

*Missouri Public Service Commission*

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COMMISSIONER

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Via Facsimile ONLY 314-554-3066 and 317-249-5600

October 15, 2008

Mr. Thomas Voss  
President  
AmerenUE  
P.O. Box 66149  
St. Louis, MO 63166-6149

Mr. Graham Edwards  
President  
Midwest ISO  
P.O. Box 4202  
Carmel, IN 46082

Re: City of Hannibal/AmerenUE/MISO Congestions Charges

Gentlemen:

On October 10, 2008, the Hannibal Courier-Post published a story highlighting a potential dispute among the Hannibal Board of Public Works (BPW), AmerenUE and the Midwest ISO (MISO). The dispute involves a recent billing of congestion charges to the City of Hannibal of over \$435,000, which is nearly half of an entire month's revenues to the BPW. This is a significant charge that will have a direct impact on Hannibal's electric customers. I have attached a copy of that article for your review.

Please consider this letter as a formal inquiry into the dispute. I would ask that you each respond to the following questions. I would further request that your responses include only public information as it is my intention to share them with interested parties. Additionally, it is my understanding that this dispute does not involve any issues associated with AmerenUE's pending rate case, Case No. ER-2008-0318, but the results of this inquiry may be filed in that docket so that all parties are aware of this dispute and my communication among these parties. If a party believes that this dispute involves issues in the case, that party may raise its concern as it feels appropriate.

I would ask that you each respond to the following, if you have information responsive to the question:

1. The article describes the charges as being related to congestion costs incurred by AmerenUE from the Midwest ISO. Identify

Attachment 5

Attachment 6

the specifics of the charges involved in this dispute, the time period involved in the dispute and a description of how the charges were computed.


2. Identify the document, rule, statute or tariff, as well as the specific reference therein, which authorizes such charges to be levied against the Hannibal BPW. If other entities are similarly affected and if their identity is public information, please identify those other similarly affected parties.
3. It is my understanding that the BPW does not fit the description of a "market participant" that would normally be able to hedge the type of congestion charges referenced in the attached news article. Explain whether BPW or AmerenUE is responsible for hedging Midwest ISO congestion costs for BPW, and how that responsibility was determined. Explain why delivery of power from AmerenUE to BPW is subject to congestion cost risk rather than a fixed contractual rate for power.
4. What time period is covered by the bills in dispute? Did either entity err in computing the bills in dispute? Explain the type of error made in computing the bills in dispute and what was the cause of the error.
5. Identify the amount of the bill associated with the dispute or whether it remains under review. Please explain the methodology used to determine the alleged outstanding amount.
6. How many wholesale customers of AmerenUE are served through bi-lateral contracts such as the Hannibal BPW, the city of Kirkwood and others involved in this billing dispute? Are other bi-lateral contract customers of AmerenUE subject to similar types of congestion charges, or is the question of who bears the congestion charges a matter for negotiation between AmerenUE and the customer?
7. If you are alleging the BPW is required to pay an amount similar to the above-referenced \$435,000, please provide options in lessening the impact of these charges on BPW and their customers?

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Thank you very much for your assistance in this matter. Please advise if you have any questions or concerns.

Very truly yours,

  
Robert M. Clayton III, Commissioner  
Missouri PSC

Enclosure.

Cc: City Councilmen  
City Manager  
BPW General Manager  
Mayor  
Commissioners  
Commission Advisors