

MDNR ATTACHMENT A
MISSOURI DEPARTMENT OF NATURAL RESOURCES RESPONSES TO
AMENERUE'S RESPONSE TO MISSOURI DEPARTMENT OF NATURAL
RESOURCES' RESPONSE TO AMERENUE'S 2011 INTEGRATED RESOURCE
PLAN WAIVER REQUESTS

This document is an excerpt of Attachment A to AmerenUE's Reply to Waiver Responses filed on April 12, 2010, in Case No. EE-2010-0243, to which MDNR's responses are added. To the extent one or more of AmerenUE's responses to MDNR's responses is not addressed herein, MDNR has determined that its response filed March 31 is sufficient and that further response is unnecessary. Unless addressed specifically herein, no change is made in MDNR's previously stated positions on AmerenUE's IRP waiver requests. In the following responses, "Attachment B" refers to the attachment by that name that was filed on April 19 with AmerenUE's Reply to Waiver Responses.

4 CSR 24022.030 – Load Analysis and Forecasting
(3) 4 CSR 240-22.030 (3)

DNR's concerns about the analysis of end-use data for the large customer classes are unfounded. First, AmerenUE has used all relevant primary end-use data in the development of demand-side potential. Second, AmerenUE is unable to analyze historical end-use data if it does not exist. Unlike the residential and commercial general service classes, secondary data for the large customer classes is not applicable to the AmerenUE service territory. The lack of homogeneity between AmerenUE's large customers in relation to each other and the region indicate secondary data would not be a good proxy. In addition, economic data is the most applicable driver for large customer usage and AmerenUE is doing an analysis of use-per-unit as specified by section (2) of the load analysis and forecasting rules.

MDNR Response: AmerenUE's explanation that AmerenUE is analyzing the data by major class for residential and commercial classes, but uses economic drivers to analyze large customer classes is satisfactory. DNR's concern was about analyzing historical use per unit by end use data.

(4) 4 CSR 240-22.030 (3)(B)1.

DNR stated concern regards the collection of industrial end-use data. As described above AmerenUE does have and has used recent primary data from industrial customers. However AmerenUE cannot go back and collect data for historical years. AmerenUE was able to create a database of historical end-use data for some classes because there were secondary data sources that could approximate AmerenUE's customer base for those more homogeneous groups.

MDNR Response: DNR does not find the rationale to be satisfactory in terms of using end-use data instead of major class data. DNR is not asking AmerenUE to go back and collect data for historical years. DNR has asked AmerenUE to maintain the database of historical end-use that currently exists.

(5) 4 CSR 240-22.030 (4)(A) and (6) 4 CSR 240-22.030 (4)(B)

DNR again is concerned about industrial end-use data but in this case regarding the end-use load profiles. AmerenUE has hourly load shapes for each rate class and has developed end-use load shapes for classes of customers that are relatively homogeneous. However, the end-use load shapes were developed through a collaborative of utilities more than ten years ago and AmerenUE was not a

participant. Furthermore, based on AmerenUE's knowledge no utility in the U.S. has conducted end-use load research since that time. Therefore, AmerenUE has already "diligently sought" information to develop load profiles.

MDNR Response: DNR does not find AmerenUE's rationale to be satisfactory.

4 CSR 24022.040 (sic) – Supply-Side Resource Analysis

(1) 4 CSR 240-22.040 (2)(B)2.

DNR's concern about the ability to provide input on the different levels of mitigation, in particular a varying Maximum Achievable Control Technology (MACT) is baseless. DNR is able and has been provided an avenue to give direct input or feedback at anytime during the resource planning process. Even if AmerenUE has not decided the varying levels of mitigation, DNR can submit any documentation they may have at any time. Furthermore, DNR's concern about providing input at a time it can be used is contradictory to its own processes of providing input. In both AmerenUE's and KCP&L's latest IRPs, DNR has hired consultants to review the final filed IRPs rather than providing input during development. This is clearly within DNR rights but this type of review does not positively influence the outcome. It is also AmerenUE's understanding that DNR is planning to again hire consultants to review AmerenUE's IRP after the filing has been submitted.

MDNR Response: DNR agrees that input from parties is most useful when it can positively influence the outcome of the analysis. As set forth in Chapter 22, determination whether a particular pollutant should be analyzed with one or two levels of mitigation is made during supply side analysis. Input from DNR or other parties on this determination is most likely to be helpful if it is provided prior to integration analysis. By default all pollutants are supposed to be analyzed with two levels of mitigation. Input from DNR and other parties is relevant only when the company makes a preliminary determination that a particular pollutant requires one level of mitigation. DNR's proposal, simply stated, is that if the company makes a preliminary determination that a particular pollutant requires one level of mitigation, the company agrees to notify the parties at that time so that the parties can provide input at a relevant time. If DNR and other parties only learn that this determination has occurred after the integration phase has been completed or after the IRP has been filed, it is too late for them to provide input that can positively influence the analysis.

Regarding the company comments on DNR's use of consultants, as DNR has previously explained, the department has had limited funds available for consulting services and therefore has had to set priorities for its use of consultants. The department's primary responsibility as an intervenor is to provide an independent review of the IRP filing. However, DNR also recognizes the value of providing input during the pre-filing stakeholder process. The department has devoted and will continue to devote extensive DNR staff time to the pre-filing stakeholder process and is considering options for making our consultants available for portions of this process.

(2) 4 CSR 240-22.040 (3) and (3) 4 CSR 240-22.040 (6)

DNR has stated concerns about the transmission interconnection cost allocation. DNR's proposed revision is impossible given the data at this stage in the analysis is generic. The allocation of transmission interconnection costs is currently governed by an interim rate in MISO; therefore, AmerenUE is planning to include transmission interconnection cost allocation as a candidate independent uncertain factor. AmerenUE believes this is a superior method of incorporating transmission interconnection cost allocation and goes beyond what is included in the original waiver request.

MDNR Response: There is an inconsistency between the statement above that AmerenUE "is planning to include transmission interconnection cost allocation as a candidate independent uncertain factor" and the fact this statement is not included among the revisions in AmerenUE's Attachment B to AmerenUE's Reply to Waiver Responses.

DNR is willing to withdraw its objections to the company's proposed waivers for 4 CSR 240-22.040 (3) and 4 CSR 240-22.040 (6) provided that the company agrees to resolve the apparent inconsistency identified above and to discuss in a stakeholder meeting the issue of how to allocate transmission interconnection costs to supply side resource.

4 CSR 24022.060 – Integrated Resource Analysis

(2) 4 CSR 240-22.060 (4)(C)

DNR's comments about this rule are centered on "rate structures" in the definition of energy-efficiency measure. AmerenUE's believes this section is regarding the price responsiveness of load. DNR seems to have misinterpreted the purpose of this section. AmerenUE's original proposal adequately accounts for the price responsiveness of load.

MDNR Response: On review, DNR agrees that 4 CSR 240-22.060 (4)(C) is focused on analyzing the impact of the alternative resource plan on demand requirements (MW) rather than energy requirements (MWh), and there is no longer disagreement on this waiver request.

(3) 4 CSR 240-22.060 (6)(A) and (4) 4 CSR 240-22.060 (6)(B)

This waiver is to support the focus of effort on plans that pass the screening analysis. DNR seems to have missed the purpose of the waiver by inventing supplemental volumes that provide the same level of detail for plans that have been eliminated from further consideration. The purpose of the waiver was not only to provide the readers with less volume but also to alleviate the utility from the standardized reporting on screened plans. AmerenUE's original waiver proposes to describe and indicate which plans are eliminated from further consideration on the basis of the screening analysis and shall explain the reasons for their elimination. Any additional details regarding the screened plans will be included with workpapers.

(5) 4 CSR 240-22.060 (6)(C)

DNR is requesting additional documentation that goes beyond the original rule requirements. AmerenUE believes DNR's request is onerous given DNR's access to workpapers. The reporting requirements should not be extended to offer multiple views of the same data depending on who wants to see it what way.

MDNR Response: We disagree that DNR's proposal "goes beyond the original rule requirements." It is DNR's understanding that the rule requires the company to describe all alternative resource plans.

DNR's primary concern is that the company's filing should include full descriptions of the alternative resource plans that have been eliminated. DNR's secondary concern is that in some past utility filings the workpapers have been exceedingly difficult to navigate, which puts a burden on reviewers.

The company's original waiver request did not assert that adherence to the requirements of 4 CSR 240-22.060 (6)(A) places an unreasonable reporting burden on the company. If the company believes this to be the case due to the number of alternative plans that the company intends to generate, DNR would be amenable to a waiver so long as the waiver assures (a) that full descriptions of all the "rejected" alternative plans appear in the workpapers and (b) that the company provides clear directions for locating the descriptions in the workpapers.

Other

(1) 4 CSR 240-22.040 (1)(K) - Commission Order in Case EO-2007-0409

Although the rules do not explicitly say the Commission can waive a previous Commission order in regards to integrated resource planning AmerenUE believes the Commission can do so. Also as DNR

notes tritium leaks have been in the headlines but AmerenUE does not conduct resource planning based on headlines. At this time AmerenUE is unaware of any proposed change in the regulation of tritium in the current planning horizon. As Sierra Club demonstrated it is possible to speculate regulation changes but from a practical standpoint there is no need for formal analysis.

MDNR Response: The company contends that because there is "zero probability" for new tritium regulation within the planning horizon, the Commission should reverse its previous order. However, tritium leakage at nuclear plants appears to have become a prominent regulatory issue. This is reflected newspaper stories and also in the recent request by several U.S. representatives, including the chair of the House Energy and Environment Subcommittee, that the U.S. Government Accountability Office (GAO) investigate the "integrity, safety, inspection, maintenance, regulations and enforcement issues surrounding buried piping at our nation's nuclear power plants." (http://markey.house.gov/docs/gao_buried_pipes.pdf) In view of these developments, the company's contention that there is zero probability of new tritium regulation within the next 20 years does not appear credible.