

THE GREEN WIRE

SENATOR TIMOTHY P. GREEN - DISTRICT 13

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Sen. Green Introduces Comprehensive Public Utility Legislation to Protect Consumers

Sen. Timothy Green, D-Spanish Lake, introduced today comprehensive legislation to empower the Missouri Public Service Commission (PSC), the body that regulates utilities for the benefit of Missouri consumers.

“The legislation recognizes that AmerenUE consumers deserve a reliable electric service,” said Sen. Green. “The current level of service is unacceptable and the PSC should be empowered to monitor, inspect and enforce compliance of regulations and protect consumers.

AmerenUE is Missouri's largest electric company. During the mid-July 2006 storms, power outages required the employees and contractors, numbering in the thousands to work sixteen-hour shifts and endure searing heat, in order to restore power to the more than one-half million effected customers.

During the winter outages, nearly 400,000 AmerenUE customers across Missouri and Illinois were without power due to a massive winter storm that hit the area on November 30 and December 1, 2006. The employees of AmerenUE, numbering in the hundreds, have been required to demonstrate a similar measure of devotion, by working for restoration during and after the storm, some in rain, sleet, freezing rain, ice, and snow.

“Although the recurring problems manifest during bad weather, reports from the Illinois Commerce Commission questioned AmerenUE's competence and physical condition indicating that Ameren has reliability problems that have nothing to do with the weather,” said Sen. Green.

This legislation authorizes the PSC to promulgate rules by January 1, 2008 that set minimum standards for: vegetation management in and adjacent to a electric utility's easement or right-of-way; inspection, maintenance, repair, and replacement of electric utility infrastructure; and electric service reliability.

Electric utilities will also be required to reimburse customers who suffer economic loss or damages valued over \$200 that result from power outages, when the power outages are in violation of the reliability standards.

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This legislation empowers the PSC and increases consumer protections by:

- Empowering the PSC, enabling them to inspect and monitor electric utilities to ensure and enforce their compliance with the standards developed by the PSC.
- Directing the PSC not to accept an application by an electric utility for certain rate adjustments if the electric utility is in violation of any of the standards.
- Requiring electric utilities to report on their activities as related to the vegetation management, infrastructure, and reliability standards, and such reports shall be made available to the public.
- Enabling the PSC to develop a schedule of penalties to be assessed against any electric utility that violates any of the standards developed under this act. No penalty shall exceed \$250,000 per day per instance of violation.
- Requiring that the costs associated with an electric company's payment of any penalties or with customer reimbursements for power outages shall not be passed on to the ratepaying customers.

“This comprehensive legislation would not be necessary if AmerenUE invested in its utility infrastructure and improved its electric service reliability,” said Sen. Green, “The company has repeatedly placed corporate profits over the needs of their consumers.”

The PSC Staff's investigation following the ice storm in January of 2002 observed that AmerenUE had generally increased its expenditures on vegetation management from 1998 to 2001, with a slight decrease in 2001 vs. 2000. In 2004, the PSC stated that the situation did not improve. The PSC report further details that AmerenUE had not increased its vegetation management expenditures since 2000 and had, in fact, spent less each year since 2000.

Although it is unlikely that AmerenUE could have eliminated the entire backlog, far more should have been accomplished since the last winter storm hit in 2002. AmerenUE must be held accountable for outsourcing its tree trimming operations and for failing to demonstrably increase its tree trimming budget.

“It is my sincere hope that by bringing attention to these problems, all AmerenUE customers will have their power restored sooner next time and that AmerenUE takes a more aggressive approach to its tree trimming backlog as well as pole replacement, so that during future storms any outage will have less impact on AmerenUE customers,” stated Sen. Green.

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