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June 23, 2003

Secretary
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. GR-2003-0517

FILED⁴
JUN 23 2003
Missouri Public
Service Commission

Dear Mr. Roberts:

Enclosed please find an original and eight copies of AmerenUE's Response to Public Counsel's Motion to Modify Customer Notice. Please file stamp the enclosed extra receipt copy and return to me for my records.

If you have any questions concerning this matter, then please do not hesitate to contact me. Thank you very much for your attention to this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:

Dean L. Cooper

DLC/tli

Enclosures

cc: General Counsel's Office
Office of the Public Counsel
Thomas Byrne

FILED⁴
JUN 23 2003

Missouri Public
Service Commission

**RESPONSE IN OPPOSITION TO PUBLIC COUNSEL’S
MOTION TO MODIFY CUSTOMER NOTICE**

COMES NOW Union Electric Company d/b/a AmerenUE (the “Company”) and, in opposition to Public Counsel’s Motion to Modify Customer Notice, states as follows to the Missouri Public Service Commission (“Commission”):

1. On June 16, 2003, the Office of the Public Counsel (“Public Counsel”) filed its Motion to Modify Customer Notice (the “Motion”). In the Motion, the Public Counsel asked that the Commission modify its Suspension Order and Notice to require that the hearing notices provided by AmerenUE to its customers cite both the proposed percentage increase related to the non-gas portion of AmerenUE’s bill, as well as the proposed percentage increase related to the total bill.

2. The Commission's Order and Notice directed that AmerenUE use the following language for purposes of customer notice:

Union Electric Company, d/b/a AmerenUE has filed revised natural gas service tariff sheets with the Missouri Public Service Commission (PSC) which would increase the company's Missouri jurisdictional annual gross revenues by approximately 17.8 percent. For the annual residential customer using natural gas for heating, the proposed increase would be approximately \$16.26 each month.

3. AmerenUE believes that the language contained in the Commission's Suspension Order and Notice is straightforward, can be understood by the customer and accurately and succinctly describes the impact of the proposed rates on the bills of AmerenUE's natural gas

customers. Accordingly, AmerenUE opposes the Public Counsel's Motion.

4. The language proposed by the Public Counsel provides excess information that, while accurate, may confuse and mislead the reader in terms of the actual, potential impact of the proposed rates on the amount the customer will pay at the end of each month. The Public Counsel has proposed the following language:

Union Electric Company d/b/a AmerenUE has filed revised natural gas service tariff sheets with the Missouri Public Service Commission (PSC) which would increase the non-gas charges by \$26.7 million, approximately 78% for residential customers. The non-gas charges cover all costs to operate the enterprise such as salaries, a return on investment and any other non-gas costs for running the business. This proposed increase does not include gas costs recovered in the Purchased Gas Adjustment Clause (PGA). Gas costs include the cost of gas purchased from producers of natural gas, the costs related to store natural gas in storage fields and the cost to transport natural gas via interstate or intrastate pipelines to the customer's burner tip for use. Including both non-gas and gas costs the proposed full increase in revenues from residential customers would be 24.9%. For the average customer using natural gas for heating the proposed increase would be approximately \$16.26 each month or \$195.12 per year.

5. This approach focuses on a percentage related to a discrete portion of the customer's bill and most obviously quantifies the proposed increase as a 78% increase, even though this is not the increase that will be experienced by the customer under the proposed rates. The Public Counsel's notice will unnecessarily alarm those customers who attempt to utilize this information for budgeting or other planning purposes.

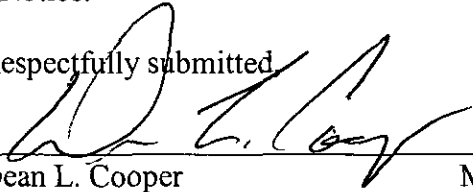
6. The Public Counsel proposal is also a significant departure from past practice. Counsel for AmerenUE has found no prior natural gas rate case notices that have made a distinction between gas costs and non-gas costs in the rate case notice. The Commission has in the past provided a percentage based on "Missouri jurisdictional gross revenues" (GR-2002-356 and GR-2001-629); "natural gas revenues" (GR-2001-292); and, "Missouri jurisdictional annual gross

revenues” (GR-99-315, GR-99-246 and GR-97-272). None of the notices attempted to describe a percentage related to the non-gas portion of the company’s revenues.

7. AmerenUE believes that what is important to the customer is the potential increase in the overall cost of the natural gas service he or she receives and not the potential increase to an individual, compartmentalized portion of that total cost of service. Thus, it is the information that is contained in the notice provided in the Commission’s Suspension Order and Notice, and which is consistent with past practice, that is most important to the customer and should be conveyed to the customer in a concise and understandable fashion.

WHEREFORE, AmerenUE respectfully requests the Commission issue its order denying Public Counsel’s Motion to Modify Customer Notice.

Respectfully submitted,



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ATTORNEYS FOR UNION ELECTRIC COMPANY
D/B/A AMERENUE

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand-delivered on this 23rd day of June, 2003, to the following:

Ms. Lera Shemwell
Missouri Public Service Commission
Governor State Office Building, 8th Floor
Jefferson City, MO 65101

Mr. Doug Micheel
Office of the Public Counsel
Governor State Office Building, 6th Floor
Jefferson City, MO 65101