

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 8th day of
February, 2007.

In Re: Union Electric Company's 2005)
Utility Resource Filing Pursuant to)
4 CSR 240 - Chapter 22)

Case No. EO-2006-0240

**ORDER APPROVING STIPULATION AND AGREEMENT AND
ACCEPTING 2005 INTEGRATED RESOURCE PLAN**

Issue Date: February 8, 2007

Effective Date: February 18, 2007

Union Electric Company, d/b/a AmerenUE, filed its integrated resource plan (IRP), as required by 4 CSR 240 – Chapter 22, on December 5, 2005. On January 5, 2007, after a year of back and forth pleadings and negotiations, AmerenUE; the Staff of the Commission; the Office of the Public Counsel; the Missouri Department of Natural Resources; Missouri Industrial Energy Consumers (MIEC); and the Sierra Club, the Missouri Coalition for the Environment, Mid-Missouri Peaceworks, and the Association of Community Organizations for Reform Now (collectively the Sierra Club) filed a non-unanimous stipulation and agreement that purports to resolve all alleged deficiencies in AmerenUE's 2005 IRP filing.

The stipulation and agreement is identified as non-unanimous because two parties, Missouri Energy Group and Noranda Aluminum, Inc., did not sign. However, Commission Rule 4 CSR 240-2.115 provides that if no party objects to a non-unanimous stipulation and agreement within seven days of its filing, the stipulation and agreement may be treated as

unanimous. Since no party has filed a timely objection to the stipulation and agreement, it will be treated as a unanimous agreement.

The purpose of the Commission's integrated resource planning rule is to require Missouri's electric utilities to undertake an adequate planning process to ensure that the public interest in a reasonably priced, reliable, and efficient energy supply is protected. The stipulation and agreement promotes that policy by establishing a participatory process that will involve interested parties in AmerenUE's planning for its next IRP filing. In particular, the agreement requires AmerenUE to host a series of meetings and conference calls to facilitate discussion on various aspects of the planning process. AmerenUE also agrees to make its next IRP filing by February 5, 2008; ten months earlier than that filing would otherwise be due. Furthermore, the stipulation and agreement specifies particular information that AmerenUE will be required to compile and include in its 2008 IRP filing.

Commission Rule 4 CSR 240-22.080(13) requires that after considering an electric utility's IRP filing, the Commission issue an order containing findings that the filing "either does or does not demonstrate compliance with the requirements of this chapter, and that the utility's resource acquisition strategy either does or does not meet the requirements stated in 4 CSR 240-22.010(2)(A)-(C)."¹ Furthermore, 4 CSR 240-22.010(1) provides that

¹ 4 CSR 240-22.010(2) provides as follows:

(2) The fundamental objective of the resource planning process at electric utilities shall be to provide the public with energy services that are safe reliable and efficient, at just and reasonable rates, in a manner that serves the public interest. This objective requires that the utility shall –

(A) Consider and analyze demand-side efficiency and energy management measures on an equivalent basis with supply-side alternatives in the resource planning process;

(B) Use minimization of the present worth of long-run utility costs as the primary selection criterion in choosing the preferred resource plan; and

(C) Explicitly identify and, where possible, quantitatively analyze any other considerations which are critical to meeting the fundamental objective of the resource planning process, but which may constrain or limit the minimization of the present worth of expected utility costs. The utility shall document the process and

a Commission finding that a utility is in compliance with these rules is not to be construed as Commission approval of the utility's resource plans, resource acquisition strategies or investment decisions.

Based on the unopposed stipulation and agreement, the Commission finds that AmerenUE's 2005 IRP filing, as modified and clarified by the stipulation and agreement, demonstrates compliance with the requirements of Commission Rule 4 CSR 240-22. Furthermore, the Commission finds that AmerenUE's resource acquisition strategy described in its 2005 IRP filing meets the requirements stated in Commission Rule 4 CSR 240-22.010(2)(A)-(C). Finally, the Commission finds that the stipulation and agreement filed by the parties is consistent with the public interest and shall be approved.

IT IS ORDERED THAT:

1. The Stipulation and Agreement filed on January 5, 2007, is approved and the signatory parties are ordered to comply with its terms.
2. Union Electric Company, d/b/a AmerenUE's 2005 integrated resource plan is accepted as being in compliance with Commission Rule 4 CSR 240 – Chapter 22.
3. The Commission's acceptance of Union Electric Company, d/b/a AmerenUE's 2005 integrated resource plan does not indicate Commission approval of the utility's resource plan, resource acquisition strategies or investment decisions.

rationale used by decision makers to assess the tradeoffs and determine the appropriate balance between minimization of expected utility costs and these other considerations in selecting the preferred resource plan and developing contingency options. These considerations shall include, but are not necessarily limited to, mitigations of –

1. Risks associated with critical uncertain factors that will affect the actual costs associated with alternative resource plans;
2. Risks associated with new or more stringent environmental laws or regulations that may be imposed at some point within the planning horizon; and
3. Rate increases associated with alternative resource plans.

4. This order shall become effective on February 18, 2007.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton and Appling, CC., concur

Woodruff, Deputy Chief Regulatory Law Judge