

imported power shall be measured by expected unserved hours under normal-weather load conditions

(A) The daily normal-weather series used to develop normal-weather loads shall contain a representative amount of day-to-day temperature variation. Both the high and low extreme values of daily normal-weather variables shall be consistent with the historical average of annual extreme temperatures.

(B) The supply-system simulation software used to calculate expected unserved hours shall be capable of accurately representing at least the following aspects of system operations:

1 Chronological dispatch, including unit commitment decisions that are consistent with the operational characteristics and constraints of all system resources,

2 Heat rates, fuel costs, variable operation and maintenance costs, and sulfur dioxide emission allowance costs for each generating unit,

3 Scheduled maintenance outages for each generating unit,

4 Partial- and full-forced-outage rates for each generating unit, and

5 Capacity and energy purchases and sales, including the full spectrum of possibilities, from long-term firm contracts or unit participation agreements to hourly economy transactions.

A The utility shall maintain the capability to model purchases and sales of energy both with and without the inclusion of sulfur dioxide emission allowances.

B The level of energy sales and purchases shall be consistent with forecasts of the utility's own production costs as compared to the forecasted production costs of other likely participants in the bulk power market, and

(C) The utility may use an alternative method of calculating expected unserved hours per year if it can demonstrate that the alternative method produces results that are equivalent to those obtained by a method that meets the requirements of subsection (7)(B).

(8) The utility shall quantify the expected value of better information concerning at least the critical uncertain factors that affect the performance of the preferred resource plan, as measured by the present value of utility revenue requirements.

(9) The utility shall develop an implementation plan that specifies the major tasks and schedules necessary to implement the preferred resource plan over the implementation period. The implementation plan shall contain

(A) A schedule and description of ongoing and planned research activities to update and improve the quality of data used in load analysis and forecasting,

(B) A schedule and description of ongoing and planned demand-side programs, program evaluations and research activities,

(C) A schedule and description of all supply-side resource acquisition and construction activities, and

(D) Identification of critical paths and major milestones for each resource acquisition project, including decision points for committing to major expenditures.

(10) The utility shall develop, document and officially adopt a resource acquisition strategy. This means that the utility's resource acquisition strategy shall be formally approved by the board of directors, a committee of senior management, an officer of the company or other responsible party who has been duly delegated the authority to commit the utility to the course of action described in the resource acquisition strategy. The officially adopted resource acquisition strategy shall consist of the following components:

(A) A preferred resource plan selected pursuant to the requirements of section (6) of this rule,

(B) An implementation plan developed pursuant to the requirements of section (9) of this rule,

(C) A specification of the ranges or combinations of outcomes for the critical uncertain factors that define the limits within which the preferred resource plan is judged to be appropriate and an explanation of how these limits were determined,

(D) A set of contingency options that are judged to be appropriate responses to extreme outcomes of the critical uncertain factors and an explanation of why these options are judged to be appropriate responses to the specified outcomes, and

(E) A process for monitoring the critical uncertain factors on a continuous basis and reporting significant changes in a timely fashion to those managers or officers who have the authority to direct the implementation of contingency options when the specified limits for uncertain factors are exceeded.

(11) Reporting Requirements. To demonstrate compliance with the provisions of this rule, and pursuant to the requirements of 4 CSR 240-22.080, the utility shall furnish at least the following information:

(A) A decision-tree diagram for each of the alternative resource plans along with narra-

tive discussions of the following aspects of the decision analysis:

1 A discussion of the sequence and timing of the decisions represented by decision nodes in the decision tree and a description of the specific decision alternatives considered at each decision point, and

2 An explanation of how the critical uncertain factors were identified, how the ranges of potential outcomes for each uncertain factor were determined and how the subjective probabilities for each outcome were derived,

(B) Plots of the cumulative probability distribution of each performance measure for each alternative resource plan,

(C) For each performance measure, a table that shows the expected value and the risk of each resource plan,

(D) A plot of the expected level of annual unserved hours for the preferred resource plan over the planning horizon,

(E) A discussion of the analysis of the value of better information required by section (8), a tabulation of the key quantitative results of that analysis and a discussion of how those findings will be incorporated in ongoing research activities,

(F) A discussion of the process used to select the preferred resource plan, including the relative weights given to the various performance measures and the rationale used by utility decision-makers to judge the appropriate tradeoffs between competing planning objectives and between expected performance and risk, and

(G) The fully documented resource acquisition strategy that has been developed and officially adopted pursuant to the requirements of section (10) of this rule.

*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 240-22.080 Filing Schedule and Requirements

PURPOSE This rule specifies the requirements for electric utility filings to demonstrate compliance with the provisions of this chapter. The purpose of the compliance review required by this chapter is not commission approval of the substantive findings, determinations or analyses contained in the filing. The purpose of the compliance review required by this chapter is to determine



whether the utility's resource acquisition strategy meets the requirements stated in 4 CSR 240-22 010(2)(A)-(C)

(1) Each electric utility which sold more than one (1) million megawatt-hours to Missouri retail electric customers for calendar year 1991 shall make a filing with the commission every three (3) years that demonstrates compliance with the provisions of this chapter. The utility's filing shall include at least the following items

(A) Letter of transmittal,

(B) Summary information and any press release related to the filing,

(C) Reports and information required by 4 CSR 240-22 030(8), 4 CSR 240-22 040(9), 4 CSR 240-22 050(11), 4 CSR 240-22 060(6) and 4 CSR 240-22 070(11),

(D) A narrative description and summary of the reports and information referred to in subsection (1)(C). The narrative shall specifically show that the resource acquisition strategy contained in the filing has been officially approved by the utility and that the methods used and the procedures followed by the utility in formulating the resource acquisition strategy comply with the provisions of this chapter,

(E) A request for a protective order from the commission if the utility seeks to protect anything contained in the filing as trade secrets or as confidential or private technical, financial or business information, and

(F) Tariff sheets as required by 4 CSR 240-14 040(2) for demand-side programs that are promotional practices as defined by 4 CSR 240-14 010(6)(L)

(2) The electric utility's compliance filing may also include a request for nontraditional accounting procedures and information regarding any associated ratemaking treatment to be sought by the utility for demand-side resource costs. If the utility desires to make any such request, it must be made in the utility's compliance filing pursuant to this rule and not at some subsequent time. If the utility desires to continue any previously authorized nontraditional accounting procedures beyond the three (3)-year implementation period, it must request reauthorization in each subsequent filing pursuant to this rule. Any request for initial authorization or reauthorization of these nontraditional accounting procedures must—

(A) Be limited to specific demand-side programs that are included in the utility's implementation plan, and

(B) Include specific proposals that contain at least the following information

1 An explanation of the specific form and mechanics of implementing the proposed accounting procedure and any associated ratemaking treatment to be sought,

2 A discussion of the rationale and justification of the need for a nontraditional treatment of these costs,

3 An explanation of how the specific proposal meets this need for nontraditional treatment, and

4 A quantitative comparison of the utility's estimated earnings over the three (3)-year implementation period with and without the proposed nontraditional accounting procedures and any associated ratemaking treatment to be sought

(3) The electric utilities shall make their initial compliance filings on a staggered basis in order of decreasing size of gross annual Missouri operating revenues from retail electric sales for calendar year 1991. The electric utility with the largest gross annual Missouri operating revenues shall make its initial filing seven (7) months (December 1993) after the effective date of this chapter (May 5, 1993). The remaining electric utilities shall make their initial filings in successive increments of seven (7) months from the effective date of this chapter (May 5, 1993)

(4) The commission will establish a docket for the purpose of receiving the compliance filing of each affected electric utility. The commission will issue an order that establishes an intervention deadline, sets an early prehearing conference and provides for notice

(5) The staff shall review each compliance filing required by this rule and shall file a report not later than one hundred twenty (120) days after each utility's scheduled filing date that identifies any deficiencies in the electric utility's compliance with the provisions of this chapter, any major deficiencies in the methodologies or analyses required to be performed by this chapter and any other deficiencies which, in its limited review, the staff determines would cause the electric utility's resource acquisition strategy to fail to meet the requirements identified in 4 CSR 240-22 010(2)(A)-(C). If the staff's limited review finds no deficiencies, the staff shall state that in the report. A staff report that finds that an electric utility's filing is in compliance with this chapter shall not be construed as acceptance or agreement with the substantive findings, determinations or analyses contained in the electric utility's filing

(6) Also within one hundred twenty (120) days after an electric utility's compliance fil-

ing pursuant to this rule, the office of public counsel and any intervenor may file a report or comments based on a limited review that identify any deficiencies in the electric utility's compliance with the provisions of this chapter, any deficiencies in the methodologies or analyses required to be performed by this chapter, and any other deficiencies which the public counsel or intervenor believes would cause the utility's resource acquisition strategy to fail to meet the requirements identified in 4 CSR 240-22 010(2)(A)-(C)

(7) All workpapers, documents, reports, data, computer model documentation, analysis, letters, memoranda, notes, test results, studies, recordings, transcriptions and any other supporting information relating to the filed resource acquisition strategy within the electric utility's or its contractors' possession, custody or control shall be preserved and made available in accordance with any protective order to the staff, public counsel and any intervenor for use in its review of the periodic filings required by this rule. Each electric utility shall retain at least one (1) copy of the officially adopted resource acquisition strategy and all supporting information for at least ten (10) years

(8) If the staff, public counsel or any intervenor finds deficiencies, it shall work with the electric utility and the other parties to reach, within forty-five (45) days of the date that the report or comments were submitted, a joint agreement on a plan to remedy the identified deficiencies. If full agreement cannot be reached, this should be reported to the commission through a joint filing as soon as possible, but no later than forty-five (45) days after the date on which the report or comments were submitted. The joint filing should set out in a brief narrative description those areas on which agreement cannot be reached

(9) If full agreement on remedying deficiencies is not reached, then within sixty (60) days from the date on which the staff, public counsel or any intervenor submitted a report or comments relating to the electric utility's compliance filing, the electric utility may file a response and the staff, public counsel and any intervenor may file comments in response to each other. The commission will issue an order which indicates on what items, if any, a hearing will be held and which establishes a procedural schedule

(10) If the utility determines that circumstances have changed so that the preferred resource plan is no longer appropriate, either due to the limits identified pursuant to 4 CSR 240-22 070(10)(C) being exceeded or for



other reasons, the utility, in writing, shall notify the commission within sixty (60) days of the utility's determination. If the utility decides to implement any of the contingency options identified pursuant to 4 CSR 240-22 070(10)(D), the utility shall file for review in advance of its next regularly scheduled compliance filing a revised implementation plan.

(11) Upon written application, and after notice and an opportunity for hearing, the commission may waive or grant a variance from a provision of this chapter for good cause shown.

(A) The granting of a variance to one (1) electric utility which waives or otherwise affects the required compliance with a provision of this chapter does not constitute a waiver respecting, or otherwise affect, the required compliance of any other electric utility with a provision of these rules.

(B) The commission will not waive or grant a variance from this chapter in total.

(12) The commission may extend or reduce any of the time periods specified in this rule for good cause shown.

(13) The commission will issue an order which contains findings that the electric utility's filing pursuant to this rule either does or does not demonstrate compliance with the requirements of this chapter, and that the utility's resource acquisition strategy either does or does not meet the requirements stated in 4 CSR 240-22 010(2)(A)-(C), and which addresses any utility requests pursuant to section (2) for authorization or reauthorization of nontraditional accounting procedures for demand-side resource costs.

*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*