

**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.)

Case No. EO-2011-0128

SECOND STATEMENT OF POSITIONS OF THE OFFICE OF THE PUBLIC COUNSEL

COMES NOW the Office of the Public Counsel and for its Second Statement of Positions on the Second Revised List Of Issues And Order Of Cross-Examination And First Revised Witness List And Order Of Opening Statements states as follows:

LIST OF ISSUES

1. *Is an extension of the term of the Commission's permission for Ameren Missouri to transfer functional control of Ameren Missouri's transmission system to the Midwest ISO, on the terms and conditions set out in the Non-unanimous Stipulation and Agreement filed in this docket on November 17, 2011, not detrimental to the public interest?*

No, not without additional conditions.

2. *What constitutes proving "not detrimental to the public interest" in File No. EO-2011-0128?*

(a) What "public" is the appropriate public?

Primarily the retail ratepayers of Ameren Missouri, but consideration must also be given to any impacts on Missouri citizens who are not Ameren Missouri customers.

(b) What "interest" is the appropriate interest?

Interest in this context is very broad, and encompasses direct financial impacts on Missouri ratepayers as well as intangibles like the value of preserving the Commission's jurisdiction over the transmission component of bundled retail rates.

(c) How is "not detrimental" measured?

"Not detrimental" does not simply mean \$1 more benefit than cost. It also requires that the Commission examine all quantifiable and hard-to-quantify costs and benefits (including those that may extend into the indefinite future), and impose all reasonable conditions to protect and preserve the public interest.

3. *May the Commission impose the conditions on such a transfer that are reflected at page 12, lines 22 - 28 of the Rebuttal Testimony of Ryan Kind? If so, should the Commission do so?*

Yes, for the reasons set forth in Mr. Dauphinais' testimony and in the rebuttal testimony of OPC witness Kind at page 9, line 20, through page 13, line 9, although given FERC's Order 1000, the condition may need to be modified by adding the underlined qualifier and deleting the closing clause: "UE shall make diligent efforts to construct and own any and all transmission projects proposed for UE's certificated retail service territory, unless UE requests and receives approval from the Commission for an entity other than UE to pursue, in part or in whole, construction and/or ownership of the proposed project(s), which entity shall have a certificate of convenience and necessity issued by the Missouri Public Service Commission for the proposed project(s)."

4. *May the Commission impose the conditions on such a transfer that are reflected at page 17, lines 1- 3 of the Rebuttal Testimony of Ryan Kind? If so, should the Commission do so?*

Yes, for the reasons set forth in Mr. Kind's testimony at page 14, line 9 through page 17, line 5 and page 18, lines 4-8, where Mr. Kind states "UE shall cease having Ameren Services represent it at MISO and instead have its own representative actively participating in the MISO Transmission Owners Committee and as needed in other MISO stakeholder groups in order to make sure that the interests of UE and its customers are effectively communicated and pursued at MISO." The Arkansas Commission recently took a similar approach in Docket No. 10-011-U, Order No. 54, issued October 28, 2011.¹ The Arkansas Commission required, among other similar conditions: "Participation as an independent, separate member on a single entity basis from the OpCos [other Entergy operating companies] or any other entity, including signing the TOA [Transmission Owners Agreement] on its own and, if needed, seeking a waiver from FERC or any other necessary regulatory body to allow EAI [Entergy Arkansas] to join an RTO on a separate basis, and remain a member on a separate basis from the OpCos...."

5. *Can the Commission condition Ameren Missouri's participation in MISO on the application of the existing terms and conditions applied to Ameren Missouri transmission assets (e.g., Section 5.3 of the Service Agreement and paragraphs (b) through (h) at pages 9-14 of the Ameren Missouri Verified Application in File No. EO-2011-0128) to any affiliate to which Ameren Missouri seeks to transfer transmission assets? If so, should the Commission do so as recommended at page 22, lines 3-27 of the Rebuttal Testimony of Adam C. McKinnie?*

Yes, for the reasons set forth in Mr. McKinnie's testimony.

6. *If the Commission agrees that such extension of the term for Ameren Missouri to transfer functional control of Ameren Missouri's transmission system to the Midwest ISO should be granted on the terms outlined at page 19, line 19 to page 21, line 2 of*

¹ http://www.apscservices.info/pdf/10/10-011-u_655_1.pdf

Ajay Arora's Surrebuttal Testimony, should the conditions as proposed by Marlin Vrbas in his Rebuttal Testimony, pp. 13-16, be required of Ameren Missouri before any continued transfer of authority is granted? What continuing opportunities and mechanisms for re-examining Ameren Missouri's participation in MISO, if any, should be granted to the parties in this case?

The Commission should, as a condition of its approval, allow any Stakeholder to request that the Commission initiate a docket (or the Commission may do so on its own motion) prior to November 15, 2015, to investigate whether a significant change has occurred or may occur, which is of such a magnitude that it presents or may present a substantial risk that continued participation in the Midwest ISO on the terms and conditions contained herein has become or may become detrimental to the public interest.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ Lewis R. Mills, Jr.

By: _____

Lewis R. Mills, Jr. (#35275)

Public Counsel

P O Box 2230

Jefferson City, MO 65102

(573) 751-4857

(573) 751-5562 FAX

lewis.mills@ded.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the parties of record this 27th day of January 2012.

Missouri Public Service Commission

Steve Dottheim
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
Steve.Dottheim@psc.mo.gov

Missouri Public Service Commission

Office General Counsel
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
GenCounsel@psc.mo.gov

Southwest Power Pool, Inc.

David C Linton
424 Summer Top Lane
Fenton, MO 63026
djlinton@charter.net

Union Electric Company

James B Lowery
111 South Ninth St., Suite 200
P.O. Box 918
Columbia, MO 65205-0918
lowery@smithlewis.com

Union Electric Company

Michael R Tripp
111 S. 9th Street
P.O. Box 918
Columbia, MO 65205-0918
tripp@smithlewis.com

Union Electric Company

Thomas M Byrne
1901 Chouteau Avenue
P.O. Box 66149 (MC 1310)
St. Louis, MO 63166-6149
AmerenMOService@ameren.com

Union Electric Company

Wendy Tatro
1901 Chouteau Avenue
St. Louis, MO 63166-6149
AmerenMOService@ameren.com

Empire District Electric Company, The

Dean L Cooper
312 East Capitol
P.O. Box 456
Jefferson City, MO 65102
dcooper@brydonlaw.com

Midwest Independent Transmission System Operator, Inc.

Matthew R Dorsett
7200 City Center Drive
P.O. Box 4202
Carmel, IN 46082-4202
mdorsett@misoenergy.org

Midwest Independent Transmission System Operator, Inc.

Lisa A Gilbreath
4520 Main, Suite 1100
Kansas City, MO 64111
lisa.gilbreath@snrdenton.com

**Midwest Independent Transmission
System Operator, Inc.**

Karl Zobrist
4520 Main Street, Suite 1100
Kansas City, MO 64111
karl.zobrist@snrdenton.com

Missouri Industrial Energy Consumers

Diana M Vuylsteke
211 N. Broadway, Suite 3600
St. Louis, MO 63102
dmvuylsteke@bryancave.com

**Missouri Joint Municipal Electric Utility
Commission**

Douglas Healy
939 Boonville Suite A
Springfield, MO 65802
doug@healylawoffices.com

/s/ Lewis R. Mills, Jr.
