

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 20th day of
June, 2012.

In the Matter of the Application of Union Electric
Company for Authorization to Manage Sulfur
Dioxide Emission Allowance Inventory

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File No. EO-98-401

ORDER EXTENDING AUTHORITY TO MANAGE NO_x ALLOWANCES

Issue Date: June 20, 2012

Effective Date: June 30, 2012

In December 1998, the Commission approved a stipulation and agreement that authorized Union Electric Company, d/b/a Ameren Missouri to manage its inventory of sulfur dioxide (SO₂) emissions allowances issued under the federal Clean Air Act. Subsequently, the Environmental Protection Agency (EPA) issued its Clean Air Interstate Rule (CAIR) that created similar emissions allowances for Nitrogen Oxide (NO_x). On October 26, 2011, the Commission issued an order authorizing Ameren Missouri to manage its NO_x allowances in the same way it managed its SO₂ allowances.

At the time it authorized Ameren Missouri to manage its NO_x allowances, the Commission and the company anticipated the EPA would replace CAIR with its new Cross-State Air Pollution Rule (CSAPR) and new NO_x allowances would be issued under CSAPR. However, CSAPR has been blocked by court action and CAIR remains in effect. As a result, the EPA has issued new NO_x allowances to Ameren Missouri under CAIR and Ameren Missouri asks the Commission to extend its authority to sell or trade CAIR NO_x allowances issued in 2012 and future years.

Ameren Missouri represents that the other parties to this case, Staff, Public Counsel and Kansas City Power & Light Company, support its request for an extension of its authority to sell or trade its unused NO_x allowances under CAIR. At Public Counsel's request, Ameren Missouri explicitly committed to comply with the Commission's Affiliate Transaction Rule in any NO_x transactions involving any of its affiliates. In addition, Ameren Missouri agreed to certain additional reporting requirements specified by Staff in Attachment A to Ameren Missouri's motion.

Because Ameren Missouri represents that Staff and the other parties support its motion, the Commission did not require its Staff to file a formal recommendation regarding the application. However, the Commission ordered that any party wishing to object to or otherwise respond to Ameren Missouri's motion do so no later than June 19. No such response has been filed.

Based on the facts alleged in Ameren Missouri's verified Motion to Further Extend Authority For the Disposition of NO_x Allowances, the Commission will grant that motion.

THE COMMISSION ORDERS THAT:

1. Union Electric Company, d/b/a Ameren Missouri's Motion to Further Extend Authority for the Disposition of NO_x Allowances is granted.

2. Specifically, Union Electric Company, d/b/a Ameren Missouri is granted authority to sell and trade nitrogen oxide (NO_x) emissions allowances created under the Clean Air Interstate Rule (CAIR) in 2012 and in subsequent years, subject to the record keeping and reporting requirements applicable to its management of sulfur dioxide (SO₂) emissions allowances, including the additional reporting requirements specified in Attachment A to its motion seeking such authority.

3. Union Electric Company, d/b/a Ameren Missouri shall comply with the Commission's Affiliate Transaction Rule in any NO_x transactions involving any of its affiliates.

4. This order shall become effective on June 30, 2012.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Chm., Jarrett, Kenney, and
Stoll, CC., concur.

Woodruff, Chief Regulatory Law Judge