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November 13, 2001

Mr. Dale H. Roberts
Secretary/Chief Regulatory Law Judge
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED²
NOV 13 2001

RE: Union Electric
Case No. EC-2002-1

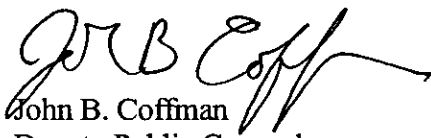
Missouri Public
Service Commission

Dear Mr. Roberts:

Enclosed for filing in the above-referenced case please find the original and eight copies of **PUBLIC COUNSEL RECOMMENDATION REGARDING TEST YEAR AND PROCEDURAL SCHEDULE**. Please "file" stamp the extra-enclosed copy and return it to this office.

Thank you for your attention to this matter.

Sincerely,


John B. Coffman
Deputy Public Counsel

JBC:jb

cc: Counsel of Record

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

STAFF OF THE MISSOURI)
PUBLIC SERVICE COMMISSION,)
Complainant,)
)
vs.)
)
UNION ELECTRIC COMPANY,)
d/b/a AmerenUE,)
Respondent.)

Case No. EC-2002-1

FILED²
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Service Commission

**PUBLIC COUNSEL RECOMMENDATION REGARDING TEST YEAR AND
PROCEDURAL SCHEDULE**

COMES NOW the Office of the Public Counsel (Public Counsel), and for its Recommendation states as follows:

1. At a pre-hearing conference held on November 8, 2001, the regulatory law judge requested recommendations from the parties regarding test year and procedural schedule at this stage of the case. In brief, Public Counsel supports the test year and the procedural schedule recommendations of the Commission's Staff (Staff).

2. Public Counsel would have preferred that the Commission order a procedural schedule based on its recommendation, made in August 2001, allowing the Commission to adopt the original schedule proposed by Staff and permitting an evidentiary hearing to be held in this case in January 2002. However, at this date, the original procedural schedule proposed by the Staff appears to be unrealistic. Therefore, Public Counsel reluctantly concurs in the most recent procedural schedule recommended by Staff,

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including a deadline for Public Counsel's prepared rebuttal testimony on December 20, 2001 and an evidentiary hearing to be held from March 4, 2002 through March 22, 2002.

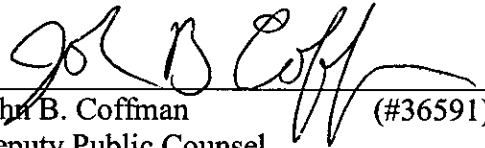
3. With regard to the appropriate test year to be used in this case, Public Counsel recommends that the Commission adopt the test year originally proposed by Staff when it filed this Complaint (the twelve months ending June 30, 2000). This is the test year which was assumed in all of the prepared direct testimony filed by the Staff on July 2, 2001. Public Counsel's audit and investigation, which began over four months ago, has also assumed a test year ending June 30, 2000. If the Commission were to adopt a different test year at this stage of the case, it could result in even further delays in reaching a final decision in this matter.

4. It would be reasonable to allow the approved test year to be updated for "known and measurable" changes through June 30, 2001. Significant changes to a variety of ratemaking components which occur subsequent to the test year can be adequately addressed through such updates. A test year is a twelve-month "picture" of a utility's rate base, investment, and expenses. Updating this test year for known and measurable changes through a period that can be adequately audited prior to an evidentiary hearing is a reasonable way to address significant changes in certain ratemaking components.

WHEREFORE, Public Counsel respectfully requests that the Commission approve a test year reflecting the twelve months ending June 30, 2000 and further requests that the Commission approve the procedural schedule most recently recommended by the Staff.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to the following this 13th day of November 2001:

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