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**Title 4—DEPARTMENT OF  
ECONOMIC DEVELOPMENT  
Division 240—Public Service  
Commission  
Chapter 22—Electric Utility  
Resource Planning**

**4 CSR 240-22.010 Policy Objectives**

*PURPOSE: This rule states the public policy goal that this chapter is designed to achieve and identifies the objectives that the electric utility resource planning process must serve.*

(1) The commission's policy goal in promulgating this chapter is to set minimum standards to govern the scope and objectives of the resource planning process that is required of electric utilities subject to its jurisdiction in order to ensure that the public interest is adequately served. Compliance with these rules shall not be construed to result in commission approval of the utility's resource plans, resource acquisition strategies or investment decisions.

(2) The fundamental objective of the resource planning process at electric utilities shall be to provide the public with energy services that are safe, reliable and efficient, at just and reasonable rates, in a manner that serves the public interest. This objective requires that the utility shall—

(A) Consider and analyze demand-side efficiency and energy management measures on an equivalent basis with supply-side alternatives in the resource planning process;

(B) Use minimization of the present worth of long-run utility costs as the primary selection criterion in choosing the preferred resource plan; and

(C) Explicitly identify and, where possible, quantitatively analyze any other considerations which are critical to meeting the fundamental objective of the resource planning process, but which may constrain or limit the minimization of the present worth of expected utility costs. The utility shall document the process and rationale used by decision makers to assess the tradeoffs and determine the appropriate balance between minimization of expected utility costs and these other considerations in selecting the preferred resource plan and developing contingency options. These considerations shall include, but are not necessarily limited to, mitigation of—

1. Risks associated with critical uncertain factors that will affect the actual costs associated with alternative resource plans;
2. Risks associated with new or more stringent environmental laws or regulations

that may be imposed at some point within the planning horizon; and

3. Rate increases associated with alternative resource plans.

*AUTHORITY: sections 386.040, 386.610 and 393.140, RSMo 1986 and 386.250, RSMo Supp. 1991.\* Original rule filed June 12, 1992, effective May 6, 1993.*

*\*Original authority: 386.040, RSMo 1939; 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991; 386.610, RSMo 1939; and 393.140, RSMo 1939, amended 1949, 1967.*

**4 CSR 240-22.020 Definitions**

*PURPOSE: This rule defines terms used in the rules comprising 4 CSR 240-22—Electric Utility Resource Planning.*

*PUBLISHER'S NOTE: The publication of the full text of the material that the adopting agency has incorporated by reference in this rule would be unduly cumbersome or expensive. Therefore, the full text of that material will be made available to any interested person at both the Office of the Secretary of State and the office of the adopting agency, pursuant to section 536.031.4, RSMo. Such material will be provided at the cost established by state law.*

(1) Avoided cost means the cost savings obtained by substituting demand-side resources for existing and new supply resources. 4 CSR 240-22.050(2) requires the utility to develop the following measures of avoided cost:

(A) Avoided utility costs developed pursuant to 4 CSR 240-22.050(2)(D), which include energy cost savings plus demand cost savings associated with generation, transmission and distribution facilities; and

(B) Avoided probable environmental costs developed pursuant to 4 CSR 240-22.050(2)(D) and 4 CSR 240-22.040(2)(B).

(2) Candidate resource options are demand-side programs that pass the screening test required by 4 CSR 240-22.050(7), or supply-side resources that are not rejected on the basis of the screening analysis required by 4 CSR 240-22.040(2).

(3) Capacity means the maximum capability to continuously produce and deliver electric power via supply-side resources or the avoidance of the need for this capability by demand-side resources.

(4) Chance node is a decision-tree fork consisting of two (2) or more branches that represent the range and number of relevant potential outcomes for an uncertain factor.

(5) Coincident demand means the hourly demand of a component of system load at the hour of system peak demand within a specified interval of time.

(6) Contingency option means an alternative choice, decision or course of action designed to enhance the utility's ability to respond quickly and appropriately to events or circumstances that would render the preferred resource plan obsolete.

(7) Decision node is a decision-tree fork consisting of two (2) or more branches that represent the set of decision alternatives being considered by utility planners at that stage of the resource planning process.

(8) Decision tree is a diagram that specifies the order in which key resource decisions must be made, enumerates the set of decision alternatives to be considered at each stage, identifies the critical uncertain factors that affect the outcome of each decision and shows how the potential range of values for uncertain factors interact with each decision option to affect the expected cost of providing an adequate level and quality of energy services.

(9) Demand means the rate of electric power use measured in kilowatts (kW).

(10) Demand-side measure is synonymous with end-use measure.

(11) Demand-side resource (or program) means an organized process for packaging and delivering to a particular market segment a portfolio of end-use measures that is broad enough to include at least some measures that are appropriate for most members of the target market segment.

(12) Driver variable means an external economic or demographic factor that significantly affects some component of utility loads.

(13) Electric utility or utility means any electrical corporation as defined in section 386.020, RSMo which is subject to the jurisdiction of the commission.

(14) End-use energy service or energy service means the specific need that is served by the final use of energy, such as lighting, cooking, space heating, air conditioning, refrigeration, water heating or motive power.