

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of a Proposed Rulemaking)
Regarding Revision of the Commission's)
Chapter 22 Electric Utility Resource)
Planning Rules)

File No. EX-2010-0254

COMMENTS OF COMMISSIONER JEFF DAVIS

I wish to add a couple of comments to this debate because hundreds of millions of dollars in construction cost overruns on "Priority Projects" and the "Balanced Portfolio" of projects in the Southwestern Power Pool (SPP) as well as the formation of Ameren Transmission Company have prompted me to change my position on at least one aspect of these rules.

Originally, I questioned whether Section 22.045 of the rule was necessary as that planning could be provided under Section 22.040 and this section appeared duplicative of at least some of the work going on at the RTO level. Those questions were subsequently answered by SPP in that they have taken the position that their organization is merely a conduit for information provided by utilities to their respective organization and their unwillingness to accept any responsibility for the construction cost overruns Missouri consumers are going to be asked to pay for. SPP CEO Nick Brown and soon-to-be retired Senior Vice President of Regulatory Affairs Les Dillahunty say that SPP is only a "planning organization" and it is up to state regulators to police utilities. Given SPP's course of conduct in gaining approval for certain projects, I say that the utilities are not the only ones who need policing but this rulemaking is as good a place to start as any other.

Thus, Section 22.045 is needed and Missouri utilities can look to SPP's lack of accountability as the reason why. My only concern is that Section 22.045 does not go far enough in at least two respects:

- (1) Chapter 22 and, specifically, Section 22.045 only applies to transmission contemplated by the regulated utility. I believe the requirements of Section 22.045 and Chapter 22 need to be expanded to include any transmission contemplated by any affiliate of the regulated utility like Ameren Transmission Company (ATC) as well as any projects the utility is considering assigning or "novating."**
- (2) The utility needs to provide a comprehensive list of all transmission projects the regional transmission organization (RTO) is planning or considering the construction of in their respective service region or territory.**

In conclusion, the Federal Energy Regulatory Commission (FERC) will bend over backwards to give transmission builders wheelbarrows loaded with cash in their quest to create a "robust" wholesale market for electricity. Our children are going to have to honor the billions of dollars in FERC-authorized checks written by RTOs to transmission builders with little more than a nod of acceptance from most state regulators. This model is not sustainable and something has to change.

Consumers need full-time advocates protecting their interests at FERC and the RTO level because most state commissions do not have the time and resources to perform the job adequately; however, until that day comes, state regulators are going to have to fill in the gap and I, for one, am up to the challenge. At a minimum, we have to make an effort at gathering the necessary information so that the PSC or other interested parties have the necessary information to be able to contest imprudent, excessive and unwise expenditures. Hopefully, Section 22.045 with my two suggested amendments will be a start.

Respectfully submitted,



Jeff Davis, Commissioner

Dated at Jefferson City, Missouri
On this 8th day of January, 2011.