

Ameren's Response to
MPSC Staff Data Request
MPSC Case No. ER-2008-0318
AmerenUE's Tariff Filing to Increase Rate for Electrical Service
Provided to Customers in the Company's Missouri Service Area

Requested From: Mike Proctor

Data Request No. MPSC 0374

From the work papers for Figure AKA-SR1 of Mr. Arora's surrebuttal testimony, is the correlation for unhedged forward prices for PRB 8800 Btu coal with the unhedged forward ATC Cinergy electricity prices the same or nearly the same as the 61.1% correlation referred to starting at line 21 on page 21 of Mr. Arora's direct testimony?

Response:

The correlation between levels of forward prices for PRB 8800 Btu coal and the levels of forward ATC Cinergy electricity prices for calendar year 2009 is 62.7%. However, these price series are highly serially correlated, with strong evidence that a unit root is present, as shown in my response to DR 0372. Therefore, as I testified beginning on line 21 on page 21 of my direct testimony, the only correct correlation that can be calculated is between changes in these two price series. That correlation is low and equal to 3.9%, so these data are consistent with my conclusions beginning on line 21 on page 21 through line 5 on page 22 of my direct testimony.

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Date: November 28, 2008

Staff Exhibit No. 247
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