



MISSOURI ENERGY DEVELOPMENT ASSOCIATION

June 29, 2009

**FILED**

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Lena Mantle  
Manager – Energy Department  
Missouri Public Service Commission  
PO Box 360  
Jefferson City, MO 65102

**Missouri Public  
Service Commission**

RE: File No. EW-2009-0412, IRP Rulemaking Workshops

Dear Lena:

I am writing on behalf of the Missouri Energy Development Association (MEDA) to express our serious reservations with the direction of the workshops regarding changes to the IRP rules and the significant additional requirements included in the current draft of the proposed IRP Rule.

Early in the workshop, comments were made by various Staff members, including you, with which the MEDA utilities are in agreement. You stated that the goal of the IRP rulemaking process must include creating a rule that is more than just a checklist but rather provides for a robust planning process while allowing for the differences among Missouri utilities. You correctly pointed out that the existing IRP rules were first adopted by the Commission in 1993 and that the world in which Missouri utilities operate today is very different. The rules require analysis measures that served a purpose in 1993 but which are outdated and no longer necessary given the experience gained over the last sixteen years. These are all legitimate concerns with the existing IRP rule.

The MEDA utilities were encouraged to hear these comments from Staff, hoping those goals would be kept in mind as possible changes to the existing IRP rules were discussed in these workshops. Unfortunately the changes included in the current draft of the proposed IRP Rule run counter to these goals. Rather than taking a step back to determine what the end goal of the rules should be and modify the existing IRP Rule to incorporate more flexibility, the current draft of the IRP Rule being circulated simply adds more specific tasks to the already voluminous requirements contained in the current rule, which is already one of the most prescriptive IRP rules in the nation. Suggestions from utilities that would streamline the IRP process have not been accepted. For example, the current working draft of the IRP Rule does not incorporate changes to the DSM section of the existing IRP rule to account for the variance requests that have been requested by Missouri utilities due to the outdated DSM provisions included in the existing rule.

MEDA's concerns are not limited to the DSM portion of the rule. The imposition of additional specific process requirements appear throughout the current working draft of the IRP Rule. For example, the draft rule currently circulating now suggests annual IRP update filings and would add pages of requirements detailing the information that those updates would have to provide. These additional requirements if accepted by the Commission would require a significant amount of additional work yet offer Missouri customers very little in terms of meeting the Commission's goal of ensuring safe, reliable and efficient service at just and reasonable rates.

The current working draft of the IRP Rule is not an improvement to the Commission's existing IRP rules. Instead of becoming less of a checklist, the draft rule currently in circulation has only made the checklist longer. The changes to the current draft IRP rule do not encourage utilities to use modern and innovative methods for managing the planning process, they are more prescriptive than the existing rule and do not allow for any additional creativity. The draft rule currently circulating would merely require Missouri utilities to jump through more hoops and spend more time and money on a process that will not provide any additional value for the utility customer.

It appears to the MEDA utilities that a discussion about the purpose of the IRP rules is in order. Which of the following is the IRP rule intended to accomplish?

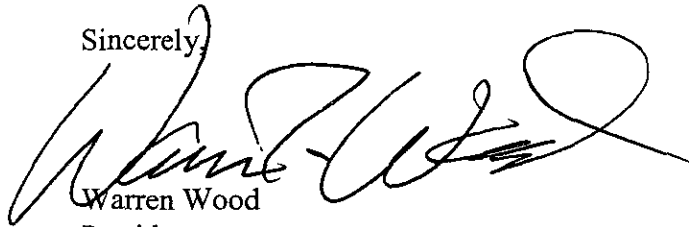
- (1) Create an extraordinarily detailed check list of requirements the results of which are largely irrelevant when compared to how utilities need to plan for their future generation needs; or
- (2) Confirm that the utilities are engaging in a robust evaluation of their future generation needs (which would require a lot less detail than the rules currently require).

In MEDA's view, these rules should support a comprehensive planning process but need not set forth an entirely prescriptive planning process. This is, after all, the utilities' business and the utilities are the ones ultimately responsible for resource decisions. The utilities of Missouri ought to be given the discretion which is critical for the operation of their businesses. That's not to say however that in a different proceeding and under certain circumstances it may not be appropriate to develop an actual plan for what the utility needs to build and/or procure through a PPA (which should tie in to prudence).

The MEDA utilities have serious concerns with the direction the workshops have taken. However, in the hope that real improvements can be made, the MEDA utilities will continue to participate in the workshops, but that participation should not be viewed as any type of agreement with or acquiescence to the changes currently being proposed to the IRP rule.

I would be happy to discuss these concerns with you further and remain hopeful that constructive and beneficial changes to the existing IRP rules will ultimately be made. As noted above, however, I am concerned about whether the current workshop process is going to be supportive of those types of constructive and beneficial changes.

Sincerely,

A handwritten signature in black ink, appearing to read "Warren Wood", written in a cursive style.

Warren Wood  
President