RESPONSE AND EXPLANATION OF CHANGE: The state veterinarian agrees that positive *Tritrichomonas foetus* test results should be reported within seventy-two (72) hours and will include a reporting period in the regulations and agrees with the change to the quarantine requirements. The department agrees with the comment regarding section (11) and will remove this section at this time.

2 CSR 30-2.020 Movement of Livestock, Poultry, and Exotic Animals Within Missouri

(1) Cattle, Bison, and Exotic Bovids.

(D) Trichomoniasis (Excluding Exotic Bovids).

1. Definitions.

A. Official laboratory—Veterinary Diagnostic Laboratory operated and under the direction of the state veterinarian, University of Missouri Veterinary Medical Diagnostic Laboratory, or other diagnostic laboratories approved by the state veterinarian.

B. Positive Trichomoniasis (*Tritrichomonas foetus*) bull—male bovine which has ever tested positive for Trichomoniasis (*Tritrichomonas foetus*).

C. Trichomoniasis—venereal disease of cattle caused by the protozoan parasite species of *Tritrichomonas foetus*.

D. Positive Trichomoniasis (*Tritrichomonas foetus*) herd—group of bovines that have commingled in the previous breeding season and in which an animal (male or female) has had a positive diagnosis for *Tritrichomonas foetus*.

E. Negative Trichomoniasis (*Tritrichomonas foetus*) herd—a group of bovines that have been commingled in the previous breeding season and all test-eligible bulls have tested negative for *Tritrichomonas foetus* within the previous twelve (12) months.

F. Test-eligible animal—any bull at least thirty (30) months of age or any non-virgin bull that is sold, leased, bartered, or traded in Missouri.

G. Negative Trichomoniasis (*Tritrichomonas foetus*) bull—a bull from a negative Trichomoniasis herd with a series of three (3) negative cultures at least one (1) week apart or one (1) negative PCR test for *Trichomoniasis foetus* or two (2) negative PCR if commingled with a positive herd.

2. All breeding bulls (excluding exotic bovids) sold, bartered, leased, or traded within the state shall be—

A. Virgin bulls not more than twenty-four (24) months of age as determined by the presence of both permanent central incisor teeth in wear, or by breed registry papers; or

B. Tested negative for Trichomoniasis with an official culture test or official Polymerase Chain Reaction (PCR) test by an approved diagnostic laboratory within thirty (30) days prior to change in ownership or possession within the state.

(I) Bulls shall be tested three (3) times not less than one (1) week apart by an official culture test or one (1) time by an official PCR test.

(II) Shall be identified by official identification at the time the initial test sample is collected and the official identification recorded on the test documents.

(III) Bulls that have had contact with female cattle subsequent to or at the time of testing must be retested prior to movement.

C. The official identification, test results, date of test, test performed, and laboratory where test was performed should be included on the certificate of veterinary inspection.

3. If the breeding bulls are virgin bulls and less than thirty (30) months of age, they shall be—

A. Individually identified by official identification; and

B. Accompanied with a breeder's certification of virgin status signed by the breeder or his representative attesting that they are virgin bulls.

C. The official identification number shall be written on the breeder's certificate.

4. Bulls going directly to slaughter are exempt from Trichomoniasis testing.

5. *Tritrichomonas foetus* positive herd—

A. Shall be quarantined or sold directly to slaughter or to a licensed livestock market for slaughter only and shipped on a VS 1-27 permit.

(I) Any non-virgin female or female twelve (12) months of age or older may be sold directly to slaughter and move on a VS 1-27 or remain quarantined.

(II) Positive bulls shall be sent directly to slaughter or to a licensed livestock market for slaughter only and shipped on a VS 1-27 permit.

(III) Positive animals shall be identified by a state-issued temper-evident eartag; and

B. The quarantine shall be released upon the following:

(I) All bulls in a positive *Tritrichomonas foetus* herd shall have tested negative to three (3) consecutive official *Tritrichomonas foetus* culture tests or two (2) consecutive official *Tritrichomonas foetus* PCR tests at least one (1) week apart. The initial negative test is included in the series of negative tests required; and

(II) Female(s) has a calf at side (with no exposure to other than known negative *Tritrichomonas foetus* bulls since parturition), has one hundred twenty (120) days of sexual isolation, or is determined by an accredited veterinarian to be at least one hundred twenty (120) days pregnant.

6. All positive *Tritrichomonas foetus* test results must be reported to the state veterinarian within seventy-two (72) hours of confirmation.

(2) Swine.

(A) Swine in Missouri are classified as follows:

1. Commercial swine—swine that are continuously managed and have adequate facilities and practices to prevent exposures to feral swine;

2. Feral swine—swine that are free roaming or Russian and Eurasian that are confined. This includes javelinas and peccaries; and

3. Transitional swine—swine raised on dirt or that have reasonable opportunities to be exposed to feral swine.

(D) All feral swine (including Eurasian and Russian) moving within Missouri must:

1. Obtain an entry permit;

2. Be officially identified;

3. Be listed individually on a Certificate of Veterinary Inspection, in addition to age, gender, and permit number of feral swine facility of destination;

4. Be from a validated and qualified herd, last test date, and herd numbers must be listed on the Certificate of Veterinary Inspection; or

5. Have two (2) negative tests sixty (60) days apart for brucellosis and pseudorabies within thirty to sixty (30–60) days prior to movement. The laboratory and test date must be listed on the Certificate of Veterinary Inspection.

6. Feral swine moving directly from the farm-of-origin to an approved processing facility or to an approved slaughter-only facility will be exempt from required testing.

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240—Public Service Commission
Chapter 22—Electric Utility Resource Planning

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under sections 386.040, 386.250, 386.610, and 393.140, RSMo 2000, the commission amends a rule as follows:

4 CSR 240-22.010 is amended.

A notice of proposed rulemaking containing the text of the proposed amendment was published in the *Missouri Register* on December 1, 2010 (35 MoReg 1737–1738). The sections with changes are reprinted here. This proposed amendment becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended January 3, 2011, and a public hearing on the proposed rule was held January 6, 2011. Timely written comments were received from the staff of the Missouri Public Service Commission (staff), the Office of the Public Counsel, The Empire District Electric Company (Empire), Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company (KCPL), Union Electric Company d/b/a Ameren Missouri, the Missouri Department of Natural Resources (DNR), Dogwood Energy, LLC, Renew Missouri and Great Rivers Environmental Law Center (Renew Missouri), and Public Service Commissioner Jeff Davis. In addition, staff, public counsel, Empire, KCPL, Renew Missouri, DNR, Dogwood, and Ameren Missouri offered comments at the hearing. The comments proposed various modifications to the amendment.

Comments relating to the entire package of changes to Chapter 22: The proposed amendment to this rule is part of a larger package of nine (9) rules that comprise the proposed Chapter 22 of the commission's rules that establish the requirements for resource planning by investor-owned electric utilities in Missouri. Some of the submitted comments relate to the overall package in general. The commission will address those comments first and then will address the comments that relate specifically to this rule of Chapter 22.

COMMENT #1: The Rules Should Be Less Prescriptive. Ameren Missouri, Empire, and KCPL, the electric utilities that will need to comply with Chapter 22, suggest that the entire Chapter 22 should be less prescriptive. By that, they mean the Chapter 22 rules should focus more on the end result, the preferred resource plan, and allow the electric utilities more leeway to determine how to arrive at that result. As an alternative to the rules the commission has proposed, they offer a set of rules prepared by the Missouri Energy Development Association (MEDA), an electric, natural gas, and water utility trade organization.

RESPONSE: The MEDA rules, a copy of which was attached to the comments filed by both Ameren Missouri and KCPL, have the virtue of being much shorter than the commission's rule, but that brevity comes with a cost. As staff explained in its testimony, it and other interested stakeholders cannot properly evaluate a utility's resource plan unless they know what went into development of the plan. A preferred resource plan may look entirely reasonable when presented by the utility; but unless the reviewer knows the assumptions and processes that were used to determine the plan, the review is of little value.

An analogy can be made to a weather forecast offered by the weather bureau. The forecaster may offer an opinion that it will rain tomorrow, but unless the reviewer knows the basis of that forecast, the reviewer has little more to go on than trust. Staff, other interested stakeholders, and the commission need to be able to base their evaluation of the plans submitted by the utilities on more than just trust.

Furthermore, while the electric utilities would prefer a less-prescriptive rule, they will be able to comply with the rules the commission has proposed. At the public hearing, Ameren Missouri commented: "We have concerns about how much the process can get in the way of getting to a good result. But in the end we will do it." Also in the public hearing, in response to Commissioner Jarrett's questions about the experience in other states, Empire explained that it also files IRPs in Arkansas and Oklahoma. Because Missouri's IRP rule is more comprehensive, it is able to file the Missouri IRP, with minor modifications, in those other states.

The rules the commission has proposed strike a proper balance between the utilities' interest in freedom of action and the commission's need to know the basis for their proposed plans. The commission will not adopt the rules proposed by MEDA.

COMMENT #2: Linkage with the MEEIA Rules. Renew Missouri and the Department of Natural Resources are concerned about the interrelationship of these rules with the rules the commission has proposed to implement the Missouri Energy Efficiency Investment Act of 2009, section 393.1075, RSMo (MEEIA). In particular, they cite a provision in the MEEIA rules that directs electric utilities to assemble comprehensive demand-side portfolios that are subject to approval and cost recovery under the MEEIA. Before that is done, the MEEIA rules require that the utility's demand-side programs or program plans are either included in the electric utility's preferred resource plan or have been analyzed through the integration analysis process required by Chapter 22 to determine the impact of the demand-side programs or program plans on the net present value of revenue requirements of the electric utility. Renew Missouri and DNR worry that the integration analysis under Chapter 22 would introduce elements into the demand-side portfolios that would be inconsistent with the requirements of the MEEIA rules. Their solution to this problem is to suggest that the definitions and requirements of these Chapter 22 rules be made as consistent as possible with the definitions and requirements of the MEEIA rules.

RESPONSE: The commission is mindful of the concerns expressed by Renew Missouri and DNR, but it is unwilling to make the Chapter 22 rules subservient to the MEEIA rules in the manner they propose. The goal of MEEIA is to achieve all cost-effective demand-side savings. The fundamental objective of these rules is to provide the public with energy services that are safe, reliable, and efficient at just and reasonable rates. To accomplish that fundamental objective, these rules require the utility to consider and analyze demand-side resources and supply-side resources on an equivalent basis.

The proposed policy rule incorporates the MEEIA rule by requiring the resource planning process to be in compliance with all legal mandates. This language is flexible in that it incorporates the MEEIA requirements and all future federal and state legal mandates. For that reason the commission has included language regarding compliance with legal mandates in section (2) of the rule as proposed.

COMMENT #3: Pre-approval of Large Projects. The electric utilities, through the MEDA rules, advocate for the option of requesting pre-approval of large investments as part of a utility's Chapter 22 compliance filing. Ameren Missouri asserts that pre-approval is a way for the utility to seek determination of ratemaking treatment on a major project before the project begins. It also points out that the Missouri Energy Efficiency Investment Act (MEEIA) provides for pre-approval of demand-side resources. Ameren Missouri claims that it is a logical extension to provide a pre-approval option for large supply-side investments, if pre-approval is requested by the utility.

Staff and public counsel oppose an option for pre-approval of large projects. They argue that utilities already have authority to request additional regulatory certainty by requesting a regulatory plan or some other form of pre-approval. The utilities have utilized both of these approaches in the past, and it is unnecessary and inappropriate to include a pre-approval process in the Chapter 22 rules.

Dogwood suggests the commission open a new separate rulemaking process to consider proposals to develop a procedure by which electric utilities may seek pre-approval from the commission for certain large projects.

RESPONSE: The commission agrees with its staff and public counsel that there are other more appropriate alternatives for pre-approval and will not include a provision for pre-approval of large investments in its Chapter 22 rules. The commission is open to further discussion on the pre-approval question, but will not undertake a rulemaking on the subject at this time.

COMMENT #4: Illegal Infringement on the Right to Manage the Utility. Ameren Missouri contends the proposed rules go beyond the

commission's statutory authority by intruding on the day-to-day management prerogatives of the utility.

RESPONSE: The commission certainly is not interested in managing the utility companies, and these rules do not attempt to do so. Rather, the rules are designed to ensure that the electric utilities implement an effective and thorough integrated resource planning process to ensure that their ratepayers continue to receive safe and reliable service at just and reasonable rates.

COMMENT #5: Acknowledgment. The Department of Natural Resources urges the commission to modify the Chapter 22 rules to authorize the commission to "acknowledge" the reasonableness of the electric utility's resource acquisition strategy. DNR believes this acknowledgment would increase the commission's authority over integrated resource planning by making the process more meaningful and consistent with the utility's business plan. The electric utilities, through the MEDA rules, make a similar suggestion. Ameren Missouri contends, "acknowledgment is a way to give value to all the work of the parties involved by acknowledging that the plan is reasonable at the time it was developed."

Staff is opposed to acknowledgment of the reasonableness of the electric utility's resource acquisition strategy in these rules. Staff points out that currently the commission's decision whether to allow the cost of a resource to be recovered in rates occurs after the resource is "fully operational and used for service," and the utility has requested that it be added to the utility's rate base. A resource can be added to the rate base, and its cost recovered, if the investment was prudent, reasonable, and of benefit to Missouri retail ratepayers (a finding that has historically been made in Missouri after the resource has been constructed and after it is fully operational and used for service). Further, staff is greatly concerned that stakeholders lack the resources to review and conduct prudence/reasonableness/benefit-to-Missouri-retail-ratepayers level analysis of all the resources necessary early in the planning stages if an acknowledgment determination is being made by the commission.

RESPONSE: The commission does not wish to move down the path toward pre-approval of projects as part of the resource planning process. However, it is important to emphasize the importance of that planning process by giving the commission authority to acknowledge that the officially adopted resource acquisition strategy, or any element of that strategy, is reasonable at a particular date. The commission will adopt modified language that defines acknowledgment in a manner that will make it clear that acknowledgment is not pre-approval and will not bind a future commission in any future case. In addition, the commission will adopt other elements of DNR's proposal for implementation of an acknowledgment option, except for the inclusion of a definition of "substantive concern." The specific changes that will be made to the proposed rules are described in detail in comments relating to the specific rule provisions.

Comments relating to this particular rule of Chapter 22:

COMMENT #6: Changes to Section 4 CSR 240-22.010(1). Ameren Missouri takes issue with the section that states the commission's policy goal in promulgating this chapter. The existing rule states that the chapter establishes a resource planning process "to ensure that the public interest is adequately served." The amendment would add "with a view to the public welfare, efficient facilities, and substantial justice between patrons and public utilities."

Ameren Missouri is concerned that the added terms are unclear, undefined, and unnecessary. Ameren Missouri suggests the new phrase simply be removed from the amendment. Alternatively, Ameren Missouri suggests the commission add "utility shareholders" to the list of considerations that make up the public interest.

In its comments at the hearing, staff explained that the new language is taken directly from section 386.610, RSMo 2000, which states that the provisions of the statute that establish the Public Service Commission should be "liberally construed with a view to the public welfare, efficient facilities and substantial justice between patrons and public utilities."

RESPONSE AND EXPLANATION OF CHANGE: In promulgating the rule changes regarding Chapter 22, the commission did not intend to modify its objective to protect the public interest. The new language quoting the statutory provision is therefore unnecessary and can only confuse future interpretation of the rule. Therefore, the commission will remove the new language from section (1) of this rule.

COMMENT #7: Changes to Section 4 CSR 240-22.010(2)—"rates" to "costs." The Department of Natural Resources suggests that the reference in section (2) to just and reasonable "rates" be changed to just and reasonable "costs," reasoning that "costs" is a more accurate description of the factor that has a direct effect on customers.

RESPONSE: The commission has statutory authority to set rates for the services provided by the utilities it regulates. Customers ultimately determine their costs for utility services based upon their personal decisions in response to the utility's service offerings. The commission will not change "rates" to "costs" in this section.

COMMENT #8: Changes to Section 4 CSR 240-22.010(2)—consistent with other policies. The Department of Natural Resources suggests that language be added indicating that the fundamental objective of the resource planning process should be consistent with state energy and environmental policies.

RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with DNR and will modify the section accordingly.

COMMENT #9: Changes to Subsection 4 CSR 240-22.010(2)(A). The Department of Natural Resources suggests that the subsection should be modified to reflect a priority for demand-side resources that result in all cost-effective demand-side savings. DNR further suggests that the subsection be modified to specifically include analysis of renewable energy and supply-side additions and retirements on an equivalent basis.

RESPONSE: The commission does not agree that demand-side resources should be given priority over supply-side resources. Section 393.1075.3, RSMo, establishes that it is the policy of this state to value demand-side investments equally to traditional investments in supply and delivery infrastructure. Therefore, supply-side resources and demand-side resources should be evaluated on an equivalent basis in Chapter 22. The commission will not make the change proposed by DNR.

4 CSR 240-22.010 Policy Objectives

(1) The commission's policy goal in promulgating this chapter is to set minimum standards to govern the scope and objectives of the resource planning process that is required of electric utilities subject to its jurisdiction in order to ensure that the public interest is adequately served. Compliance with these rules shall not be construed to result in commission approval of the utility's resource plans, resource acquisition strategies, or investment decisions.

(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 compliance with all legal mandates, and in a manner that serves the public interest and is consistent with state energy and environmental policies. The fundamental objective requires that the utility shall—

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240—Public Service Commission
Chapter 22—Electric Utility Resource Planning

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SUMMARY OF COMMENTS: The public comment period ended January 3, 2011, and a public hearing on the proposed rule was held January 6, 2011. Timely written comments were received from the staff of the Missouri Public Service Commission (staff), the Office of the Public Counsel, The Empire District Electric Company (Empire), Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company (KCPL), Union Electric Company d/b/a Ameren Missouri, the Missouri Department of Natural Resources (DNR), Dogwood Energy, LLC, Renew Missouri and Great Rivers Environmental Law Center (Renew Missouri), and Public Service Commissioner Jeff Davis. In addition, staff, public counsel, Empire, KCPL, Renew Missouri, DNR, Dogwood, and Ameren Missouri offered comments at the hearing. The comments proposed various modifications to the amendment.

Comments relating to the entire package of changes to Chapter 22: The proposed amendment to this rule is part of a larger package of nine (9) rules that comprise the proposed Chapter 22 of the commission's rules that establish the requirements for resource planning by investor-owned electric utilities in Missouri. Some of the submitted comments relate to the overall package in general. The commission will address those comments first and then will address the comments that relate specifically to this rule of Chapter 22.

COMMENT #1: The Rules Should Be Less Prescriptive. Ameren Missouri, Empire, and KCPL, the electric utilities that will need to comply with Chapter 22, suggest that the entire Chapter 22 should be less prescriptive. By that, they mean the Chapter 22 rules should focus more on the end result, the preferred resource plan, and allow the electric utilities more leeway to determine how to arrive at that result. As an alternative to the rules the commission has proposed, they offer a set of rules prepared by the Missouri Energy Development Association (MEDA), an electric, natural gas, and water utility trade organization.

RESPONSE: The MEDA rules, a copy of which was attached to the comments filed by both Ameren Missouri and KCPL, have the virtue of being much shorter than the commission's rule, but that brevity comes with a cost. As staff explained in its testimony, it and other interested stakeholders cannot properly evaluate a utility's resource plan unless they know what went into development of the plan. A preferred resource plan may look entirely reasonable when presented by the utility; but unless the reviewer knows the assumptions and processes that were used to determine the plan, the review is of little value.

An analogy can be made to a weather forecast offered by the weather bureau. The forecaster may offer an opinion that it will rain tomorrow, but unless the reviewer knows the basis of that forecast, the reviewer has little more to go on than trust. Staff, other interested stakeholders, and the commission need to be able to base their evaluation of the plans submitted by the utilities on more than just trust.

Furthermore, while the electric utilities would prefer a less-prescriptive rule, they will be able to comply with the rules the commission has proposed. At the public hearing, Ameren Missouri commented: "We have concerns about how much the process can get in the way of getting to a good result. But in the end we will do it."

Also in the public hearing, in response to Commissioner Jarrett's questions about the experience in other states, Empire explained that it also files IRPs in Arkansas and Oklahoma. Because Missouri's IRP rule is more comprehensive, it is able to file the Missouri IRP, with minor modifications, in those other states.

The rules the commission has proposed strike a proper balance between the utilities' interest in freedom of action and the commission's need to know the basis for their proposed plans. The commission will not adopt the rules proposed by MEDA.

COMMENT #2: Linkage with the MEEIA Rules. Renew Missouri and the Department of Natural Resources are concerned about the interrelationship of these rules with the rules the commission has proposed to implement the Missouri Energy Efficiency Investment Act of 2009, section 393.1075, RSMo (MEEIA). In particular, they cite a provision in the MEEIA rules that directs electric utilities to assemble comprehensive demand-side portfolios that are subject to approval and cost recovery under the MEEIA. Before that is done, the MEEIA rules require that the utility's demand-side programs or program plans are either included in the electric utility's preferred resource plan or have been analyzed through the integration analysis process required by Chapter 22 to determine the impact of the demand-side programs or program plans on the net present value of revenue requirements of the electric utility. Renew Missouri and DNR worry that the integration analysis under Chapter 22 would introduce elements into the demand-side portfolios that would be inconsistent with the requirements of the MEEIA rules. Their solution to this problem is to suggest that the definitions and requirements of these Chapter 22 rules be made as consistent as possible with the definitions and requirements of the MEEIA rules.

RESPONSE AND EXPLANATION OF CHANGE: The commission is mindful of the concerns expressed by Renew Missouri and DNR, but it is unwilling to make the Chapter 22 rules subservient to the MEEIA rules in the manner they propose. The goal of MEEIA is to achieve all cost-effective demand-side savings. The fundamental objective of these rules is to provide the public with energy services that are safe, reliable, and efficient at just and reasonable rates. To accomplish that fundamental objective, these rules require the utility to consider and analyze demand-side resources and supply-side resources on an equivalent basis.

To this end, the commission, as described below, is changing the definitions of realistic achievable potential and technical potential to be consistent with the MEEIA rule definitions and will add a definition for maximum achievable potential consistent with the MEEIA rule definition.

COMMENT #3: Pre-approval of Large Projects. The electric utilities, through the MEDA rules, advocate for the option of requesting pre-approval of large investments as part of a utility's Chapter 22 compliance filing. Ameren Missouri asserts that pre-approval is a way for the utility to seek determination of ratemaking treatment on a major project before the project begins. It also points out that the Missouri Energy Efficiency Investment Act (MEEIA) provides for pre-approval of demand-side resources. Ameren Missouri claims that it is a logical extension to provide a pre-approval option for large supply-side investments, if pre-approval is requested by the utility.

Staff and public counsel oppose an option for pre-approval of large projects. They argue that utilities already have authority to request additional regulatory certainty by requesting a regulatory plan or some other form of pre-approval. The utilities have utilized both of these approaches in the past, and it is unnecessary and inappropriate to include a pre-approval process in the Chapter 22 rules.

Dogwood suggests the commission open a new separate rulemaking process to consider proposals to develop a procedure by which electric utilities may seek pre-approval from the commission for certain large projects.

RESPONSE: The commission agrees with its staff and public counsel that there are more appropriate alternatives for pre-approval and

will not include a provision for pre-approval of large investments in its Chapter 22 rules. The commission is open to further discussion on the pre-approval question, but will not undertake a rulemaking on the subject at this time.

COMMENT #4: Illegal Infringement on the Right to Manage the Utility. Ameren Missouri contends the proposed rules go beyond the commission's statutory authority by intruding on the day-to-day management prerogatives of the utility.
RESPONSE: The commission certainly is not interested in managing the utility companies, and these rules do not attempt to do so. Rather, the rules are designed to ensure that the electric utilities implement an effective and thorough integrated resource planning process to ensure that their ratepayers continue to receive safe and reliable service at just and reasonable rates.

COMMENT #5: Acknowledgment. The Department of Natural Resources urges the commission to modify the Chapter 22 rules to authorize the commission to "acknowledge" the reasonableness of the electric utility's resource acquisition strategy. DNR believes this acknowledgment would increase the commission's authority over integrated resource planning by making the process more meaningful and consistent with the utility's business plan. The electric utilities, through the MEDA rules, make a similar suggestion. Ameren Missouri contends, "acknowledgment is a way to give value to all the work of the parties involved by acknowledging that the plan is reasonable at the time it was developed."

Staff is opposed to acknowledgment of the reasonableness of the electric utility's resource acquisition strategy in these rules. Staff points out that currently the commission's decision whether to allow the cost of a resource to be recovered in rates occurs after the resource is "fully operational and used for service," and the utility has requested that it be added to the utility's rate base. A resource can be added to the rate base, and its cost recovered, if the investment was prudent, reasonable, and of benefit to Missouri retail ratepayers (a finding that has historically been made in Missouri after the resource has been constructed and after it is fully operational and used for service). Further, staff is greatly concerned that stakeholders lack the resources to review and conduct prudence/reasonableness/benefit-to-Missouri-retail-ratepayers level analysis of all the resources necessary early in the planning stages if an acknowledgment determination is being made by the commission.
RESPONSE: The commission does not wish to move down the path toward pre-approval of projects as part of the resource planning process. However, it is important to emphasize the importance of that planning process by giving the commission authority to acknowledge that the officially adopted resource acquisition strategy, or any element of that strategy, is reasonable at a particular date. The commission will adopt modified language that defines acknowledgment in a manner that will make it clear that acknowledgment is not pre-approval and will not bind a future commission in any future case. In addition, the commission will adopt other elements of DNR's proposal for implementation of an acknowledgment option, except for the inclusion of a definition for "substantive concern." The specific changes that will be made to the proposed rules are described in detail in comments relating to the specific rule provisions.

Comments relating to this particular rule of Chapter 22:

COMMENT #6: Changes to Section 4 CSR 240-22.020(5). This is a new section in the proposed amendment that adds a definition of "concern." The Department of Natural Resources would revise the definition of "concern" to eliminate the implication that a "concern" can be treated as less important than a "deficiency." DNR would also add a definition of "substantive concern" as part of its proposal to authorize commission acknowledgment.

Public counsel proposes the following change to the definition of "concern":

> Concern means concerns with the electric utility's compliance with the provisions of this chapter, and major concerns with the methodologies or analysis required to be performed by this chapter, and anything that, while not rising to the level of a deficiency, may prevent the electric utility's resource acquisition strategy from effectively fulfilling the objectives of Chapter 22.

Public counsel points out that the limited definition in the proposed rule does not make sense because it is not possible to determine ahead of time whether a deficiency in compliance with Chapter 22, or with the methodologies or analyses required, would cause the electric utility's resource acquisition strategy to fail to meet the requirements identified in Chapter 22. Such a determination cannot be made until the analysis is redone to correct for the deficiency in compliance with Chapter 22, or with the methodologies or analyses required, and the new analyses are reviewed.

RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with the change proposed by public counsel and will modify the definition of concern in the manner suggested by public counsel and will renumber the definition as section 4 CSR 240-22.020(6). This definition will be sufficient for acknowledgment as adopted by the commission.

COMMENT #7: Changes to Section 4 CSR 240-22.020(8). This section of the proposed amendment would add a definition of "deficiency." The Department of Natural Resources proposes an expanded definition of "deficiency" that would ensure that a "deficiency" would be subject to a broad definition. Ameren Missouri also proposes a change to the definition of "deficiency." Ameren Missouri's change would narrow the definition by making it clear that only substantial noncompliance with the requirements of the Chapter 22 rules would constitute a "deficiency." In its written comments, public counsel proposed the following revised definition:

> Deficiency means deficiencies in the electric utility's compliance with the provisions of this chapter, any major deficiencies in the methodologies or analyses required to be performed by this chapter, and anything that would cause the electric utility's resource acquisition strategy to fail to meet the requirements identified in Chapter 22.

Public counsel points out that the limited definition in the proposed rule does not make sense because it is not possible to determine ahead of time whether a deficiency in compliance with Chapter 22, or with the methodologies or analyses required, would cause the electric utility's resource acquisition strategy to fail to meet the requirements identified in Chapter 22. Such a determination cannot be made until the analysis is redone to correct for the deficiency in compliance with Chapter 22, or with the methodologies or analyses required, and the new analyses are reviewed.

RESPONSE AND EXPLANATION OF CHANGE: The commission does not believe that the changes proposed by DNR and Ameren Missouri are necessary and will not incorporate them in the rule. However, the commission agrees with the change proposed by public counsel and will modify the definition of deficiency in the manner suggested by public counsel. The definition will be renumbered as section (9) of this rule.

COMMENT #8: Changes to Section 4 CSR 240-22.020(27). This section of the proposed amendment adds a definition of "legal mandates." Public counsel would modify that definition to make it more consistent with provisions for calculations of economic impacts of alternative resource plans found in paragraph 4 CSR 240-22.060(4)(C)2. Specifically, public counsel would add "cost recovery mechanisms" to the definition, which would result in the legal mandates that affect cost recovery mechanisms being included as a legal mandate for the purposes of Chapter 22.

RESPONSE: The commission will modify the definition in the manner suggested by public counsel and will renumber the definition as section (28) of this rule. This will make meeting MEEIA and any future cost recovery legal mandates a fundamental objective of Chapter 22.

COMMENT #9: Changes to Section 4 CSR 240-22.020(35). Staff proposes to modify the definition of "lost revenues" to change "installed demand-side measures" to "installed end-use measures." Staff indicates this change is needed to make the definition consistent with other aspects of the rule. Public counsel indicated its support for this change.

RESPONSE AND EXPLANATION OF CHANGE: The commission will modify the definition as suggested by staff and will renumber the definition as section (36) of this rule.

COMMENT #10: Changes to Section 4 CSR 240-22.020(36). In the proposed amendment, "major class" is defined as a "cost-of-service class of the utility." KCPL suggests that the commission instead define "major class" by economic sector—residential, commercial, and manufacturing. KCPL explains that it currently prepares its budgets and forecasts based on economic sectors. Requiring it to prepare separate budgets and forecasts based on its cost-of-service classifications would be duplicative and wasteful.

Staff responded to KCPL's argument at the hearing. Staff explains that there are advantages to using cost-of-service classes in that hourly load research data is at that level and small and large customer, which are impacted differently by economic conditions, are grouped separately.

RESPONSE: The commission agrees with its staff and will not modify the definition of major class. However, this section will be renumbered as section (37) of this rule.

COMMENT #11: Changes to the Definitions of Realistic Achievable, Maximum Achievable, and Technical Potential. The Department of Natural Resources proposes to replace the proposed definition of realistic achievable potential of a demand-side candidate resource option or portfolio with a definition drawn from the National Action Plan for Energy Efficiency (NAPEE) manual on best practices for analyzing demand-side potential. DNR contends its definition would better identify the specific considerations a utility should take into account when identifying the implementation level associated with realistic achievable potential.

RESPONSE AND EXPLANATION OF CHANGE: Substituting the NAPEE definition of achievable potential for the current definition of realistic achievable potential would create a very material change to the current proposed rules because the NAPEE definition of achievable potential is equivalent to the current proposed definition of maximum achievable potential. Using the NAPEE definitions will result in the most aggressive demand-side management (DSM) program scenarios possible (e.g., "providing end-users with payments for the entire incremental cost of more efficiency equipment") while maximum achievable potential in the current proposed rules assumes ". . . incentives that represent a very high portion of total program costs and very short customer payback periods. Maximum achievable potential is considered the hypothetical upper boundary of achievable demand-side savings potential, because it presumes conditions that are ideal and not typically observed." As noted in the NAPEE definition of achievable potential, changing the definitions assumes "the most aggressive program scenario possible." The commission believes substituting the definitions will result in an expectation of very high goals that are unrealistic and unattainable. Therefore, the commission will not adopt the NAPEE definition.

However, the commission notes that the definitions of realistic achievable potential and technical potential in the proposed amendment do not match the definitions of those terms found in the commission's MEEIA rules. The commission will, therefore, change those definitions in this rule so they match the definitions in the MEEIA rules. In addition, the commission will add a definition of maximum achievable potential for reasons more fully explained in Comment #11 in the Order of Rulemaking for 4 CSR 240-22.060. That new definition will also match the definition for that term in the MEEIA rules.

The new definition of maximum achievable potential will be added as section (40) of this rule. All subsequent sections of the rule will be renumbered accordingly.

COMMENT #12: Changes to Section 4 CSR 240-22.020(52). This section defines RTO as Regional Transmission Organization. Staff recommends the definition of RTO be expanded to include independent transmission system operators, reasoning that Ameren Missouri belongs to the Midwest Independent Transmission System Operator. Public counsel opposes this change as unnecessary because the Midwest Independent Transmission System Operator is an RTO and no change to the definition is needed to make it fit within the definition.

RESPONSE AND EXPLANATION OF CHANGE: The Midwest Independent Transmission Operator is an RTO, but the commission will adopt staff's recommendation so that it is clear to all persons reading the rule that the Midwest ISO is an RTO. This section will be renumbered as section (54) of this rule.

COMMENT #13: Changes to Section 4 CSR 240-22.020(53). This section defines "special contemporary issues." Staff proposes to modify that definition to make it consistent with the provisions of 4 CSR 240-22.080(4), which requires the commission to issue the list of contemporary issues. Public counsel supports that modification.

RESPONSE AND EXPLANATION OF CHANGE: The commission will incorporate the modification proposed by staff and will renumber this section (55) of this rule.

COMMENT #14: New Definition of Acknowledgment. As part of its proposal to include an option for the commission to acknowledge the reasonableness of a utility's resource plan, the Department of Natural Resources proposes the commission include a definition of acknowledgment.

RESPONSE AND EXPLANATION OF CHANGE: Because the commission has decided to include acknowledgement of the utility's resource acquisition strategy in its Chapter 22 rules, the commission will add a modified definition of acknowledgment to the rule as section (1) of this rule. All subsequent sections of the rule will be renumbered accordingly.

COMMENT #15: New Definition of Substantive Concern. DNR would also add a definition of "substantive concern" as part of its proposal to authorize commission acknowledgment.

RESPONSE: The commission will not add DNR's proposed definition because it is essentially identical to the revised definition of "concern" now contained in the rule. Inclusion of an additional definition that mirrors an existing definition would only create confusion.

4 CSR 240-22.020 Definitions

(1) Acknowledgment is an action the commission may take with respect to the officially adopted resource acquisition strategy or any element of the resource acquisition strategy including the preferred resource plan. Acknowledgement means that the commission finds the preferred resource plan, resource acquisition strategy, or the specified element of the resource acquisition strategy to be reasonable at a specific date, typically the date of the filing of the utility's Chapter 22 compliance filing or the date that acknowledgment is given. Acknowledgment may be given in whole, in part, or not at all. Acknowledgment shall not be construed to mean or constitute a finding as to the prudence, pre-approval, or prior commission authorization of any specific project or group of projects.

(2) Annual update filing means the annual update report prepared by the utility in advance of the annual update workshop and the summary report prepared by the utility following the workshop as referenced in 4 CSR 240-22.080(3).

(3) Candidate resource options are the potential demand-side resource options pursuant to 4 CSR 240-22.050(6) and the potential supply-side resource options pursuant to 4 CSR 240-22.040(4) that advance to be included in one (1) or more alternative resource plans.

(4) Capacity means the maximum capability to continuously produce and deliver electric power via supply-side resources or the avoidance of the need for this capability by demand-side resources.

(5) Coincident demand means the hourly demand of a component of system load at the hour of system peak demand within a specified interval of time.

(6) Concern means concerns with the electric utility's compliance with the provisions of this chapter, any major concerns with the methodologies or analyses required to be performed by this chapter, and anything that, while not rising to the level of a deficiency, may prevent the electric utility's resource acquisition strategy from effectively fulfilling the objectives of Chapter 22.

(7) Contingency resource plan means an alternative resource plan designed to enhance the utility's ability to respond quickly and appropriately to events or circumstances that would render the preferred resource plan obsolete.

(8) Critical uncertain factor is any uncertain factor that is likely to materially affect the outcome of the resource planning decision.

(9) Deficiency means deficiencies in the electric utility's compliance with the provisions of this chapter, any major deficiencies in the methodologies or analyses required to be performed by this chapter, and anything that would cause the electric utility's resource acquisition strategy to fail to meet the requirements identified in Chapter 22.

(10) Demand means the rate of electric power use measured in kilowatts (kW).

(11) Demand-side program means an organized process for packaging and delivering to a particular market segment a portfolio of end-use measures that is broad enough to include at least some measures that are appropriate for most members of the target market segment.

(12) Demand-side rate means a rate structure for retail electric service designed to reduce the net consumption or modify the time of consumption of a customer rate class.

(13) Demand-side resource is a demand-side program or a demand-side rate conducted by the utility to modify the net consumption of electricity on the retail customer's side of the meter. A load-building program or rate is not a demand-side resource.

(14) Describe and document refers to the demonstration of compliance with each provision of this chapter. Describe means the provision of information in the technical volume(s) of the triennial compliance filing, in sufficient detail to inform the stakeholders how the utility complied with each applicable requirement of Chapter 22, why that approach was chosen, and the results of its approach. The description in the technical volume(s), including narrative text, graphs, tables, and other pertinent information, shall be written in a manner that would allow a stakeholder to thoroughly assess the utility's resource acquisition strategy and each of its components. Document means the provision of all of the supporting information relating to the filed resource acquisition strategy pursuant to 4 CSR 240-22.080(11).

(15) Distributed generation means a grid-connected electric generation system that is sized based on local load requirements and distributed primarily to the local load.

(16) Electric utility or utility means any electrical corporation as defined in section 386.020, RSMo, which is subject to the jurisdiction of the commission.

(17) End-use energy service or energy service means the specific need that is served by the final use of energy, such as lighting, cooking, space heating, air conditioning, refrigeration, water heating, or motive power.

(18) End-use measure means an energy-efficiency measure or an energy-management measure.

(19) Energy means the total amount of electric power that is generated or used over a specified interval of time measured in kilowatt-hours (kWh).

(20) Energy-efficiency measure means any device, technology, or operating procedure that makes it possible to deliver an adequate level and quality of end-use energy service while using less energy than would otherwise be required.

(21) Energy-management measure means any device, technology, or operating procedure that makes it possible to alter the time pattern of electricity usage so as to require less generating capacity or to allow the electric power to be supplied from more fuel-efficient generating units. Energy-management measures are sometimes referred to as demand-response measures.

(22) Expected cost of an alternative resource plan is the statistical expectation of the cost of implementing that plan, contingent upon the uncertain factors and associated probabilities. The utility shall consider probable environmental costs as well as direct utility costs in its assessment of alternative resource plans.

(23) Expected unserved hours means the statistical expectation of the number of hours per year that a utility will be unable to supply its native load without importing emergency power.

(24) Historical period shall be the ten (10) most recent years or the period of time used as the basis of the utility's forecast, whichever is longer.

(25) Implementation period means the time interval between the triennial compliance filings required of each utility pursuant to 4 CSR 240-22.080.

(26) Implementation plan means descriptions and schedules for the major tasks necessary to implement the preferred resource plan over the implementation period.

(27) Information means any fact, relationship, insight, estimate, or expert judgment that narrows the range of uncertainty surrounding key decision variables or has the potential to substantially influence or alter resource-planning decisions.

(28) Legal mandates include applicable state and federal executive orders, legislation, court decisions, and applicable state and federal administrative agency orders, rules, and regulations affecting electric utility cost recovery mechanisms, loads, resources, or resource plans.

(29) Levelized cost means the dollar amount of a fixed annual payment for which a stream of those payments over a specified period of time is equal to a specified present value based on a specified rate of interest.

(30) Life-cycle cost means the present worth of costs over the lifetime of any device or means for delivering end-use energy service.

(31) Load-building program means an organized promotional effort by the utility to persuade energy-related decision-makers to choose electricity instead of other forms of energy for the provision of energy service or to persuade existing customers to increase their use of electricity, either by substituting electricity for other forms of energy or by increasing the level or variety of energy services used. This term is not intended to include the provision of technical or engineering assistance, information about filed rates and tariffs, or other forms of routine customer service.

(32) Load impact means the change in energy usage and the change in diversified demand during a specified interval of time due to the implementation of a demand-side resource.

(33) Load profile means a plot of hourly demand versus chronological hour of the day from the hour ending 1:00 a.m. to the hour ending 12:00 midnight.

(34) Load-research data means major class level average hourly demands (kWhs per hour) derived from the metered instantaneous demand for each customer in the load-research sample.

(35) Long run means an analytical framework within which all factors of production are variable.

(36) Lost revenues means the reduction between rate cases in billed demand (kW) and energy (kWh) due to installed end-use measures, multiplied by the fixed-cost margin of the appropriate rate component.

(37) Major class is a cost-of-service class of the utility.

(38) Market imperfection means any factor or situation that contributes to inefficient energy-related choices by decision-makers, including at least:

(A) Inadequate information about costs, performance, and benefits of end-use measures;

(B) Inadequate marketing infrastructure or delivery channels for end-use measures;

(C) Inadequate financing options for end-use measures;

(D) Mismatched economic incentives resulting from situations where the person who pays the initial cost of an efficiency investment is different from the person who pays the operating costs associated with the chosen efficiency level;

(E) Ineffective economic incentives when decision-makers give low priority to energy-related choices because they have a short-term ownership perspective or because energy costs are a relatively small share of the total cost structure (for businesses) or of the total budget (for households); or

(F) Inefficient pricing of energy supplies.

(39) Market segment means any subgroup of utility customers (or other energy-related decision-makers) which has some or all of the following characteristics in common: they have a similar mix of end-use energy service needs, they are subject to a similar array of market imperfections that tend to inhibit efficient energy-related choices, they have similar values and priorities concerning energy-related choices, or the utility has access to them through similar channels or modes of communication.

(40) Maximum achievable potential means energy savings and demand savings relative to a utility's baseline energy forecast and baseline demand forecast, respectively, resulting from expected program participation and ideal implementation conditions. Maximum achievable potential establishes a maximum target for demand-side savings that a utility can expect to achieve through its demand-side programs and involves incentives that represent a very high portion of total program costs and very short customer payback periods. Maximum achievable potential is considered the hypothetical upper-boundary of achievable demand-side savings potential, because it presumes conditions that are ideal and are not typically observed.

(41) Nominal dollars means future or then-current dollar values that are not adjusted to remove the effects of anticipated inflation.

(42) Participant means an energy-related decision-maker who implements one (1) or more end-use measures as a direct result of a demand-side program.

(43) Planning horizon means a future time period of at least twenty (20) years' duration over which the costs and benefits of alternative resource plans are evaluated.

(44) Plot means a graphical representation to present data. Each plot shall be labeled as a stand-alone figure, whose axes shall be labeled with units. The data presented in each plot also shall be provided in tabular form in the technical volumes and in workpapers. Data tables will be labeled, including the identification of the corresponding plot. The plots and data tables shall be numbered, referenced, and explained in the text of the technical volumes and in workpapers.

(45) Potential resource options are all of the resources in the comprehensive set of demand-side resources that shall be considered pursuant to 4 CSR 240-22.050(1) and in the comprehensive set of supply-side resources that shall be considered pursuant to 4 CSR 240-22.040(1).

(46) Preferred resource plan means the resource plan that is contained in the resource acquisition strategy that has most recently been adopted by the utility decision-maker(s) for implementation by the electric utility.

(47) Probable environmental cost means the expected cost to the utility of complying with new or additional environmental legal mandates, taxes, or other requirements that, in the judgment of the utility decision-makers, may be imposed at some point within the planning horizon which would result in compliance costs that could have a significant impact on utility rates.

(48) Public counsel means the public counsel of the state of Missouri or their designated representative.

(49) Realistic achievable potential means energy savings and demand savings relative to a utility's baseline energy forecast and baseline demand forecast, respectively, resulting from expected program participation and realistic implementation conditions. Realistic achievable potential establishes a realistic target for demand-side savings that a utility can expect to achieve through its demand-side programs and involves incentives that represent a moderate portion of total program costs and longer customer payback periods when compared to those associated with maximum achievable potential.

(50) Renewable energy means electricity generated from a source that is classified as a renewable energy source under a state or federal renewable energy standard to which the utility is subject.

(51) Resource acquisition strategy means a preferred resource plan, an implementation plan, a set of contingency resource plans, and the events or circumstances that would result in the utility moving to each contingency resource plan. It includes the type, estimated size, and timing of resources that the utility plans to achieve in its preferred resource plan.

(52) Resource plan means a particular combination of demand-side and supply-side resources to be acquired according to a specified schedule over the planning horizon.

(53) Resource planning means the process by which an electric utility evaluates and chooses the appropriate mix and schedule of supply-side, demand-side, and distribution and transmission resource additions and retirements to provide the public with an adequate level, quality, and variety of end-use energy services.

(54) RTO/ISO means Regional Transmission Organization or independent transmission system operator as defined in the Federal Energy Regulatory Commission (FERC) Order 200 and subsequent FERC orders.

(55) Special contemporary issues means a written list of issues contained in a commission order with input from staff, public counsel, and intervenors that are evolving new issues, which may not otherwise have been addressed by the utility or are continuations of unresolved issues from the preceding triennial compliance filing or annual update filing. Each utility shall evaluate and incorporate special contemporary issues in its next triennial compliance filing or annual update filing.

(56) Stakeholder group means—

(A) Staff, public counsel, and any person or entity granted intervention in a prior Chapter 22 proceeding of the electric utility. Such persons or entities shall be a party to any subsequent related Chapter 22 proceeding of the electric utility without the necessity of applying to the commission for intervention; and

(B) Any person or entity granted intervention in a current Chapter 22 proceeding of the electric utility.

(57) Subjective probability means the judgmental likelihood that the outcome will actually occur.

(58) Supply-side resource or supply resource means any device or method by which the electric utility can provide to its customers an adequate level and quality of electric power supply.

(59) Technical potential means energy savings and demand savings relative to a utility's baseline energy forecast and baseline demand forecast, respectively, resulting from a theoretical construct that assumes all feasible measures are adopted by customers of the utility regardless of cost or customer preference.

(60) Total resource cost test is a test of the cost-effectiveness of demand-side programs or demand-side rates that compares the sum of avoided utility costs plus avoided probable environmental costs to the sum of all incremental costs related to the end-use measures that are implemented due to the program or related to the rates (including both utility and participant contributions), plus utility costs to administer, deliver, and evaluate each demand-side program or demand-side rate to quantify the net savings obtained by substituting the demand-side program or demand-side rate for supply-side resources.

(61) Uncertain factor means any event, circumstance, situation, relationship, causal linkage, price, cost, value, response, or other relevant quantity which can materially affect the outcome of resource planning decisions, about which utility planners and decision-makers have incomplete or inadequate information at the time a decision must be made.

(62) Utility costs are the costs of operating the utility system and developing and implementing a resource plan that are incurred and paid by the utility. On an annual basis, utility cost is synonymous with utility revenue requirement.

(63) The utility cost test is a test of the cost-effectiveness of demand-side programs or demand-side rates that compares the avoided utility costs to the sum of all utility incentive payments, plus utility costs to administer, deliver, and evaluate each demand-side program or demand-side rate to quantify the net savings obtained by substituting the demand-side program or demand-side rate for supply-side resources.

(64) Utility discount rate means the post-tax rate of return on net investment used to calculate the utility's annual revenue requirements.

(65) Weather measure means a function of daily temperature data that reflects the observed relationship between electric load and temperature.

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240—Public Service Commission
Chapter 22—Electric Utility Resource Planning

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under sections 386.040, 386.250, 386.610, and 393.140, RSMo 2000, the commission amends a rule as follows:

4 CSR 240-22.030 is amended.

A notice of proposed rulemaking containing the text of the proposed amendment was published in the *Missouri Register* on December 1, 2010 (35 MoReg 1741–1746). The sections with changes are reprinted here. This proposed amendment becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended January 3, 2011, and a public hearing on the proposed rule was held January 6, 2011. Timely written comments were received from the staff of the Missouri Public Service Commission (staff), the Office of the Public Counsel, The Empire District Electric Company (Empire), Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company (KCPL), Union Electric Company d/b/a Ameren Missouri, the Missouri Department of Natural Resources (DNR), Dogwood Energy, LLC, Renew Missouri and Great Rivers Environmental Law Center (Renew Missouri), and Public Service Commissioner Jeff Davis. In addition, staff, public counsel, Empire, KCPL, Renew Missouri, DNR, Dogwood, and Ameren Missouri offered comments at the hearing. The comments proposed various modifications to the amendment.

Comments relating to the entire package of changes to Chapter 22: The proposed amendment to this rule is part of a larger package of nine (9) rules that comprise the proposed Chapter 22 of the commission's rules that establish the requirements for resource planning by investor-owned electric utilities in Missouri. Some of the submitted comments relate to the overall package in general. The commission will address those comments first and then will address the comments that relate specifically to this rule of Chapter 22.

COMMENT #1: The Rules Should Be Less Prescriptive. Ameren Missouri, Empire, and KCPL, the electric utilities that will need to comply with Chapter 22, suggest that the entire Chapter 22 should be less prescriptive. By that, they mean the Chapter 22 rules should focus more on the end result, the preferred resource plan, and allow the electric utilities more leeway to determine how to arrive at that result. As an alternative to the rules the commission has proposed, they offer a set of rules prepared by the Missouri Energy

Development Association (MEDA), an electric, natural gas, and water utility trade organization.
RESPONSE: The MEDA rules, a copy of which was attached to the comments filed by both Ameren Missouri and KCPL, has the virtue of being much shorter than the commission's rule, but that brevity comes with a cost. As staff explained in its testimony, it and other interested stakeholders cannot properly evaluate a utility's resource plan unless they know what went into development of the plan. A preferred resource plan may look entirely reasonable when presented by the utility; but unless the reviewer knows the assumptions and processes that were used to determine the plan, the review is of little value.

An analogy can be made to a weather forecast offered by the weather bureau. The forecaster may offer an opinion that it will rain tomorrow, but unless the reviewer knows the basis of that forecast, the reviewer has little more to go on than trust. Staff, other interested stakeholders, and the commission need to be able to base their evaluation of the plans submitted by the utilities on more than just trust.

Furthermore, while the electric utilities would prefer a less-prescriptive rule, they will be able to comply with the rules the commission has proposed. At the public hearing, Ameren Missouri commented: "We have concerns about how much the process can get in the way of getting to a good result. But in the end we will do it." Also in the public hearing, in response to Commissioner Jarrett's questions about the experience in other states, Empire explained that it also files IRPs in Arkansas and Oklahoma. Because Missouri's IRP rule is more comprehensive, it is able to file the Missouri IRP, with minor modifications, in those other states.

This particular rule, the load analysis and load forecasting rule, is no longer prescriptive of the requirements regarding the methodology the utility must use in its load analysis and forecasting. However, it is more prescriptive regarding the information the utility must provide in its compliance filing.

The rules the commission has proposed strike a proper balance between the utilities' interest in freedom of action and the commission's need to know the basis for their proposed plans. The commission will not adopt the rules proposed by MEDA.

COMMENT #2: Linkage with the MEEIA Rules. Renew Missouri and the Department of Natural Resources are concerned about the interrelationship of these rules with the rules the commission has proposed to implement the Missouri Energy Efficiency Investment Act of 2009, section 392.1075, RSMo, (MEEIA). In particular, they cite a provision in the MEEIA rules that directs electric utilities to assemble comprehensive demand-side portfolios that are subject to approval and cost recovery under the MEEIA. Before that is done, the MEEIA rules require that the utility's demand-side programs or program plans are either included in the electric utility's preferred resource plan or have been analyzed through the integration analysis process required by Chapter 22 to determine the impact of the demand-side programs or program plans on the net present value of revenue requirements of the electric utility. Renew Missouri and DNR worry that the integration analysis under Chapter 22 would introduce elements into the demand-side portfolios that would be inconsistent with the requirements of the MEEIA rules. Their solution to this problem is to suggest that the definitions and requirements of these Chapter 22 rules be made as consistent as possible with the definitions and requirements of the MEEIA rules.
RESPONSE: The commission is mindful of the concerns expressed by Renew Missouri and DNR, but it is unwilling to make the Chapter 22 rules subservient to the MEEIA rules in the manner they propose. The goal of MEEIA is to achieve all cost-effective demand-side savings. The fundamental objective of these rules is to provide the public with energy services that are safe, reliable, and efficient at just and reasonable rates. To accomplish that fundamental objective, these rules require the utility to consider and analyze demand-side resources and supply-side resources on an equivalent basis.

COMMENT #3: Pre-approval of Large Projects. The electric utilities, through the MEDA rules, advocate for the option of requesting pre-approval of large investments as part of a utility's Chapter 22 compliance filing. Ameren Missouri asserts that pre-approval is a way for the utility to seek determination of ratemaking treatment on a major project before the project begins. It also points out that the Missouri Energy Efficiency Investment Act (MEEIA) provides for pre-approval of demand-side resources. Ameren Missouri claims that it is a logical extension to provide a pre-approval option for large supply-side investments, if pre-approval is requested by the utility.

Staff and public counsel oppose an option for pre-approval of large projects. They argue that utilities already have authority to request additional regulatory certainty by requesting a regulatory plan or some other form of pre-approval. The utilities have utilized both of these approaches in the past, and it is unnecessary and inappropriate to include a pre-approval process in the Chapter 22 rules.

Dogwood suggests the commission open a new separate rulemaking process to consider proposals to develop a procedure by which electric utilities may seek pre-approval from the commission for certain large projects.
RESPONSE: The commission agrees with its staff and public counsel that there are other more appropriate alternatives for pre-approval and will not include a provision for pre-approval of large investments in its Chapter 22 rules. The commission is open to further discussion on the pre-approval question, but will not undertake a rulemaking on the subject at this time.

COMMENT #4: Illegal Infringement on the Right to Manage the Utility. Ameren Missouri contends the proposed rules go beyond the commission's statutory authority by intruding on the day-to-day management prerogatives of the utility.
RESPONSE: The commission certainly is not interested in managing the utility companies, and these rules do not attempt to do so. Rather, the rules are designed to ensure that the electric utilities implement an effective and thorough integrated resource planning process to ensure that their ratepayers continue to receive safe and reliable service at just and reasonable rates.

COMMENT #5: Acknowledgment. The Department of Natural Resources urges the commission to modify the Chapter 22 rules to authorize the commission to "acknowledge" the reasonableness of the electric utility's resource acquisition strategy. DNR believes this acknowledgment would increase the commission's authority over integrated resource planning by making the process more meaningful and consistent with the utility's business plan. The electric utilities, through the MEDA rules, make a similar suggestion. Ameren Missouri contends, "acknowledgment is a way to give value to all the work of the parties involved by acknowledging that the plan is reasonable at the time it was developed."

Staff is opposed to acknowledgment of the reasonableness of the electric utility's resource acquisition strategy in these rules. Staff points out that currently the commission's decision whether to allow the cost of a resource to be recovered in rates occurs after the resource is "fully operational and used for service," and the utility has requested that it be added to the utility's rate base. A resource can be added to the rate base, and its cost recovered, if the investment was prudent, reasonable, and of benefit to Missouri retail ratepayers (a finding that has historically been made in Missouri after the resource has been constructed and after it is fully operational and used for service). Further, staff is greatly concerned that stakeholders lack the resources to review and conduct prudence/reasonableness/benefit-to-Missouri-retail-ratepayers level analysis of all the resources necessary early in the planning stages if an acknowledgment determination is being made by the commission.
RESPONSE: The commission does not wish to move down the path toward pre-approval of projects as part of the resource planning process. However, it is important to emphasize the importance of that planning process by giving the commission authority to acknowledge

that the officially adopted resource acquisition strategy, or any element of that strategy, is reasonable at a particular date. The commission will adopt modified language that defines acknowledgment in a manner that will make it clear that acknowledgment is not pre-approval and will not bind a future commission in any future case. In addition, the commission will adopt other elements of DNR's proposal for implementation of an acknowledgment option, except for the inclusion of a definition for "substantive concern." The specific changes that will be made to the proposed rules are described in detail in comments relating to the specific rule provisions.

Comments relating to this particular rule of Chapter 22:

COMMENT #6: Changes to Subsection 4 CSR 240-22.030(1)(B). Staff indicates the word "data" was inadvertently left out of this subsection. Public counsel supports this change.
RESPONSE AND EXPLANATION OF CHANGE: The commission will incorporate the correction proposed by staff.

4 CSR 240-22.030 Load Analysis and Load Forecasting

(1) Selecting Load Analysis Methods. The utility may choose multiple methods of load analysis if it deems doing so is necessary to achieve all of the purposes of load analysis and if the methods are consistent with, and calibrated to, one another. The utility shall describe and document its intended purposes for load analysis methods, why the selected load analysis methods best fulfill those purposes, and how the load analysis methods are consistent with one another and with the end-use consumption data used in the demand-side analysis as described in 4 CSR 240-22.050. At a minimum, the load analysis methods shall be selected to achieve the following purposes:

(B) To derive a data set of historical values from load research data that can be used as dependent and independent variables in the load forecasts;

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ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under sections 386.040, 386.250, 386.610, and 393.140, RSMo 2000, the commission amends a rule as follows:

4 CSR 240-22.040 is amended.

A notice of proposed rulemaking containing the text of the proposed amendment was published in the *Missouri Register* on December 1, 2010 (35 MoReg 1746-1749). The sections with changes are reprinted here. This proposed amendment becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended January 3, 2011, and a public hearing on the proposed rule was held January 6, 2011. Timely written comments were received from the staff of the Missouri Public Service Commission (staff), the Office of the Public Counsel, The Empire District Electric Company (Empire), Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company (KCPL), Union Electric Company d/b/a Ameren Missouri, the Missouri Department of Natural Resources (DNR), Dogwood Energy, LLC, Renew Missouri and Great Rivers Environmental Law Center (Renew Missouri), and Public Service Commissioner Jeff Davis. In addition, staff, public counsel, Empire, KCPL, Renew Missouri, DNR, Dogwood, and Ameren Missouri offered comments at the hearing. The comments proposed various modifications to the amendment.

Comments relating to the entire package of changes to Chapter 22: The proposed amendment to this rule is part of a larger package of nine (9) rules that comprise the proposed Chapter 22 of the commission's rules that establish the requirements for resource planning by investor-owned electric utilities in Missouri. Some of the submitted comments relate to the overall package in general. The commission will address those comments first and then will address the comments that relate specifically to this rule of Chapter 22.

COMMENT #1: The Rules Should Be Less Prescriptive. Ameren Missouri, Empire, and KCPL, the electric utilities that will need to comply with Chapter 22, suggest that the entire Chapter 22 should be less prescriptive. By that, they mean the Chapter 22 rules should focus more on the end result, the preferred resource plan, and allow the electric utilities more leeway to determine how to arrive at that result. As an alternative to the rules the commission has proposed, they offer a set of rules prepared by the Missouri Energy Development Association (MEDA), an electric, natural gas, and water utility trade organization.
RESPONSE: The MEDA rules, a copy of which was attached to the comments filed by both Ameren Missouri and KCPL, have the virtue of being much shorter than the commission's rule, but that brevity comes with a cost. As staff explained in its testimony, it and other interested stakeholders cannot properly evaluate a utility's resource plan unless they know what went into development of the plan. A preferred resource plan may look entirely reasonable when presented by the utility; but unless the reviewer knows the assumptions and processes that were used to determine the plan, the review is of little value.

An analogy can be made to a weather forecast offered by the weather bureau. The forecaster may offer an opinion that it will rain tomorrow, but unless the reviewer knows the basis of that forecast, the reviewer has little more to go on than trust. Staff, other interested stakeholders, and the commission need to be able to base their evaluation of the plans submitted by the utilities on more than just trust.

Furthermore, while the electric utilities would prefer a less-prescriptive rule, they will be able to comply with the rules the commission has proposed. At the public hearing, Ameren Missouri commented: "We have concerns about how much the process can get in the way of getting to a good result. But in the end we will do it." Also in the public hearing, in response to Commissioner Jarrett's questions about the experience in other states, Empire explained that it also files IRPs in Arkansas and Oklahoma. Because Missouri's IRP rule is more comprehensive, it is able to file the Missouri IRP, with minor modifications, in those other states.

The rules the commission has proposed strike a proper balance between the utilities' interest in freedom of action and the commission's need to know the basis for their proposed plans. The rule is also less prescriptive in some areas. For example, it no longer lists the attributes of supply-side options that the utility must consider. It is more prescriptive in other areas; for example, with regard to supply-side option's interconnection agreements. The commission will not adopt the rules proposed by MEDA.

COMMENT #2: Linkage with the MEEIA Rules. Renew Missouri and the Department of Natural Resources are concerned about the interrelationship of these rules with the rules the commission has proposed to implement the Missouri Energy Efficiency Investment Act of 2009, section 393.1075, RSMo (MEEIA). In particular, they cite a provision in the MEEIA rules that directs electric utilities to assemble comprehensive demand-side portfolios that are subject to approval and cost recovery under the MEEIA. Before that is done, the MEEIA rules require that the utility's demand-side programs or program plans are either included in the electric utility's preferred

resource plan or have been analyzed through the integration analysis process required by Chapter 22 to determine the impact of the demand-side programs or program plans on the net present value of revenue requirements of the electric utility. Renew Missouri and DNR worry that the integration analysis under Chapter 22 would introduce elements into the demand-side portfolios that would be inconsistent with the requirements of the MEEIA rules. Their solution to this problem is to suggest that the definitions and requirements of these Chapter 22 rules be made as consistent as possible with the definitions and requirements of the MEEIA rules.
RESPONSE: The commission is mindful of the concerns expressed by Renew Missouri and DNR, but it is unwilling to make the Chapter 22 rules subservient to the MEEIA rules in the manner they propose. The goal of MEEIA is to achieve all cost-effective demand-side savings. The fundamental objective of these rules is to provide the public with energy services that are safe, reliable, and efficient at just and reasonable rates. To accomplish that fundamental objective, these rules require the utility to consider and analyze demand-side resources and supply-side resources on an equivalent basis.

This rule requires a screening of supply-side resources that are further evaluated, along with demand-side resources, through an integrated resource analysis. The integrated resource analysis is followed by a risk analysis and a strategic selection by the utility's decision-makers.

COMMENT #3: Pre-approval of Large Projects. The electric utilities, through the MEDA rules, advocate for the option of requesting pre-approval of large investments as part of a utility's Chapter 22 compliance filing. Ameren Missouri asserts that pre-approval is a way for the utility to seek determination of ratemaking treatment on a major project before the project begins. It also points out that the Missouri Energy Efficiency Investment Act (MEEIA) provides for pre-approval of demand-side resources. Ameren Missouri claims that it is a logical extension to provide a pre-approval option for large supply-side investments, if pre-approval is requested by the utility.

Staff and public counsel oppose an option for pre-approval of large projects. They argue that utilities already have authority to request additional regulatory certainty by requesting a regulatory plan or some other form of pre-approval. The utilities have utilized both of these approaches in the past, and it is unnecessary and inappropriate to include a pre-approval process in the Chapter 22 rules.

Dogwood suggests the commission open a new separate rulemaking process to consider proposals to develop a procedure by which electric utilities may seek pre-approval from the commission for certain large projects.
RESPONSE: The commission agrees with its staff and public counsel that there are other more appropriate alternatives for pre-approval and will not include a provision for pre-approval of large investments in its Chapter 22 rules. The commission is open to further discussion on the pre-approval question, but will not undertake a rulemaking on the subject at this time.

COMMENT #4: Illegal Infringement on the Right to Manage the Utility. Ameren Missouri contends the proposed rules go beyond the commission's statutory authority by intruding on the day-to-day management prerogatives of the utility.
RESPONSE: The commission certainly is not interested in managing the utility companies, and these rules do not attempt to do so. Rather, the rules are designed to ensure that the electric utilities implement an effective and thorough integrated resource planning process to ensure that their ratepayers continue to receive safe and reliable service at just and reasonable rates.

COMMENT #5: Acknowledgment. The Department of Natural Resources urges the commission to modify the Chapter 22 rules to authorize the commission to "acknowledge" the reasonableness of the electric utility's resource acquisition strategy. DNR believes this acknowledgment would increase the commission's authority over integrated resource planning by making the process more meaningful and consistent with the utility's business plan. The electric utilities, through the MEDA rules, make a similar suggestion. Ameren Missouri contends, "acknowledgment is a way to give value to all the work of the parties involved by acknowledging that the plan is reasonable at the time it was developed."

Staff is opposed to acknowledgment of the reasonableness of the electric utility's resource acquisition strategy in these rules. Staff points out that currently the commission's decision whether to allow the cost of a resource to be recovered in rates occurs after the resource is "fully operational and used for service," and the utility has requested that it be added to the utility's rate base. A resource can be added to the rate base, and its cost recovered, if the investment was prudent, reasonable, and of benefit to Missouri retail ratepayers (a finding that has historically been made in Missouri after the resource has been constructed and after it is fully operational and used for service). Further, staff is greatly concerned that stakeholders lack the resources to review and conduct prudence/reasonableness/benefit-to-Missouri-retail-ratepayers level analysis of all the resources necessary early in the planning stages if an acknowledgment determination is being made by the commission.
RESPONSE: The commission does not wish to move down the path toward pre-approval of projects as part of the resource planning process. However, it is important to emphasize the importance of that planning process by giving the commission authority to acknowledge that the officially adopted resource acquisition strategy, or any element of that strategy, is reasonable at a particular date. The commission will adopt modified language that defines acknowledgment in a manner that will make it clear that acknowledgment is not pre-approval and will not bind a future commission in any future case. In addition, the commission will adopt other elements of DNR's proposal for implementation of an acknowledgment option, except for the inclusion of a definition of "substantive concern." The specific changes that will be made to the proposed rules are described in detail in comments relating to the specific rule provisions.

Comments relating to this particular rule of Chapter 22:

COMMENT #6: The Role of Regional Transmission Organizations (RTOs) in Transmission Planning for Supply-Side Analysis. KCPL raises a general concern that the rule fails to recognize the important role regional transmission organizations play in transmission planning for the electric utilities. KCPL is concerned that it is not feasible to conduct a fully integrated supply-side analysis without recognizing that transmission to secure delivery of the electricity can only be developed with the cooperation of the RTOs. KCPL suggests that the commission modify the rule to better recognize the role of the RTOs.
RESPONSE: The commission recognizes that regional transmission organizations play an important part in transmission planning for the electric utilities. However, the commission also recognizes that the utilities themselves also play an important role in determining transmission planning for their utility. The commission does not believe that this rule requires the utility to take each of the supply-side options to its RTO to get a detailed estimate of the transmission necessary for each option. However, the commission does expect the utility to have the experience and expertise to be able to provide a reasonable estimate for each option as required by the rule. The commission will not make any changes to the rule based on this comment.

COMMENT #7: Changes to Sections 4 CSR 240-22.040(1) and (4). The Department of Natural Resources asks the commission to modify these two (2) sections to explicitly require electric utilities to include retirement of existing generating plants and other supply-side resources as potential supply-side resource options and supply-side candidate resource options as part of their supply-side analysis.
RESPONSE: The commission cannot see how retiring an existing

supply-side resource is a resource option. However, the commission expects the utilities to include analysis of retiring existing supply-side resources as an integral part of electric utility resource planning. In addition, the rule requires screening of all supply-side options. There is no need to change the rule in the manner requested by DNR.

COMMENT #8: Changes to Subsection 4 CSR 240-22.040(2)(A). Dogwood suggests this subsection be modified to ensure that cost rankings of potential supply-side options take into account the additional costs that will be incurred to assure reliable integration of intermittent or uncontrollable supply sources, such as solar and wind power. Dogwood claims that if such costs are disregarded, the utility's analysis will be incomplete. To correct this problem, Dogwood asks the commission to add an additional sentence to the end of this subsection.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with Dogwood's suggestion and will modify this subsection accordingly.

COMMENT #9: Changes to Subsection 4 CSR 240-22.040(3)(A): Dogwood is concerned that the commission has inadvertently limited the scope of the analysis required by this subsection by including a specific list of six (6) supply-side options. Dogwood suggests the commission remove the specific list and instead include a more general requirement that the utility "provide an adequate foundation of basic information for decisions about supply-side resource alternatives."
RESPONSE AND EXPLANATION OF CHANGE: The commission believes the specific list of six (6) supply-side options should remain in the rule. However, it agrees that the utility's analysis should not be limited to those six (6) options. To correct the problem, the commission will retain the list but will add language to the end of subsection (3)(A) of this rule to clarify that the list is not exhaustive.

COMMENT #10: Changes to Section 4 CSR 240-22.040(5). The Department of Natural Resources urges the commission to modify this section to establish more specific criteria by which the electric utility is to forecast critical uncertain factors that affect forecasted values and probabilities.
RESPONSE: The commission does not believe the added prescriptiveness proposed by DNR is necessary and will not modify the section.

4 CSR 240-22.040 Supply-Side Resource Analysis

(2) The utility shall describe and document its analysis of each potential supply-side resource option referred to in section (1). The utility may conduct a preliminary screening analysis to determine a short list of preliminary supply-side candidate resource options, or it may consider all of the potential supply-side resource options to be preliminary supply-side candidate resource options pursuant to subsection (2)(C). All costs shall be expressed in nominal dollars.

(A) Cost rankings of each potential supply-side resource option shall be based on estimates of the installed capital costs plus fixed and variable operation and maintenance costs levelized over the useful life of the potential supply-side resource option using the utility discount rate. The utility shall include the costs of ancillary and/or back-up sources of supply required to achieve necessary reliability levels in connection with intermittent and/or uncontrollable sources of generation (i.e., wind and solar).

(3) The utility shall describe and document its analysis of the interconnection and any other transmission requirements associated with the preliminary supply-side candidate resource options identified in subsection (2)(C).

(A) The analysis shall include the identification of transmission constraints, as estimated pursuant to 4 CSR 240-22.045(3), whether within the Regional Transmission Organization's (RTO's) footprint, on an interconnected RTO, or a transmission system that is not part of an RTO. The purpose of this analysis shall be to ensure that the transmission network is capable of reliably supporting the preliminary supply-side candidate resource options under consideration, that the costs of the transmission system investments associated with preliminary supply-side candidate resource options, as estimated pursuant to 4 CSR 240-22.045(3), are properly considered and to provide an adequate foundation of basic information for decisions to include, but not be limited to, the following:

1. Joint ownership or participation in generation construction projects;

2. Construction of wholly-owned generation facilities;

3. Participation in major refurbishment, life extension, upgrading, or retrofitting of existing generation facilities;

4. Improvements on its transmission and distribution system to increase efficiency and reduce power losses;

5. Acquisition of existing generating facilities; and

6. Opportunities for new long-term power purchases and sales, and short-term power purchases that may be required for bridging the gap between other supply options, both firm and nonfirm, that are likely to be available over all or part of the planning horizon.

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240—Public Service Commission
Chapter 22—Electric Utility Resource Planning

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under sections 386.040, 386.250, 386.610, and 393.140, RSMo 2000, the commission adopts a rule as follows:

4 CSR 240-22.045 is adopted.

A notice of proposed rulemaking containing the text of the proposed rule was published in the *Missouri Register* on December 1, 2010 (35 MoReg 1749–1753). The sections with changes are reprinted here. This proposed rule becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended January 3, 2011, and a public hearing on the proposed rule was held January 6, 2011. Timely written comments were received from the staff of the Missouri Public Service Commission (staff), the Office of the Public Counsel, The Empire District Electric Company (Empire), Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company (KCPL), Union Electric Company d/b/a Ameren Missouri, the Missouri Department of Natural Resources (DNR), Dogwood Energy, LLC, Renew Missouri and Great Rivers Environmental Law Center (Renew Missouri), and Public Service Commissioner Jeff Davis. In addition, staff, public counsel, Empire, KCPL, Renew Missouri, DNR, Dogwood, and Ameren Missouri offered comments at the hearing. The comments proposed various modifications to the rule.

Comments relating to the entire package of changes to Chapter 22: The proposed amendment to this rule is part of a larger package of nine (9) rules that comprise the proposed Chapter 22 of the commission's rules that establish the requirements for resource planning by investor-owned electric utilities in Missouri. Some of the submitted comments relate to the overall package in general. The commission will address those comments first and then will address the comments that relate specifically to this rule of Chapter 22.

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RESPONSE: The MEDA rules, a copy of which was attached to the comments filed by both Ameren Missouri and KCPL, have the virtue of being much shorter than the commission's rule, but that brevity comes with a cost. As staff explained in its testimony, it and other interested stakeholders cannot properly evaluate a utility's resource plan unless they know what went into development of the plan. A preferred resource plan may look entirely reasonable when presented by the utility; but unless the reviewer knows the assumptions and processes that were used to determine the plan, the review is of little value.

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RESPONSE: The commission is mindful of the concerns expressed by Renew Missouri and DNR, but it is unwilling to make the Chapter 22 rules subservient to the MEEIA rules in the manner they propose. The goal of MEEIA is to achieve all cost-effective demand-side savings. The fundamental objective of these rules is to provide the public with energy services that are safe, reliable, and efficient at just and reasonable rates. To accomplish that fundamental objective, these rules require the utility to consider and analyze demand-side resources and supply-side resources on an equivalent basis.

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