

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

In the Matter of the Application of Union Electric)
Company for Authority to Continue the Transfer)
of Functional Control of its Transmission Systems)Case No. EO-2008-0134
to the Midwest Independent Transmission)
System Operator, Inc.)

MIDWEST ISO RECOMMENDATION OF PROCEDURAL SCHEDULE

The Midwest Independent Transmission System Operator, Inc. (“Midwest ISO”) states the following as its recommendation regarding a procedural schedule.

1. Pursuant to the Commission’s December 3, 2007 Order, a prehearing conference was conducted on December 17 for the purpose of discussing a procedural schedule. However, earlier in the day on December 17, Union Electric Company, d/b/a AmerenUE filed a Notice of Material Filing at the Federal Energy Regulatory Commission (FERC) and Request to Suspend Further Proceedings in this Case. The FERC filing cited by AmerenUE occurred on December 3, 2007 by 18 Midwest ISO Transmission Owners and the Midwest ISO itself in Docket No. ER08-296-000, and sets forth a proposal relating to the Midwest ISO’s distribution of revenues to all Midwest ISO Transmission Owners from network integration transmission service (NITS). The filing was required by the Midwest ISO Transmission Owners Agreement which specified that the existing revenue distribution system would continue through the initial 6-year “Transition Period” of Midwest ISO operations and end on January 31, 2008.

2. Although Midwest ISO is the first-named party in that FERC docket, it is acting only in its capacity as the tariff administrator of the Midwest ISO Energy Markets Tariff. Midwest ISO does not favor or oppose the position advanced by the 18 Transmission Owners on

December 3. Similarly, Midwest ISO will not favor or oppose any other proposal that another Transmission Owner (such as AmerenUE) may submit.

3. To be clear, the filing in FERC Docket No. ER08-296-000 does not propose to change transmission rates. Rather, it concerns the Midwest ISO's distribution to its Transmission Owners of revenues it receives for NITS or transmission services under the Midwest ISO Energy Markets Tariff and the Transmission Owners Agreement.

4. At the December 17 prehearing conference, the Regulatory Law Judge directed the parties to confer among themselves with regard to procedural issues, and a telephone conference call to that effect occurred on December 20. At that time the Staff of the Commission requested additional time to submit a response on December 28, 2007, to which no one objected.

5. While Midwest ISO understands AmerenUE's position that its analysis of continuing membership in the Midwest ISO will be influenced by the FERC proceedings in Docket No. ER08-296-000, it is also true that there are other factors which the parties and this Commission should consider in determining whether Ameren should remain a member of the Midwest ISO and whether the five-year term approved by this Commission in 2004 should be extended. See Order Approving Stipulation and Agreement, In re Union Electric Co. for Authority to Participate in the Midwest ISO, Case No. EO-2003-0271 (Feb. 26, 2004).¹ As a result, Midwest ISO believes that it would be in the best interests of all parties to this proceeding to have the Commission issue a procedural schedule that requires AmerenUE and the

¹ It should be noted that AmerenUE's contractual relationship with GridAmerica, LLC was terminated by AmerenUE as of November 1, 2005.

other parties to analyze in greater detail the costs and benefits of RTO membership and to report periodically to the Commission on events that occur in the FERC docket or related proceedings.

6. As the CRA International Cost/Benefit Analysis states, there are a number of factors in addition to the post-transition revenue distribution issue which must be considered in any decision regarding RTO membership. See Section 4, “Benefits and Costs,” CRA International RTO Cost/Benefit Analysis: AmerenUE (Oct. 11, 2007) (attached as Exhibit A to AmerenUE’s Application in this case).

7. Midwest ISO, therefore, respectfully requests that the Commission order the parties to develop a procedural schedule or, in the alternative, to provide a status report to the Commission no later than February 29, 2008.

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Certificate of Service

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