

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

In the Matter of an Investigation of the Cost to)	
Missouri's Electric Utilities Resulting from)	<u>File No. EW-2012-0065</u>
Compliance with Federal Environmental)	
Regulations)	

**UPDATED STAFF REPORT AND RECOMMENDATION
TO ALLOW FILE TO REMAIN OPEN**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), through the Staff Counsel's Office, and files its *Updated Staff Report and Recommendation to Allow File to Remain Open* ("Updated Report"). In support thereof, Staff states as follows:

1. On September 24, 2013, the Missouri Public Service Commission ("Commission") issued an *Order Directing Staff to Update Its Report Regarding the Cost of Compliance with New Federal Environmental Regulations*. In said Order, the Commission directed Staff "as the leader of a working group including utility, industrial, consumer, and environmental stakeholders, shall investigate and file an updated report regarding the cost of compliance with Federal environmental regulations no later than December 19, 2013." The Commission desired that the updated report take into account developments regarding environmental regulation, including, but not limited to recent changes in the Clean Air Act, in particular Sections 111(b) and 111(d) of that Act.

2. Staff's *Updated Report* filed this date states that based on current information, not including effluent or coal combustion residuals (CCR) cost estimates, the overall capital cost to Missouri electric utilities and potentially their customers would be in the approximate range of \$2,968,100,000 to \$3,211,100,000. Including effluent and CCR cost estimates would raise the total capital cost range to \$4,758,130,000 to \$5,001,130,000. These estimates are based on compliance with the rules that have been issued or are likely to be issued.

3. Staff's *Amended Report* filed on May 2, 2012 states that based on the information analyzed, the overall capital cost to Missouri electric utilities and potentially their customers would be in an approximate range of \$1,981,000,000 to \$3,276,000,000. This estimate was based on compliance with the rules that had been issued or were likely to be issued. The Amended Report noted that future rules could increase the estimate or the range of the estimate.

4. Staff recommends that the Commission allow this File to remain open. Staff anticipates the need to file supplemental information as issues are further identified and additional actions are taken by the relevant regulatory agencies.

WHEREFORE, Staff submits its *Updated Staff Report and Recommendation to Allow File to Remain Open* in compliance with the Commission's September 24, 2013 *Order Directing Staff to Update Its Report Regarding the Cost of Compliance with New Federal Environmental Regulations*.

Respectfully submitted,

/s/ Steven Dottheim

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or by electronic mail to all counsel of record on this December 19, 2013.

/s/ Steven Dottheim