

MISO Meeting Conference Call

Thursday, December 23, 2010

10:00 to 10:30 a.m.

Attendees: Commissioner Davis, Commissioner Jarrett, Commissioner Jarrett's Personal Advisor, Janet Wheeler; Public Counsel Lewis Mills and OPC Chief Economist, Ryan Kind; Maureen Borkowski, Dennis Kramer and Gaye Suggett representing Ameren Missouri.

Commissioner Davis and Jarrett requested the conference call due to concerns regarding FERC's recent approval of Midwest ISO Transmission Cost Allocation Methodology. They were especially concerned about the export fees not applying to PJM.

Commissioners Davis and Jarrett said they were concerned about the cost of the MVP projects to Missouri. Ms. Borkowski said Ameren Missouri was also very concerned about the costs to Missouri customers. She said the total costs are not completely known at this time, but the \$4.6B for the MVP projects on the list included in the FERC filing should be at the upper end of cost of projects to be approved in 2011, and would likely be lower. She also referred to an analysis from Adam McKinnie from Staff which compared costs of Missouri building projects vs. Missouri sharing in all the cost of the projects, and those costs were very similar.

Ms. Borkowski indicated that Ameren Missouri continues to be very diligent in reviewing proposed projects and examining the criteria of those projects. Mr. Kramer indicated there are monthly meetings discussing the MVP projects. (Attached is the most recent Midwest ISO presentation from the 12/13/10 meeting as requested by Commissioners.)

Commissioner Jarrett asked about the load share ratio of the MVP projects for Missouri. Ms. Borkowski said Missouri's MVP MWh basis is about 7%, but that will change when First Energy and Duke leave MISO. She said they are to pay their share of the MVP's that have been approved before they leave MISO. First Energy is to leave in June 2011 and Duke is to leave in 2012. Ms. Borkowski indicated she would provide an update to these figures when she receives the recalculated MWh ratio.

Commissioner Jarrett said he read the FERC order and thought it would provide a way for MISO & PJM to negotiate a change. He asked if OMS would be involved in that process. Mr. Kramer said he was not sure how that would work because he had not visited with MISO about that topic. Commissioner Jarrett said he wants to ensure the process is robust. He will also visit with Commissioner Kenney about OMS requesting a rehearing on the issue of charging exports to PJM.

Commissioner Davis said he was concerned Ameren could have conflicting interests with activities in Illinois and Missouri. Ms. Borkowski said Ameren has balanced policies to ensure our customers are treated fairly. She said low cost to customers, along with reliable service, are key drivers.

Commissioner Davis asked if any portion of the cost allocation would be applied to generators. Ms. Borkowski said it was best to recover those costs through the export fees, which was why the ability to charge exports to PJM was so important.

Commissioner Davis asked if Ameren planned to continue participation in MISO. Ms. Borkowski noted that there was a pending docket considering that issue, but that based on what we know today it appears to be best for Ameren Missouri to stay in MISO.