

In the Matter of Proposed Rule 4 CSR 240-3.162 and)
4 CSR 240-20.091, Environmental Cost Recovery)
Mechanisms.)
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reasonably accurate. It is not DED's role to pass judgment on the merits of a proposed rulemaking.

Following the investigation into the storms of 2006, this Commissioner believes establishing high standards for electrical reliability is of the utmost importance. That investigation found evidence of poor reliability both during storm conditions and under normal weather conditions. The results of the investigation have led to a three-pronged approach to improving reliability, including rules affecting vegetation management practices and reporting as well as infrastructure inspection and replacement. While this Commissioner has been disappointed that the majority failed to adopt adequate rules in vegetation management and infrastructure inspection, improved reliability service can still be snatched from the jaws of mediocre service by adoption of the most important leg on the "three-legged stool" relating to reliability standards and reporting. Ratepayers are entitled to reliable service which will result from these aggressive new standards that have never before existed in Missouri.


Unfortunately, the DED has prioritized the ECRM rule – a rule that will clearly benefit electric utilities financially, while it flagrantly disregards a rule that will demand high standards for reliable electrical service and action to rectify those reliability problems. This Commissioner cannot vote to advance the ECRM in the rulemaking process while the Reliability Rule is ignored as unimportant. Such a vote endorses the prioritization of a rule that benefits a utility while a rule that sets high standards for electric utilities is prevented from advancing in the rulemaking process.

This Commission has a responsibility to balance the interests of utility shareholders and ratepayers. By moving forward with the new surcharge rulemaking while delaying reliability, the balance is shifted in favor of the utilities over consumers. Following the storms of 2006 and

2007, the public and the General Assembly demanded that the Commission take strong, responsible action at improving service to Missouri customers. Reliability standards must be in place to measure utility performance and improve reliability.

For the foregoing reasons, this Commissioner dissents from the majority's vote to send the ECRM rule to the Secretary of State for publication and urges prompt action on the proposed rules relating to reliability.

Respectfully submitted,


Robert M. Clayton III
Commissioner

Dated at Jefferson City, Missouri,
on this 31st day of October 2007.