

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 3rd day of November, 2006.

In the Matter of Union Electric Company d/b/a)
AmerenUE for Authority to File Tariffs Increasing) **Case No. ER-2007-0002**
Rates for Electric Service Provided to Customers) Tariff No. YE-2007-0007
in the Company's Missouri Service Area)

In the Matter of Union Electric Company d/b/a)
AmerenUE for Authority to File Tariffs Increasing) **Case No. GR-2007-0003**
Rates for Natural Gas Service Provided to Customers) Tariff No. YG-2007-0008
in the Company's Missouri Service Area.)

**ORDER SETTING LOCAL PUBLIC HEARINGS
AND DIRECTING NOTICE**

Issue Date: November 3, 2006

Effective Date: November 3, 2006

On July 10, 2006, Union Electric Company d/b/a AmerenUE submitted to the Missouri Public Service Commission certain proposed tariff sheets to implement general rate increases for its retail electric service and its natural gas service to customers in its Missouri service area. The Commission opened case number ER-2007-0002 to address AmerenUE's electric rate increase request and case number GR-2007-0003 to address AmerenUE's natural gas rate increase request.¹

On August 25, 2006, the Office of the Public Counsel filed its Recommendations for Notice and Public Hearings in the AmerenUE Rate Cases. Public Counsel recommended

¹ ER-2007-0002 and GR-2007-0003 will be collectively referred to as the "AmerenUE Rate Cases"

that the Commission conduct twelve local public hearings in specified locations in mid-January, as the Commission's schedule permits. Public Counsel also proposed language to be sent to AmerenUE's customers as notice of the AmerenUE Rate Cases.

On August 29, 2006, AmerenUE filed its response to Public Counsel's recommendations. In its response, AmerenUE generally objected to the number of public hearings recommended by Public Counsel by asking the Commission to "consider whether indeed 12 local public hearings are needed." AmerenUE also requested that a paragraph be added to Public Counsel's proposed customer notice to also provide notice of its request for a fuel adjustment clause (FAC). In response, Public Counsel asked the Commission to deny AmerenUE's request to amend the proposed notice and order AmerenUE to specifically state whether it opposes Public Counsel's recommendations for public hearings, and if so, to file its own recommendations. No other party filed any objections to or comments regarding either Public Counsel's recommendations or AmerenUE's response.

The Commission has reviewed the arguments presented by Public Counsel and AmerenUE and makes the following determinations. The Commission will not make a determination regarding the appropriateness of AmerenUE's requested FAC until after the evidentiary hearing has been concluded. However, it is appropriate to provide notice to AmerenUE's electric service customers that AmerenUE has requested a FAC in order to afford those customers the opportunity to address and offer testimony regarding that request during public hearings. The Commission will adopt the public notice recommended by Public Counsel and include the additional language requested by AmerenUE. The

Commission will also include language in the notice to minimize witness confusion that could result from simultaneously web-casting public hearings.

The Commission also finds that the public hearing locations recommended by Public Counsel are reasonable and will be held. However, the Commission finds that there are three additional locations where public hearings should be held. Accordingly, to give the public an opportunity to comment, the Commission will set a total of fifteen local public hearings in AmerenUE's service territory.²

For all hearings beginning at 12:00 p.m., the Staff of the Commission will hold an informal question-and-answer session beginning at 11:30 a.m., the hearing will begin at 12:00 p.m., and will conclude when the last witness has testified. For all hearings beginning at 6:00 p.m., the Staff of the Commission will hold an informal question-and-answer session beginning at 5:30 p.m., the hearing will begin at 6:00 p.m., and will conclude when the last witness has testified.

IT IS ORDERED THAT:

1. The Commission shall hold a local public hearing on Tuesday, January 2, 2007, from 12:00 p.m. until all persons who wish to testify have done so, at the Thornhill Branch of the St. Louis County Library, 12863 Willowyck Drive, St. Louis, Missouri.

² Hearings held in Rolla, Columbia and Cape Girardeau, Missouri, where AmerenUE only offers natural gas service, will only address issues related to AmerenUE's request for a natural gas service rate increase. Hearings will be held in St. Louis City, St. Louis County, Kirksville, Excelsior Springs, Hayti and Dexter, Missouri, where AmerenUE only offers electric service, will only address issues related to AmerenUE's requested electric service rate increase. Hearings held in Jefferson City, Mexico, Wentzville and Moberly, Missouri, where AmerenUE offers both electric and natural gas service, will address issues related to AmerenUE's requested electric and natural gas service rate increase.

2. The Commission shall hold a local public hearing on Tuesday, January 2, 2007, from 6:00 p.m. until all persons who wish to testify have done so, in the auditorium of the Wohl Community Center, 1515 North Kingshighway, St. Louis, Missouri

3. The Commission shall hold a local public hearing on Wednesday, January 3, 2007, from 6:00 p.m. until all persons who wish to testify have done so, in the Civil Engineering Building, Room 213 of the University of Missouri-Rolla, on the corner of Pine and 14th Street, Rolla, Missouri.

4. The Commission shall hold a local public hearing on Wednesday, January 3, 2007, from 6:00 p.m. until all persons who wish to testify have done so, in the ITV Room of the Higher Education Center, 1805 East Walnut Street, Columbia, Missouri.

5. The Commission shall hold a local public hearing on Thursday, January 4, 2007, from 6:00 p.m. until all persons who wish to testify have done so, in the John Glenn Auditorium of Dempster Hall, Southeast Missouri State University, Corner of Henderson and New Madrid, Cape Girardeau, Missouri.

6. The Commission shall hold a local public hearing on Thursday, January 4, 2007, from 6:00 p.m. until all persons who wish to testify have done so, in the ITV Conference Room of the Dexter Armory, 105 East North Street, Dexter, Missouri.

7. The Commission shall hold a local public hearing on Monday, January 8, 2007, from 12:00 p.m. until all persons who wish to testify have done so, in the Century Room of the Millennium Student Center at the University of Missouri-St. Louis, One University Boulevard, St. Louis, Missouri.

8. The Commission shall hold a local public hearing on Monday, January 8, 2007, from 6:00 p.m. until all persons who wish to testify have done so, in Highlander

Lounge of the Student Center at the St. Louis Community College of Forest Park, 5600 Oakland Avenue, St. Louis, Missouri.

9. The Commission shall hold a local public hearing on Tuesday, January 9, 2007, from 6:00 p.m. until all persons who wish to testify have done so, in the Board Room of the Wentzville School District Central Office, One Campus Drive, Wentzville, Missouri.

10. The Commission shall hold a local public hearing on Wednesday, January 10, 2007, from 6:00 p.m. until all persons who wish to testify have done so, in the ITV Room of the Hayti High School, 500 North Fourth Street, Hayti, Missouri.

11. The Commission shall hold a local public hearing on Wednesday, January 10, 2007, from 6:00 p.m. until all persons who wish to testify have done so, at the Kirksville Higher Education Center, 2105 East Normal Street, Kirksville, Missouri.

12. The Commission shall hold a local public hearing on Thursday, January 11, 2007, from 6:00 p.m. until all persons who wish to testify have done so, in the ITV Room of the Excelsior Springs High School, 601 Tiger Drive, Excelsior Springs, Missouri.

13. The Commission shall hold a local public hearing on Thursday, January 11, 2007, from 6:00 p.m. until all persons who wish to testify have done so, in Room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

14. The Commission shall hold a local public hearing on Friday, January 12, 2007, from 12:00 p.m. until all persons who wish to testify have done so, in the ITV Room of the Mexico Advanced Technology Center, 2900 Dorelli Lane, Mexico, Missouri.

15. The Commission shall hold a local public hearing on Friday, January 12, 2007, from 12:00 p.m. until all persons who wish to testify have done so, in the ITV Room of Moberly Community College, 101 College Avenue, Moberly, Missouri.

16. No later than ten days prior to the local public hearings, Union Electric Company, d/b/a AmerenUE shall provide individual notice to each of its electric and natural gas service customers including all or the relevant portions of the notice as set out below.

NOTICE

AmerenUE has filed revised tariff sheets with the Missouri Public Service Commission (PSC) which would increase the company's electric service revenues by approximately \$360.7 million, and which would increase the company's natural gas service revenues by approximately \$10.8 million. For the average residential customer the proposed increase would be approximately \$6.00 per month for electric and \$6.00 per month for natural gas.

AmerenUE's electric rate filing includes a request to implement a fuel adjustment clause. A fuel adjustment clause, if approved by the Commission, would allow increases or decreases in fuel and purchased power costs occurring after base electric rates are set by the pending electric rate case to be passed through to customers as a separate line on customer's bills. Increases in fuel and purchased power costs above base electric rates would be applied to customer bills via a separate and additional charge and decreases would be applied to customer bills via a credit.

Public comment hearings have been set before the PSC as follows:

- Tuesday, January 2, 2007, at 12:00 p.m., in the Thornhill Branch of the St. Louis County Library, 12863 Willowick Drive, St. Louis, MO.
- Tuesday, January 2, 2007, at 6:00 p.m., in the auditorium of the Wohl Community Center, 1515 North Kingshighway, St. Louis, MO.
- JOINT HEARING 1: Wednesday, January 3, 2007, at 6:00 p.m. , in Room 213 of the Civil Engineering Building, University of Missouri-Rolla, corner of Pine and 14th Street, Rolla, MO, and in the ITV Room of the Higher Education Center, 1805 East Walnut Street, Columbia, MO.
- JOINT HEARING 2: Thursday, January 4, 2007, at 6:00 p.m., in the John Glenn Auditorium of Dempster Hall, Southeast Missouri State University, Corner of Henderson and New Madrid, Cape Girardeau, MO, and in the ITV Conference Room of the Dexter Armory, 105 East North Street, Dexter, MO.
- Monday, January 8, 2007, at 12:00 p.m., in the Century Room of the Millennium Student Center at the University of Missouri-St. Louis, One University Boulevard, St. Louis, MO.

- Monday, January 8, 2007, at 6:00 p.m., in the Highlander Lounge of the Student Center at the St. Louis Community College of Forest Park, 5600 Oakland Avenue, St. Louis, MO.
- Tuesday, January 9, 2007, at 6 :00 p.m., in the Board Room of the Wentzville School District Central Office, One Campus Drive, Wentzville, MO.
- JOINT HEARING 3: Wednesday, January 10, 2007, at 6:00 p.m., in the ITV Room of the Hayti High School, 500 North Fourth Street, Hayti, MO, and at the Kirksville Higher Education Center, 2105 East Normal Street, Kirksville, MO.
- JOINT HEARING 4: Thursday, January 11, 2007, at 6:00 p.m., in the ITV Room of the Excelsior Springs High School, 601 Tiger Drive, Excelsior Springs, MO, and in room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, MO.
- JOINT HEARING 5: Friday, January 12, 2007, at 12:00 p.m., in the ITV Room of the Mexico Advanced Technology Center, 2900 Dorelli Lane, Mexico, MO, and in the ITV Room of Moberly Community College, 101 College Avenue, Moberly, MO.

***A question-and-answer session will be held one-half hour before the beginning of each hearing.**

****Hearings scheduled for the same time on a given day will be conducted as a single joint hearing. Witnesses will testify in the order they sign-up at a given location. Testimony will be taken one witness per location, alternating locations, until everyone has testified.**

If you are unable to attend a live public hearing and wish to make written comments or secure additional information, you may contact the Office of the Public Counsel, P.O. Box 2230, Jefferson City, Missouri 65102, telephone (573) 751-4857, email opcservice@ded.mo.gov or the Missouri Public Service Commission, Post Office Box 360 Jefferson City, Missouri 65102, telephone 800-392-4211, email pscinfo@psc.mo.gov.

The Commission will also conduct an evidentiary hearing at its offices in Jefferson City during the weeks of March 12 through March 16, March 19 through March 23, and March 26 through March 30, 2007, beginning at 8:30 a.m.

The hearings and local public hearings will be held in buildings that meet accessibility standards required by the Americans with Disabilities Act. If a customer needs additional accommodations to participate in these hearings, please call the Public Service

Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

17. The local public hearings shall be held in facilities that meet the accessibility requirements of the Americans with Disabilities Act. Any person who needs additional accommodation to participate in the hearing should call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

18. The Data Center of the Missouri Public Service Commission shall serve a copy of this order upon the county commission of each county in Union Electric Company, d/b/a AmerenUE's service area.

19. The Public Information Office of the Missouri Public Service Commission shall send a copy of this order to members of the General Assembly and to the media that serve Union Electric Company, d/b/a AmerenUE's service area.

20. Union Electric Company, d/b/a AmerenUE shall place advertisements in the newspapers serving its service territory. The advertisements shall contain the information from the customer notice relevant to the customers in the newspaper's circulation area.

21. This order shall become effective on November 3, 2006.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Gaw, Clayton and Appling, CC., concur
Murray, C., dissents, dissenting opinion attached

Voss, Regulatory Law Judge