



✦ Back ✦ Home

S

## MISO charge shocks BPW budget

By **DANNY HENLEY**

**Hannibal Courier-Post**

Posted Dec 05, 2008 @ 06:30 AM

Hannibal, MO — At this time of year, hearts are generally lighter. However, a “bah-humbug” attitude hung over Board meeting Wednesday during its discussion of a \$417,695 Midwest Independent Systems Operator (MISO) AmerenUE that it owes.

“We need to formally protest this somehow,” said board member George Danforth. “And we need to encourage something.”

The charges are the result of a billing error on the part of AmerenUE, which undercharged the BPW in regard to 11, 2008. AmerenUE initially notified the city of the error by letter in September.

AmerenUE initially reported that the city owed \$432,529. In a subsequent letter in October the amount was reduced to \$110,000. The city has until the end of 2008 to pay off the bill. That is when its electrical contract with AmerenUE comes up. Coming up with that much money has proven to be a stiff challenge for Don Willis, general manager of the Electric Board. “It’s really hurt our budget,” he said. “I’ll probably be requesting that we draw some funds out of our reserves to help cover its MISO bill, Willis has cut approximately \$200,000 in capital projects out of the budget. In addition, Willis will not be replaced during this fiscal year. Willis also reported that the BPW’s contribution to the Northeast Missouri Electric Board has been reduced.

Even before the additional charges were assessed the BPW’s MISO bills have been averaging \$110,000 for more than had been budgeted.

“We have quite a bit of money tied up in MISO that we had not budgeted for,” said Willis.

It was noted during Wednesday’s meeting that Robert Clayton III, a Missouri Public Service Commission commissioner. Clayton, who was contacted by a Hannibal Courier-Post story of the MISO charge error contacted officials at both MISO and AmerenUE about the situation. This is not the BPW’s first MISO billing problem. In 2006, the city’s MISO charge totaled \$350,000 before AmerenUE. After a MISO bill, discovered some major problems.

The errors were so large that eventually a new memorandum of agreement was drafted between the city and AmerenUE which took effect March 29, 2006, the city’s slate was wiped clean. It also received a credit from AmerenUE for \$100,000. After this year Hannibal will no longer face unexpected MISO bills. As a part of its new electric contract with AmerenUE which takes effect Jan. 1, 2009, Hannibal will only pay a flat \$2 per megawatt hour fee.

Copyright © 2009 GateHouse Media, Inc. Some Rights Reserved

Original content available for non-commercial use under a Creative Commons license, except where noted

**Attachment 2**