Section (8) - outreach programs | Approximately \$480,000 |
| • Section (9) (B) (3)- meeting clearance standards | Approximately \$3,850,000 |

¹ The costs noted below are estimated additional annual compliance costs associated with each prescribed activity.

- An additional 1 FTE (salary/benefit costs estimated at \$100,000 annually) will also be required to meet the additional requirements of the rule as proposed.

These additional mandated activities are estimated to result in approximately \$5.1 million of additional costs annually, which is more than an 11% increase in vegetation management costs at AmerenUE. This 11% increase is over and above the 50% increase already implemented since 2006 and will more than double vegetation management expenditures at AmerenUE since 2004.

AmerenUE would also point out that the additional practices outlined above tell only part of the story respecting recent enhancements to AmerenUE's vegetation management program. The additional monies (\$15 million) sought and received in AmerenUE's last rate case are being put to use as follows:

- AmerenUE is on schedule to meet its commitment to the Commission to have its distribution system on a 4 year (urban) and a 6 year (rural) trim cycle by end of 2008. Urban is defined as 35 customer meters or more per line mile. This means that 80% of AmerenUE's customers will be on a 4 year cycle no later than the end of 2008.
- In fact, AmerenUE has already taken steps to further accelerate this work in Metro St. Louis – and now expects to have the entire City of St. Louis on the 4-year cycle by the end of 2007 – a year ahead of schedule, to have the 12kV portion of St. Louis County on schedule by May 2008, and to have the 4kV portion of St. Louis County on this cycle by September of 2008.
- AmerenUE has already implemented an ongoing prescriptive trimming program on a select number (20) of its backbone circuits in Metro St. Louis. This program focuses is on removal of overhang and on removal of trees in the ROW.
- AmerenUE has already implemented an ongoing program with an overall broadening of distribution clearances.
- AmerenUE has also increased the removal of trees both on and off (where allowed by landowners) the ROW.
- AmerenUE has also increased its Municipal Tree Replacement Program.

Empire:

- 1) Section 2)D) Empire does not currently have a vegetation manager position that supervises *ALL* aspects of our vegetation management program.
- 2) Section 3)A) Empire does not have a formal inspection cycle of 2 or 3 years.
- 3) Section 4)F) Empire does not always remove vegetation trimmed during normal maintenance within 5 business days. Our current policy states "contract crews will dispose of all debris small enough to feed through a chipper resulting from their tree removal and pruning operations unless different arrangements have been made with the homeowner or resident. Wood too large to be chipped shall be cut and stacked at the site unless the homeowner requests the wood be removed."
- 4) Section 4)F)1) In rural areas, which are not manicured or maintained by the property owner, Empire does not seek the consent of the property owner to leave trimmings that have been cut and then moved.
- 5) Section 5) Empire is only required to adhere to NERC's vegetation management standards on 161 kV lines that are listed as critical to the transmission system; however, Empire does significant vegetation management on these lines to reduce potential problems to Empire's customers.
- 6) Section 6)B)1-6) Empire does not currently document vegetation management maintenance and maintain records to the extent required by this rule.

- 7) Section 6)C) Empire does not currently provide an annual vegetation management plan to the Missouri Public Service Commission; however, Empire does provide annual reliability data.
- 8) Section 7)A) Empire makes an attempt to contact property owners for vegetation management activity; however, it is typically much easier, and therefore we are more successful, at contacting property owners of trees in manicured areas.
- 9) Section 7)C) & D) Empire has not in the past notified counties or municipalities of vegetation management plans.
- 10) Section 8) Empire has not been required to include vegetation management in any of their outreach programs.
- 11) Section 9) Empire's vegetation management expenses included in rates provide for a target of a 10 year cycle; therefore, the requirements in Section 9 will have a significant impact on Empire's cost for vegetation management. However, several years ago, Empire recognized the need to increase the clearances such that our current maintenance practices adhere to the clearances mandated in this rule.

Empire currently has \$4.12 million in its Missouri rates for vegetation management. Empire's 2007 Missouri budget reflects \$5.85 million for vegetation management. Average annual vegetation management expenditures under the recent version of the rule are expected to be \$10.68 million over the next 5 years (2008 through 2012).

This represents an incremental increase in vegetation management spending of \$6.56 million per year over what is currently included in Empire's rates and \$4.83 million per year (an 83% increase) over what Empire has budgeted to spend in 2007 in Missouri.

Aquila

Following are the additional tasks and estimated costs for Aquila's vegetation management program to comply with the new proposals.

- Two year inspections. This is currently not being done and will cost approximately \$250,000 annually.
- Customer Notification and Outreach. This likewise is not being done currently and will cost and additional \$100,000 annually.
- Four year compliance requirement. This will increase our current line clearance budget by approximately \$2,700,000 per year or 32%.

Kansas City Power & Light

KCP&L estimates that the latest version of this rule will increase annual expenditures for distribution vegetation management approximately 35% in Missouri. In 2007, KCP&L is forecasted to spend approximately \$5,917,000 on distribution vegetation management in Missouri. The increased cost of compliance in Missouri associated with the revised vegetation management rule is approximately \$2,060,000.

RECEIVED

DEC 14 2007

SECRETARY OF STATE
ADMINISTRATIVE RULES