

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In re: Union Electric Company's)	
2011 Utility Resource Filing pursuant to)	File No. EO-2011-0271
4 CSR 240 – Chapter 22.)	

**RESPONSE OF AMEREN MISSOURI TO ALLEGED DEFICIENCIES
AND CONCERNS**

COMES NOW Union Electric Company, d/b/a Ameren Missouri (Ameren Missouri), and in response to the pleadings filed on June 23, 2011, states as follows:

I. BACKGROUND

1. Ameren Missouri made its Chapter 22 Integrated Resource Plan (IRP)¹ filing on February 23, 2011. This filing is substantial – work to support the development of this filing commenced approximately 18 months prior to the actual filing. As part of that process, Ameren Missouri conducted several all-day meetings with stakeholders, which included most of the parties participating in the current docket.

2. On June 23, 2011, parties in this case filed pleadings alleging certain deficiencies and raising concerns regarding the compliance of Ameren Missouri's February 23 filing with the applicable rules. The parties filing comments were the Staff of the Missouri Public Service Commission, the Office of the Public Counsel, the Missouri Department of Natural Resources, Grain Belt Express Clean Line, LLC, and a joint filing by the Natural Resources Defense Council, Sierra Club, Renew Missouri, Mid-Missouri Peaceworks and the Great Rivers Environmental Law Center. There are

¹ Rule 4 CSR 240-22. The Commission revised its Chapter 22 rules, effective June 30, 2011. Because Ameren Missouri's 2011 IRP filing was made prior to that time, the old rules govern this process.

other parties to this case that did not file a report or identify any deficiencies in Ameren Missouri's IRP filing.

3. On August 8, 2011, the parties in this case made a Joint Filing, in which they indicated that none of the alleged deficiencies or concerns identified in the June 23rd filings had been resolved. That circumstance has not changed.

4. Under these circumstances, the applicable version of rule 4 CSR 240-22.080(8) in effect in February 2011 provides:

If full agreement on remedying deficiencies is not reached, then within sixty (60) days from the date on which the staff, public counsel or any intervenor submitted a report or comments relating to the electric utility's compliance filing, the electric utility may file a response and the staff, public counsel and any intervenor may file comments in response to each other. The commission will issue an order which indicates on what items, if any, a hearing will be held and which establishes a procedural schedule.

II. COMMISSION CONSIDERATIONS WHEN REVIEWING ALLEGED DEFICIENCIES AND CONCERNS

7. Attached to this pleading as Exhibit A is Ameren Missouri's detailed response to each of the alleged deficiencies and concerns set forth in the parties' June 23rd filings. This pleading will not go into the details of that response, but will address several overarching themes that the Company asks the Commission to keep in mind as it considers the alleged deficiencies and concerns.

8. First, the Commission should recognize that the purpose of the IRP rules is not to reach a "perfect" plan with the perfect answer to every potential question. Rather, as the Commission itself stated in the Company's previous IRP filing, "The purpose of the IRP filing is to demonstrate that [the Company] has engaged in a planning

process that complies with the requirements of the rule.”² Even more recently the Commission has held that the focus of the rules should be “...on the planning process itself rather than on the particular plans or decisions that results from that process.”³ As the content of Exhibit A demonstrates, Ameren Missouri has more than complied with the requirements of the Commission’s rules. Ameren Missouri’s IRP filing reflects a thorough and robust analysis which should be found by the Commission to demonstrate compliance with the IRP rules.

9. Secondly, the Commission must weed out the alleged deficiencies that are nothing more than a party’s view of how some aspect should be valued or how some analysis should be conducted, as opposed to a deficiency in the Company’s planning process. Different parties will view the planning process differently. If the Company did not undertake some required analysis, there is no doubt that would be a deficiency. However, if the alleged deficiency is that Ameren Missouri should have used a different value for a particular aspect of its analysis, then it is not a deficiency. It is a difference of opinion. With the diversity of parties (and their associated agendas) involved in Ameren Missouri’s IRP process, it is likely that there could not be an IRP which could gain 100% agreement. The appropriate question, as stated above, is whether the Company engaged in a planning process that complies with the requirements of the rules.

10. The third concept the Company suggests the Commission consider is one of a practical nature. Presuming for a moment that Ameren Missouri’s filing contains a

² File No. EO-2007-0409, *Final Order Regarding AmerenUE’s 2008 Integrated Resource Plan*, February 29, 2009, p. 1.

³ *Id.*, p. 5, quoting from the Missouri Register, Vol. 18, No. 1, Page 91 (January 4, 1993). This citation deals with the rules under which Ameren Missouri files this IRP. In addition, although the Commission has adopted new IRP rules, the focus is still on the planning process. In fact, in its Order of Rulemaking in Case No. EX-2010-0254, the Commission specifically rejected requests for preapproval of certain large projects found in a utility’s IRP preferred plan.

deficiency, before ordering Ameren Missouri to redo its analysis, the Commission should ask whether the change being proposed would change the Company's selection of its Preferred Resource Plan and, perhaps most importantly, whether it would change the Company's Implementation Plan (which is the next three years, until the Company files a new IRP). IRP filings under the Commission's rules represent a snapshot in time. There will always be an input that could be updated, but if rerunning the analysis isn't going to result in a change to the Preferred Plan selection or to the Company's Implementation Plan, then it does not make sense for the Commission to order the Company to spend its time and resources reworking that aspect of the IRP filing.

11. Additionally, the Commission's revised IRP rules contemplate an update process, set forth in 4 CSR 240-22.080(4), including annual updates. This addition to the IRP rules obviates the need for the Commission to order the Company to update its assumptions on an ad hoc basis, as the Commission has already created a process whereby this must regularly occur.

12. Finally, a couple of the parties offered substantial objection to "new" portions of the Company's IRP analysis. Specifically, several parties were critical of the Decision Factors and scorecards. These are not specifically required by or set forth in the Commission's rules, although they are certainly allowed by and are consistent with the Commission's rules. 4 CSR 240-22.060(1) allows the Company to "identify additional planning objectives" that the alternative resource plans will be designed to meet. 4 CSR 240-22.010(2)(C) allows the Company to "Explicitly identify and, where possible, quantitatively analyze any other considerations which are critical to meeting the fundamental objective of the resource planning process, but which may constrain or limit

the minimization of the present worth of expected utility costs.” This is exactly what the Decision Factors and scorecards are designed to accomplish.

13. Historically, parties and even the Commission have voiced a desire to ensure that the IRP preferred plan is aligned with the Company’s actual business plan so that there are not two different plans in existence at the same time. The Company appreciates this concern and so adopted an approach to this IRP to specifically reflect the issues that management considered in making its Preferred Plan selection. The Company recognizes it has approached this differently than what it has previously done, but believes it provides all parties with additional insight into the Company’s planning process. Additionally, while some parties offered modifications of these scorecards to show how they could be used to reach different conclusions, in doing so, those parties missed the point. The Decision Factors and scorecards aren’t just tallied up to make a decision. They are designed to reflect the items management values in the planning process and how those items were considered. However, the preferred plan selection was a management decision and is not one that is subject to being changed by another party rewriting the scorecards, as an example. As always, management of the utility is left to utility management. The purpose of the IRP rules is to ensure management is using a robust planning process in making those decisions, not to dictate the decision itself or the specific manner in which it is made.

14. Finally, while the Commission has full authority to accept Ameren Missouri’s IRP without holding a hearing, if the Commission desires to hold a hearing Ameren Missouri proposes the Commission schedule the hearing sometime mid to late October. Given the nature of the comments filed in this case, the Company would

recommend that if a hearing is held it be held on three main issues: demand-side management, environmental requirements/plant retirement and strategy selection. Of course, Ameren Missouri would be prepared to answer Commission questions on any issue. Ameren Missouri does not believe prefiled testimony would be necessary, as all parties have already laid out their positions in this and previous filings.

WHEREFORE, Ameren Missouri asks the Commission to find that it's February 23, 2011, IRP filing complies with the requirements of 4 CSR 240-22, as it existed at the time the Company's IRP was filed and set the matter for hearing in October.

Respectfully submitted,

UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri

/s/ *Wendy K. Tatro*

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Ameren Missouri Response to Alleged Deficiencies and Concerns was served on all parties of record via electronic mail (e-mail) on this 22nd day of August, 2011.

/s/ Wendy K. Tatro

Wendy K. Tatro