

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 17th day of
May, 2012.

In re: Union Electric Company's 2011
Utility Resource Filing Pursuant to
4 CSR 240 – Chapter 22.

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File No. EO-2011-0271

ORDER MODIFYING REPORT AND ORDER

Issue Date: May 17, 2012

Effective Date: May 27, 2012

On March 28, 2012, the Commission issued a Report and Order regarding Union Electric Company, d/b/a Ameren Missouri's 2011 Integrated Resource Planning filing under the Commission's Integrated Resource Planning Rule. In that Report and Order, the Commission attempted to address each of the alleged deficiencies in that plan as identified by the Commission's Staff, the Office of the Public Counsel, and other interested parties. The Commission's Report and Order became effective on April 27, but before that date, Public Counsel and Ameren Missouri filed timely applications for rehearing.

Part of Public Counsel's application for rehearing complains that the Commission overlooked an alleged deficiency in Ameren Missouri's plan that Public Counsel had raised for the Commission's consideration. After considering Public Counsel's application, the Commission finds that Public Counsel is correct. The Commission's Report and Order failed to address the deficiency alleged by Public Counsel.

To correct that oversight, the Commission will modify the Findings of Fact section of its March 28 Report and Order to address the additional alleged deficiency. The Report and Order shall remain unchanged in all other regards.

The Commission will make this order effective in ten days to allow the parties an opportunity to request rehearing regarding this order. Once the opportunity to request rehearing of this order has passed, the Commission will address any new requests for rehearing along with the applications for rehearing previously filed regarding the March 28 Report and Order.

THE COMMISSION ORDERS THAT:

1. The Commission's March 28, 2012 Report and Order is modified to add the following section to the Findings of Fact set forth in that Report and Order:

Analysis of Probable Environmental Costs

Commission Rule 4 CSR 240-22.070(2) requires Ameren Missouri to "conduct a preliminary sensitivity analysis to identify the uncertain factors that are critical to the performance of the resource plan". Subsection (C) of that rule requires the utility to analyze "future changes in environmental law, regulations or standards" as one of those critical uncertain factors.

Public Counsel complains that Ameren Missouri chose to model its analysis of future changes in environmental law as distinct moderate and aggressive environmental scenarios as opposed to modeling those possible changes through the use of a risk analysis probability tree. Because the scenarios are modeled in this way, Public Counsel complains the five moderate environmental scenarios cannot be properly compared to the nine aggressive environmental scenario candidate plans because they represent mutually exclusive futures.¹

¹ Technical Report, Ex. 43, Pages 15-16.

Ameren Missouri explained that it analyzed two distinct potential futures regarding coal-related environmental regulation in connection with its decision about whether or when its Meramec plant would need to be retired.

Ameren Missouri concluded:

Because the two scenarios for environmental regulation require different mitigation at different times, and because some of the various mitigation options evaluated for Meramec have significantly different impacts on resource need than others, the only way to avoid conflict between the plans being evaluated and the environmental regulations being considered is to include the mitigation and associated resource impacts as part of alternative or candidate resource plans.²

Ameren Missouri further explains that under a probability decision tree, evaluation of plans for which mitigation measures are based on moderate environmental regulation would yield useless results for the half of the decision tree that assumes aggressive regulation and vice versa. The result would be that plans would be evaluated only for the environmental regulation scenario for which they were designed to comply, which is the equivalent of the analysis performed by Ameren Missouri.³

There is no evidence to demonstrate that Ameren Missouri's study would have reached a different conclusion if it had used a probability decision tree in the manner preferred by Public Counsel. In short, this alleged deficiency appears to be a disagreement about how best to analyze the problem. OPC's desire to run the analysis differently is not a deficiency in the plan. There is no deficiency.

² Ameren Missouri's Response, Ex. 2, Page 56.

³ Ameren Missouri's Response, Ex. 2, Page 56.

2. This order shall become effective on May 27, 2012.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'S. C. Reed', is positioned above the printed name and title.

Steven C. Reed
Secretary

(S E A L)

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

Woodruff, Chief Regulatory Law Judge