

## Exhibit 1 to AmerenUE Comments on Electrical Corporation Infrastructure Standards

### **4 CSR 240-23.020 Electrical Corporation Infrastructure Standards**

**PURPOSE:** This rule establishes the minimum requirements for the distribution ~~and transmission~~-facilities of electrical corporations as defined in Section 386.020(15) RSMo. Cum. Supp. 2005 regarding inspection (including maximum allowable inspection cycle lengths), condition rating, scheduling and performance of corrective action, record-keeping, and reporting, in order to ensure safe and high-quality electrical service. These requirements shall be based on factors such as applicable industry codes, national electric industry practices, manufacturer's recommendations, sound engineering judgment and past experience.

#### **(1) Applicability.**

This rule applies to all electrical corporations as defined in Section 386.020(15) Cum. Supp. 2005.

#### **(2) Definitions.**

For the purpose of this Rule:

(A) Corrective Action means maintenance, repair, or replacement of electrical corporation equipment and structures so that they function properly and safely.

(B) Detailed means an inspection where individual pieces of equipment and structures are carefully examined, visually and through use of routine diagnostic test, as appropriate, and (if practical and if useful information can be so gathered) opened, and the condition of each rated and recorded. This definition does not prohibit each electrical corporation from designing its own detailed inspection process and rating system for each type of equipment.

(C) Intrusive inspection means an inspection involving movement of soil, taking samples for analysis, and/or using more sophisticated diagnostic tools beyond visual inspections or instrument reading.

(D) Operating Area means a geographical subdivision of each electrical corporation's franchise territory as defined by the electrical corporation. These areas may also be referred to as regions, divisions or districts.

(E) Patrol means a simple visual inspection, of applicable electrical corporation equipment and structures, that is designed to identify obvious structural problems and hazards. Patrols may be carried out in the course of other company business.

(F) Rural means those areas with a population of less than one thousand (1,000) persons per square mile as determined by the most recent United States Bureau of the Census, or a circuit which has less than 35 customers per circuit mile.

(G) Urban means those areas with a population of more than one thousand (1,000) persons per square mile as determined by the most recent United States Bureau of the Census or a circuit which has 35 or more customers per circuit mile.

(H) Distribution line means a primary electric voltage line, wire or cable, less than 100 kV, including supporting structures and appurtenant facilities, which deliver electricity from transformation points on the transmission system to points of connection at a customer's premises that would not be considered a transmission line as set forth in this definition section.

### **(3) Standards for Inspection, Record-keeping, and Reporting.**

(A) Each electrical corporation subject to this rule shall conduct inspections of its distribution facilities, as necessary, to ~~assure reliable, high quality, and safe operation~~ provide safe and adequate service, as required in Section 393.130.1 RSMo, but in no case may the period between inspections (measured in years) exceed the time specified in the attached table titled "Electrical Corporation System Inspection Cycles (Maximum Intervals in Years)".

(B) Each electrical corporation subject to this rule shall file at the commission by no later than January 1, 2008, a preliminary compliance plans for the inspections and record-keeping required by this rule, ~~with verification by affidavit of an officer who has knowledge of the matters stated therein.~~ These ~~compliance~~ plans will include the proposed forms and formats for annual reports and source records, as well as the electrical corporation's plans for the types of inspections and equipment to be inspected during the coming year. ~~For detailed and intrusive inspections, schedules should be detailed enough (in terms of the months of inspection and the circuit, area, or equipment / to be inspected) to allow commission staff to confirm that schedule inspections are proceeding as planned. For patrol inspections, electrical corporations should explain how all required facilities will be covered during the year. The energy department or any successor staff departments may prescribe changes relating to reporting and record-keeping formats and forms when and as necessary as approved by the commission if the electrical corporation does not voluntarily agree to the changes requested by staff. None of these changes may conflict with the requirements of this rule unless specifically approved by the commission through a variance. A mid-year status report shall be filed, noting any changes to the preliminary plan and the general reason for those changes.~~

(C) Each electrical corporation subject to this rule shall file at the commission an annual report detailing its compliance with this rule, with verification by affidavit of an officer who has knowledge of the matters stated therein. The first report required under this section shall be filed with the commission by no later than July 1, 2009. Each electrical corporation shall file subsequent annual reports for every following year by no later than July 1. The report shall identify the number of facilities, by type which have been inspected during the previous period. It shall identify those facilities

which were scheduled for inspection but which were not inspected according to schedule and shall generally explain why the inspections were not conducted, and a date certain by which the required inspection will occur. The report shall also present the total and percentage breakdown of equipment rated at each condition rating level, including that equipment determined to be in need of corrective action. Where corrective action was scheduled during the reporting period, the report will present the total and percentage of equipment which was and was not corrected during the reporting period. For the latter, a general explanation will be provided, including a date certain by which required corrective action will occur. The report will also present totals and the percentage of equipment in need of corrective action, but with a scheduled date beyond the reporting period, classified by the amount of time remaining before the scheduled action. All of the above information shall be presented for each type of facility identified in the attached table titled "Electrical Corporation System Inspection Cycles (Maximum Intervals in Years)" and shall be aggregated by operating area.

(D) The company shall maintain records of inspection activities which shall be made available to commission staff for inspection pursuant to Section 393.140 RSMo 2000 and 4 CSR 240-10.010.

(E) For all inspections, within a reasonable period, company records shall specify the circuit, area, or equipment inspected, the name of the inspector (if a utility employee) or the identity of the contractor (if the work is performed by a contractor), the date of the inspection, and any problems identified during each inspection, as well as the scheduled date of corrective action. For detailed and intrusive inspections, companies shall also rate the condition of inspected equipment. Upon completion of corrective action, company records will show the nature of the work, the date, and the identity of persons (utility employee or contractor, as the case may be) performing the work.

(F) Where facilities are exposed to extraordinary conditions or when an electrical corporation has demonstrated a pattern of non-compliance with Commission Safety Standards, 4 CSR 240-18; Electrical Corporation Infrastructure Standards, and 4 CSR 240-23.020; ~~and /or Reliability Rules, 4 CSR 240-23.030~~, the commission may require a shorter interval between inspections.

(G) Commission staff shall review each electrical corporation's annual report and shall inspect and verify that the electrical corporation is in compliance with this rule.

(H) If the company discovers, or should have discovered, upon inspection as required under this rule, or the company is otherwise given notice that corrective action of an electrical corporation's facility is required due to standards to be exercised by a prudent electrical corporation then the electric corporation shall take such corrective action within a reasonable period of time. If harm to person or property is possible if corrective action is not taken then such corrective action shall be made immediately.

~~(4) — Penalties, Fines, Sanctions and/or Ratemaking Disallowances.~~

~~(A) Failure to comply with any provision of this rule may subject the violator to penalties, fines, sanctions and /or ratemaking disallowances in accordance with the Commission's statutory authority. No penalties, fines, sanctions and/or ratemaking disallowances shall be imposed for violations of this rule for a period of six months from the effective date of this rule.~~

~~(B) An electrical corporation that violates this rule may be subject to a penalty of not less than one hundred dollars (\$100) and not more than two thousand dollars (\$2,000) per day per violation, for each day the violation occurs as permitted under Missouri Statutes. The commission shall notify the electrical corporation of the violation(s) in writing. Upon receipt of the written notice of violation, the electrical corporation shall have five (5) business days to correct the violation(s). Any failure to correct the violation may subject the electrical corporation to a penalty of not less than one hundred dollars (\$100) per day for each violation, calculated from the day such written notice was received by the electrical corporation.~~

~~(C) The commission may consider violations of this rule as a relevant factor in setting rates for the electrical corporation in a case where the commission is examining the propriety of the electrical corporation's rates.~~

~~(D) Penalties, fines, sanctions and/or ratemaking disallowances imposed for violations of this rule are in addition to, not a replacement for, other penalties, fines and/or sanctions that apply under other state laws and regulations and under federal laws and regulations.~~

~~(E) In determining the appropriate penalties, fines, sanctions and/or ratemaking disallowances for violation of this rule, the commission shall consider the following criteria, and any other factors deemed appropriate and material to the electrical corporation's delay or failure to comply:~~

- ~~1. The good faith efforts, if any, of the electrical corporation in attempting to comply with this rule;~~
- ~~2. The gravity of the violation;~~
- ~~3. The number of past violations by the electrical corporation, including violations of this rule, as well as of other standards, guidelines and procedures adopted by the commission;~~
- ~~4. The appropriateness of the sanction(s) in light of the size of the electrical corporation;~~
- ~~5. Events judged by the commission to be beyond the control of the electrical corporation; and~~
- ~~6. Mitigating factors.~~

**(45) Variances.**

A variance from a provision of this rule may be granted only for good cause shown.

# Electric Corporation System Inspection Cycles (Maximum Intervals in Years)

**[THIS REPLACES TABLE IN RULE AS PROPOSED]**

	<u>Patrol</u>		<u>Detailed</u>		<u>Intrusive</u>	
	<u>Urban</u>	<u>Rural</u>	<u>Urban</u>	<u>Rural</u>	<u>Urban</u>	<u>Rural</u>
<b><u>Transformers</u></b>	-	-	-	-	-	-
<u>Overhead</u>	<u>4</u>	<u>6</u>	-	-	-	-
<u>Underground - Direct Buried Distribution Circuits *</u>	<u>1</u>	<u>2</u>	<u>5</u>	<u>5</u>	-	-
<u>Underground - Buried Distribution constructed of Ethylene Propylene Rubber (EPR) *</u>	<u>1</u>	<u>2</u>	<u>5</u>	<u>5</u>	-	-
<u>Network (includes Protectors)</u>	<u>1</u>	-	<u>1</u>	-	-	-
<u>Padmount (including Secondary Pedestals)</u>	<u>4</u>	<u>6</u>	<u>4</u>	<u>6</u>	-	-
<b><u>Reclosers / Sectionalizers</u></b>	-	-	-	-	-	-
<u>Overhead</u>	<u>1</u>	<u>1</u>	-	-	-	-
<u>Underground - Direct Buried Distribution Circuits *</u>	<u>1</u>	<u>2</u>	<u>5</u>	<u>5</u>	-	-
<u>Underground - Buried Distribution constructed of Ethylene Propylene Rubber (EPR) *</u>	<u>1</u>	<u>2</u>	<u>5</u>	<u>5</u>	-	-
<u>Padmount</u>	<u>4</u>	<u>6</u>	<u>4</u>	<u>6</u>	-	-
<b><u>Switches / Switchgear</u></b>	-	-	-	-	-	-
<u>Overhead</u>	<u>4</u>	<u>6</u>	<u>4</u>	<u>6</u>	-	-
<u>Underground - Direct Buried Distribution Circuits *</u>	<u>1</u>	<u>2</u>	<u>5</u>	<u>5</u>	-	-
<u>Underground - Buried Distribution constructed of Ethylene Propylene Rubber (EPR) *</u>	<u>1</u>	<u>2</u>	<u>5</u>	<u>5</u>	-	-
<u>Padmount</u>	<u>4</u>	<u>6</u>	<u>4</u>	<u>6</u>	-	-
<b><u>Regulators / Capacitors</u></b>	-	-	-	-	-	-
<u>Overhead</u>	<u>1</u>	<u>1</u>	<u>5</u>	<u>5</u>	-	-
<u>Padmount</u>	<u>4</u>	<u>6</u>	<u>4</u>	<u>6</u>	-	-
<b><u>Other</u></b>	-	-	-	-	-	-
<u>Overhead Cables / Conductors</u>	<u>4</u>	<u>6</u>	-	-	-	-
<u>Streetlighting</u>	<u>4</u>	<u>6</u>	-	-	-	-
<u>Wood Poles</u>	<u>4</u>	<u>6</u>	-	-	-	-
<u>Wood Poles, 15 years of age or older</u>	-	-	-	-	<u>12</u>	<u>12</u>

\* Except for submersible equipment, inspections of underground distribution facilities are not practical and thus, this rule requires such inspections according to this table for submersible equipment only.