

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In re: Union Electric Company's	)	
2005 Utility Resource Filing pursuant to	)	Case No. EO-2006-0240
4 CSR 240 – Chapter 22.	)	

**JOINT FILING OF AMERENUE, MISSOURI PUBLIC SERVICE COMMISSION  
STAFF, OFFICE OF PUBLIC COUNSEL, MISSOURI DEPARTMENT OF  
NATURAL RESOURCES AND SIERRA CLUB, et al.**

COME NOW Union Electric Company, d/b/a AmerenUE (AmerenUE), the Staff of the Missouri Public Service Commission (Staff), the Office of the Public Counsel (OPC), the Missouri Department of Natural Resources (DNR) and the Sierra Club, Missouri Coalition for the Environment, Mid-Missouri Peaceworks and the Association of Community Organizations for Reform Now (collectively, the Sierra Club) and for their Joint Filing, as required by 4 CSR 240-22.080(8), state as follows:

1. On December 5, 2005, AmerenUE filed its Integrated Resource Plan (IRP).
2. On May 19, 2006, Staff, OPC, DNR and the Sierra Club each filed their report identifying alleged deficiencies in the AmerenUE IPR filing.
3. Since that date parties in this case, including parties who did not file written comments on AmerenUE's IRP, have participated in meetings and telephone conferences in an attempt to reach a plan to remedy the identified alleged deficiencies, as required by the Commission's IRP rules.
4. Full agreement on the issues has not been reached with all parties on the alleged deficiencies. However, AmerenUE and the parties have expressed their

willingness to continue the discussions of the remaining unresolved areas after the filing of this Joint Filing.

### **Alleged Deficiencies Resolved by Agreement**

#### **Staff**

5. Staff and AmerenUE are currently in discussions concerning an agreement which they believe will resolve all of the deficiencies alleged in Staff's Report filed on May 19, 2006. However, agreement on all language has not yet occurred. Staff and AmerenUE expect to have final language next week, the week of August 7, 2006, and are requesting additional time to file the resulting Stipulation and Agreement.

#### **Office of the Public Counsel**

6. AmerenUE has reached agreement with OPC to resolve the following alleged deficiencies:

A. 4 CSR 240-22.050(1), (2), and (4) Failure to identify, screen, and estimate the technical potential of end use measures.

Agreement to remedy alleged deficiency - AmerenUE agrees to request waivers from this portion of the IRP rule for its 2008 IRP filing if it believes there is good cause for not performing the analysis required by these sections. AmerenUE agrees that if it anticipates the possibility of requesting a waiver of these rule provisions (or similar provisions, if such provisions exist in a modified IRP rule) for its 2008 filing, it will make its decision about the desirability of such a waiver and make its waiver request to the Commission at least one year in advance of its 2008 IRP filing date so the Commission can make its determination regarding the waiver far enough in advance of the 2008 filing for AmerenUE to make a good

faith effort to comply with these rule provisions if the waiver request is denied. AmerenUE also agrees to work closely with the parties to implement this agreement.

B. 4 CSR 240-22.050(6) - Failure to perform the required activities and elements of the demand-side program planning and design process.

Agreement to remedy alleged deficiency - AmerenUE agrees to request waivers from this portion of the rule for its 2008 IRP filing if it believes there is good cause for not performing the analysis required by this section. AmerenUE agrees that if it anticipates the possibility of requesting a waiver of these rule provisions (or similar provisions, if such provisions exist in a modified IRP rule) for its 2008 filing, it will make its decision about the desirability of such a waiver and make its waiver request to the Commission at least one year in advance of its 2008 IRP filing date so the Commission can make its determination regarding the waiver far enough in advance of the 2008 filing for AmerenUE to make a good faith effort to comply with these rule provisions if the waiver request is denied. AmerenUE also agrees to work closely with the parties to implement this agreement.

C. 4 CSR 240-22.080(7) - Failure to make workpapers and other documentation available to Public Counsel as required by the rule.

Agreement to remedy alleged deficiency - AmerenUE agrees to have all workpapers and other supporting documentation, including the workpapers of AmerenUE's consultants, available at the time of AmerenUE's next full IRP filing which is currently scheduled for 2008.

## **Missouri Department of Natural Resources**

7. AmerenUE has reached agreement with DNR to resolve the following alleged deficiencies:

A. 4 CSR 240-22.020. AmerenUE agrees to use the terms as defined within the IRP rule or will identify and explain any definitional differences.

B. 4 CSR 240-22.010(2)(C) and (D). AmerenUE agrees contingency planning is an ongoing process. Between the time of this joint agreement and the time of AmerenUE's 2008 filing, the following will be included in AmerenUE's ongoing contingency planning: either a contingency plan for (a) emissions of all pollutants, not limited to SO<sub>2</sub>, that are subject to cap-and-trade regulation under current air quality rules or rules in development; and (b) significant decreases or disruptions in available supply of natural gas; or an explanation why a contingency plan is not needed for these factors. In the event the Commission amends the IRP rule in time for AmerenUE's 2008 IRP filing, AmerenUE will comply with the amended rule. Further, discussion of these areas will be held, either during semi-annual meetings (as set forth in the Stipulation and Agreement between Staff and AmerenUE) or at meetings held adjacent to the semi-annual meetings.

## **Sierra Club**

8. AmerenUE has reached agreement with Sierra Club to resolve the following alleged deficiencies:

A. 4 CSR 240-22.030. AmerenUE will continue to perform forecasts of base energy and peak energy usage as part of its forecast methodology.

AmerenUE will use the forecast information in the preparation of its 2008 IRP filing to project a least cost capacity mix that meets the future needs of its customers.

B. 4 CSR 240-22040(1), (4) and 8(B) and (C) – AmerenUE agrees to include existing plant upgrade projects showing favorable screening results into a resource plan.

C. 4 CSR 240-22.040(1) – Sierra Club agrees that AmerenUE's agreed upon actions remedy the alleged deficiencies for the identification of supply-side resources under 22.040(1) except with regard to renewable generating technologies.

#### **Alleged Deficiencies Not Resolved by Agreement**

9. AmerenUE did not reach agreement on the areas listed below, broken out by party.

#### **Office of the Public Counsel**

10. The alleged deficiencies not resolved by agreement between OPC and AmerenUE are as follows:

A. 4 CSR 240-22.010(B) - Failure to use minimization of the present worth of long-run utility costs as the primary selection criterion in choosing the preferred resource plan. (OPC 5/19/06 Report, pages 2-6, 13)

B. 4 CSR 240-22.010(A) - Failure to Give Equivalent Consideration to Demand-Side and Supply-Side Resources. (OPC 5/19/06 Report, pages 6, 12, 14, 16)

C. 4 CSR 240-22.040(1) - Failure to identify least-cost wind resource. (OPC 5/19/06 Report, p. 9)

D. 4 CSR 240-22.040(2)(B)2 - Failure to specify, for each pollutant identified pursuant to paragraph (2)(B)1, at least two (2) levels of mitigation that are more stringent than existing requirements which are judged to have a nonzero

probability of being imposed at some point within the planning horizon. (OPC 5/19/06 Report, p. 10)

E. 4 CSR 240-22.040(2)(B)3 - Failure to specify, for each mitigation level identified pursuant to paragraph (2)(B)2., a subjective probability that represents utility decision makers' judgment of the likelihood that additional laws or regulations requiring that level of mitigation will be imposed at some point within the planning horizon. (OPC 5/19/06 Report, p. 10)

F. 4 CSR 240-22.050(7) - Failure to follow the required procedure for the cost effectiveness screening of potential demand-side programs. (OPC 5/19/06 Report, p. 12)

G. 4 CSR 240-22.060(1) and 4 CSR 240-22.060(3) - Failure to include all existing low cost resources in all of the alternative plans that were developed. (OPC 5/19/06 Report, p. 13)

H. 4 CSR 240-22.060(1) and 4 CSR 240-22.060(3) - Failure to include a sufficient level of wind installed capacity in the alternative plans that were developed. (OPC 5/19/06 Report, p. 13)

I. 4 CSR 240-22.060(1) and 4 CSR 240-22.060(3) - Failure to model DSM efficiency programs for a sufficient period of time to properly assess the costs and risk mitigation benefits of these programs. (OPC 5/19/06 Report, p. 14)

J. 4 CSR 240-22.060(1) and 4 CSR 240-22.060(3) - Failure to model DSM efficiency programs and DSM demand response programs separately in alternative plans that included DSM. (OPC 5/19/06 Report, p. 14)

K. 4 CSR 240-22.060(1) and 4 CSR 240-22.060(3) - Failure to Construct Alternative Plans Containing Both DSM and Renewable Resources. (OPC 5/19/06 Report, p. 14)

L. 4 CSR 240-22.070(2) - Failure to perform analysis required by this section of the rule for each of the uncertain factors listed in (A) – (L) of 4 CSR 240-22.070(2). (OPC 5/19/06 Report, p. 15)

M. 4 CSR 240-22.070(9) - Failure to create an implementation plan for DSM programs. (OPC 5/19/06 Report, p. 15)

N. 4 CSR 240-22.070(9) - Failure to explicitly identify an implementation plan for installing or enhancing emission control equipment. (OPC 5/19/06 Report, p. 15)

O. 4 CSR 240-22.070(10)(C) - Failure to specify the ranges or combinations of outcomes for the critical uncertain factors and explain how limits were determined. (OPC 5/19/06 Report, p. 16)

P. 4 CSR 240-22.070(10)(D) - Failure to specify a set of contingency options for the critical uncertain factors as part of an officially adopted resources acquisition strategy. (OPC 5/19/06 Report, p. 16)

Q. 4 CSR 240-22.070(10)(E) - Failure to create and provide full documentation of a credible process for monitoring the critical uncertain factors and reporting to managers/officers. (OPC 5/19/06 Report, p. 16)

R. 4 CSR 240-22.080(1)(D) - Failure to provide verification that the resources acquisition strategy has been officially approved by AmerenUE. (OPC 5/19/06 Report, p. 18)

### **Missouri Department of Natural Resources**

10. The alleged deficiencies not resolved by agreement between DNR and AmerenUE are as follows:

A. 4 CSR 240-22.050(9) and (11)(J) – Failure to include a clear evaluation plan.

B. 4 CSR 240-22.010(2)(A) – Failure to document the criteria and data used to screen potential DSM programs.

C. 4 CSR 240-22.010(2) – Failure to engage a consultant who is knowledgeable of successful utility DSM implementation and experience meeting analysis tasks required by the IRP rules.

D. 4 CSR 240-22.060(2) – Failure to select the alternative resource plan with the lowest PVRR as the preferred resource plan.

E. 4 CSR 240-22.010(2)(A) – Failure to treat demand-side resources on an equivalent basis with supply-side resources.

F. 4 CSR 240-22.050(1), (3) and (6) – Inappropriate limitation of the number of potential demand-side programs identified for screening.

## **Sierra Club**

11. The alleged deficiencies not resolved by agreement between the Sierra Club and AmerenUE are as follows:

A. 4 CSR 240-22.040(1) – Although a portion of this alleged deficiency has been resolved, Sierra Club still believes there was a failure to identify renewable resources as potential supply side options.

B. 4 CSR 240-22.040(1)(K) – Failure to consider the full range of pollutants and environmental impacts.

C. 4 CSR 240-22.040(2) – Preliminary screening excluded more expensive technologies on an improper basis.

D. 4 CSR 240-22.040(2)(B) – Failure to include all appropriate probable environmental costs.

E. 4 CSR 240-22.040(8)(B) – Failure to properly estimate the capital costs of nuclear generation with information from Synapse Energy Economics.

F. 4 CSR 240-22.050(1) – Failure to use comprehensive approach of screening end-use measures.

G. 4 CSR 240-22.050(2) – Failure to calculate avoided cost, instead using marginal energy costs.

H. 4 CSR 240-22.050(3) – Failure to properly screen end use measures by not including probable environmental mitigation costs.

I. 4 CSR 240-22.050(4), (5), (6)(D) and (11)(C) – Failure to estimate technical potential of demand-side programs and failure to use cost-effectiveness screening.

J. 4 CSR 240-22.060(1) and (3) – Failure to develop representative alternative resource plans.

K. 4 CSR 240-22.070(1) and (2) – Failure to model demand-side and renewable resources when analyzing risks and uncertainties.

L. 4 CSR 240-22.070(2)(C) – Failure to analyze the uncertainty around CO2 regulation.

WHEREFORE, AmerenUE, Staff, OPC, DNR and the Sierra Club ask the Commission to accept this filing in fulfillment of 4 CSR 240-22.080(8).



Respectfully submitted,

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d/b/a AmerenUE

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Dated: August 4, 2007