

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Filing Requirement
Rules For Electric Utilities

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Case No. EX-2007-0214

**COMMENTS OF THE MISSOURI INDUSTRIAL ENERGY CONSUMERS
AND FORD MOTOR COMPANY
ON THE COMMISSION’S PROPOSED ELECTRICAL CORPORATION
VEGETATION MANAGEMENT STANDARDS AND REPORTING REQUIREMENTS**

Comes now Anheuser-Busch Companies, Inc., BioKyowa, Inc., The Boeing Company, Cargill, DaimlerChrysler, Doe Run, Enbridge, Inc., Explorer Pipeline Company, GKN Aerospace, General Motors Corporation, Hussmann Corporation, JW Aluminum, Monsanto, National Starch, Pfizer, Precoat Metals, Procter & Gamble Company, Nestlé Purina PetCare, Solutia and U.S. Silica Company, hereafter referred to as the Missouri Industrial Energy Consumers or “MIEC” and Ford Motor Company, for their Comments on the Commission’s Proposed Electrical Corporation Vegetation Management Standards and Reporting Requirements, proposed to be codified at 4 CSR 240-23.030, state as follows:

1. The MIEC is a Missouri corporation and is a group of large industrial customers of the state’s investor-owned electric utilities. Ford Motor Company is a customer of both Union Electric Company d/b/a AmerenUE (“AmerenUE”) and Kansas City Power & Light (“KCPL”).

2. On June 14, 2007, the Commission voted to send proposed Electrical Corporation Vegetation Management Standards and Reporting Requirements (“Proposed Rules”) to the Secretary of State for publication. The Notice of Proposed Rulemaking called for comments to be submitted in this case no later than August 15, 2007.

3. The MIEC and Ford appreciate the Commission’s strong effort through these rules to ensure reliable service to customers. Reliable electric service is critically important to industrial electricity consumers. At the same time, the MIEC and Ford are concerned that the Commission’s

Rules may require utilities to take expensive measures which may be beyond that required for reliability. If the utilities' estimates of compliance costs is anywhere close to correct, the Proposed Rules would impose a staggering burden to ratepayers. The MIEC's members are served by either AmerenUE, KCPL or Empire District Electric Company ("Empire"). The Fiscal Note for the Proposed Rules shows an estimated annual compliance cost for AmerenUE of \$184,000,000. This amounts to over four times the annual rate increase granted AmerenUE in its most recent rate case. The Fiscal Note shows the estimated cost for KCPL is \$44.7 million annually, nearly as much as the entire amount of its most recent rate increase. Empire's estimated compliance cost is \$45 million, an amount equal to its net income.

4. The MIEC and Ford are particularly concerned about excessive and unreasonable costs that would be imposed by the following sections of the Proposed Rules: (1) Section 2 concerning the obligation to remove any tree with "disease" that "may" fall; (2) Section 4 (G) 2, requiring the utility to remove trimmings or cuttings made in response to a major event; (3) Section 5, which duplicates NERC rules governing vegetation management on transmission rights-of-way; and (4) Section (10)(B)(1) and (2), requiring utilities to maintain certain minimum clearance distances for vegetation from conductors. The MIEC and Ford support AmerenUE's Comments regarding these sections of the Proposed Rules. *See Comments of Union Electric Company d/b/a AmerenUE on the Commission's Proposed Electrical Corporation Vegetation Management Standards and Reporting Requirements at paragraph 26, pages 15-17, paragraphs 27-28, page 18, and paragraph 29, pages 24 and 25.*

5. The MIEC and Ford support the Commission's enactment of vegetation management rules to increase reliability, but believe that the Proposed Rule can be improved to lower costs and reduce the ultimate burden to ratepayers.

6. The MIEC and Ford request that the Commission establish a process of stakeholder workshops to improve the rules so that the cost and rate considerations may be more fully

discussed and reflected in the rules. The MIEC and Ford further request that the Commission modify the Proposed Rules to better balance the need for reliability with the need for just and reasonable rates.

Respectfully submitted,

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