BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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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

STAFF'S STATEMENT OF POSITION TO SUGGESTED REVISED LIST OF ISSUES AND ORDER OF CROSS-EXAMINATION

COMES NOW, the Staff of the Missouri Public Service Commission ("Staff"), by and

through the undersigned counsel of the Staff Counsel Department of the Missouri Public Service

Commission ("Commission") and submits Staff's Statement of Position To Suggested Revised

List Of Issues And Order Of Cross-Examination.

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-outlined starting at page 19, line 16 through page 21, line 2 of the Surrebuttal Testimony of Ajay Arora filed in this docket on November 1, 2011 set out in the Non-unanimous Stipulation and Agreement filed in this docket on November 17, 2011, not detrimental to the public interest?

Ans: Yes.

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

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

- (b) What "interest" is the appropriate interest?
- (c) How is "not detrimental" measured?

Ans: The Staff would refer the Commission to: *Re Aquila, Inc. for Authority to Transfer Operational Control of Certain Transmission Assets to the Midwest Independent Transmission System Operator, Inc.,* Case No. EO-2008-0046, Report and Order (October 9, 2008); *State ex rel. Intercon Gas, Inc. v. Public Serv. Comm'n,* 848 S.W.2d 593 (Mo.App. W.D. 1993); *State ex rel. AG Processing, Inc. v. Public Serv. Comm'n,* 120 S.W.3d 732 (Mo.banc 2003); *Re UtiliCorp United, Inc. and The Empire District Electric Co. for Authority to Merge,* Case No. EM-2000-369, Report and Order, 9 Mo.P.S.C.3d 512, 531-32, 537-39 (2000); *Re Union Electric Co. for Order Authorizing Certain Merger Transactions,* Case No. EM-96-149,

Report and Order, 6 Mo.P.S.C.3d 28, 40-41 (1997); Sections 386.610 and 393.130.1 RSMo. 2000.

3. May the Commission impose the conditions on such a transfer that are reflected at page $\frac{12,7}{15-22}$ of the Rebuttal Testimony of <u>Ryan KindJames R. Dauphinais (which is also supported by OPC)</u>? If so, should the Commission do so?

Ans: As a signatory of the Non-unanimous Stipulation and Agreement filed in this docket on November 17, 2011, it is the position of the Staff that 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 is not detrimental to the public interest.

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?

Ans: As a signatory of the Non-unanimous Stipulation and Agreement filed in this docket on November 17, 2011, it is the position of the Staff that 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 is not detrimental to the public interest.

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) 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?

Ans: See Issue 1.

6. Is an affiliate of Ameren Missouri required to obtain a certificate of convenience and necessity (CCN) (as described in RSMo 393.170 and 393.190.1) from the Commission before constructing, owning, and operating certain transmission facilities in the state of Missouri as is the opinion of the Staff Counsel's Office as noted at page 21, lines 3–6 of the Rebuttal Testimony of Adam C. McKinnie? Can the Commission condition the granting of such a CCN on the application of the existing terms and conditions that are applied to Ameren Missouri transmission assets (e.g., Section 5.3 of the Service Agreement and paragraphs (b) through (h) of the Ameren Missouri Verified Application in File No. EO-2011-0128)? If so, should the Commission do so, as recommended at page 22, lines 3–8 of the Rebuttal Testimony of Adam C. McKinnie?

Ans: See Issue 1.

7.5. 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 Ajay Arora's surrebuttal testimony, should the conditions as proposed by Marlin Vrbas in his 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?

Ans: As a signatory of the Non-unanimous Stipulation and Agreement filed in this docket on November 17, 2011, it is the position of the Staff that 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 is not detrimental to the public interest.

Respectfully submitted,

<u>/s/ Steven Dottheim</u>

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing filing of *Staff's Statement Of Position To Suggested Revised List Of Issues And Order Of Cross-Examination* was served via e-mail on counsel for all parties of record on this 17th day of November, 2011.

<u>/s/ Steven Dottheim</u>