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SALUS POPULI SUPREMA LEX ESTO

"The welfare of the people shall be the supreme law."



ROBIN CARNAHAN
SECRETARY OF STATE

MISSOURI
REGISTER

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Documents will be accepted for filing on all regular workdays from 8:00 a.m. until 5:00 p.m. We encourage early filings to facilitate the timely publication of the *Missouri Register*. Orders of Rulemaking appearing in the *Missouri Register* will be published in the *Code of State Regulations* and become effective as listed in the chart above. Advance notice of large volume filings will facilitate their timely publication. We reserve the right to change the schedule due to special circumstances. Please check the latest publication to verify that no changes have been made in this schedule. To review the entire year's schedule, please check out the website at <http://www.sos.mo.gov/adrules/pubsched.asp>

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The *Missouri Register* and the *Code of State Regulations*, as required by the Missouri Documents Law (section 181.100, RSMo Supp. 2006), are available in the listed participating libraries, as selected by the Missouri State Library:

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HOW TO CITE RULES AND RSMo

RULES—Cite material in the *Missouri Register* by volume and page number, for example, Vol. 28, *Missouri Register*, page 27. The approved short form of citation is 28 MoReg 27.

The rules are codified in the *Code of State Regulations* in this system—

Title	Code of State Regulations	Division	Chapter	Rule
1	CSR	10-	1.	010
Department		Agency, Division	General area regulated	Specific area regulated

They are properly cited by using the full citation, i.e., 1 CSR 10-1.010.

Each department of state government is assigned a title. Each agency or division within the department is assigned a division number. The agency then groups its rules into general subject matter areas called chapters and specific areas called rules. Within a rule, the first breakdown is called a section and is designated as (1). Subsection is (A) with further breakdown into paragraph 1., subparagraph A., part (I), subpart (a), item I. and subitem a.

RSMo—The most recent version of the statute containing the section number and the date.

Under this heading will appear the text of proposed rules and changes. The notice of proposed rulemaking is required to contain an explanation of any new rule or any change in an existing rule and the reasons therefor. This is set out in the Purpose section with each rule. Also required is a citation to the legal authority to make rules. This appears following the text of the rule, after the word "Authority."

Entirely new rules are printed without any special symbology under the heading of the proposed rule. If an existing rule is to be amended or rescinded, it will have a heading of proposed amendment or proposed rescission. Rules which are proposed to be amended will have new matter printed in boldface type and matter to be deleted placed in brackets.

An important function of the *Missouri Register* is to solicit and encourage public participation in the rulemaking process. The law provides that for every proposed rule, amendment or rescission there must be a notice that anyone may comment on the proposed action. This comment may take different forms.

If an agency is required by statute to hold a public hearing before making any new rules, then a Notice of Public Hearing will appear following the text of the rule. Hearing dates must be at least thirty (30) days after publication of the notice in the *Missouri Register*. If no hearing is planned or required, the agency must give a Notice to Submit Comments. This allows anyone to file statements in support of or in opposition to the proposed action with the agency within a specified time, no less than thirty (30) days after publication of the notice in the *Missouri Register*.

An agency may hold a public hearing on a rule even though not required by law to hold one. If an agency allows comments to be received following the hearing date, the close of comments date will be used as the beginning day in the ninety (90)-day-count necessary for the filing of the order of rulemaking.

If an agency decides to hold a public hearing after planning not to, it must withdraw the earlier notice and file a new notice of proposed rulemaking and schedule a hearing for a date not less than thirty (30) days from the date of publication of the new notice.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Office of Administration, Division of Accounting, Thomas Sadowski, Director, PO Box 809, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

Title 1—OFFICE OF ADMINISTRATION Division 10—Commissioner of Administration Chapter 11—Travel Regulations

PROPOSED RULE

1 CSR 10-11.010 State of Missouri Travel Regulations

PURPOSE: This rule is being proposed to replace the prior rule in its entirety in order to provide relevant and specific guidance concerning the payment of travel and subsistence expenses.

(1) For the purpose of these regulations, the following definitions shall apply:

(A) Approved state credit cards shall be those cards issued and approved through the Office of Administration;

(B) Official domicile shall be the actual working or headquarters location of an employee or official to be determined by the Office of Administration as best serves the interest of the state and not for the convenience or benefit of the employee;

(C) Travel authorization and reimbursement forms are those approved by the Office of Administration; and

(D) Residence shall be the city or town in which the individual has an abode or dwelling place.

(2) Reimbursable travel expenses are limited to those expenses authorized and essential for transacting official business of the state. Expenses incurred for the sole benefit of the state employee or official shall not be allowed as reimbursable travel expenses. Expenses for laundry service and dry cleaning shall be allowed only for extended travel outside of the United States. Incidental expenses not directly concerned with travel may be allowed when necessary to perform official business while traveling. These necessary incidental expenses shall be itemized on the expense report with receipts attached. In determining reimbursable expenses and required documentation, agencies must follow the policies established by the commissioner of administration.

(3) Officials and employees will be allowed travel expenses when required to travel away from their official domicile on state business. To qualify for reimbursement for meal(s), officials and employees must be in continuous travel status for twelve (12) hours or more. The commissioner of administration will establish per diem meal rates and procedures for individuals to follow when requesting meal expenses on the expense report.

(4) State department directors are authorized to promulgate and enforce regulations governing travel. Departmental regulations may be more restrictive than these regulations. Departmental regulations shall not grant expenses that are not allowed under the state of Missouri travel regulations or policies established by the commissioner

Proposed Amendment Text Reminder:

Boldface text indicates new matter.

[Bracketed text indicates matter being deleted.]

Title 1—OFFICE OF ADMINISTRATION Division 10—Commissioner of Administration Chapter 11—Travel Regulations

PROPOSED RESCISSION

1 CSR 10-11.010 State of Missouri Travel Regulations. This rule provided regulations concerned with the payment of travel and subsistence expenses. It provided guidance for officials and employees of Missouri who traveled on official business for the state.

PURPOSE: This rule is being rescinded because it is outdated and needs to be completely revised.

AUTHORITY: section 33.090, RSMo 2000. Original rule filed Jan. 22, 1974, effective Feb. 1, 1974. For intervening history, please consult the Code of State Regulations. Rescinded: Filed Nov. 29, 2007.

of administration.

(5) The commissioner of administration or an authorized representative may approve unusual travel expenses not covered by these regulations or modify procedures for the payment of travel expenses. The commissioner of administration may make exceptions to any of these regulations when deemed appropriate and in the best interests of the state. The request for reimbursement of exception travel expenses, or of unusual travel expenses shall be made in writing to the Office of Administration.

(6) Employees and officials are expected to exercise the same care in incurring expenses as a prudent person would exercise if traveling on personal business.

(7) Officials and employees shall not incur expenses for the purchase of alcoholic beverages for reimbursement as a travel expense or payments made directly by an agency.

(8) Individuals on state business should use the approved state credit card when available. For necessary travel expenses which cannot be paid by state credit card, individuals shall use personal funds or credit cards. Air travel should be paid using a state credit card. Employees may pay for air fare and receive reimbursement on their expense report if circumstances require it; however, the general practice should be payment by state credit card. Prepayment for air fare, conference fees, and lodging shall be made by state credit card, or should be direct billed to the agency when payment is required by the vendor or advance payment results in a cost savings. Reimbursement to the employee for air fare, conference fees, and lodging can only be made after the travel has occurred.

(9) Travel expenses shall not be billed to the state, except for lodging, commercial transportation (vehicle rental, air, bus and rail), and conference registration. Travel expenses should only be billed to the state when payment by state credit card is not an option.

(10) Travel may be accomplished by plane, train, bus, private or state-owned vehicle, rented vehicle or taxi, whichever method serves the requirements of the state most economically and advantageously. When an airport is within fifty (50) miles of the employee's official domicile or residence and transportation to and from the airport is provided by a family member or friend, the employee may be reimbursed for vehicle mileage for up to two (2) round trips. The routing of each trip for mileage computation shall be by the most commonly traveled route unless unusual circumstances warrant other less direct routes.

(11) State employees and officials may be reimbursed for travel expenses incurred for other employees or nonemployees provided the specific business reason necessary for doing so is indicated along with the names of those involved. This is intended to be used for those common types of travel situations where it is normal and practical for one (1) individual to pay for an expense rather than be divided among all individuals.

(12) The following rules shall apply for travel by vehicle:

(A) For travel in privately-owned vehicles, the state mileage allowance shall be at the current rate(s) ordered by the commissioner of administration pursuant to section 33.095, RSMo. The commissioner of administration will periodically issue mileage reimbursement rates comprised of a standard rate and a state fleet rate. Agencies must use the appropriate rate for each trip as determined by policy established by the commissioner of administration. Reimbursement rates should not exceed the rate established by the commissioner of administration. When more than one (1) person travels in the same vehicle, only the owner of the vehicle shall be allowed mileage. The state mileage reimbursement rate(s) represent

full compensation for the costs of operating a privately-owned vehicle. Physical damage or loss to a private vehicle and/or its personal property contents is not covered by the state. Coverage should be obtained through personal auto insurance. Liability coverage must be maintained through personal auto insurance as required by state law.

(B) For travel by rented vehicle, the rental must be direct billed to the state or charged to a state credit card according to procedures established by the commissioner of administration. The employee will be reimbursed for fuel expenses for rental vehicles. Weekly or monthly vehicle rental rates will be allowed if the cost is less than the total cost of renting at the daily rate and the employee has a business need for the vehicle rental the majority of the working days during the rental period. Rental vehicles are considered state vehicles and should be used for official business only in accordance with state policy. The state legal expense fund provides liability coverage for the usage of rental vehicles for official state business. For that reason, employees will not be reimbursed for any vehicle rental insurance incurred. Employees must provide at their own expense insurance coverage for personal use of rental vehicles. The Office of Administration Risk Management Section publishes a *Guide for Drivers on State Business* which describes procedures to follow should an accident occur.

(13) For travel in a chartered aircraft (chartered from a nonaffiliated party and piloted by the charter service), prior authorized approval shall be obtained as provided in policies established by the commissioner of administration.

(14) No official or employee shall be allowed hotel or meals while in their city of official domicile, except as provided in policies established by the commissioner of administration. While traveling on state business, employees and officials will not be allowed hotel expenses when it would be more economical and advantageous to the state to return to their residence. Mileage shall be reimbursed and computed between the travel site destination and the employee's official domicile or residence, if leaving directly from the residence, whichever is less. Reimbursement or direct billing may be made for agency-provided meal expenses within the city of official domicile when it is incurred as part of a department or agency required meeting or a department sponsored conference. This represents meals served to officials and employees at conferences and meetings who are interacting and conducting state business during the meal period.

(15) The following procedures apply to all payments or reimbursements:

(A) Descriptive invoices for lodging, conference registration, airline/air charter, vehicle rental, bus, and rail transportation must be provided and, if applicable, a copy of an approved Out of State Travel Authorization Form attached to each payment request.

(B) When an individual is requesting reimbursement for lodging, conference registration, airline/air charter, bus, and rail transportation, the following procedures apply:

1. The individual requesting reimbursement must provide:

A. Proof of payment. Proof of payment may be in the form of a vendor receipt or a vendor marking on the invoice document that the charge has been paid. Proof of payment may also be in the form of a credit card receipt, credit card statement copy showing the charge, or a copy of a personal check that has been canceled by the bank; and

B. An original signature on the expense report verifying that the reimbursement claim is correct. Rubber stamps or facsimile signatures for the claimant are prohibited.

C. For situations where a descriptive invoice or proof of payment are not available, departments should establish alternative procedures with prior approval by the commissioner of administration or designee.

2. Fiscal personnel must:

A. Verify that travel reimbursement claims are correct.

Primary responsibility for authenticating travel reimbursement claims rests with the department and agency directors;

B. Ensure that any unusual expenses incurred are itemized on the expense report and accompanied by receipts for payment. The justification for incurring any unusual expenses shall be fully explained by letter or notation on the expense report form;

(C) All claims for reimbursement of expenses must be itemized and attested to by the claimant and approved by individuals so designated by the director of the department or as otherwise provided by state law.

(16) The following additional rules shall apply to all travel outside the state that is necessary for performing official state business:

(A) All travel outside the state requires approval by the director, head of the department or their authorized representative. This rule shall not apply to members of the legislature or other legislative branch employees, judges and other judicial branch employees and elected officials of the executive branch and their employees;

(B) Air travel shall be the primary method of transportation outside of the state unless other methods of travel are more economical or advantageous to the state. Air travel shall not, however, exceed coach fare for the most direct available route. Travel outside the state by commercial common carrier surface transportation, in lieu of air transportation, shall be limited to the actual cost of the surface carrier. Travel outside of the state by rented vehicle, in lieu of air transportation, shall be limited to the cost of the rented vehicle and necessary fuel. Travel outside the state by privately-owned vehicle, in lieu of air transportation, shall be limited to the state mileage allowance plus any actual expenses which would have been allowed or provided if taking air transportation. The total allowable expenses cannot, however, exceed the reasonable coach airfare available at that time to the same destination.

(17) Reimbursement for recruiting and relocation expenses for new or existing employees and their families will be made in accordance with the applicable department's policy. Before paying or reimbursing any recruiting or relocation expenses, departments shall submit their policies to the commissioner of administration for approval. If a department does not submit a policy for approval, those expenses shall be paid based upon the Office of Administration employee relocation policy.

AUTHORITY: section 33.090, RSMo 2000. Original rule filed Jan. 22, 1974, effective Feb. 1, 1974. For intervening history, please consult the Code of State Regulations. Rescinded and readopted: Filed Nov. 29, 2007.

PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rule will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Office of Administration, Division of Accounting, Thomas Sadowski, Director, PO Box 809, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 1—OFFICE OF ADMINISTRATION
Division 10—Commissioner of Administration
Chapter 11—Travel Regulations**

PROPOSED AMENDMENT

1 CSR 10-11.020 County Travel Regulations, Mileage Allowance.
The commissioner is amending the purpose and section (1).

PURPOSE: The amendment removes reference to a specific mileage rate as the rate changes each year.

PURPOSE: Due to the inflationary cost of gasoline, this rule provides guidance in reimbursing officials and employees of the counties of Missouri who use privately-owned [automobiles] vehicles while traveling on official business for the county.

(1) Where an officer or employee of any county, except first class counties with a charter form of government, is paid a mileage allowance or reimbursement, the allowance or reimbursement may be computed at a rate determined by the county, but not to exceed the Internal Revenue Service (IRS) standard mileage rate less three cents (3¢) per mile. Any change to the maximum rate is effective on July 1, of the year the IRS changes their standard mileage rate. *[Effective July 1, 1995, the maximum reimbursement rate shall be twenty-seven cents (27¢) per mile.]*

AUTHORITY: section 33.095, RSMo [1994] 2000. Emergency rule filed March 28, 1980, effective April 7, 1980, expired Aug. 5, 1980. Original rule filed March 28, 1980, effective July 11, 1980. For intervening history, please consult the Code of State Regulations. Amended: Filed Nov. 29, 2007.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Office of Administration, Division of Accounting, Thomas Sadowski, Director, PO Box 809, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 1—OFFICE OF ADMINISTRATION
Division 10—Commissioner of Administration
Chapter 11—Travel Regulations**

PROPOSED AMENDMENT

1 CSR 10-11.030 State of Missouri Vehicular Travel Regulations.
The commissioner is amending the purpose and section (2), adding a new section (3) and renumbering and/or amending old sections (3)–(11).

PURPOSE: This proposed amendment provides guidance regarding officials or employees incurring commuting miles in a state vehicle.

PURPOSE: Section 37.450, RSMo requires the Office of Administration to establish guidelines for determining the most cost effective and reasonable mode of travel for single trips from the following options: passenger rail, vehicle rental, state-owned vehicles and reimbursement for personal vehicle use. Additionally, 1 CSR 10-11.010 State of Missouri Travel Regulations states "Travel may be accomplished by plane, train, bus, private or state-owned [automobile] vehicle, rented [car] vehicle or taxi, whichever method serves the requirements of the state most economically and advantageously." This rule requires officials and employees to utilize the most cost effective vehicular travel method available. State agencies and officials

may adopt more restrictive vehicular travel policies provided the policy does not conflict with the rules herein. State agencies and officials must establish sufficient internal controls to ensure vehicular travel expenses are minimized to the greatest extent possible.

(2) Pursuant to section 33.095, RSMo and 1 CSR 10-11.010 ~~[(11)]~~ **(12)**(A), the commissioner of administration will periodically issue mileage reimbursement rates comprised of a standard rate and a state fleet rate. The standard mileage reimbursement rate is deemed to represent the total cost to own and operate a personal vehicle. The allowance or reimbursement shall be computed at a rate not to exceed the Internal Revenue Service (IRS) standard mileage rate less three cents (3¢) per mile. Any change to the maximum rate is effective on July 1 of the year the IRS changes their standard mileage rate. The state fleet mileage reimbursement rate reflects the average cost of operating a mid-size sedan in the state vehicle fleet.

(3) Officials or employees incurring commuting miles in a state vehicle shall report such use utilizing the cents-per-mile method for inclusion in employee gross income and in accordance with procedures issued by the commissioner of administration.

~~[(3)]~~**(4)** Officials and employees must utilize the most cost effective vehicular travel option when traveling on state business. All relevant factors such as the ~~[:]~~ urgency; nature of travel required; type of vehicle required for the number of passengers, tool or equipment load; employee time and effort; official domicile; proximity to rental or state vehicles; and other administrative costs should be considered when selecting the most cost effective travel option.

~~[(4)]~~**(5)** Officials and employees traveling to the same destination should car-pool whenever possible. Employees who elect to travel using their personal vehicle when car-pooling is available shall be denied reimbursement if space is reasonably available in a state-owned or rental vehicle traveling to the same destination for the same purpose.

~~[(5)]~~**(6)** Officials and employees must utilize the ~~[T]trip [O]optimizer~~ or other equivalent method to calculate travel costs and ensure officials and employees use the most cost effective vehicular travel option for each trip. The ~~[T]trip [O]optimizer~~ assists in determining the most cost effective travel option for instate single trips. A single trip includes any number of trips taken by an individual during the same day. ~~[The State Fleet Management Program maintains the Trip Optimizer at: <http://www.oa.mo.gov/gs/fm/index.htm>.]~~

~~[(6)]~~**(7)** Officials and employees shall drive state vehicles while on state business that requires travel unless an exception applies as set forth in section ~~[(8)]~~ **(9)** of this rule. When a state vehicle is available to the official or employee and the official or employee elects to drive a privately-owned vehicle, the maximum reimbursement rate for an official or employee shall be limited to the established state fleet rate. When a state vehicle is not available, but a rental vehicle is reasonably available and is a lower cost option for the trip, the maximum mileage reimbursement for the official or employee shall not exceed the cost of the rental option, including the cost of fuel.

~~[(7)]~~**(8)** Officials or agencies may establish savings thresholds where-by an official or employee may utilize the next lowest cost option without supervisory approval. Officials or agency thresholds may vary depending on several factors including: proximity of state vehicles or rental vehicles and administrative expenses involved in making travel arrangements.

~~[(8)]~~**(9)** Notwithstanding section ~~[(6)]~~**(7)** of this rule, officials or employees who use privately-owned vehicles for official state business may be reimbursed up to the standard mileage reimbursement rate when they are:

(A) Members of boards, commissions, committees, advisory councils or other individuals who are not considered employees of the state of Missouri but who are otherwise eligible for mileage reimbursement;

(B) Officials or employees who otherwise would be traveling in a state vehicle when the total trip miles calculated on a daily basis are deemed low according to the ~~[S]state [V]vehicle [U]utilization [R]review~~ section of the ~~[T]trip [O]optimizer~~ and where another official or employee could utilize the state vehicle to a greater extent; or

(C) Officials or employees who have a documented physical condition that requires them to operate vehicles equipped to accommodate their specific needs.

~~[(9)]~~**(10)** Officials or employees denied the use of a state vehicle due to their driving record may be reimbursed for use of a privately-owned vehicle up to the state fleet rate.

~~[(10)]~~**(11)** Officials or employees who operate their personal vehicle on state business must do so in compliance with the Motor Vehicle Financial Responsibility Law, Chapter 303, RSMo. Officials or employees and/or their insurer may be held liable for damages resulting from an accident that occurs while operating their vehicle on state business. ~~[Agencies and employees may refer to the Guide for Drivers and State Business at: <http://www.oa.mo.gov/gs/risk/legal/driver.htm> for more information.]~~

~~[(11)]~~**(12)** Officials or agencies shall establish internal procedures that require appropriate documentation to support the vehicular travel decisions made by their agency and employees. Officials or agencies shall specifically approve and justify any exceptions to this rule and retain the documentation as part of the related financial transaction. Officials or agencies must utilize the ~~[T]trip [O]optimizer~~ or other equivalent method to document the lowest cost travel option and maximum personal mileage reimbursement allowed.

AUTHORITY: sections 33.095, RSMo 2000 and 37.450, RSMo Supp. [2005] 2006. Original rule filed May 10, 2006, effective Nov. 30, 2006. Amended: Filed Nov. 29, 2007.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Office of Administration, Division of Accounting, Thomas Sadowski, Director, PO Box 809, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 4—DEPARTMENT OF ECONOMIC
DEVELOPMENT
Division 240—Public Service Commission
Chapter 23—Electric Utility Operational Standards**

PROPOSED RULE

4 CSR 240-23.020 Electrical Corporation Infrastructure Standards

PURPOSE: This rule establishes the minimum requirements for the transmission and distribution facilities of electrical corporations as defined in section 386.020(15), RSMo Supp. 2006 regarding inspection (including maximum allowable inspection cycle lengths), condition rating, scheduling and performance of corrective action, record keeping, and reporting, in order to provide safe and adequate 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), RSMo Supp. 2006.

(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. Temporary interruption of service or remedial action is appropriate until corrective action can be completed;

(B) Detailed inspection means an inspection where individual pieces of equipment and structures are carefully examined, visually and through use of routine diagnostic testing, as appropriate, and (if practicable and if useful information can be so gathered) opened, and the condition of each rated and recorded;

(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, which is designed to identify obvious structural problems and hazards. Patrols may be carried out in the course of other electrical corporation business;

(F) Remedial action means action taken immediately or as soon as possible to eliminate an imminent hazard to person or property. Remedial action may be temporary, pending final corrective action. Remedial action may include the temporary interruption of service;

(G) Rural means those areas where there are fewer than thirty-five (35) customers per circuit mile;

(H) Underground network means an electrical distribution system typically located in manholes, vaults, tunnels, and other underground structures; and

(I) Urban means those areas where there are thirty-five (35) or more customers per circuit mile.

(3) Standards for Inspection, Record Keeping, and Reporting.

(A) Each electrical corporation subject to this rule shall have personnel, sufficiently trained in inspections, conduct inspections of its transmission and distribution facilities operated above six hundred (600) volts, as necessary to provide safe and adequate service pursuant to section 393.130.1, RSMo Supp. 2006, but in no case may the period between inspections (measured in years) exceed the time specified in the table, included herein, 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 July 1, 2008, 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 shall 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 July 1 through December 31, 2008 and the coming calendar year. The electrical corporation's compliance plans shall include a projected schedule for completing a full cycle for each infrastructure classification shown in the attached table titled "Electrical Corporation System Inspection Cycles (Maximum

Intervals in Years)." The commission may prescribe changes to an individual electric corporation's obligations relating to reporting and record keeping formats and forms when and as necessary. None of these changes may conflict with the requirements of this rule unless specifically approved by the commission through a variance.

(C) Each electrical corporation subject to this rule shall file with the commission an annual report detailing its compliance with this rule during the prior calendar year, 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 and will cover calendar year 2008. Each electrical corporation shall file subsequent annual reports for every following year by no later than July 1 covering the prior calendar year. The report shall identify the number of facilities, by type, which have been inspected during the previous reporting period. It shall identify those facilities that were scheduled for inspection but that were not inspected according to schedule and shall explain why the inspections were not conducted, and provide the electrical corporation's recovery plan to perform the required inspections. The report shall also present the total number 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 shall present the total number and percentage of equipment that was or was not corrected during the reporting period. For those instances in which equipment was scheduled to have corrective action but the equipment was not corrected during the reporting period, an explanation shall be provided, including a date certain by which required corrective action will occur. The report shall 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 table, included herein, titled "Electrical Corporation System Inspection Cycles (Maximum Intervals in Years)." If periodic reporting of infrastructure inspection results is required by another governmental entity, those reports shall also be filed at the commission.

(D) The electrical corporation 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, electrical corporation records shall specify the circuit, area, or equipment inspected, 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, electrical corporations shall also rate the condition of inspected equipment. Upon completion of corrective action, electrical corporation records shall show the nature of the work and the date the work was performed.

(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, 4 CSR 240-23.020; or any other commission rules relating to the provision of safe and adequate service, the commission may require a shorter interval between inspections.

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

(H) If the electrical corporation discovers, or should have discovered, upon inspection as required under this rule, or the electrical corporation is otherwise given notice that prudent operation of facilities would require corrective action, then it shall take such corrective action within a reasonable period of time. If harm to person or property is imminent, then corrective or remedial action shall be taken immediately, or as soon as possible.

(4) In the event an electrical corporation incurs expenses as a result of this rule in excess of the costs included in current rates, the corporation may submit a request to the commission for accounting authorization to defer recognition and possible recovery of these excess expenses until the effective date of rates resulting from its next general rate case, filed after the effective date of this rule, using a tracking mechanism to record the difference between the actually incurred expenses as a result of this rule and the amount included in the corporation's rates, or if there is no identifiable amount included in the corporation's rates, the amount reflected in the appropriate accounts for infrastructure inspection and maintenance on the corporation's books for the test year (as updated) from the corporation's last rate case will be used to determine the amount included in current rates. In the event that such authorization is granted, the next general rate case must be filed no later than five (5) years after the effective date of this rule. Parties to any electrical corporation request for accounting authorization pursuant to this rule may ask the commission to require the electrical corporation to collect and maintain data (such as actual revenues and actual infrastructure inspection expenses) until such time as the commission addresses ratemaking for the deferrals. The commission will address the ratemaking of any costs deferred under these accounting authorizations at the time the electrical corporation seeks ratemaking in a general rate case.

(5) Variances. A variance from a provision of this rule may be granted for good cause shown. Nothing in this rule shall prevent an electrical corporation from proposing and the commission from approving an alternative infrastructure inspection program varying from the table, included herein, titled "Electrical Corporation System Inspection Cycles (Maximum Intervals in Years)" if the electrical corporation can establish that the alternative infrastructure inspection program has previously produced equal to or greater reliability performance than what would be produced under this rule or that the alternative infrastructure inspection program shall produce equal to or greater reliability performance in the future than what would be produced under this rule.

Electrical Corporation System Inspection Cycles
(Maximum Intervals in Years)

	Patrol		Detailed		Intrusive		Notes
	Urban	Rural	Urban	Rural	Urban	Rural	
Poles/Overhead Structures							
Wood	4	6	---	---	12	12	Note 1
Non-wood	4	6	12	12	---	---	Note 2
Conductors, Transformers, Reclosers, Regulators, Capacitors, Switching/Protective Devices, and Streetlighting							
Overhead	4	6	8	12	---	---	
Overhead (with real-time remote monitoring)	---	---	12	12	---	---	
Underground-direct buried and conduit	4	6	8	12	---	---	Note 3
Underground-direct buried and conduit (with real-time remote monitoring)	---	---	12	12	---	---	Note 3
Underground Networks	4	---	8	---	---	---	
Underground Networks (with real-time remote monitoring)	---	---	12	---	---	---	
Manholes, vaults, tunnels, and Other underground structures							
Manholes, vaults, tunnels, and Other underground structures	4	6	8	12	---	---	
<p>Note 1: No intrusive inspection required for first 12 years after installation, however, intrusive inspection required between years 12 and 18. For poles/structures greater than 12 years of age at inception of program, intrusive inspections must be completed within 12 years.</p> <p>Note 2: No detailed inspection required for first 12 years after installation, however, detailed inspection required between years 12 and 18. For poles/structures greater than 12 years of age at inception of program, detailed inspections must be completed within 12 years.</p> <p>Note 3: Some components of underground-direct buried and conduit distribution systems are above ground (e.g., pad-mounted transformers, pad-mounted switches, pad-mounted reclosers, etc.) The inspection intervals also apply to these above ground devices. These inspection requirements do not apply to direct-buried cable or cable installed in underground conduit.</p>							

AUTHORITY: sections 386.040, 386.250, 386.310 and 393.140, RSMo 2000 and 393.130, RSMo Supp. 2006. Original rule filed Dec. 14, 2007.

PUBLIC COST: This proposed rule will cost state agencies or political subdivisions sixty-five thousand seven hundred sixty-seven dollars (\$65,767) in the first year, and sixty thousand seven hundred forty-seven dollars (\$60,747) each year thereafter.

PRIVATE COST: This proposed rule will cost private entities \$8,348,000 in implementation costs. Annual compliance costs will be \$17,750,675. However, the proposed rule includes a cost recovery mechanism that, when used properly, will allow the electric companies to recover all prudently incurred costs of complying with this rule.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file comments in support of or in opposition to this proposed rule with the Missouri Public Service Commission, Colleen M. Dale, Secretary of the Commission, PO Box 360, Jefferson City, MO 65102. To be considered, comments must be received at the commission's offices on or before February 4, 2008, and should include a reference to commission Case No. EX-2007-0214. Comments may be submitted via a filing using the commission's electronic filing and information system at <<http://www.psc.mo.gov/efis.asp>>. A public hearing regarding this proposed rule is scheduled for February 4, 2008, at 10:00 a.m. in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. Interested persons may appear at this hearing to submit additional comments and/or testimony in support of or in opposition to this proposed rule, and may be asked to respond to commission questions.

SPECIAL NEEDS: Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one (1) of the following numbers: Consumer Services Hotline 1-800-392-4211 or TDD Hotline 1-800-829-7541.

FISCAL NOTE

PUBLIC COST

I. RULE NUMBER

Rule Number and Name	4 CSR 240-23.020, Electrical Corporation Infrastructure Standards
Type of Rulemaking:	Proposed Rule

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Missouri Public Service Commission	\$65,767 first year, \$60,747 each year thereafter

III. WORKSHEET

- 0.5 FTE Utility Engineering Specialist III \$25,116 annually**
- 0.5 FTE Utility Engineering Specialist II \$22,236 annually**
- First year equipment \$5,020**
- Annual Equipment Expense \$1,090**
- Annual Office Space Rental \$2,700**
- Annual Travel Expense \$9,605**

IV. ASSUMPTIONS

All costs in 2007 dollars

Costs reflect estimates provided for other fiscal notes for various General Assembly bills from this year's session.

A total of two additional FTEs were assumed for this rule and the Vegetation Management Standards rule that is also being considered. Their time is assumed to be evenly split between these two rules. In most cases, these FTEs will be able to conduct reviews of the utilities' infrastructure inspection and vegetation management practices in the same visit. This should reduce their travel time and increase their productivity. However, these reviews will require facility reviews (including walking electric lines and observing utility employees performing the various tasks required by these rules) and on-site document reviews at various district/division offices. This will also require reports by these two FTEs on the status of the utilities' efforts at various times of the year.

FISCAL NOTE**PRIVATE COST****I. RULE NUMBER**

Rule Number and Name:	4 CSR 240-23.020 Electrical Corporation Infrastructure Standards
Type of Rulemaking	Proposed Rule

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
Four (4)	Investor Owned Electric Utility Companies	
	AmerenUE	Implementation: \$848,000 \$9,857,002 annually
	Empire	Implementation – None Listed \$4,299,418 annually
	Aquila	Implementation - \$7,500,000 \$1,094,255 annually
	Kansas City Power & Light	Implementation – None listed \$2,500,000 annually
	Total	\$8,348,000 – Implementation \$17,750,675 - Annually

III. WORKSHEET

For fiscal impacts please see ASSUMPTIONS below for each utility.

IV. ASSUMPTIONSAmerenUEEstimated Implementation Cost

Software & Hardware Additions: \$ 848,000

Total Implementation Cost: \$ 848,000

Estimated Annual Cost

Visual Inspections: \$ 3,046,932

Detail/Intrusive Inspections: \$ 6,410,070

Staffing Additions Required: \$ 400,000

Total Annual Cost: \$ 9,857,002

The following assumptions were made when preparing these estimates:

1. "Rural" service areas are defined as Green Hills, Little Dixie, Capital, Lakeside, Jefferson, Franklin, Ironton, St. Francois, and Southeast.
2. "Urban" services areas are defined as Wentzville, St. Charles, Ellisville, Dorsett, Berkeley, Geraldine, and Mackenzie.
3. Poles, wires, cables, transformers, and hardware are visually inspected each year during the "Patrol" inspection.
4. All distribution wood poles receive an "Intrusive" inspection every 12 years
5. All transmission wood poles receive an "Intrusive" inspection every 10 years
6. All wood poles must have "Intrusive" inspection by age 18.
7. All inspections are performed with contractor labor.
8. All costs are current with no escalation factors.
9. Material costs are 18% of total costs.
10. Costs to "Patrol" inspect distribution wood poles are estimated at \$13 per pole.
11. Costs to "Intrusive" inspect / retreat distribution wood poles are estimated at \$62 per pole.
12. Costs to "Intrusive" inspect / retreat transmission wood poles are estimated at \$125 per pole.
13. Costs to "Patrol" inspect padmount transformers are estimated at \$10 per transformer.
14. Costs to "Detail" inspect padmount transformers are estimated at \$60 per transformer.

Kansas City Power & Light

The following summary is KCP&L's estimate of the increased cost expected for achieving compliance with the final version of the Missouri Public Service Commission Infrastructure Inspection Rules approved in October 2007.

The estimated increased cost to comply with the MPSC proposed Infrastructure Inspection rules is approximately \$2,500,000. This breaks down into \$1,170,000 for facility inspections and \$1,330,000 for expense repairs identified during these specific inspections. Most of the inspections mandated by the rules are not currently being performed.

These estimates were prepared based on historical insight and extensive experience. However, they are still estimates. Intentions are to implement methods for tracking the actual cost for insuring compliance with the new rules. The actual costs will then be applied when preparing future budgets. Below is a summary of the areas of the new rules that impact current practices and the associated cost increases used to calculate the above totals.

<u>Infrastructure Component</u>	<u>Annual Cost</u>
Inspection - Poles/Overhead Structures	\$318,000
Inspection - Overhead Circuit Components and Equipment	\$351,000
Inspection - Pad-mounted Transformers and Equipment	\$ 85,000
Inspection - Underground Structures and Network Equipment	\$416,000
Inspection Total	\$1,170,000
Repairs - Overhead Circuit Components and Equipment	\$468,000
Repairs - Pad-mounted Transformers and Equipment	\$ 74,000
Repairs - Underground Structures and Network Equipment	\$788,000
Repairs Total	\$1,330,000
Infrastructure Rule Total	\$2,500,000

Notes:

These estimates assume that inspection cycles are selected to take advantage of overlapping cycle requirements. For example, when a detailed inspection is performed, it will fulfill the requirement for a patrol at the same time. This plan will spread the number of inspections evenly across ALL years and will not cause a "bunching" of inspections in particular years. This allows the cost estimates above to be spread evenly across all budget years.

The above estimates do not include capital repairs.

Empire District Electric

2008	\$4,122,360
2009	\$4,790,837
2010	<u>\$3,985,059</u>
Total	\$12,898,256
3 year average	\$4,299,418

Aquila

ELECTRIC UTILITY	One-Time Impact Implementation Cost	Ongoing Costs per year for First 3 years to closest \$100,000
Aquila, Inc. Field Assessment & Survey	\$7,500,000	
Annual Patrol		\$35,000
Detailed Inspection		\$1,059,255
Total	\$7,500,000	\$1,094,255

One Time Impact:

The proposed legislature requires a detailed inspection of most equipment and structures every eight to twelve years and the condition of each rated and recorded. This would require a complete field survey and inventory to establish a computer database of equipment and to establish a recordkeeping system. This work would have to be contracted and is estimated to take approximately three years at a total cost of \$7,500,000.

Annual Patrol:

The proposed legislation requires a patrol every 4 years in urban areas and 6 years in rural areas to identify obvious structural problems and hazards. Currently this type of a patrol is occurring over a five-year period at an estimated cost of approximately \$150,000. The new patrol interval would increase our costs approximately \$35,000/year.

Detailed Inspection

Detailed inspections for most equipment are required every 8 – 12 years and require rating the condition of each piece of equipment. This would require opening each padmount and switchgear and operating line switches to determine their condition. Detailed inspections would need to be levelized over the 8 – 12 year period and probably much of the work contracted.

Estimated Costs for Detailed Inspections

Equipment	Approx. Number	Inspection / Operation Cost Each	Total
Switches	9,000	\$600	\$5,400,000
OCR's	1,000	\$100	\$100,000
Capacitor Banks	600	\$100	\$60,000
Regulators	650	\$100	\$65,000
3 Phase OH Tx	5,542	\$50	\$277,100
1 Phase OH Tx	41,335	\$50	\$2,066,750
3 Phase Padmount Tx	2,013	\$100	\$201,300
1 Phase Padmount Tx	24,024	\$100	\$2,402,400
Switch Cabinets	200	\$100	\$20,000
			\$10,592,550
		Annualized	\$1,059,255

**Title 4—DEPARTMENT OF ECONOMIC
DEVELOPMENT
Division 240—Public Service Commission
Chapter 23—Electric Utility Operational Standards**

PROPOSED RULE

4 CSR 240-23.030 Electrical Corporation Vegetation Management Standards and Reporting Requirements

PURPOSE: This rule sets forth requirements that electrical corporations shall follow in managing vegetation in proximity to an energized distribution conductor and sets reporting requirements for transmission line vegetation management in order to promote a safe, efficient and reliable supply of electric power. The requirements in this rule provide the minimum standards for the vegetation management programs of electrical corporations. Each electrical corporation must have a vegetation management plan and keep appropriate records to ensure that timely vegetation management is accomplished. These records must be made available to the Missouri Public Service Commission (commission) upon request.

PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. This material as incorporated by reference in this rule shall be maintained by the agency at its headquarters and shall be made available to the public for inspection and copying at no more than the actual cost of reproduction. This note applies only to the reference material. The entire text of the rule is printed here.

(1) Definitions. The following words and terms, when used in this rule, shall have the following meaning unless the context clearly indicates otherwise.

(A) Arboriculture means the cultivation of trees, shrubs and other woody plants.

(B) Contractor means a person or entity, other than the commission, with which electrical corporation contracts to perform work, furnish information and/or material. This term includes all subcontractors engaged by a contractor to perform any of the obligations required by a contract.

(C) Distribution line means a primary electric voltage line, wire or cable, energized at less than two hundred thousand (200,000) volts. However, any distribution line subject to this rule shall thereafter be exempt from this rule at such time the electric corporation provides the commission written proof that such distribution line has been deemed "critical to the reliability of the region" by the Federal Energy Regulatory Commission (FERC), a regional reliability organization or the North American Electric Reliability Council (NERC).

(D) Energized conductor means an electric circuit or equipment through which electricity is flowing or usually flows within the transmission or distribution system.

(E) Electrical corporation means electrical corporation as defined in section 386.020(15), RSMo Supp. 2006.

(F) Right-of-way means less than fee interest in property, which gives a public utility a limited right to use land owned by another person or entity for the purpose of transmitting or distributing electricity. This right is typically memorialized in an easement.

(G) Rural means those areas in which there are fewer than thirty-five (35) customers per circuit mile.

(H) Transmission line means an electrical line, wire or cable (including the supporting structures), and appurtenant facilities which transmits electricity from a generating plant to electric distribution lines, and is operated at or above two hundred thousand (200,000) volts.

(I) Tree means a woody plant at least twelve feet (12') tall at maturity with one main stem and having a distinct head in most cases.

(J) Urban means those areas in which there are thirty-five (35) or

more customers per circuit mile.

(K) Vegetation means trees, shrubs and other woody plants.

(L) Vegetation management means the removal of vegetation or the prevention of vegetative growth to maintain safe conditions around energized conductor(s) and ensure reliable electric service. Vegetation management consists of biological, chemical, cultural, manual and mechanical methods to control vegetation in order to prevent hazards caused by the encroachment of vegetation on energized conductor(s), and to provide utility access to the conductor.

(M) Volts means nominal voltage levels, measured phase-to-phase.

(N) Woody plant means any vascular plant that has a perennial woody stem and supports continued vegetative growth above ground from year-to-year and includes trees.

(2) General Provisions.

(A) An electrical corporation shall ensure that vegetation management is conducted in accordance with this rule along energized distribution line conductors of six hundred (600) volts and higher, that the electrical corporation owns, in whole or in part.

(B) Each electrical corporation shall obtain for its own employees, and shall contractually require that its contractors obtain, all required permits and licenses prior to commencement of vegetation management.

(C) Each electrical corporation and its contractors using chemical or biological agents in vegetation management shall comply with any laws or regulations governing the use of those biological and chemical agents.

(D) Each electrical corporation shall employ a vegetation manager. The vegetation manager shall supervise all aspects of the electrical corporation's vegetation management program, and shall ensure that the electrical corporation complies with this rule. The vegetation manager's name and contact information shall be posted on the electrical corporation's website and shall be included on all notifications provided pursuant to the notice requirements of section (7) of this rule.

(E) Each electrical corporation and its contractors shall inform workers hired to perform vegetation management of all applicable federal, state, county, and municipal laws, rules or regulations that apply to the work performed under this rule. The electrical corporation shall also ensure that all contractors comply with each applicable requirement of this rule.

(F) An electrical corporation that agrees to perform vegetation management at the request of a municipality or government agency, other than vegetation management required under this rule, may require the requesting party to pay any cost above the electrical corporation's cost to perform the vegetation management required by this rule. An electrical corporation shall not perform such additional vegetation management if the additional vegetation management would decrease the reliability or safety of an energized conductor.

(G) Upon an electrical corporation's receiving notice of, or having actual knowledge of, vegetation conditions that pose an imminent threat to the reliable or safe function of electrical facilities, the electrical corporation shall promptly remove or remedy the potential threat. If, pursuant to the first sentence of this section, removal of the vegetation requires the electrical corporation to access or cross property for which it does not hold an easement or other legal authorization, the electrical corporation shall make reasonable efforts to obtain any necessary permission from the property owner and remove or remedy the potential safety concern as promptly as possible.

(3) Maintenance Cycle.

(A) An electrical corporation shall perform a visual inspection at least once every two (2) years of all urban energized distribution conductors and at least once every three (3) years of all rural energized distribution conductors, to determine whether vegetation management is needed. Where needed, the electrical corporation shall perform vegetation management in a timely manner. Vegetation

management performed along a circuit in compliance with this rule shall meet this two (2)- or three (3)-year visual inspection requirement, accordingly.

(B) In addition to the maintenance required in subsection (3)(A) above, if an electrical corporation becomes aware either through notification or during the inspections required under subsection (3)(A) above or at any other time, of any vegetation close enough to pose a threat to its energized conductor, which is likely to affect reliability or safety prior to the next required vegetation management, the electrical corporation shall ensure that necessary vegetation management is promptly performed as required under section (4) of this rule.

(4) Technical Standards for Vegetation Management.

(A) Each electrical corporation shall ensure that vegetation management conducted on its energized distribution conductors is performed in accordance with the following applicable standards, which are hereby incorporated by reference, include no later amendments or additions, are on file with the commission's data center and available for inspection:

1. "Pruning, Trimming, Repairing, Maintaining, and Removing Trees, and Cutting Brush—Safety Requirements, 2006." This document, also known as ANSI Z133.1-2006, is published by the American National Standards Institute, 1819 L Street, N.W., Suite 600, Washington, DC 20036;

2. Part 1 of the document entitled "Tree, Shrub, and Other Woody Plant Maintenance—Standard Practices, 2001." This document, also known as ANSI A300-2001, is published by the American National Standards Institute, 1819 L Street, N.W., Suite 600, Washington, DC 20036; and

(B) Each electrical corporation shall develop its own vegetation management standards, guidelines and procedures, which shall be consistent with this rule. In developing these standards, guidelines and procedures, an electrical corporation shall prioritize its vegetation management based upon:

1. The extent of the potential for vegetation to interfere with the energized conductor;

2. The voltage of the affected energized conductor; and

3. The relative importance of the affected energized conductor in maintaining safety and reliability.

(C) Each electrical corporation shall file a copy of its vegetation management standards, guidelines and procedures at the commission by July 1, 2008, with verification by affidavit of an officer who has knowledge of the matters stated therein. If an electrical corporation makes a change in its vegetation management standards, guidelines or procedures, it shall file a copy of the change at the commission no later than thirty (30) days prior to implementing the change, with verification by affidavit of an officer who has knowledge of the matters stated therein.

(D) Each electrical corporation's vegetation management standards, guidelines and procedures shall cover, at a minimum, all of the following activities:

1. Tree pruning and removal;

2. Vegetation management around poles, substations and energized conductors;

3. Manual, mechanical, biological or chemical vegetation management along rights-of-way;

4. Inspection of areas where vegetation management is performed, both before and after the vegetation management;

5. Research and development of improved vegetation management; and

6. Public education.

(E) Among the factors the electrical corporation shall consider in determining the extent of vegetation management to be performed at a particular site are:

1. The rate at which each species of vegetation is likely to grow back;

2. The voltage of the energized conductor, with higher voltages requiring larger clearances;

3. Sag of conductors at elevated temperatures and under wind and ice loading, and growth habit, strength, and health of vegetation growing adjacent to the conductor with the combined displacement of the vegetation, supporting structures, and conductors under adverse weather or routine wind conditions; and

4. The electrical corporation's legal rights to access the area where vegetation management is to be performed.

(F) The electrical corporation shall remove all trimmings and cut vegetation resulting from vegetation management that are part of the electrical corporation's regular maintenance cycle, within five (5) business days after the vegetation was cut, except if:

1. The electrical corporation obtains consent from the owner of the property upon which the trimmings or cut vegetation are located to leave the trimmings or cut vegetation; or

2. The vegetation management is performed as a direct result of an outage caused by a storm as described in the electric corporation's standard procedures. The electric corporation shall include a copy of its standard procedures regarding removal of trimmings or cut vegetation during outages caused by a storm in its annual vegetation management filing. If the electric corporation proposes to change its standard procedures regarding removal of trimmings or cut vegetation during outages caused by a storm, the electric corporation shall file the proposed changes with the commission, and other parties shall have thirty (30) days to comment on the proposed changes.

(5) Transmission Line Vegetation Management. Every electrical corporation shall send the commission's energy department a copy of every filing it makes on vegetation management of its transmission lines with the FERC, a regional reliability organization, or the NERC.

(6) Training, Record Keeping and Reporting.

(A) Each electrical corporation shall adopt standards to be used by all persons who perform vegetation management for the electrical corporation, whether employees or contractors, for the proper care of trees and other woody plants, including safety practices and line clearance techniques.

(B) The electrical corporation shall monitor and document all scheduled vegetation management and related activities it or its contractors performs. Documentation shall include, but shall not be limited to:

1. Identification of each circuit and substation where vegetation management was performed;

2. The type of vegetation management performed including removal, trimming and spraying and methods used;

3. The crew size and supervisor's name;

4. The date of activity;

5. Any safety hazards encountered; and

6. Any unexpected occurrence or accident resulting in death, life-threatening or serious injury to a person assigned to perform vegetation management activities or the public;

(C) Each electrical corporation shall include a summary of the information required in subsection (6)(B) above about its vegetation management during the past year, and vegetation management planned for the following year in an annual report to be filed with the commission by April 1 each year, with verification by affidavit of an officer who has knowledge of the matters stated therein. The report shall also include:

1. Expenditures for vegetation management in the preceding year;

2. Vegetation management budget for the current year;

3. Circuits, completion dates and miles trimmed in the preceding year;

4. Circuits, completion dates and miles scheduled for the current year; and

5. Total distribution miles for the system and corresponding classification between rural and urban.

(D) Each electrical corporation shall report its own violations of

this rule to the commission within thirty (30) days of discovery and include its plan for correcting the violation.

(E) The staff of the commission shall review each electrical corporation's vegetation management annual report for compliance with the provisions of this rule. The staff shall identify any deficiencies in the annual report of each electrical corporation and file its analysis and recommendations for each electrical corporation complying with the provisions of this rule.

(7) Public Notice of Planned Vegetation Management.

(A) Each electrical corporation shall make a diligent attempt to notify all property owners or occupants that may be affected by planned vegetation management. This requirement will be satisfied if the electrical corporation provides notice to affected property owners or occupants at least seven (7) days, but not more than ninety (90) days, prior to performing planned vegetation management activity. Notice shall be provided by direct mailing, door hanger, postcard, bill insert, personal contact or any other commission-approved method.

(B) Each electrical corporation shall maintain a record of the dates, content, and addresses to which all notices provided under subsection (7)(A) were given until the subsequent vegetation management cycle has occurred for each affected property owner or occupant.

(C) Each electrical corporation or its contractor shall provide written notice of any pending vegetation management activities to a primary contact for each county and municipality affected. The primary contact shall be selected by mutual agreement between the electrical corporation and the highest elected official, or if no elected official, then the highest appointed official, of the county and municipality.

(D) An electrical corporation shall notify counties and municipalities that may be affected by vegetation management activities. The notice shall be made in writing to the primary contact designated under subsection (7)(C) above, at least two (2) months in advance of the planned vegetation management. This notice shall include the planned dates and locations of the vegetation management. In addition, the notice of vegetation management shall be in a form appropriate to each electrical corporation's procedures and easement rights.

(8) Outreach Programs.

(A) Each electrical corporation shall conduct an annual public education program to inform its customers, as well as the political subdivisions in the electric public utility's service territory, of the importance of vegetation management, and of the electrical corporation's role and responsibility in managing vegetation near electric lines.

(B) The public education program required under this section shall be implemented by direct mail or another method approved by the commission.

(C) Each electrical corporation shall post its public education materials on its website.

(9) Specific Requirements.

(A) Each electrical corporation shall perform vegetation management in accordance with this rule as follows:

1. On no less than fifteen percent (15%) of its total urban distribution miles by the twelve (12) month anniversary of the effective date of this rule, and on no less than fifteen percent (15%) of its total rural distribution miles by the eighteen (18) month anniversary of the effective date of this rule;

2. On no less than forty percent (40%) of its total urban distribution miles by the twenty-four (24) month anniversary of the effective date of this rule, and on no less than forty percent (40%) of its total rural distribution miles by the thirty-six (36) month anniversary of the effective date of this rule;

3. On no less than seventy percent (70%) of its total urban dis-

tribution miles by the thirty-six (36) month anniversary of the effective date of this rule, and on no less than seventy percent (70%) of its total rural distribution miles by the fifty-four (54) month anniversary of the effective date of this rule;

4. On no less than one hundred percent (100%) of its total urban distribution miles by the four (4) year anniversary of the effective date of this rule, and on no less than one hundred percent (100%) of its total rural distribution miles by the six (6) year anniversary of the effective date of this rule; and

5. Thereafter, on no less than twenty-five percent (25%) of its total urban distribution miles each year, and on no less than twenty-five percent (25%) of its total rural distribution miles each eighteen (18) months.

(B) To the extent permitted by current easements or other authority, each electrical corporation must maintain the following minimum clearances of vegetation from conductors at the time vegetation management is conducted:

1. For conductors energized above fifty thousand (50,000) volts, fifteen feet (15') or the edge of the right of way, whichever is less;

2. For conductors energized at six hundred (600) through fifty thousand (50,000) volts, ten feet (10') or the edge of the right of way, whichever is less;

3. Subtransmission lines and three (3)-phase distribution feeders/backbone circuits (portion of distribution system directly interconnected with distribution substation and prior to the first protective device) shall be trimmed vertically to remove overhanging limbs to the widths prescribed in paragraphs (9)(B)1. and (9)(B)2. above;

4. Notwithstanding any provision to the contrary in this section (9), for conductors energized at or below thirty-five thousand (35,000) volts, mature trees whose trunks or limbs have sufficient strength and rigidity to prevent the trunk or limbs from damaging the conductor under reasonably foreseeable wind and weather conditions are exempt from the minimum clearance requirements in this section (9); and

5. The radial clearances in subsection (9)(B) are minimum clearances that should be established between the vegetation and the energized conductors and associated live parts where practicable. Vegetation management practices may make it advantageous to obtain greater clearances than those listed. In the event that the specific trimming conflicts with any other materials within this chapter the strictest rules shall apply.

(10) In the event an electrical corporation incurs expenses as a result of this rule in excess of the costs included in current rates, the corporation may submit a request to the commission for accounting authorization to defer recognition and possible recovery of these excess expenses until the effective date of rates resulting from its next general rate case, filed after the effective date of this rule, using a tracking mechanism to record the difference between the actually incurred expenses as a result of this rule and the amount included in the corporation's rates, or if there is no identifiable amount included in the corporation's rates, the amount reflected in the appropriate uniform system of accounts account for vegetation management on the corporation's books for the test year (as updated) from the corporation's last rate case will be used to determine the amount included in current rates. In the event that such authorization is granted, the next general rate case must be filed no later than five (5) years after the effective date of this rule. Parties to any electrical corporation request for accounting authorization pursuant to this rule may ask the commission to require the electrical corporation to collect and maintain data (such as actual revenues and actual vegetation management expenses) until such time as the commission addresses ratemaking for the deferrals. The commission will address the ratemaking of any costs deferred under these accounting authorizations at the time the electrical corporation seeks ratemaking in a general rate case.

(11) Variances. A variance from a provision of this rule may be granted only for good cause shown. Nothing in this rule shall prevent an electrical corporation from proposing and the commission from approving an alternative vegetation management plan in variance of paragraphs (9)(B)1. and 2., if the electrical corporation can establish that the alternative vegetation management plan has previously produced greater reliability performance than would be produced under this rule or that the alternative vegetation management plan shall produce greater reliability performance in the future than would be produced under this rule.

AUTHORITY: sections 386.040, 386.250, 386.310 and 393.140, RSMo 2000 and 393.130, RSMo Supp. 2006. Original rule filed Dec. 14, 2007.

PUBLIC COST: This proposed rule will cost state agencies or political subdivisions sixty-five thousand seven hundred sixty-seven dollars (\$65,767) in the first year, and sixty thousand seven hundred forty-seven dollars (\$60,747) each year thereafter.

PRIVATE COST: This proposed rule will cost private entities nothing in implementation costs. Annual compliance costs will be \$15,040,000. However, the proposed rule includes a cost recovery mechanism that, when used properly, will allow the electric companies to recover all prudently incurred costs of complying with this rule.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file comments in support of or in opposition to this proposed rule with the Missouri Public Service Commission, Colleen M. Dale, Secretary of the Commission, PO Box 360, Jefferson City, MO 65102. To be considered, comments must be received at the commission's offices on or before February 4, 2008, and should include a reference to Commission Case No. EX-2007-0214. Comments may be submitted via a filing using the Commission's electronic filing and information system at <<http://www.psc.mo.gov/efis.asp>>. A public hearing regarding this proposed rule is scheduled for February 4, 2008, at 1:00 p.m. in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. Interested persons may appear at this hearing to submit additional comments and/or testimony in support of or in opposition to this proposed rule, and may be asked to respond to commission questions.

SPECIAL NEEDS: Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one (1) of the following numbers: Consumer Services Hotline 1-800-392-4211 or TDD Hotline 1-800-829-7541.

FISCAL NOTE

PUBLIC COST

I. RULE NUMBER

Rule Number and Name	4 CSR 240-23.030, Electrical corporation vegetation management standards and reporting requirements
Type of Rulemaking:	Proposed Rule

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Missouri Public Service Commission	\$65,767 first year, \$60,747 each year thereafter

III. WORKSHEET

0.5 FTE Utility Engineering Specialist III \$25,116 annually

0.5 FTE Utility Engineering Specialist II \$22,236 annually

First year equipment \$5,020

Annual Equipment Expense \$1,090

Annual Office Space Rental \$2,700

Annual Travel Expense \$9,605

IV. ASSUMPTIONS

All costs in 2007 dollars

Costs reflect estimates provided for other fiscal notes for various General Assembly bills from this year's session.

A total of two additional FTEs were assumed for this rule and the Electrical Corporation Infrastructure Standards rule that is also being considered. Their time is assumed to be evenly split between these two rules. In most cases, these FTEs will be able to conduct reviews of the utilities' vegetation management and infrastructure inspection practices in the same visit. This should reduce their travel time and increase their productivity. However, these reviews will require facility reviews (including walking electric lines and observing utility employees performing the various tasks required by these rules) and on-site document reviews at various district/division offices. This will also require reports by these two FTEs on the status of the utilities' efforts at various times of the year.

FISCAL NOTE

PRIVATE COST

I. RULE NUMBER

Rule Number and Name:	4 CSR 240-23.030 Electrical Corporation Vegetation Management Standards and Reporting Requirements
Type of Rulemaking	Proposed Rule

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
Four (4)	Investor Owned Electric Utility Companies	
	AmerenUE	Implementation: \$0 \$5,100,000 annually
	Empire	Implementation n/a \$4,830,000 annually
	Aquila	Implementation - n/a \$3,050,000 annually
	Kansas City Power & Light	Implementation - n/a \$2,060,000 annually
	Total	\$0 - Implementation \$15,040,000 annually

III. WORKSHEET

IV. ASSUMPTIONS

Ameren

Based on AmerenUE's understanding of the rule as currently proposed, the rule will mandate that AmerenUE implement the following additional vegetation management practices¹ (the references to section numbers refer to the sections in the rule as presently proposed):

- Section (3) – mid-cycle visual inspections In excess of \$500,000
- Section (7) - public notification requirements Approximately \$110,000
- Section (8) - outreach programs Approximately \$480,000
- Section (9) (B) (3)- meeting clearance standards Approximately \$3,850,000

¹ The costs noted below are estimated additional annual compliance costs associated with each prescribed activity.

- An additional 1 FTE (salary/benefit costs estimated at \$100,000 annually) will also be required to meet the additional requirements of the rule as proposed.

These additional mandated activities are estimated to result in approximately \$5.1 million of additional costs annually, which is more than an 11% increase in vegetation management costs at AmerenUE. This 11% increase is over and above the 50% increase already implemented since 2006 and will more than double vegetation management expenditures at AmerenUE since 2004.

AmerenUE would also point out that the additional practices outlined above tell only part of the story respecting recent enhancements to AmerenUE's vegetation management program. The additional monies (\$15 million) sought and received in AmerenUE's last rate case are being put to use as follows:

- AmerenUE is on schedule to meet its commitment to the Commission to have its distribution system on a 4 year (urban) and a 6 year (rural) trim cycle by end of 2008. Urban is defined as 35 customer meters or more per line mile. This means that 80% of AmerenUE's customers will be on a 4 year cycle no later than the end of 2008.
- In fact, AmerenUE has already taken steps to further accelerate this work in Metro St. Louis – and now expects to have the entire City of St. Louis on the 4-year cycle by the end of 2007 – a year ahead of schedule, to have the 12kV portion of St. Louis County on schedule by May 2008, and to have the 4kV portion of St. Louis County on this cycle by September of 2008.
- AmerenUE has already implemented an ongoing prescriptive trimming program on a select number (20) of its backbone circuits in Metro St. Louis. This program focuses is on removal of overhang and on removal of trees in the ROW.
- AmerenUE has already implemented an ongoing program with an overall broadening of distribution clearances.
- AmerenUE has also increased the removal of trees both on and off (where allowed by landowners) the ROW.
- AmerenUE has also increased its Municipal Tree Replacement Program.

Empire:

- 1) Section 2)D) Empire does not currently have a vegetation manager position that supervises *ALL* aspects of our vegetation management program.
- 2) Section 3)A) Empire does not have a formal inspection cycle of 2 or 3 years.
- 3) Section 4)F) Empire does not always remove vegetation trimmed during normal maintenance within 5 business days. Our current policy states “contract crews will dispose of all debris small enough to feed through a chipper resulting from their tree removal and pruning operations unless different arrangements have been made with the homeowner or resident. Wood too large to be chipped shall be cut and stacked at the site unless the homeowner requests the wood be removed.”
- 4) Section 4)F)1) In rural areas, which are not manicured or maintained by the property owner, Empire does not seek the consent of the property owner to leave trimmings that have been cut and then moved.
- 5) Section 5) Empire is only required to adhere to NERC's vegetation management standards on 161 kV lines that are listed as critical to the transmission system; however, Empire does significant vegetation management on these lines to reduce potential problems to Empire's customers.
- 6) Section 6)B)1-6) Empire does not currently document vegetation management maintenance and maintain records to the extent required by this rule.

- 7) Section 6)C) Empire does not currently provide an annual vegetation management plan to the Missouri Public Service Commission; however, Empire does provide annual reliability data.
- 8) Section 7)A) Empire makes an attempt to contact property owners for vegetation management activity; however, it is typically much easier, and therefore we are more successful, at contacting property owners of trees in manicured areas.
- 9) Section 7)C) & D) Empire has not in the past notified counties or municipalities of vegetation management plans.
- 10) Section 8) Empire has not been required to include vegetation management in any of their outreach programs.
- 11) Section 9) Empire's vegetation management expenses included in rates provide for a target of a 10 year cycle; therefore, the requirements in Section 9 will have a significant impact on Empire's cost for vegetation management. However, several years ago, Empire recognized the need to increase the clearances such that our current maintenance practices adhere to the clearances mandated in this rule.

Empire currently has \$4.12 million in its Missouri rates for vegetation management. Empire's 2007 Missouri budget reflects \$5.85 million for vegetation management. Average annual vegetation management expenditures under the recent version of the rule are expected to be \$10.68 million over the next 5 years (2008 through 2012).

This represents an incremental increase in vegetation management spending of \$6.56 million per year over what is currently included in Empire's rates and \$4.83 million per year (an 83% increase) over what Empire has budgeted to spend in 2007 in Missouri.

Aquila

Following are the additional tasks and estimated costs for Aquila's vegetation management program to comply with the new proposals.

- Two year inspections. This is currently not being done and will cost approximately \$250,000 annually.
- Customer Notification and Outreach. This likewise is not being done currently and will cost and additional \$100,000 annually.
- Four year compliance requirement. This will increase our current line clearance budget by approximately \$2,700,000 per year or 32%.

Kansas City Power & Light

KCP&L estimates that the latest version of this rule will increase annual expenditures for distribution vegetation management approximately 35% in Missouri. In 2007, KCP&L is forecasted to spend approximately \$5,917,000 on distribution vegetation management in Missouri. The increased cost of compliance in Missouri associated with the revised vegetation management rule is approximately \$2,060,000.

**Title 4—DEPARTMENT OF ECONOMIC
DEVELOPMENT
Division 240—Public Service Commission
Chapter 31—Missouri Universal Service Fund**

PROPOSED AMENDMENT

4 CSR 240-31.050 Eligibility for Funding—Low-Income Customers and Disabled Customers. The commission is amending section 3.

PURPOSE: This amendment establishes processes for the Missouri Public Commission and its staff to complete audits of customers receiving low-income or disabled support in response to a recommendation of the Missouri Universal Service Fund external auditor.

(3) Individual Eligibility.

(D) Individuals who qualify for low-income or disabled support shall *[certify in writing on an application designed for that purpose that they are eligible for the programs. Such application shall require the applicant to]* complete a board-approved application.

1. By completing the application, customers who qualify for low-income or disabled support shall:

A. *[c]* Certify under penalty of perjury that the individual or a dependent residing in the individual's household receives benefits from one of the qualifying programs; *[and]*

B. *[i]* Identify the program or programs from which that individual receives benefits. *[On the same document, a qualifying low-income or disabled individual also must];*

C. **Sign an authorization allowing, for the duration of the applicant's participation in the low-income or disabled support program, the appropriate federal, state or local agency to confirm to the commission or its staff that the individual or a dependent residing in the individual's household participates in the qualifying program(s) at the time the application is made, and as subsequently deemed necessary for purposes of annual verification or other examinations of eligibility; and**

D. *[a]* Agree to notify the carrier if that individual ceases to participate in the program or programs.

2. Customers who qualify for low-income or disabled support shall provide documentation of participation in the applicable program(s) as identified on the application.

A. The telecommunications company shall develop a process for recording the type of documentation received; and

B. The telecommunications company shall develop a process for returning or destroying the documentation once recorded.

3. *[Such]* The application shall be used to certify individuals for both state and federal low-income support.

4. The companies shall rely upon *[this certification]* application and documentation of participation to provide the benefits under these programs until individuals advise the company that they are no longer qualified, *[or]* until the company is advised by the *[administrator]* commission or its staff that individuals *[may not be]* are not eligible, or until the company does not receive annual verification as contemplated in subsection (3)(E).

(E) The telecommunications company shall, *[by December 31, 2005,]* establish state procedures to verify a customer's continued eligibility for the low-income or disabled customer program.

1. State verification procedures may include, but are not limited to, compliance with federal verification requirements, processes or guidelines. *[; random beneficiary surveys; periodic submission of documentation showing participation in qualifying programs; or and periodic self-certification updates.]*

2. Whenever an individual requests support on the basis of participation in any program other than that initially identified, state verification procedures shall include self-certification updates and documentation of participation for any program in which an individual has not previously self-certified and documented.

A. The telecommunications company shall develop a process for recording the type of documentation received; and

B. The telecommunications company shall develop a process for returning or destroying the documentation once recorded.

3. A copy of *[these]* the telecommunications company verification procedures shall be made available to the commission staff and/or the *[O]*office of *[P]*public *[C]*counsel for review within thirty (30) days of request. If, upon review, the commission staff and/or the *[O]*office of *[P]*public *[C]*counsel have concerns about the sufficiency of a company's verification procedures, the commission staff and/or the *[O]*office of *[P]*public *[C]*counsel shall present those concerns to the Missouri *[U]*universal *[S]*service *[B]*board for review.

(F) The telecommunications company shall terminate an individual's enrollment in the low-income customer or disabled customer program if the *[customer]* individual ceases to meet eligibility requirements or refuses to authorize the appropriate federal, state or local agency to confirm to the commission or its staff that the individual or a dependent residing in the individual's household participates in one of the qualifying programs. Notification of impending termination shall be in the form of a letter separate from the individual's monthly bill. Individuals shall be allowed sixty (60) days following the date of the impending termination letter to demonstrate continued eligibility to the telecommunications company. The telecommunications company shall terminate discounted services supported by the low-income customer or disabled customer program to any customer who fails to demonstrate continued eligibility within the sixty (60)-day time period.

(H) *[The Fund Administrator shall be authorized by the board to]* The commission or its staff shall conduct periodic, random audits of individual self-certification using records that can be lawfully made available from the *[administrators of]* agencies administering qualifying programs. In the event records from the agencies administering the qualifying programs cannot lawfully be made available, the commission or its staff shall conduct audits using the records of the telecommunications company. If as a result of these audits, the *[administrator]* commission or its staff determines that a recipient may not be eligible for low-income or disabled support, the individual shall be required to verify eligibility *[for continuing to receive support pursuant to administrative procedures established by the fund administrator and approved by the board]* as permitted by 4 CSR 240-31.050(F).

AUTHORITY: sections 392.200, RSMo Supp. [2004] 2006, and 386.250(2), 392.210.2, 392.248 and 392.470.1, RSMo 2000. Original rule filed Aug. 15, 1997, effective April 30, 1998. Amended: Filed Oct. 30, 2002, effective July 30, 2003. Emergency amendment filed May 31, 2005, effective June 10, 2005, expired Feb. 15, 2006. Amended: Filed June 30, 2005, effective Feb. 28, 2006. Amended: Filed Nov. 20, 2007.

PUBLIC COST: This proposed amendment will cost state agencies or political subdivisions approximately seventy-nine thousand, six hundred thirty-two dollars (\$79,632) in the aggregate.

PRIVATE COST: This proposed amendment will cost private entities approximately fifty-two thousand dollars (\$52,000) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Public Service Commission, Cully Dale, Secretary of the Commission, PO Box 360,

Jefferson City, MO 65102. To be considered, written comments must be received no later than 10:00 a.m. on February 5, 2008 and should include a reference to commission Case No. TX-2008-0122. Comments may be submitted via a filing using the commission's electronic filing and information system at <http://www.psc.mo.gov/efis.asp>. A public hearing regarding this proposed amendment is scheduled for February 5, 2008 at 1:00 p.m. in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. Interested persons may appear at this hearing to submit additional comments and/or testimony in support of or in opposition to this proposed amendment and may be asked to respond to commission questions.

SPECIAL NEEDS: Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one (1) of the following numbers: Consumer Services Hotline 1-800-392-4211 or TDD Hotline 1-800-829-7541.

**FISCAL NOTE
PUBLIC COST**

- I. Department Title: Department of Economic Development
Division Title: Missouri Public Service Commission
Chapter Title: Chapter 31 – Missouri Universal Service Fund**

Rule Number and Name:	4 CSR 240-31.050 – Eligibility for funding – Low Income Customers and Disabled Customers
Type of Rulemaking:	Amendment

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Missouri Public Service Commission	\$79,632

III. WORKSHEET

1. The estimated cost of compliance assumes PSC Staff will annually audit 1% of the qualifying customers.
2. Estimated cost of compliance assumes PSC Staff will review telecommunications records and verify eligibility with federal and state agencies.
3. Estimated cost assumes audits will take place as PSC caseload allows. Additional FTE were not included in the estimate.

IV. ASSUMPTIONS

1. The life of the rule is estimated to be four years (to the end of the current administrator contract if all renewal options are exercised).
2. Fiscal year 2007 dollars were used to estimate costs. No adjustment for inflation is applied.
3. Estimates assume no sudden change in technology that would influence costs.

**FISCAL NOTE
PRIVATE COST**

- I. Department Title: Department of Economic Development
Division Title: Missouri Public Service Commission
Chapter Title: Chapter 31 – Missouri Universal Service Fund**

Rule Number and Title:	4 CSR 240-31.050 Eligibility for Funding – Low Income Customers and Disabled Customers
Type of Rulemaking:	Amendment

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the rule:	Classification by types of the business entities* which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
4	Class A Local Telephone Companies	\$52,000
37	Class B Local Telephone Companies	\$0
5	Class C Local Telephone Companies	\$0
	All entities	\$52,000

* Class A Telephone Companies are incumbent local telephone companies with more than \$100,000,000 annual revenues system wide; Class B Telephone Companies are incumbent local telephone companies with \$100,000,000 annual revenues or less system wide; Class C Local Telephone Companies are all other companies certificated to provide basic local exchange telecommunications services

III. WORKSHEET

1. The proposed rule applies to all incumbent local exchange telecommunications companies and competitive local exchange carriers that have received eligible telecommunications carrier designation.

IV. ASSUMPTIONS

1. The life of the rule is estimated to be four years (consistent with the term of the current fund administrator contract assuming all renewal options are exercised).
2. Fiscal year 2007 dollars were used to estimate costs. No adjustment for inflation is applied.
3. Estimates assume no sudden change in technology that would influence costs.
4. Affected entities are assumed to be in compliance with all other Missouri Public Service Commission rules and regulations.

**Title 5—DEPARTMENT OF ELEMENTARY AND
SECONDARY EDUCATION
Division 50—Division of Instruction
Chapter 320—State Reimbursed Classes in Remedial
Reading**

PROPOSED RESCISSION

5 CSR 50-320.010 State Reimbursed Remedial Reading. This rule provided standards for remedial reading classes which the Department of Elementary and Secondary Education approved exceptional pupil aid payments as provided in section 162.975, RSMo.

PURPOSE: This rule is being rescinded because it is superseded by other rules.

AUTHORITY: section 162.975, RSMo 1994. This rule was previously filed as 5 CSR 70-742.130. Original rule filed April 12, 1983, effective Aug. 15, 1983. Rescinded and readopted: Filed April 23, 1991, effective Oct. 31, 1991. Amended: Filed Jan. 26, 1996, effective Aug. 30, 1996. Amended: Filed May 29, 1998, effective Dec. 30, 1998. Rescinded: Filed Nov. 28, 2007.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to the proposed rescission with the Department of Elementary and Secondary Education, Becky Odneal, Coordinator, School Improvement and Accountability, PO Box 480, Jefferson City, MO 65102-0480. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 5—DEPARTMENT OF ELEMENTARY AND
SECONDARY EDUCATION
Division 60—Division of Career Education
Chapter 100—Adult Education**

PROPOSED AMENDMENT

5 CSR 60-100.020 Administration of High School Equivalence Program. The State Board of Education is proposing to amend sections (1), (2), (4), (5), and (6).

PURPOSE: To update the rule and for the State Board of Education to set fees for the administration of the GED Tests by resolution.

(1) To be eligible to take the General Educational Development (GED) [t]Tests and earn a Missouri High School Equivalence[y] Certificate, a person must be a resident of Missouri (with a Missouri mailing address), and meet one (1) of the following requirements:

(A) Be eighteen (18) years of age or older;

(C) Be currently enrolled in school and qualify as a participant in an approved [GED] Missouri Option Program for at-risk youth; or

(D) Be sixteen (16) or seventeen (17) years of age, withdrawn from school and:

1. Have the written permission of the superintendent or principal of the school last attended;

2. Have written permission of the parent or legal guardian, if home[-] schooled; or

3. Be incarcerated or have the written permission of the juvenile

judge if under the court's jurisdiction.

(2) Arrangements for Taking the GED Tests.

[(A) Servicemen who are residents of Missouri or who are stationed in Missouri in active military service will be allowed to take the GED tests upon the payment of the regular fee established by the Missouri State Board of Education (the board).]

[(B)] (A) The GED [t]Tests are administered under the direction of DESE at centers approved and designated by DESE.

[(C)] (B) Application forms may be obtained by contacting the GED Office, PO Box 480, Jefferson City, MO 65102-0480. The completed form is to be returned for approval. Only approved applicants may take the examination. Positive identification in the form of a current Missouri driver's license or Missouri non-driver ID[, or United States Passport] must be presented by the examinee before being allowed to take the GED [t]Test. The local testing center is responsible for positive identification of examinees.

[(D)] (C) A fee **approved by the State Board of Education (board)** must accompany each application **to cover the cost of administering the program.** [The remittance by cash, postal money order or cashier's check must be made payable to the Treasurer, State of Missouri.] **An additional fee payable to the local GED testing center is required prior to testing.** [The fee is] **These fees are nonrefundable and nontransferable and [Personal checks are not accepted. The fee for processing applications and issuance of a certificate when achieved will be twenty dollars (\$20). An additional application and fee of twenty dollars (\$20)] will be required each time an individual retakes any part of the test. [Processing of an application and issuance of a certificate to an individual who took the test through the United States Armed Forces Institute/Defense Activity for Nontraditional Education Support will be twenty dollars (\$20). In addition to the fee paid to the Treasurer, State of Missouri, an examinee will pay the local testing center a fee set by the local testing center not to exceed twenty dollars (\$20) each time the tests are taken. A fee of two dollars (\$2), payable to the Treasurer, State of Missouri, also will be charged for each] Additional transcripts and [issued other than the original. R]replacement certificates [may be purchased for a fee of fifteen dollars (\$15), payable to Treasurer, State of Missouri] are available for additional fees.**

(4) [Effective January 1, 2002, a total minimum standard score or two thousand, two hundred fifty (2,250) or above on the five (5) tests of the GED, with no score below four hundred ten (410), is required to qualify for a] **The Missouri Certificate of High School Equivalence is awarded on the basis of the successful completion of the GED Tests.** Minimum standard scores are established in accordance with the policies and procedures of the General Educational Development Testing Services (GEDTS) of the American Council on Education (ACE).

(5) Certificates of High School Equivalence are issued only by DESE. Public high schools are not permitted to issue these certificates nor are they permitted to issue a diploma on the basis of the GED [t]Tests unless the district is part of the [GED] Missouri Option Program [for at-risk youth].

(6) Reexamination.

(B) [If the scores on the reexamination do not meet the minimum certificate requirements, the highest scores above four hundred ten (410) received on all tests taken within the last two (2) years will be compared with the most recent scores.] The highest score obtained for each of the five (5) tests **within a two (2)-year period** will be used as [a] the basis for determining [the] eligibility for the certificate **in accordance with GEDTS standards and procedures.**

[(C) An applicant who has been reauthorized more than twice and fails to take the tests or who fails to take the tests within two (2) years after approval must submit a new application and fee.]

(7) GED Tests given by DANTES or USAFI are recognized by Missouri. A completed application form, fee and an official transcript of GED scores must be submitted to the GED Office, PO Box 480, Jefferson City, MO 65102-0480. A Missouri Certificate of High School Equivalence will be issued if the standard scores meet the minimum score requirements established by the board.

AUTHORITY: sections 161.092, RSMo Supp. [2002] 2006 and 161.093 and 161.095, RSMo 2000. Original rule filed Oct. 10, 1969, effective Oct. 20, 1969. For intervening history, please consult the Code of State Regulations. Amended: Filed Nov. 28, 2007.

PUBLIC COST: The proposed amendment is estimated to cost public school districts eighty-two thousand four hundred fifty dollars (\$82,450) based on Fiscal Year 2007 Missouri Options GED Test applications. Costs may vary over the life of the rule depending upon enrollment in the Missouri Options program and fees approved by the State Board of Education.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Department of Elementary and Secondary Education, ATTN: Don Eisinger, Coordinator, Division of Career Education, PO Box 480, Jefferson City, MO 65102-0480. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**FISCAL NOTE
PUBLIC COST**

I. RULE NUMBER

Title: 5 – Department of Elementary and Secondary Education

Division: 60 – Division of Career Education

Chapter: 100 – Adult Education

Type of Rulemaking: Proposed Amendment

Rule Number and Name: 5 CSR 60-100.020 Administration of High School Equivalence Program

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Public School Districts	\$82,450

III. WORKSHEET

In Fiscal Year 2007, 1,649 public school students took the GED Tests as part of the Missouri Options Program. After completion of the public comment period, staff will recommend that the Board establish a fee for the state application and local test fee of \$25, a transcript request fee of \$5.00, and a replacement certificate fee of \$20. The changes would be effective July 1, 2008. Therefore cost, depending upon enrollment in the Missouri Options Program, would be 1,649 @ \$50.00 or \$82,450.

IV. ASSUMPTIONS

Staff expects the cost per application and test will be stable at least through December 31, 2010. The American Council on Education from which DESE leases the test is expected to implement a new test and quite possibly computer-based testing which may require new fee amounts for the test. This would include different fee amounts based on whether the test is paper-based and/or computer-based.