

# BEFORE THE PUBLIC SERVICE COMMISSION OF THE 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 System )  
to the Midwest Independent Transmission System )  
Operator, Inc. )

**File No. EO-2011-0128**

## **ORDER DIRECTING THE COMMISSION'S STAFF TO RESPOND TO QUESTIONS FROM THE COMMISSION IN ITS PREFILED TESTIMONY**

Issue Date: August 23, 2011

Effective Date: August 23, 2011

The Commission has additional questions regarding the Midwest Independent Transmission System Operator, Inc.'s (MISO's) Resource Adequacy Enhancements Proposal. In an effort to obtain more information, the Commission will direct the Commission Staff to provide testimony in response to the following questions. All other parties may respond to any of these questions in their testimony if they wish to do so.

1. Do you interpret the July 2011 MISO FERC filing on "resource adequacy" as having any prerequisites or qualifications that must be met before a utility can opt-out or self-schedule, or is it too early to tell?
2. If participation in the MISO "resource adequacy" market is "voluntary" in the sense that Ameren Missouri can self-schedule or "opt out," does staff recommend that Ameren's continued participation in MISO be made contingent on the Commission approving Ameren Missouri's voluntary participation in the MISO "resource adequacy" market or should Ameren Missouri be required to self-schedule or "opt out"?

3. If the Commission cannot make Ameren Missouri's continued participation in MISO contingent on this Commission approving Ameren Missouri's voluntary participation in the MISO "resource adequacy" market or Ameren Missouri being required to self-schedule or "opt out" of said "resource adequacy" market, how does this affect Ameren Missouri's integrated resource planning (IRP) process? How can this Commission be assured that Ameren Missouri will continue to use a 20-year planning horizon as prescribed in 4 CSR 240-22.030 as opposed to the one-year, the originally proposed three-year market or whatever else FERC might order MISO to construct?
4. If MISO is unable to quantify the amount of construction or cost it will take to integrate Entergy into the MISO system, how can this Commission make a determination that Ameren Missouri remaining a member of MISO is not detrimental to the public interest?
5. If MISO and Ameren Missouri state that there are no construction costs associated with integrating Entergy into MISO, what is the likelihood that they will be able to operate a single "consolidated system" as appears to be contemplated in the economic modeling? What is the Commission Staff's opinion as to whether operating a "hypothetical" integrated system or two "stand alone" systems will produce the same benefits as the consolidated system that has been used in the economic models? If possible, please identify and quantify any differences.
6. It has been estimated that it may cost as much as \$100 million to integrate Entergy into the MISO system, whose ratepayers will pay those costs? Will

- those costs be paid by Entergy's customers, all of MISO's customers or some combination?
7. Ameren Missouri is currently performing a generation interconnection study for MISO in regard to Clean Line Energy's proposed "Grain Belt Express" transmission line. Can the PSC staff analyze Ameren Missouri's study and determine whether Missouri customers will receive a net benefit due to cheaper electricity being made available or a net detriment to Ameren Missouri due to decreased off-system sales margins as well as sales from this transmission project as it was proposed by Clean Line Energy Partners as of July 1, 2011? If the answer is unknown, how can this Commission determine that Ameren Missouri's continued membership in MISO is not detrimental to the public interest?
  8. How would the PSC Staff characterize MISO's response to question 10(a) in the Commission's June 1, 2011 Order Directing the Parties to Answer Certain Questions? Please provide an answer to this question that includes one of the following terms:
    - a. Yes
    - b. No
    - c. Maybe
    - d. I don't know
  9. Assuming the estimated cost of the "Michigan Thumb Loop Expansion" is \$510 million and the annual revenue requirement is \$138,619,918 pursuant to MISO's answer to question 12(b) on page 8 of their response dated June 16,

- 2011, what will be the present value of total cost of the project to Missouri ratepayers?
10. In MISO's answer to question 12(b) filed on page 8 of their response dated June 16, 2011, how is the "rate of approximately 0.25 cents/kWh" calculated?
  11. In MISO's answer to question 12(b) in their response dated June 16, 2011, is 7 percent of the actual revenue requirement the correct annual estimated charge for Ameren Missouri? Does this estimate assume First Energy as a member of PJM?
  12. In a previous case on this issue, File No. EO-2008-0134, Ameren provided a CRA International Study. In this case, Ameren Missouri provided a one-page table identified as "Attachment A" to their verified application. Can the PSC Staff investigate to see if a similar study was prepared in this case and provided the Commission with a detailed analysis of "Attachment A" to Ameren Missouri's verified application along with any associated work papers of Ameren Missouri or MISO and provide a written analysis of the claims contained therein?
  13. Contact the Wisconsin Public Service Commission and WPPI, Inc. and provide an opinion as to the veracity, truthfulness, and completeness of MISO's answer to question 12(b) on page 8 of their response dated June 16, 2011.
  14. Please investigate the truthfulness of the MISO response to question 15 found on page of their response dated June 16, 2011, by requesting data and

reviewing any and all records pertaining to the employment, hiring and compensation of key MISO employees for this purpose.

15. Please investigate and report to this Commission the total amount spent by MISO on consultants, contractors, outside legal counsel, media consultants, public relations firms, agents and anyone else hired for the purpose of gaining regulatory approval of Entergy joining MISO. Please provide a list of all external employees, agents or affiliates compensated by MISO for these purposes. Please investigate and report whether any MISO employees, consultants, contractors, outside legal counsel, agents or anyone else affiliated with MISO, including but not limited to Aldie Warnock, would receive a bonus or have a portion of their compensation tied to successful regulatory approval of Entergy joining the MISO system.
16. At the NARUC meeting, MISO CEO John Bear estimated the cost of the MISO Multi-Value Projects (MVPs) to be approximately \$9.00 per residential customer per year. Please provide a detailed analysis as to whether those numbers are a correct estimate of the costs to Missouri ratepayers and please explain whether these projects will actually provide more benefits to Missouri ratepayers than they cost.
17. Does Ameren Missouri's continued membership in MISO pose a detriment to any other group of Missouri customers – municipal utilities, cooperatives or investor-owned utilities?

**THE COMMISSION ORDERS THAT:**

1. Staff shall provide answers to the questions posed to it in the body of this order as part of its prefiled rebuttal testimony, which is due to be filed on September 14, 2011.
2. Any other party that wishes to provide answers to the questions posed to Staff in the body of this order may do so as part of its prefiled rebuttal or surrebuttal testimony.
3. This order shall become effective immediately upon issuance.

**BY THE COMMISSION**

( S E A L )



**Steven C. Reed  
Secretary**

Morris L. Woodruff, Chief Regulatory  
Law Judge, by delegation of authority  
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,  
on this 23<sup>rd</sup> day of August, 2011.