

FILED

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

JAN 24 2001

Missouri Public
Service Commission

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

INITIAL BRIEF OF MEG INTERRUPTIBLES

The MEG Interruptibles include: Holnam, Inc., Lone Star Industries, Inc., and River Cement Company, (collectively, "MEG Interruptibles") all of which are engaged in the manufacture of cement at plants located within the state of Missouri and all of which have been longtime (ten to twenty years) interruptible customers of Union Electric Company (hereinafter "U.E."). The MEG Interruptibles submit herewith their Initial Brief on the issues in this matter.

INTRODUCTION/BACKGROUND

The origin of this case is described by witness Maurice Brubaker in his direct testimony (p.2, lines 1-12), as follows:

Q. WHAT IS THE ORIGIN OF THIS PROCEEDING?

A. This proceeding grows out of the rate design proceeding involving AmerenUE (hereafter UE), Missouri PSC Case No. EO-96-15. In that case, Interruptible Customers and UE were unable to reach agreement on the appropriate structure and price level for the continuation of an interruptible rate. The Stipulation and Agreement entered into by the parties to the rate design case on April 30, 1999 provided the option for Interruptible Customers to file to initiate this docket. This Stipulation and Agreement was subsequently approved by the Missouri Public Service Commission.

Although Interruptible Customers and UE subsequently engaged in numerous discussions with respect to the appropriate structure and price level for an interruptible rate, those discussions did not result in any agreement. Hence, Interruptible Customers filed with the Commission to open this proceeding.

5

As noted by witness Brubaker, following execution of the settlement Stipulation and Agreement dated April 30, 1999 in Case No. EO-96-15 (the "Stipulation"), the MEG Interruptibles and U.E. engaged in a series of meetings and discussions in an attempt to negotiate a mutually acceptable alternative interruptible tariff. In the exercise of their obligation for "good faith" negotiations, the MEG Interruptibles proposed certain interruptible rate concepts to be incorporated in an alternative interruptible tariff (the so-called "Brubaker Tariff").

The basic facts in this case are largely undisputed. The four tariffs discussed in this Brief are summarized and described as follows:

1. **Original 10M Tariff:** This tariff or similar tariffs were in effect for many years on the U.E. system and were designed to protect system reliability by giving the utility the right to curtail customers served under the tariff when system reliability was threatened or during times of system peaks, which typically occur in July and August. The MEG Interruptibles all were on this tariff for many years prior to its termination at U.E.'s insistence under the terms of the Stipulation. A copy of this tariff is attached as Exhibit A to this Brief.
2. **Rider L Tariff:** This tariff was placed in effect on or about June 1, 1999, pursuant to the terms of the Stipulation. This tariff is a voluntary tariff, which gives the customer the voluntary right to accept curtailment in exchange for certain benefits. The utility has no right under this tariff to mandate curtailment, even if the system is under stress at the time. A copy of this tariff is attached as Exhibit B to this Brief.

3. **Rider M Tariff:** This tariff incorporates radically new concepts that provide for voluntary curtailments at the option of the customer, based upon economic conditions (i.e. extremely high wholesale prices for electric energy on the wholesale market) and is not designed to respond to reliability concerns. It establishes a complex formula for setting certain price values for energy, which U.E. in effect agrees to purchase from the customer for certain prices determined annually. The price offered is solely at the discretion of U.E. and is not regulated by the Commission or any other regulatory body. These prices, if accepted by the customer, permit the utility to curtail the customer and in effect sell the power that otherwise would be taken by the customer in the wholesale market. (TR p.11, line 22 through p.12, line 15) The basic concept of Rider M is voluntary economic curtailment. It is not designed to ensure system reliability. A copy of the Rider M tariff is attached as Exhibit C to this Brief.

4. **The Brubaker Tariff Proposal:** Witness Brubaker developed the Brubaker tariff concepts proposal (the "Brubaker Tariff") during negotiations with U.E. as a compromise proposal. This proposal incorporated the mandatory right of the utility to curtail to protect reliability of the utility's system and, in addition, also certain economic curtailment provisions. This tariff proposal was submitted to U.E. as a compromise consistent with the requirement that the parties engage in good-faith negotiations as required by the provisions of the Stipulation.

U.E. declined to respond to the Brubaker proposal other than to dismiss the concepts embodied in the proposal as not being of interest to U.E. and to file with the Commission a radically different voluntary curtailment tariff based upon economic grounds. (Exhibit 1, Brubaker Direct Testimony, p.2, lines 1 through 25.) A copy of the Brubaker tariff proposal is attached as Exhibit D to this Brief.

Mr. Brubaker's tariff is described in detail in his Direct Testimony commencing on Page 4, line 1 through Page 13, line 2. In essence, the Brubaker Tariff was offered as a compromise tariff, which included mandatory curtailment provisions designed to enhance the reliability of the U.E. System and, in addition, in an effort to satisfy U.E.'s demands, included provisions granting U.E the right to effect certain economic curtailments (or a buy-through) during a so-called "high-cost period." Witness Brubaker testified on this subject as follows:

Q. PLEASE EXPLAIN THE ADDITIONAL INTERRUPTION RIGHTS WHICH INTERRUPTIBLE CUSTOMERS OFFERED TO UE.

A. Interruptible Customers have recognized that the economics of power in the wholesale market has changed dramatically over the last several years. Historically, utilities rarely experienced prices in excess of 10¢ per kilowatthour (\$100 per megawatthour) during system emergency conditions. Thus, prohibiting the utility from invoking an interruption simply because prices were higher than normal did not impose a significant burden on the utility. In today's market, however, much more extreme price spikes have been experienced. Interruptible Customers recognize this fact, and offered to UE to add to the tariff the right for UE to interrupt for economic reasons. Interruptible Customers suggested to UE that the tariff be modified to allow interruptions for up to 60 hours per calendar year during "high cost periods," which were defined as periods when the incremental cost of generating or purchasing power would be in excess of \$500 per megawatthour. (Brubaker Direct Testimony, p.5, line 10 through line 23)

All the MEG Interruptibles received service from U.E on the original 10(M) Tariff or a similar predecessor tariff for many years. While taking service under these tariffs, in years prior to 2000, there were numerous interruptions ranging from three in one year to thirteen in another year (TR p.81, line 24 through p.82, line 11). The Rider M voluntary tariff offered by U.E was unusable by the MEG Interruptibles for reasons that included the lack of economic incentive to curtail production coupled with the likelihood of greater frequency of economic basis interruptions and the fact that pricing was determined solely by U.E.. Accordingly, the impact of elimination of the Rate 10(M) Tariff and moving to the firm rate of U.E was an annual increase in power cost to these customers of approximately \$2.4 million.

ARGUMENT

The basic issue to be decided in this case is a determination of whether the Commission should require U.E. to implement the Brubaker tariff proposal as an alternative interruptible rate. This requires, among other things, a determination by the Commission as to whether a utility should have the right to mandate curtailments by customers on interruptible tariffs for reliability purposes during times of system stress; or, in the alternative, whether the right to curtailment shall be at the option of the customer on a voluntary basis when requested by U.E on economic grounds (i.e. when extremely high wholesale prices for electric energy occur during peak usage periods).

I. SYSTEM RELIABILITY SHOULD BE THE PRIMARY CONCERN IN DESIGNING A CURTAILMENT TARIFF

The MEG Interruptibles propose that an alternative interruptible tariff be implemented which incorporates the concepts of the Brubaker Tariff. This tariff provides

for economic curtailments as demanded by U.E and also incorporates mandatory curtailments as required to protect the reliability of the U.E system during times of stress. As noted in Mr. Brubaker's testimony, the MEG Interruptibles would be willing to take service under the Brubaker Tariff and would have available for curtailment approximately 40 megawatts of power. No one in this case has contended that the former tariff 10(M) and the provisions of the Brubaker Tariff were unworkable. To the contrary, in past years there have been a number of interruptions as a result of curtailments mandated by U.E under the terms of Rate 10(M). Clearly, the mandatory curtailment provisions of 10(M) and as incorporated in the Brubaker Tariff would be effective in reducing load by approximately 40 megawatts at times of stress. There is not a shred of evidence to the contrary in this case. Clearly, the Brubaker concepts and Rate 10(M) Tariffs were effective in two respects. First, they permitted enhancement of reliability of the U.E system and second, they reduced the necessity for construction of new generation. It is abundantly clear from past history and the record in this case that mandatory curtailment tariffs are a benefit to the utility and all of its customers. It is puzzling to the MEG Interruptibles as to why U.E insists on risking system reliability by demanding elimination of mandatory curtailment tariffs.

II. UNION ELECTRIC HAS A SHORTAGE OF CAPACITY

It is even more puzzling to the MEG Interruptibles when one takes into account the fact that it is apparent that U.E has a significant capacity shortage at this time as noted by Mr. Brubaker in his undisputed surrebuttal testimony.

Q BEFORE ADDRESSING THE SPECIFIC DETAILS OF THESE
TWO TESTIMONIES, DO YOU HAVE ANY GENERAL
COMMENTS OR OBSERVATIONS?

- A. I believe it is important that several things be kept in mind. First, it is not uncommon for a utility to offer several varieties of interruptible rates – including rates that provide for interruptions to be based on utility system reliability considerations (like Rate 10M), as well as rates that are geared to economic conditions (like Riders L and M). Second, it should be noted that neither UE nor Staff has alleged that Rate 10M was ineffective in providing UE with load reductions at times when UE determined that it was facing a potential reliability problem. Finally, it should be noted that UE has recently stated that it is short of capacity to serve its current native load. Re-instituting a form of rate like I have proposed would give UE an additional 40 megawatts of load for which it would not have to plan capacity, thereby helping to alleviate this capacity inadequacy.

In Case No. EM-2001-233, U.E is presently seeking to transfer approximately 500 megawatts of capacity from its Illinois jurisdiction to Missouri in order to at least partially alleviate this capacity shortage. In this connection we note that U.E witness Kovach testified that Illinois presently has in place a mandatory curtailment tariff similar to the former Rate 10(M), (TR p.122, line 21). Accordingly, our Illinois neighbors have a benefit that U.E is denying to its Missouri customers.

The record in this case is very clear. U.E has a significant capacity shortage which we submit mandates giving serious consideration to implementing a mandatory curtailment type tariff with an appropriate benefit to the customers taking service under that tariff.

It is important to note that Mr. Craig Nelson, a U.E Vice President, has testified that at certain times of high demand there may not be power available at any price. Mr. Kovach read into the record in this case Mr. Nelson's testimony in Case No. EM-2001-233 as follows:

- Q. Thank you, Mr. Kovach. I'd like to refer you to page 12 of Mr. Nelson's testimony, beginning at line 15 and concluding at line 23?

A. I read it.

Q. Would you read that into the record for us, please?

A. Beginning with line 15?

Q. Please.

A. Question, Are there reasons to plan for reserve margins in the 17 to 20 percent range?

Answer, Planning reserve margins as low as 15 percent may be acceptable under perfect planning in a, quote, normal, unquote, market where market energy prices do not exceed 100 to \$200 per megawatt hour.

However, in a highly volatile market where prices may swing to the \$5,000 per megawatt hour range as they did in the 1998 and 1999 summer periods, unexpected unit outages can result in very significant energy costs for electric utilities and their customers. Even worse for customers, power may not be available at any price during periods of high demand. Therefore, reserve margins in the 17 to 20 percent range further cushion customers from non-normal, and non-normal is in quotes, market conditions. (TR p.112, line 16 through p.113, line 16) (emphasis added)

Taking into account the capacity shortage and the inability at certain times to purchase power at any price, we submit that the record in this case overwhelmingly supports the position of the MEG Interruptibles. If we are to avoid the brown-outs and interruptions that are occurring in California and other places in this country, it is important that reliability of the U.E system be protected. The proposal of the MEG Interruptibles accomplishes this and enhances reliability of the U.E system. There is no evidence in the record to the contrary.

Witness Brubaker confirmed the basis and reasonableness of the interruptible credit provided in Rate 10M and the Brubaker Tariff, as follows:

Q. WHAT IS THE RELATIONSHIP BETWEEN THE FIRM RATE AND THE INTERRUPTIBLE RATE?

A. The energy charges are the same for both the firm and the interruptible service. The demand charge is lower for interruptible service. Specifically, the demand charge applicable to interruptible service is 50% of the demand charge applicable to firm service.

Q. IS THIS A TYPICAL RELATIONSHIP?

A. Yes. The most typical structure is that the energy charge for the interruptible rate is the same as the energy charge for the firm rate, and the demand charge for interruptible service is a reduced value. This reduced charge for the demand component of the interruptible rate, as compared to the demand component of the firm rate, recognizes that there is no generation capacity investment made to serve interruptible customers. Rather, the level of the demand charge for interruptible service is set to recover the delivery service costs, plus make a reasonable contribution to the recovery of fixed costs associated with generation.

This contribution is used to reduce the rates charged to firm customers. By charging some amount of demand charge to interruptible customers, a positive contribution is made, which recognizes the lower quality of service to interruptible customers; and at the same time permits the rates charged to firm service customers to be lower.

Q. HOW LONG HAS THE STRUCTURE OF RATE 10M BEEN LIKE THIS?

A. To the best of my knowledge, it has been like this for over 25 years.

Q. WHAT IS THE DIFFERENCE IN THE DEMAND CHARGES BETWEEN FIRM SERVICE AND INTERRUPTIBLE SERVICE?

A. On an annual basis, the difference is \$60 per kilowatt. This averages to approximately \$5 per kilowatt-month.

Q. IS THERE ANY INDEPENDENT WAY TO CONFIRM THE REASONABLENESS OF THIS CREDIT OR DIFFERENTIAL?

A. Sometimes, the reasonableness of the interruptible credit is measured by the cost of installing a combustion turbine peaking unit, on the theory that a combustion turbine peaking unit would need to be installed if the interruptible service were not available.

In this light, the combustion turbine peaking units that UE is currently installing have a capital cost of approximately \$400 per kilowatt. A carrying charge rate (to recover cost of capital and depreciation) of between 15% and 20% would produce a credit of between \$60 per kilowatt-year and \$80 per kilowatt-year. Accordingly, the interruptible credit that was contained in Rate 10M was, and is, perfectly reasonable. (Brubaker Direct Testimony p.10, line 8 through p.11, line 21)

III. THE UNION ELECTRIC PROPOSALS EFFECTIVELY DEREGULATE THE SALE OF CURTAILED CUSTOMER POWER

For whatever reason, it is abundantly clear that U.E is mainly opposed to implementing a mandatory curtailment tariff that would enhance the reliability of the U.E system. In this connection, we note that under the most recent curtailment tariff placed in effect, Rate M, it is possible for U.E during terms of high-cost energy prices to acquire customer power and in effect resell it in the wholesale market for a substantially higher price and, thus realize significant profit from this activity. This was admitted by U.E witness Kovach in response to questioning by Chair Lumpe when Mr. Kovach testified as follows:

QUESTIONS BY CHAIR LUMPE

- Q. Let me ask one more. In the opening statement this morning, the comment was made that UE is shifting from reliability to an economic measure. In other words, more interested in off-system sales then [sic] in reliability. Would you care to comment on that?
- A. I wouldn't say we're shifting. What we're really doing is our interest in reliability for our customers is the same as it always was. We do intend to provide firm service to the customers in our service territory, those that want firm service.

But as I said before, the old tariff was overly restrictive and did not give us the opportunity to take advantage of some market opportunities that are out there now. And it also allows us to offer – make offerings to customers. Customers benefit when we can offer to pay them for curtailments. And as I say, these two new riders, we picked up over 100 customers. And those customers are enjoying the benefits of our additional flexibility to reflect market prices and what we offer them. (emphasis added) (TR p.120, line 21 through p.121, line 18)

This subject was also discussed by Mr. Brubaker and responses to questions from Chair Lumpe, who testified as follows:

QUESTIONS BY CHAIR LUMPE:

Q. Mr. Brubaker, the current tariffs, Rider L, Rider M, are they unjust?

A. I wouldn't say that they are unjust. I would say they are entirely different from the reliability based rate 10M, and they certainly don't seem to be usable by the customers who provided the reliability interruptions under 10M.

Q. And one of the questions I did ask was about the shift from reliability to an economic issue, specifically off-system sales. Did you wish to address that?

A. Well, I think that's exactly where the company is coming from of taking opportunities to market power and the off-system market to other utilities or to other suppliers at prices that are available on a daily basis. When, in fact, that was not something they could do previously.

And my observations on Rider L is that the prices offered under Rider L were only a fraction of what the market prices were. So that gave the company an opportunity to reap significant rewards without really sharing them particularly with the customer.

Q. And your proposed Rider M – if I get the right alphabet here – did you not or was it not stated that you would be supplying both reliability and also the ability to do off-system sales?

A. "Yes. The other thing I'd like to respond there is to point out that the problem with – one of the problems with economic only interruption approach, is that customers may not be willing to curtail. As the company's own testimony in another case pointed

out, there are some times when you can't just go out and buy power in the market. It's just not there for reliability purposes.

L and M are strictly voluntary. The 10M, I'll call it 10M. It's 10M modified, that I've proposed, as you suggest, does have economic overlay on to the reliability interruptions, which is to the clear benefit of the utility because it allows them not to supply power when the market prices get to be extremely high. So we did recognize that in our tariff proposal. We think that added significant benefit from the company's prospective." (TR p.129, line 7 through p.131, line 2)

Furthermore, under Rider M, the pricing for curtailed power is determined solely by U.E. without Commission oversight or regulation.

The evidence in this case speaks for itself and overwhelmingly is in support of implementation of a tariff with significant protection for the reliability of the U.E system. There is no substantial evidence of any consequence that denigrates the position of the MEG Interruptibles. We submit, that under the present regulatory scheme in the state of Missouri, preservation of reliability of the system is a critically important matter and the Commission now has opportunity to take the appropriate steps to re-institute a proper tariff protective of the concerns of all citizens.

IV. **THE COMMISSION HAS ALL NECESSARY AUTHORITY TO IMPLEMENT THE BRUBAKER TARIFF**

This case was instituted in accordance with a Settlement Stipulation entered into on April 30, 1999 in Case No. EO-96-15. The Public Service Commission approved this Stipulation without qualification by Order entered on November 18, 1999. Paragraph 3 of numbered paragraph 4 to said Stipulation and Agreement states:

No party to this agreement will object on procedural grounds, to an application filed by any other party to initiate a docket for consideration by the Commission of an additional alternative rate option for interruptible customers, to be available no sooner than June 1, 2000.

Any contention that the Commission does not have the jurisdiction, authority, or willingness to hear this case and require implementation of an alternative interruptible tariff, after having approved the language of the Stipulation and Agreement, would render the right to initiate a case impotent.

In any event, the powers of the Public Service Commission are conferred upon it by the Public Service Commission Act, Section 386.010 et seq., R.S.Mo. [1994]. In addition to the express powers granted the Commission, the Commission's jurisdiction, supervision, powers, and duties shall also extend to many implied powers necessary to carry out its duties. Section 386.250.7, R.S.Mo. Missouri courts have held that the Commission is also vested with "all other powers necessary and proper to carry out fully and effectually all such powers so delegated, and necessary to give full effect to the act." State ex rel Public Service Commission et al. v. Padberg, 346 Mo. 1133, 145 S.W.2d 150, 151 (banc 1940); State ex re. Pitcairn v. Public Service Commission, 111 S.W.2d 982, 986 (Mo.App.1937) and the Public Service Commission itself recently stated in GS Technology Operating Company, Inc. v. Kansas City Power & Light Company Docket No., EC-99-553 MoPSC, Report and Order, effective July 25, 2000 (Rehearing Denied August 8, 2000) that the Public Service Commission Act is subject to liberal construction.

The Public Service Commission continues to be given wide latitude by the courts in interpreting its powers and duties. In State ex rel. Laclede Gas Co. v. Public Service Commission, the Court of Appeals held that the Commission has the power to "grant interim rate increases within the broad discretion implied from the Missouri file and suspend statutes and from the practical requirements of utility regulation. 535 S.W.2d

561, 567 (Mo.App. 1976). The Court also stated that the Public Service Commission confers "a large area of discretion to the Commission in the exercise of its powers . . ." Id. at 568 and that this primary discretion has been liberally recognized by the courts. Id. It would surely follow that practical requirements of utility regulation would also allow the Commission to implement any rate tariff which it felt accurately and adequately reimbursed a utility for service provided to its customers. In fact, this power of the Commission was confirmed within three years of the first inception of the Public Service Commission Act. In State ex rel. Watts Engineering Co. v. Public Service Commission, the city of Columbia, Missouri, filed a complaint against Watts, a seller of gas in the city, alleging that the company's rates were unreasonable, 269 Mo. 525, 191 S.W. 412 (banc 1916). The Public Service Commission ordered that a test rate be implemented to determine the reasonableness of the utility's rates. The utility appealed this order in Watts, ultimately to the Missouri Supreme Court. The en banc court sustained the Commission and stated: "The fixing of rates is a delicate and vital subject, when both the public interest and the interest of the public service corporations are considered. These corporations should not be crushed by the fixing of inadequate rates, nor should the public be imposed upon by arbitrary business methods adopted by such corporations, which would increase rates." See Watts at 414. In the instant case, the Missouri Supreme Court's very concern in Watts is being realized—the interruptible industrial customers are being imposed upon by arbitrary business methods being adopted by U.E which would increase their rates, which would endanger system reliability. In addition, the Commission's wide authority certainly extends to matters such as this. As the Missouri Supreme Court further stated in Watts: "[t]o say that the Public Service

Commission cannot, under the showing made in this case, make an order putting in a test rate as in this case, would be to sap the very vitals of the Public Service Act.” Id. at 415. The Watts case is still good law and continues to be cited when the courts are analyzing the Commission’s authority to implement interim test or experimental rates. See Laclede, 535 S.W.2d at 574 n. 1.

The Commission is directed by statute to supervise electrical corporations. Section 393.140 R.S.Mo. Additionally, the Commission has the authority to prescribe any rates that it considers just and reasonable—including the proposed Brubaker Tariff:

“Whenever the commission shall be of the opinion, after a hearing had upon its own motion or upon complaint, that the rates or charges or the acts or regulations of any such persons or corporations are unjust, unreasonable, unjustly discriminatory or unduly preferential or in any wise in violation of any provision of law, **the commission shall determine and prescribe the just and reasonable rates and charges thereafter to be in force for the service to be furnished, notwithstanding that a higher rate or charge has heretofore been authorized by statute . . .**” (emphasis added). 393.140.5

The Missouri Supreme Court reiterated that the Missouri Public Service Commission had such jurisdiction in May Department Stores Co. v. Union Electric Light & Power Co.:

“The Missouri Public Service Commission has exclusive jurisdiction to establish public utility rates and may do so either by approval of rate schedules filed with it or by order after investigation or hearing.” 341 Mo. 299 at 331, 107 S.W.2d 41 (1937) It therefore follows that the Commission has authority to order the Brubaker Tariff to be implemented after an investigation or hearing.

CONCLUSION

The MEG Interruptibles respectfully request that the Commission enter its order implementing an alternative interruptible tariff incorporating the interruptible rate concepts proposed by Maurice Brubaker and set forth in Exhibit D to this Brief at the earliest possible date. The MEG Interruptibles have agreed to take service under such a tariff.

Dated: January 23, 2001

Respectfully submitted,



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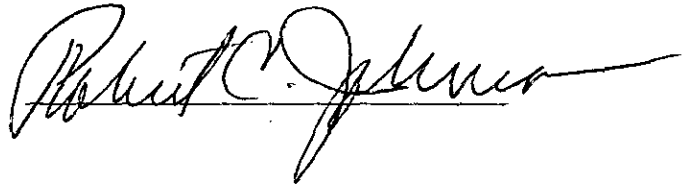
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CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that a true and correct copy of the foregoing has been mailed or hand-delivered to the following on this 23rd day of January 2001.

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

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
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January 23, 2001

Mr. Dale Hardy Roberts
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Jefferson City, MO 65102-0360

Re: Case No.: EO-2000—580

Dear Mr. Roberts:

Enclosed for filing on behalf of the MEG Interruptibles, Holnam, Inc., et al, are an original and eight (8) copies of the Initial Brief in the above matter. I will appreciate your bringing this filing to the attention of the Commission.

Thank you for your attention to this matter.

Yours very truly,



Robert C. Johnson

RCJ/gmw
Enclosures
cc: All Counsel of Record

APPLYING TO

MISSOURI SERVICE AREA

SERVICE CLASSIFICATION NO. 10 (M)

INTERRUPTIBLE POWER RATE

*RATE OF LIMITED APPLICATION (See Note)

Missouri Public
Service Commission

REC'D MAR 23 2000

1. General. Interruptible Power is available, subject to the conditions of this Service Classification, for the exclusive supply of customers whose curtailable loads equal or exceed 10,000 kilowatts of interruptible power and have operating characteristics which permit, without delay, interruption of the supply of service for indefinite periods of time. Customers who were served under an Interruptible Rate on and after December 28, 1983, by a former Union Electric Company subsidiary and customers served under a combination of interruptible Riders O and S as of August 21, 1994 may receive service under this Service Classification irrespective of their level of curtailable kilowatts. Company shall have the right to limit the aggregate amount of Interruptible Power available to an amount appropriate to its operating requirements. This limitation is currently 100,000 kilowatts in Missouri.

Where customer's operation requires an amount of power during periods of curtailment of Interruptible Power, customer may contract for an amount of power in kilowatts to be known as Assurance Power.

Service will be furnished in the form of three-phase, 60 Hz power, to be metered at a suitable point near the boundary of customer's property.

2. Supply Facilities. Customer shall pay the total installed cost of any transmission or distribution facilities initially utilized for the delivery of electric service to said customer and any subsequent replacements required thereof. Such costs shall include the entire circuit and related facilities from the metering point back to the point on Company's system where adequate capacity exists to provide for customer's requirements. The total installed cost of such facilities shall include labor, materials, easements, rights-of-way and other expenditures incident to the installation of facilities for the delivery of electric service to customer's premises including any applicable overheads. Customer shall also pay each month an amount equal to 0.4% of the total installed cost of such lines for maintenance of such facilities. Ownership, including easements and rights-of-way, will be vested permanently in the Company. If these facilities utilized have capacity in excess of that necessary to supply customer's initial contract requirements, Company may utilize the excess capacity for other purposes and in such event the cost and charges specified above shall be prorated. Such costs will also be reduced in proportion to the amount of Assurance Power to the customer's total requirements.

*Indicates Addition

(NOTE: The applicability of this Service Classification is limited to those interruptible accounts receiving service under herein, as of 11/30/99.)

Missouri Public
Service Commission96-149
FILED MAR 30 2000

Issued Pursuant to the Order of the Mo. P.S.C. in Case Nos. EM-98-149 and EO-98-15.

P.S.C. Mo. DATE OF ISSUE

March 23, 2000

DATE EFFECTIVE

March 30, 2000

ISSUED BY

Charles W. Mueller

President & CEO

St. Louis, Missouri

NAME OF OFFICER

TITLE

ADDRESS

UNION ELECTRIC COMPANY

ELECTRIC SERVICE

P. S. C. MO., ILL. C. C., IA. ST. C. C. SCHEDULE NO. 5

20th Revised

SHEET NO. 63

CANCELLING SCHEDULE NO. 5

19th Revised

SHEET NO. 63

APPLYING TO

MISSOURI SERVICE AREA

SERVICE CLASSIFICATION NO. 10(M)

INTERRUPTIBLE POWER RATE (Con't)

**RATE OF LIMITED APPLICATION

Missouri Public
Service Commission

REC'D MAR 23 2000

2. Supply Facilities (Cont'd.). Customer will, at its own expense, install and maintain, on its own premises, all lines, substation and utilization equipment for the proper use and control of the electric service supplied by the Company. If requested by Company, customer will also, at its own expense, provide suitable relays and signal system on its premises to operate the circuit breakers on the circuits supplying the Interruptible Power, such relays and signals to be arranged for automatic or remote control by Company's Load Dispatcher. Company will, at customer's expense, supply the control circuits to customer's premises to effect energizing of the relay system. Equipment installed for this purpose by customer shall be approved by Company's engineers and Company shall at all reasonable times be permitted free access to customer's premises for inspection of equipment and checking its operation.

*3. Rate Based on Monthly Meter Readings

Customer Charge

\$ 210.00 per month

Energy Charge:

Summer (1)Winter (2)

All kWh

2.61¢ per kWh

2.31¢ per kWh

Demand Charge:

Assurance Power (3)

All kW

\$15.67 per kW

\$7.11 per kW

Interruptible Power (4)

All kW

\$ 7.835 per kW

\$3.555 per kW

Reactive Charge (5):

24¢ per kVar

24¢ per kVar

Optional Time-of-Day Adjustments

Additional Customer Charge - (All Months)

\$14.00 per month

Energy Adjustment (Cents per kWh)

On-Peak
Hours (6)Off-Peak
Hours (6)

Summer (June-September billing periods)

+0.45¢

-0.25¢

Winter (October-May billing periods)

+0.20¢

-0.11¢

- (1) Applicable during 4 monthly billing periods of June through September.

*Indicates Change

**Indicates Addition

Missouri Public
Service Commission

FILED MAR 30 2000

Issued Pursuant to the Order of the Mo.P.S.C. in Case Nos. EM-96-149 and EO-96-15.

P.S.C. Mo. DATE OF ISSUE

March 23, 2000

DATE EFFECTIVE

March 30, 2000

ISSUED BY

Charles W. Mueller

President & CEO

St. Louis, Missouri

NAME OF OFFICER

TITLE

ADDRESS

APPLYING TO

MISSOURI SERVICE AREA

SERVICE CLASSIFICATION NO. 10 (M)

INTERRUPTIBLE POWER RATE (Continued)

*RATE OF LIMITED APPLICATION

Missouri Public
Service Commission

REC'D MAR 23 2000

- (2) Applicable during 8 monthly billing periods of October through May.
- (3) The kilowatts to be billed as Assurance Power in any month will be the higher of (a) the Assurance Power previously established by contract, or (b) the maximum demand in kilowatts during any period within the prior 12 months in which Company has notified customer to curtail load.
- (4) The kilowatts to be billed as Interruptible Power in any month will be (a) the highest demand established during peak hours minus the Assurance Power Demand or (b) 50% of the difference between the highest demand established during off-peak hours and the Assurance Power Demand, whichever is greater. The Interruptible Power demand charge will be calculated at the appropriate demand step after the initial billing of the kilowatts of Assurance Power.

On-peak hours - - - 10:00 A.M. to 10:00 P.M., Monday through Friday.

Off-peak hours - - All other hours including the entire 24 hours of the following days:

New Year's Day	Independence Day	Thanksgiving Friday
Good Friday	Labor Day	Christmas Eve Day
Memorial Day	Thanksgiving Day	Christmas Day

All times stated above apply to the local effective time.

Where Company supplies service at 34.5 kV or higher the appropriate adjustments under Rider B will apply to the energy and Assurance Power Demand.

- (5) The reactive kilovars to be billed in any month shall be the kilovars by which the customer's average metered kilovars exceed the customer's kilovars at an average power factor of 90% lagging during the billing period. Such average kilovar billing units shall be determined in accordance with the

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96-149

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ISSUED BY	Charles W. Mueller	President & CEO	St. Louis, Missouri	
	NAME OF OFFICER	TITLE	ADDRESS	

APPLYING TO

MISSOURI SERVICE AREA

SERVICE CLASSIFICATION NO. 10(M)

INTERRUPTIBLE POWER RATE (Cont'd)

*RATE OF LIMITED APPLICATION

Missouri Public
Service Commission

REC'D MAR 23 2000

(5) (cont'd.)

following formula:

$$kVar = \frac{(kVarh}{kWh} - 0.4843)(kW)$$

where:

kVar	=	kilovar billing units
kVarh	=	metered kilovarhours
kWh	=	metered kilowatt hours
kW	=	metered kilowatts
0.4843	=	kilovar requirement at 90% lagging power factor

(6) On-peak and off-peak hours applicable herein shall be as specified within this service classification.

4. Optional Time-of-Day (TOD) Service. Applicable at customer's option for all Interruptible Service usage, subject to the following provisions:

- A. Customer will be transferred to this TOD rate option effective with TOD meter installation and transferred from this TOD rate option to the applicable non-TOD rate after the meter is removed.
- B. Customer electing this TOD option, shall remain on said option for a minimum period of twelve (12) months, provided however, that customer may discontinue this option within the first ninety (90) days thereunder subject to the continued payment of the TOD customer charge, in lieu of any other customer charge, for the full twelve (12) month term of this option.
- C. Any customer canceling this TOD option cannot thereafter resume billing under said option for a period of one year following the last billing period on the TOD option.

5. Minimum Monthly Charge. The minimum monthly charge hereunder will be sum of the Customer Charge, the applicable Energy Charge for all kilowatthours consumed, the Assurance Power Demand Charge, the Interruptible Power Demand Charge and any supply facility charges referred to in paragraph (2.) above.

6. Curtailment of Service. Interruptible Power may be curtailed or interrupted when it is anticipated that the Company's annual system peak will be established or whenever in Company's judgment, such

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APPLYING TO

MISSOURI SERVICE AREA

SERVICE CLASSIFICATION NO. 10 (M)
 INTERRUPTIBLE POWER RATE (Continued)
 *RATE OF LIMITED APPLICATION

REC'D MAR 23 2000

6. Curtailment of Service (cont'd.)

power is required to a) maintain a firm power supply to the Company's non-interruptible customers; b) meet contractual obligations for the delivery of firm power to other utilities; c) maintain water elevation levels at Company's hydro plants consistent with the preservation of desired system reliability levels and applicable regulatory operating requirements; or d) prevent jeopardizing the Company's interconnected generation and transmission system. Notwithstanding the above, Company will, based on system operating conditions, endeavor to obtain temporary power (capacity only or both capacity and energy) to meet requirements a) through d) above.

Company may curtail or interrupt service in either of two ways:

- a) Where the need for curtailment of Interruptible Power may be anticipated in advance, Company will notify customers by telephone of the time such curtailment shall be effected. Company shall endeavor to give customer as much advance notice as is practical under the circumstances.
- b) Where an emergency occurs in the operation of Company's system which requires immediate disconnection of Interruptible Power to meet its obligations to others, Company may effect such disconnection by telephone notice, or by initiating operation of automatic signals and relays referred to in paragraph (2.) hereof.

Assurance Power shall be exempt from customer's requirement to curtail or completely interrupt operations.

7. Resale of Service. Customer may not sell or otherwise dispose of any part of the electric service supplied.
8. Relief of Liability. Customer will assume responsibility for, and will save Company harmless from all actions, causes of action, suits, claims and demands whatsoever in law or equity, for injuries to persons (including employees of customer), damages to property, or losses, directly or indirectly caused or claimed to be caused by the acts of negligence of customer, its licensees, invitees, agents, servants, or others, or by the use, interruption or imperfection of electric service supplied by Company, or by the curtailment or disconnection of electric service or by any mistake in judgment or act or omission by Company, or from any other cause, occurring or sustained on property owned or controlled by customer.

*Indicates Addition

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APPLYING TO

MISSOURI SERVICE AREA

SERVICE CLASSIFICATION NO. 10(M)
INTERRUPTIBLE POWER RATE (Cont'd.)

*RATE OF LIMITED APPLICATION

Missouri Public
Service Commission
REC'D MAR 23 2000

9. Term. Initial term of five (5) years, extending thereafter until terminated by twelve (12) months' advance notice given by either party.
10. General Rules and Regulations. Except as provided by the above specific rules and regulations, all of Company's General Rules and Regulations shall apply to service supplied under this rate.
- *11. Termination of Service Classification No. 10(M) - Pursuant to the Order of the Commission in Case No. EO-96-15, this Service Classification No. 10(M) will continue to be available to existing (as of 11/30/99) interruptible accounts through their May 2000 billing period. Commencing with their June 2000 billing period and thereafter, such accounts will be transferred to other then existing service classifications and riders for which they qualify, and which are applicable to the nature of the electric service they are being provided.

*Indicates Addition

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ISSUED BY	Charles W. Mueller	President & CEO	St. Louis, Missouri
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UNION ELECTRIC COMPANY

ELECTRIC SERVICE

P. S. C. MO., ILL. C. C., IA. ST. C. C. SCHEDULE NO. 5 4th Revised SHEET NO. 116
 CANCELLING SCHEDULE NO. 5 3rd Revised SHEET NO. 116

APPLYING TO

MISSOURI SERVICE AREA

RIDER LVOLUNTARY CURTAILMENT RIDER**PURPOSE:**

The purpose of this Rider is to provide credits to customers who, at Company's request, voluntarily curtail (interrupt and/or displace) electrical usage normally served by Company.

APPLICABILITY:

This Rider is applicable to and is to be used in conjunction with the Company's Electric Service Classifications 3(M) Large General Service Rate, 4(M) Small Primary Service Rate, or 11(M) Large Primary Service Rate. All of the provisions of the above referenced Service Classifications and the Company's General Rules and Regulations shall apply, except as modified by this Rider. This Rider may not be used in conjunction with the Company's Rider G - Curtailable Power Project.

*The applicability of this Rider is limited to customers receiving service under the above referenced Service Classifications who voluntarily agree to curtail an average of 500 kWh per hour at a single premises during specified hours upon request by Company.

Applicants for this Rider must provide the Company with an acceptable action plan for complying with the provisions of the Rider.

NOTIFICATION:

Standard notification of the declaration of a Voluntary Curtailment Period shall be by telephone facsimile (FAX). Additionally, at the Company's sole discretion, said notification may be supplemented with contact by telephone, pager, or E-mail. All notifications shall be subject to the following:

1. By 8:00 A.M. the day prior to said period. Notification for Voluntary Curtailment Periods for weekends and holidays (as defined in Service Classification No. 4(M)), days after holidays, and Mondays and will be made by 8:00 A.M. on the last business day prior to the Voluntary Curtailment Period and/or;
2. By 8:00 A.M. the morning of the day of said period.

The Company will endeavor to provide customers as much advance notice as possible with regard to said Notifications. The Notification shall, at a minimum, contain the time the Voluntary Curtailment Period is to begin, the duration of the Voluntary Curtailment Period, and the Price(s) per kWh that the Company will apply to a customer's Curtailment kWh during the various Pricing Periods within the Voluntary Curtailment Period.

*To be eligible for Credits for a Voluntary Curtailment Period, the Customer must confirm to Company, by responding on Company's Voluntary Curtailment internet site before 10:00 AM on the day that Notification was given, that the customer intends to participate and the level of load the Company can expect

*Indicates Change

P. S. C. Mo. DATE OF ISSUE March 10, 2000 DATE EFFECTIVE April 10, 2000
 ISSUED BY C. W. Mueller President & CEO St. Louis, Missouri
 NAME OF OFFICER TITLE ADDRESS

UNION ELECTRIC COMPANY

ELECTRIC SERVICE

P. S. C. MO., ILL. C. C., IA. ST. C. C. SCHEDULE NO. 5 1st Revised SHEET NO. 116.1
CANCELLING SCHEDULE NO. 5 Original SHEET NO. 116.1

APPLYING TO MISSOURI SERVICE AREA

RIDER L
VOLUNTARY CURTAILMENT RIDER

the Customer to curtail for each Price Period within the Voluntary Curtailment Period. Customer's failure to respond shall be considered by Company as a response that the customer does not intend to participate during that Voluntary Curtailment Period.

*Customers who, on three consecutive occasions, do not acknowledge receipt of the Notification or who do not voluntarily curtail, at minimum, an average of 500 kWh per hour at a single premises during specified hours upon request by Company will be considered in default of the Rider. The Company will eliminate such Customers from further participation under this Rider with thirty (30) days written notice.

ADDITIONAL METERING:

*Service under this Rider requires the use of interval time sensitive electronic load profile metering at each meter location, not considered standard by Company under some rate classifications. When required, the customer shall pay a monthly fee of \$21 for each electronic load profile meter installed for the application and billing of this Rider. The Company may, at customer's expense, require additional communication equipment for administration of this Rider.

CURTAILMENT KILOWATTHOUR DETERMINATION:

Company will determine the Curtailment kWh for each Price Period hour within a Voluntary Curtailment Period for each customer premises using the following methodology:

*Curtailment kWh per Hour = Average Hourly Demand for Equivalent Period Minus Actual Average Hourly Demand for the Price Period.

Time Interval: The Time Interval for calculating the Curtailment kWh will be the difference between the beginning and ending time, as identified by the Company for each Price Period, for both the "Equivalent Period(s)" and the actual Price Period(s) within that billing period.

*Equivalent Period(s): The average demand per hour occurring during the same hours as the Curtailment Period for the prior fifteen non-curtailed, non-holiday weekdays will be used as the Equivalent Periods. Exceptions to this will be used if the actual day of the curtailment is not a typical peak weekday, such as a weekend day, holiday, or day when other events would have influenced usage patterns. For such exceptions, the Equivalent Periods will be those determined by the Company as the most representative of the period of the curtailment.

*Indicates Change

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ISSUED BY C. W. Mueller President & CEO St. Louis, Missouri
NAME OF OFFICER TITLE ADDRESS

UNION ELECTRIC COMPANY

ELECTRIC SERVICE

P. S. C. MO., ILL. C. C., IA. ST. C. C. SCHEDULE NO. 5 1st Revised SHEET NO. 116.2
CANCELLING SCHEDULE NO. 5 Original SHEET NO. 116.2

APPLYING TO

MISSOURI SERVICE AREA

RIDER 1VOLUNTARY CURTAILMENT RIDER

CREDITS:

$$\text{*Credit} = [\text{Curtailment kWh per hour}] \times [\text{Price quoted by Company for that Price Period Hour}]$$

*The Credit calculated for electric service at a premises will be the sum of the individual Credits for each Voluntary Curtailment Period during the billing period in which the curtailment occurred. Such Credits will be paid to customer by check or at the Company's option, by credit being applied to the bill for the period in which the request for voluntary curtailment(s) occurred.

TERMS AND CONDITIONS:

Company shall have no liability to a customer or to any other person, firm, or corporation for any loss, damage, or injury by reason of non-delivery of electric energy during any Voluntary Curtailment Period as provided herein.

The Company shall not be liable for the cost of fuel, operation and maintenance expense or repairs resulting from a customer's use of its own electric generation during any Voluntary Curtailment Period.

Customer's generating equipment shall not be operated in parallel with Company's service except when such operation is approved by Company and permitted under a written agreement with Company.

Company assumes no responsibility for controlling the Customer's generation and/or shedding Customer's load.

The Company will not adjust or prorate a customer's billing demand applicable to a customer's standard Service Classification rate as a result of any voluntary curtailments under this Rider.

Any interruption, curtailment or reduction of electric service caused by, resulting from, or arising out of an unexpected occurrence shall not be deemed a Notification of a Voluntary Curtailment Period qualifying a customer for Credits under this Rider.

*After receipt of original executed contract from customer, service under this rider shall commence no later than fifteen (15) days after customer's interval meter load data becomes available. A copy of the executed contract shall be provided to the Commission's Manager of the Electric Department within ten days of execution for informational purposes.

*Indicates Change

P. S. C. MO. DATE OF ISSUE March 10, 2000 DATE EFFECTIVE April 10, 2000
ISSUED BY C. W. Mueller President & CEO St. Louis, Missouri
NAME OF OFFICER TITLE ADDRESS

APR 06 2000

EXHIBIT

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C

RIDER M
OPTION BASED CURTAILMENT RIDER

MO. PUBLIC SERVICE COMM.

1. PURPOSE

The purpose of this Rider is to provide customers the option to grant Company the right, but not the obligation, to call for curtailment of a certain level of customer's energy consumption, based upon various curtailment options and associated prices offered by Company, selected by customer, and specified by contract between customer and Company.

2. APPLICABILITY

This Rider is applicable to and is to be used in conjunction with the Company's Electric Service Classifications 4(M) - Small Primary Service Rate or 11(M) - Large Primary Service Rate. All of the provisions of such Service Classifications and the Company's General Rules and Regulations shall apply, except as modified by this Rider. Customers may elect to be served under this Rider and the Company's Rider L Voluntary Curtailment Rider. However, Company will specify in its notification of curtailment whether said curtailment is to be treated as Rider M or Rider L. If Customer receives both Rider M and Rider L notification of curtailment for the same day, then only the provisions of this Rider M will apply. Customers may not be served under this Rider and the Company's Rider G - Curtailable Power Project.

The applicability of this Rider is limited to customers receiving service under the above referenced Service Classifications and who agree to curtail their electrical use, upon notice by Company, by a minimum of 1,000 kilowatthours (kWh) per hour at a single premises, under the terms and conditions of this Rider and those specified by contract.

Applicants for this Rider must provide the Company with an acceptable action plan for complying with the provisions of the Rider.

3. OPTION PREMIUM PAYMENT

The Option Premiums offered by Company, for payment to customer under the provisions of this Rider, will be based upon projected power market prices for the forthcoming summer season and the curtailment options selected by customer. Due to market price volatility, the Option Premiums quoted under the provisions of this Rider will be time sensitive and subject to the conditions in existence at the time such Premiums are contracted for between Company and customer. However, all customers will be quoted the same Options Premium, per unit of load reduction, for the same selected customer options at the same point in time.

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MO. PUBLIC SERVICE COMM.

APR 06 2000

APPLYING TO

MISSOURI SERVICE AREA

RIDER M

MO. PUBLIC SERVICE COMM

OPTION BASED CURTAILMENT RIDER

The Option Premium Payment shall be based upon the following options selected by customer and contracted for with Company: a) curtailment Strike Price of either \$100, \$250, \$500, \$750, or \$1000 per megawatthour, b) allowed frequency of curtailments from one (1) to five (5) weekdays per week, and c) the curtailment interval duration of either eight (8) or sixteen (16) hours.

Said Option Premium Payment shall be paid to customer in four monthly installments (billing periods of June, July, August, and September), in consideration for the curtailment option provided by customer to Company under the provisions of this Rider.

4. STRIKE PRICE APPLICATION

For each kWh that the customer curtails, up to the level of curtailment called for by contract, Company shall pay customer the Contract Strike Price selected by customer. Such kWh shall be determined in accordance with the verification methodology set forth below. The total amount paid by Company under this provision shall be provided as a credit on the customer's bill, for the month during which the curtailment occurred, or paid by separate check, at the Company's discretion.

5. PASSTHROUGH MARKET PRICE

Should customer fail to reduce its kWh consumption by its contracted for level during any Company call for curtailment, customer shall pay Company a Passthrough Market Price for each kWh customer failed to curtail during any hour of the curtailment interval. Such kWh shortfall shall be determined in accordance with the verification methodology set forth below.

The Passthrough Market Price for each hour will be equal to the positive difference, if any, between (a) the Weighted Average Index Price for delivery to Cinergy as published in the Megawatt Daily "Trades for Standard 16-Hour Daily Products," (Daily Market Price) for the day the customer failed to curtail consumption, adjusted to account for the value difference between daily and hourly products by multiplying the Daily Market Price by the applicable hourly factor set forth below; and (b) the Contract Strike Price. The adjustment factor, based on such value difference, shall be as follows:

Hour Ending	Factor
700-1200	0.25
1300-1400	1.00
1500-1800	2.50
1900-2200	0.60

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MO. PUBLIC SERVICE COMM

P.S.C. No. DATE OF ISSUE April 6, 2000

DATE EFFECTIVE May 6, 2000

ISSUED BY Charles W. Mueller

President & CEO

St. Louis, Missouri

NAME OF OFFICER

TITLE

ADDRESS

APR 06 2000

RIDER M
OPTION BASED CURTAILMENT RIDER

MO. PUBLIC SERVICE COM.

6. CURTAILMENT NOTIFICATION

Company shall provide customer notice of its intent to exercise a curtailment option by facsimile, which, at Company's sole discretion, may be supplemented with contact by telephone, pager, or E-mail. The notice shall state the date and time that the curtailment shall commence, the required curtailment interval duration (Curtailment Period). Such notice shall be provided no later than 10:00 a.m. Central Prevailing Time (CPT) of the last business day immediately prior to the intended day of curtailment.

Curtailment interval durations of sixteen hours will commence at 6:00 a.m. CPT. Curtailments interval durations of eight hours will commence, at Company's sole discretion, between 6:00 a.m. CPT and 2:00 p.m. CPT. All referenced hours refer to clock hours.

7. VERIFICATION OF CUSTOMER COMPLIANCE

Customer compliance with Company's curtailment notice shall be determined based upon the average kilowatthours (kWh) consumed by the customer during each hour of the customer's Equivalent Period, as defined below, less the actual kilowatthours (kWh) consumed during each hour of the Curtailment Period. The calculation is expressed as the following formula:

Curtailment Kilowatthours (kWh) for each Curtailment Period Hour =

(Average Kilowatthours (kWh) for each Equivalent Period Hour)

Minus

[Actual Kilowatthours (kWh) for each Curtailment Period Hour]

For purposes of verification, customer's Equivalent Period shall be the same hours as those hours noticed for the Curtailment Period during the fifteen (15) non-curtailed, non-holiday weekday periods immediately prior to the date of notification. Company reserves the right to adjust Equivalent Period days for periods where usage during such days is not a typical peak weekday, such as a weekend day, holiday, or day when other events influenced usage patterns.

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MO. PUBLIC SERVICE COM.

P.S.C. Mo. DATE OF ISSUE April 6, 2000DATE EFFECTIVE May 6, 2000ISSUED BY Charles W. Mueller
NAME OF OFFICERPresident & CEO
TITLESt. Louis, Missouri
ADDRESS

APPLYING TO

MISSOURI SERVICE AREA

APR 06 2000

RIDER M

OPTION BASED CURTAILMENT RIDER

MO. PUBLIC SERVICE COMMISSION

8. BILLING DEMAND STANDARD

Company's exercise of its curtailment option under this Rider shall not result in any adjustment or prorating of the customer's billing demand determined in accordance with the provisions of Service Classifications 4(M) or 11(M).

9. ADDITIONAL METERING

Service under this Rider requires the use of interval time sensitive electronic load profile metering at each meter location, metering not considered standard by Company under some rate classifications. The customer shall pay a monthly fee of \$21 for each electronic load profile meter required solely for the application and billing of this Rider.

10. COMPANY AND CUSTOMER OBLIGATIONS

Company shall have no liability to a customer or to any other person, firm or corporation for any loss, damage or injury by reason of non-delivery of electric energy during any curtailment relative to Company's exercise of its Curtailment Option.

The customer's generating equipment, if any, shall not be operated in parallel with Company's service except when such operation is approved by Company and permitted under a separate written agreement with Company. Company assumes no responsibility for controlling the customer's generation and/or shedding the customer's load and shall not be liable for the cost of fuel, operation and maintenance expense or repairs resulting from a customer's use of its own electric generation during curtailments under this Rider.

The possibility of interruption, curtailment or reduction of electric service caused by, resulting from, or arising out of unexpected causes or occurrences shall not be deemed to be Company's exercise of any Curtailment Option entitling the customer to the payment of the Strike Price under this Rider.

11. Contract

Service under this Rider shall be evidenced by a contract between the customer and the Company, a copy of which shall be provided for informational purposes to the Commission's Manager of the Electric Department within ten days of execution.

The term of service under this Rider shall be customer's billing months that encompass the calendar months of June through September, within a customer's contract year.

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MO. PUBLIC SERVICE COMMISSION

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NAME OF OFFICERPresident & CEO
TITLESt. Louis, Missouri
ADDRESS

PROPOSED INTERRUPTIBLE RATE CONCEPTS
AmerenUE - (Missouri)

1. AmerenUE (UE) can interrupt for reliability purposes, consistent with the current tariff. UE may not interrupt simply because it anticipates the approach of a system peak.
2. The demand/energy structure of the rate, and the price relationship to the firm tariff, is maintained.
3. In addition to the reliability-based interruptions in paragraph 1, UE may, during not more than 60 hours per calendar year, declare a "high cost period." Such a period may be declared only if UE's anticipated incremental cost of generating or purchasing power exceeds \$500 per megawatthour (MWh). The customer has the right to curtail or to continue to purchase power during such periods.
4. UE will provide the customer with notice of the "high cost" period by not later than 8:00 AM on the preceding day. At such time, UE will provide the customer with its good faith best estimate of the incremental cost which will form the basis for the payment or credit.
 - a. The incremental cost amount quoted will be fixed, and not subject to later change.
 - b. The customer will have six hours to notify UE whether it intends to curtail or continue to purchase power. If the customer elects to purchase power, it will be charged a price equal to the quoted incremental cost, plus a mark-up of 1¢ per kilowatthour (kWh), for all kWh actually taken in excess of its assurance power demand.
 - c. If the customer elects to curtail, it shall advise UE of the level of demand to which it shall curtail, which may be equal to, greater than, or less than its assurance power demand level. The customer will receive a payment from UE equal to 90% of the quoted incremental cost times the number of kWh estimated to have been curtailed.
 - d. If the customer makes an election to curtail, but fails to curtail to the level indicated, it shall be subject to a penalty. The penalty will equal \$10 per kW times the difference between the committed curtailment and the actual average demand experienced during the curtailment period.
5. On-peak hours will be 10 AM - 8 PM, Monday through Friday.
6. Customer may change the level of its contracted Assurance Power Demand level with 90 day's notice. After a change has been made, no additional change may become effective sooner than 12 months following the date of change.
7. UE will maintain records supporting its good faith best estimate and the actual incremental cost. These records will be subject to review by the MPSC Staff and by the interruptible customers.