

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

In the Matter of a Repository File Regarding)
The Chapter 22 Electric Utility Resource) File No. EW-2009-0412
Planning Revisions Workshops.)

COMMENTS OF AMERENUE

COMES NOW Union Electric Company d/b/a AmerenUE (AmerenUE or Company) and submits the following comments for Missouri Public Service Commission (Commission) consideration prior to the Commission beginning the formal rulemaking process to revise its Chapter 22 Electric Utility Resource rules.

1. AmerenUE, along with the other Missouri electric utilities, has spent a great deal of time in workshops with Commission Staff (Staff) and other participants, working on possible revisions to the Commission's Chapter 22 Electric Utility Resource Planning (IRP) rules.

2. Despite a multitude of meetings, the result of these workshops was not a single rule for the Commission to consider but rather two different rules, each representing a very different approach. As the Commission decides which approach to use as the beginning of its formal rulemaking process, AmerenUE provides the following for the Commission's consideration.

3. The Commission has a choice between these two very different rules. In order to determine which approach is more appropriate, the Commission must ask itself - What does the Commission want Missouri utilities to focus on when undertaking resource planning and what kinds of choices does it want utilities to make when prioritizing the work needed to develop their resource plans? Stated another way, should

a utility give preference to following a highly detailed process checklist (Staff's approach) or following a process that allows the utility, with the input of stakeholders, to adapt to the changing planning environment to reach a more robust plan (the Missouri Energy Development Association (MEDA) approach)?

4. If the Commission wants Missouri utilities to do more than follow a "checklist" and if the Commission wants its IRP rules to be something more than a process audit, then it is necessary to adopt a resource planning rule that focuses on the plan itself while maintaining a line of sight to a rigorous utility-driven process that is integrated with the utility's own decision-making processes. The rules should eschew any expectation of meeting detailed, prescribed requirements in favor of establishing a robust framework that provides the utility the flexibility to adapt its planning process to the rapidly changing world in which today's utilities operate.

The MEDA rule embodies this flexible approach without restricting in any way the Commission's (or the Staff's or any other party's) ability to see the utility's decision making process and to remedy any issues with the utility's plan. It accomplishes this by setting forth a truly collaborative process in which the utility lays out its planning approach (i.e. the "Plan for the Plan"), files the results of its building block analyses (i.e. Load Forecast, Supply Side Analysis, Demand Side Analysis) to solicit meaningful feedback before conducting further analysis and selection of a resource plan, and emphasizes shared accountability by focusing stakeholder input on issues that are critical to resource selection based on sound reasoning. With a framework focused on producing a sound and robust plan, the MEDA rule provides for "acknowledgement" of the utility plan and Commission direction to revise the plan to address significant issues with the

plan, and also requires notification of plan changes and annual updates. None of these provisions makes sense in a rule that is focused solely on a process review, particularly one that is so detailed that findings of deficiencies are virtually guaranteed.

5. If the Commission decides that “the process” is the most important consideration and chooses a process and audit approach to resource planning, then the process is the value, not the resulting plan. Accordingly, requirements such as notification of plan changes, annual updates and certification of other filings as consistent with the filed plan are meaningless and add nothing to the process critique. The Commission will be left to rule on disputes over whether or not the utility followed every provision of the rule to the letter. As the Commission is aware, many of those disputes do not improve the utility’s planning process nor do they result in a better plan, but they do consume a lot of time and resources of both the Commission and the utilities.

6. AmerenUE urges the Commission to start its formal rulemaking process with the MEDA IRP rule. AmerenUE believes the process set forth in the MEDA rule is the one best suited to ensuring Missouri utilities develop resource plans which are robust, comprehensive and provide the Commission and utility customers with assurance that the utility has in place a plan to ensure it is able to provide the public with energy services that are safe, reliable and efficient, at just and reasonable rates.

7. Because neither AmerenUE, Kansas City Power & Light Company nor The Empire District Electric Company need to make a resource decision on a baseload power plant in the near future, the Company suggests the Commission allow each of the three electric utilities in Missouri to file an IRP under the MEDA rules and see how those filings work. The Commission could accomplish this by adopting the rules with a sunset

provision or merely by re-examining the rules after a complete set of IRP filings has been made under the new rules.

8. Even if the Commission's preference is to adopt rules which focus solely on the process, AmerenUE urges the Commission to start from the MEDA rule. By using a robust planning framework as a starting point, it raises the bar for adding detailed provisions and ensures that the purported need for such detail is supported by sound reasoning and considers the limited resources of the utilities, the Commission, and all parties that must conduct a review of the process. Doing so allows the Commission to assess the merits of proposed additions and weigh them against one another. While much thought and work has been put into the draft rules proposed by Staff, these rules constitute more of a "wish list" on the part of the various parties which is significantly more difficult to parse and refine, much less use as a guide for compliance. All of the thought and work generated in the workshop process to date would not be lost, but rather would serve as a common base of understanding from which all parties can draw to test the reasonableness of proposed provisions. It could also serve as the basis for living documentation on planning practices that could be used to inform various parties without codifying them in the rules that run the risk of becoming outdated.

In summary, the Commission's decision on its preferred approach to IRP will necessarily guide Missouri utilities, and all parties participating in the IRP process, with respect to how they should best use their limited resources when it comes to utility resource planning. AmerenUE believes that the best approach is one that focuses primarily on resource decisions rather than one that focuses on auditing the decision process. Regardless of the selected approach, AmerenUE believes that the draft IRP

rules proposed by MEDA provide a solid planning framework and urges the Commission to use the MEDA rules as the starting point for the Commission's formal rulemaking process.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Comments of AmerenUE was served on all parties of record via electronic mail (e-mail) on this 3rd day of March, 2010.

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