

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 30th day of
December, 2008.

In the Matter of Proposed Rules 4 CSR 240-3.162)	
and 4 CSR 240-20.091, Environmental Cost)	<u>Case No. EX-2009-0252</u>
Recovery Mechanisms)	

SECOND NOTICE OF FINDING OF NECESSITY

Issue Date: December 31, 2008

Due to the passage of SB179, which allows for Environmental Cost Recovery Mechanisms, the Commission opened a case to provide filing requirements and substantive requirements concerning such mechanisms. The specific proposed rules were as follows: 4 CSR 240-3.162, and 4 CSR 240-20.091.

The subject rules were deemed necessary in that they effectuate the Environmental Cost Recovery Mechanism provisions of the statute, which enables Missouri's investor-owned utilities to timely recover expenses incurred resulting from new federal and state mandates. Missouri utilities are already in the process of spending billions of dollars to comply with new environmental laws and regulations related to the burning of fossil fuels and power plant emissions.

After those rules were promulgated, it became apparent that the adoption procedure was flawed. Therefore, the Commission finds it necessary to rescind those rules and propose new rules. The initially proposed rules will be nearly identical to the earlier rules; a technical wording change that has been brought to the Commission's attention is

made in the proposed rules. Given the current economic climate, these rules are necessary now, more than ever, in that timely recovery of investment capital is going to be essential to financing environmental upgrades to existing power plants and hastening compliance with government mandates designed to improve the quality of the environment for all Missourians.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., concurs,
with concurring opinion to follow.
Murray, Jarrett, and
Gunn, CC., concur.
Clayton, C., dissent.

Dale, Chief Regulatory Law Judge