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January 17, 2008
Data Center
Missouri Public
Service Commission

Missouri Energy Development Association

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January 16, 2008

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Colleen M. Dale
Secretary of the Commission
Missouri Public Service Commission
PO Box 360
Jefferson City, MO 65102

Atmos Energy
Corporation

Empire District
Electric Company

RE: EX-2008-0105 Rulemaking Comments – Additional Corrections

Great Plains Energy
(KC Power & Light)

Dear Cully:

The Laclede
Group, Inc.

On January 2, 2008, the Missouri Energy Development Association (MEDA) submitted comments in response to the Notice of Proposed Rulemaking published in the Missouri Register on December 3, 2007. These rules implement the Environmental Cost Recovery Mechanism (ECRM). On January 10, 2008, MEDA withdrew its suggested change to 4 CSR 240-3.162, Section (7)(A)1.D.

Missouri
American Water

Missouri
Gas Energy

In order to exactly match the changes suggested by MEDA with the version of the rules published in the Missouri Register the following additional corrections are necessary. These corrections do not change MEDA's comments or the reasons for its suggested comments in any way; they merely correct inconsistencies between the original rule text to which MEDA suggested changes to versus the text in the Missouri Register. These corrections clarify which text is new vs. deleted from the original Missouri Register text. These minor corrections to MEDA's January 2, 2008, comments are highlighted below in yellow.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to call me at (573) 634-8678 or by e-mail at Warren@missourienergy.org.

Sincerely,

Warren T. Wood
President

4 CSR 240-3.162 Electric Utility Environmental Cost Recovery Mechanisms Filing and Submission Requirements

Sections (2)(I):

(I) A complete explanation of all of the **base environmental expenses**, **costs**, both capital and expense, incurred to comply with any current federal, state, or local environmental law, regulation or rule that the electric utility is proposing be included in base rates and the specific account used for each **base environmental expense** **cost** item on the electric utility's books and records;

Sections (3)(I):

(I) A complete explanation of all of the **base environmental expenses**, **costs**, both capital and expense, incurred to comply with any current federal, state, or local environmental law, regulation or rule that the electric utility is proposing be included in base rates and the specific account used for each **base environmental expenses** **cost** item on the electric utility's books and records;

Sections (7)(A)2. & (7)(A)3.:

2. The levels of **base** environmental **capital costs and** expenses in the base rate revenue requirement from the prior general rate proceeding;

3. The levels of **base** environmental **capital cost** expenses in the base rate revenue requirement from the prior general rate proceeding as adjusted for the proposed date of the periodic adjustment;

4 CSR 240-20.091 Electric Utility Environmental Cost Recovery Mechanisms

Section (2) (G):

(G) If an ECRM is approved, the commission shall determine an **environmental revenue requirement portion of the electric level of base environmental expenses included in the** utility's overall revenue requirement **to which base rates are deemed as applying**.

Sections (4)(A) & (4)(B):

(A) ~~The periodic adjustment shall be based on environmental costs incurred since the prior general rate proceeding.~~

~~(B) The first periodic adjustment shall consist of following the electric utility's general rate proceeding in which the ECRM mechanism was established~~ shall consist of **capital environmental costs to be included in the ECRM and any increases or decreases in environmental expenses, the sum of which will be compared to the base environmental expenses established in the electric utility's general rate proceeding in which the ECRM mechanism was established, less any decreases in costs directly related to the environmental costs included in the periodic adjustment. Subsequent periodic adjustments shall consist of any increases in capital environmental costs and any increases or decreases in environmental expenses as compared to the base environmental expenses established in the electric utility's general rate proceeding in which the ECRM mechanism was established, less (a) any decreases in costs directly related to the environmental costs included in the periodic adjustment and (b) any change in the accumulated depreciation reserve and related depreciation expense and property taxes for capital items whose costs are being recovered through the ECRM. The return applied to all capital environmental costs shall be the weighted cost of capital, including the return on common equity, established in the electric utility's general rate proceeding in which the ECRM mechanism was established.** ~~a comprehensive measurement of both increases and decreases to the environmental revenue requirement established in the prior general rate proceeding plus the additional environmental costs.~~