

ROBERT C. JOHNSON
Attorney At Law

720 OLIVE STREET SUITE 2400 ST. LOUIS, MO 63101
TEL: (314) 345-6436 FAX: (314) 588-0638
bjohnson@bspmlaw.com

July 20, 2000

VIA FEDERAL EXPRESS

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
301 West High Street
Jefferson City, Missouri 65102

Re: Case number EO-2000-580

FILED²
JUL 21 2000
Missouri Public
Service Commission

Dear Mr. Roberts:

Enclosed for filing in the above case on behalf of Holnam, Inc., et al, are an original and eight (8) copies of the MEG Interruptibles Reply to Union Electric Company and Staff's Responses to Motions for Expedited Proceedings and Oral Argument and Suggestions in Support of an Interim Alternative Interruptible Rate.

Please bring this filing to the attention of the Commission.

Yours very truly,


Robert C. Johnson

RCJ/mm
Enclosures

cc: To all counsel of record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²

JUL 21 2000

Missouri Public
Service Commission

In the Matter of an Investigation)
Into an Alternative Rate Option for) Case No. EO-2000-580
Interruptible Customers of Union)
Electric Company d/b/a/ AmerenUE)

**THE MEG INTERRUPTIBLES REPLY TO THE UNION ELECTRIC
COMPANY'S AND STAFF'S RESPONSES TO MOTIONS FOR EXPEDITED
PROCEEDINGS AND ORAL ARGUMENT AND SUGGESTIONS IN
SUPPORT OF AN INTERIM ALTERNATIVE INTERRUPTIBLE RATE**

Come now Holnam, Inc., Lone Star Industries, Inc., and River Cement Company
(the "MEG Interruptibles") and in reply to responses filed by Staff and Union Electric
Company ("UE") to Motions for Expedited Proceedings and for Oral Argument and
Suggestions in Support of Request for Implementation of an Interim Alternative
Interruptible Rate, state as follows:

1. The undisputed facts in this proceedings are as follows:
 - (a) When UE's Interruptible Tariff Rate 10M expired on
June 1, 2000, the MEG Interruptibles received an aggregate
rate increase of approximately \$2.4 million dollars. Staff's
contention that changes in the interruptible tariff reflected in new
Rider M "were all to the benefit of MEG Interruptibles" is not
correct.
 - (b) In the spirit of compromise the MEG Interruptibles entered into
the Stipulation and Agreement in docket EO-96-15 (the
"Stipulation") which resolved many issues among Staff, Public
Counsel and UE. However an alternative interruptible rate option
for customers of UE was an open issue that was not resolved by

20

the Stipulation which clearly provided for “good faith”

negotiations on an alternative rate option and further Commission proceedings on this issue.

- (c) UE unilaterally filed a new concept tariff (designated Rider M) in April of this year which was not suspended and became effective on or about May 6, 2000. This tariff contains provisions which permit UE to curtail customers on that tariff on economic (market pricing) grounds and sell the curtailed power through an unregulated affiliate to a customer who could be located in another state. Such a sale transaction would be outside the regulatory jurisdiction of this Commission. This tariff was not acceptable to the MEG Interruptibles and none have signed on to this tariff.
- (d) The MEG Interruptibles have filed their prepared direct testimony which discloses that each has been curtailed a number of times in 1998 and 1999. For example River Cement Company was curtailed 8 times in 1998 and 6 times in 1999.
- (e) The MEG Interruptibles have asked the Commission to approve on an interim basis a tariff prepared in outline form, by consultant Maurice Brubaker (the “Alternate Tariff”)
- (f) The Alternate Tariff is a compromise tariff that provides market pricing protection requested by UE and preserves reliability protection and customer benefits that existed under the old tariff.
- (g) There is no evidentiary basis to determine whether the new

interruptible tariff Rider M is just and reasonable and will be effective in the current summer season. History on the other hand clearly shows that the proposed Alternate Tariff will work.

2. Neither UE nor Staff has indicated any specific substantive objection to the Alternate Tariff which provides for both reliability and economic protection and preserves status quo. While they state they oppose implementation of the Alternate Tariff they have offered no substantive criticisms. Prompt implementation would appear to be appropriate and permit the Commission to have an evidentiary basis through actual experience to evaluate all of the interruptible tariffs in effect.

COMMENTS ON EXPEDITED PROCEDURAL SCHEDULE

3. The MEG Interruptibles have submitted an expedited procedural schedule. In accordance with that schedule, they have already filed their prepared direct testimony. They are fully prepared to move forward in this case. These issues have been before the Commission in a previous docket and have been thoroughly discussed by the parties. There are no surprises in this proceedings. We urge the Commission to expedite this case as promptly as possible for the protection of all consumers.

4. However if the Commission agrees to implement our tariff proposal of the MEG Interruptibles on an interim basis, that would obviate a necessity for an expedited schedule and we would support the staff proposal under those circumstances. Clearly the staff's arguments would indicate that the implementation of our interruptible rate proposal would be appropriate under the circumstances.

COMMENTS ON ORAL ARGUMENT

5. The issues raised in this proceeding include, among others, reliability of the UE system. Because of the importance of this issue at this time of the year we urge the Commission to schedule oral argument at the earliest possible date. The MEG Interruptibles will have their consultant available to answer any questions the Commission may have at the oral argument.

Wherefore, the MEG Interruptible request that the Commission approve and direct implementation of the Alternate Tariff on an interim basis and grant their Motions for Oral Argument and for an Expedited Schedule of Proceedings.

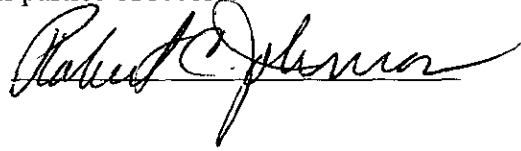
Respectfully submitted,



Robert C. Johnson #15755
720 Olive St., Suite 2400
St. Louis, Missouri 63101
(314) 345-6434 **6436**
(314) 588-0638 (FAX)

CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that a true and correct copy of the foregoing was mailed this 20 day of July, 2000 to all parties of record.

A handwritten signature in cursive script, appearing to read "Robert C. Johnson", written over a horizontal line.