

July 29, 2002

VIA FEDERAL EXPRESS

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
Governor Office Building
200 Madison Street, Suite 100
Jefferson City, MO 65101



Re: In the matter of the Application of Union Electric Company
(d/b/a AmerenUE) for an Order Authorizing It to Withdraw
from the Midwest ISO to Participate in the Alliance RTO
Case No.EO-2001-684

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter are an original and eight (8)
copies of Union Electric Company's **Response to Staff's Response to UE's Motion
to Dismiss.**

Please kindly acknowledge receipt of this filing by stamping as filed a copy of this
letter and returning it to the undersigned in the enclosed, self-addressed, stamped
envelope.

Sincerely,

A handwritten signature in cursive script that reads "David B. Hennen".

David B. Hennen
Associate General Counsel

DBH:sew
enclosures
cc: Parties of Record

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the matter of the Application of Union)	
Electric Company (d/b/a AmerenUE) for an)	
Order Authorizing It to Withdraw from the)	Case No. EO-2001-684
Midwest ISO to Participate in the Alliance RTO)	

**UE'S RESPONSE TO STAFF'S RESPONSE
TO UE'S MOTION TO DISMISS**

COMES NOW Union Electric Company d/b/a AmerenUE ("Company" or "UE") pursuant to 4 CSR 240-2.080, and for its response to "Staff's Response to UE's Motion to Dismiss" respectfully states as follows:

Background

On June 11, 2001, UE filed an application with the Commission specifically requesting an Order authorizing it to withdraw from the Midwest ISO to participate in the Alliance RTO, which initiated this proceeding.

On December 20, 2001, in an order issued by FERC in Docket Nos. RT01-88-000 et al., FERC denied the establishment of the Alliance RTO as a stand-alone RTO.

Consequently, on May 24, 2002, after a flurry of FERC activity, Ameren Services Company, as agent for Union Electric Company, d/b/a AmerenUE and Central Illinois Public Service Company, d/b/a AmerenCIPS (collectively "Ameren"), and the Midwest Independent System Operator, Inc. ("MISO") entered into a memorandum of understanding ("MOU") that provided for Ameren's return to the MISO in accordance with the terms and conditions of the MOU. The MOU required Ameren to apply for membership in the MISO within thirty days of

execution of the MOU. Moreover, on May 28, 2002, Ameren made a filing at FERC advising FERC that Ameren will join the MISO.

On July 3, 2002, Ameren along with FirstEnergy Corp. ("FirstEnergy"), on behalf of its subsidiary American Transmission Systems, Incorporated, Northern Indiana Public Service Company ("NIPSCO"), and National Grid USA ("National Grid") filed a number of agreements with FERC indicating their intent to form the GridAmerica independent transmission company. Once GridAmerica is formed, GridAmerica will participate in and operate under the Midwest ISO - RTO in accordance with Appendix I of the Midwest ISO Agreement.

Staff's Response

On July 22, 2002, the Staff of the Missouri Public Service Commission filed a Response to UE's Motion to Dismiss ("Response") in this proceeding. In its Response, the Staff "agrees that ... the issue regarding whether UE should be permitted to withdraw from the MISO is now moot..." Staff Response at p. 3. However, even though the Staff agrees UE's application is now moot, the Staff goes on to request that "the Commission ... deny UE's Motion to Dismiss and instead direct the Company to file testimony in support of its decision to rejoin the MISO as part of GridAmerica." Staff Response at p. 4.

In making its request, the Staff fails to provide any rational authority on which the Commission could make such a ruling. In fact, requiring UE to file testimony supporting its decision to rejoin MISO is not an issue that is relevant to the request pending before the Commission in this proceeding. The request pending before this Commission - whether UE should be allowed to withdraw from the MISO to participate in the Alliance RTO- is very specific and straightforward. The options the Commission has for issuing a ruling in this proceeding are to grant UE's request to withdraw from the Midwest ISO or deny it. Since UE no

longer desires to withdraw from the MISO, there is no need for the Commission to rule at all in this proceeding. Accordingly, the Commission should unconditionally grant UE's motion to dismiss.

Respectfully submitted,

UNION ELECTRIC COMPANY
d/b/a AmerenUE

By: David B. Hennen (per)

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Dated: July 29, 2002

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing document were sent U.S. Mail, postage prepaid, to the following parties of record on this 29th day of July, 2002:

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