

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

In the Matter of the Application of)
Union Electric Company for Authority)
To Continue the Transfer of)
Functional Control of Its Transmission)
System to the Midwest Independent)
Transmission System Operator, Inc.)

Case No. EO-2008-0134

NOTICE OF MATERIAL FILING
AT THE FEDERAL ENERGY REGULATORY COMMISSION AND REQUEST TO
SUSPEND FURTHER PROCEEDINGS IN THIS CASE

COMES NOW Union Electric Company d/b/a AmerenUE (Company or AmerenUE), and hereby notifies the Missouri Public Service Commission (the Commission) of a filing recently made with the Federal Energy Regulatory Commission (FERC) that is relevant to AmerenUE's Application submitted in this docket on November 1, 2007 and, in view of said filing, hereby requests a suspension of further proceedings in this case after the Prehearing Conference set for Monday, December 17. With respect to this Notice and request for suspension, AmerenUE states as follows:

1. On November 1, 2007, in accordance with the Commission's Order Approving Stipulation and Agreement in Case No. EO-2003-0271, AmerenUE filed an Application and a cost-benefit analysis respecting its continued participation in the Midwest Independent Transmission System Operator, Inc. (Midwest ISO). As provided for in the Application, the cost-benefit analysis indicated (for a study period of 2009 through 2011) that continued Midwest ISO participation by AmerenUE was substantially more economic vis-à-vis participation in the Southwest Power Pool or the formation of an Independent Transmission Company.

2. However, AmerenUE's Application (*see* ¶12) also noted the existence of several uncertainties that could significantly impact or change that conclusion. Specifically, item (a) in ¶12 noted the potential loss of incremental revenues (which would offset the revenue requirement for Missouri bundled retail load) of approximately \$60 million annually in the event the Midwest ISO or the other transmission owners within the Midwest ISO sought to obtain changes to relevant Midwest ISO agreements, which could impact those revenues.

3. On December 3, 2007, the risk that the uncertainty noted in item (a) of ¶12 of the Company's Application could materialize became much more acute when the Midwest ISO, which is an intervenor-party to this case, and certain of the Midwest ISO Transmission Owners (MISO TOs), filed a proposed revision to section 37.3 of the Midwest ISO's Open Access Transmission and Energy Markets Tariff (EMT). This filing, made pursuant to section 205 of the Federal Power Act and docketed by FERC in ER08-296-000, seeks precisely the kind of change identified by the Company as an uncertainty in item (a) of ¶12 of its Application. In brief, if the proposed revision is approved by the FERC, it would eliminate the approximately \$60 million of incremental revenues which were assumed to exist in the cost-benefit analysis submitted by AmerenUE with its November 1, 2007 Application. This would have a significant effect on the quantification of the benefits of continued Midwest ISO participation relative to other options, as addressed in the cost-benefit analysis.

4. AmerenUE views the Midwest ISO/MISO TO filing as inappropriate, unauthorized and unreasonable in light of the Agreement for the Provision of Transmission Service to Bundled Retail Load between AmerenUE and the Midwest ISO (the Service Agreement) that the Commission required, per the Order Approving the Stipulation and Agreement in Case No. EO-2003-0271, as a condition of AmerenUE joining the Midwest ISO,

and in light of the Agreement of Transmission Facilities Owners to Organize the Midwest ISO, which FERC approved and to which AmerenUE is a party. As a result, AmerenUE intends to file a Protest to the Midwest ISO/MISO TO filing, and will provide the Commission a copy of its protest when it is filed. A copy of the Midwest ISO/MISO TO filing is attached hereto as Exhibit A.

5. As noted above, the Midwest ISO/MISO TO filing, if approved by the FERC, severely reduces the benefits of Midwest ISO membership for AmerenUE. Approval of the Midwest ISO/MISO TO filing would deprive Missouri ratepayers of revenues that would offset other costs of Midwest ISO participation and that are called for by the agreements that were in effect when AmerenUE was allowed to join the Midwest ISO in 2004. Indeed, the filing reflects an attempt to change the rules of the game midstream. Consequently, the Midwest ISO/MISO TO filing presents an issue of great importance to Missouri ratepayers and this Commission, serious enough, in the Company's view, to warrant intervention by the Commission at the FERC in order to ensure that the interests of Missouri ratepayers are protected. The deadline for intervention in FERC Docket No. ER08-296-000 is December 24, 2007.

6. The Company also notes that, as is customary, upon the close of the intervention period set by the Commission when this case was first filed the Regulatory Law Judge assigned to this case issued an Order Scheduling a Prehearing Conference for December 17, 2007. Often, the occurrence of a Prehearing Conference is used as a means to discuss an early resolution of the case. In view of the fact that a specific FERC filing has now been made which would, if approved, result in the materialization of a key risk identified in AmerenUE's Application, AmerenUE wishes to advise the Commission of its belief that it is likely to be impossible to resolve this case at the time of the Prehearing Conference or indeed in the near-term unless the

pending action at the FERC can be resolved in a way that is not destructive of the Company's interests and of the interests of Missouri ratepayers. The Prehearing Conference may, however, allow the parties to explore the issues presented by the Midwest ISO/MISO TO filing.

8. Given the Midwest ISO/MISO TO filing, the Company believes it must reevaluate the recommendation it made in its Application (i.e., its recommendation that the Commission extend its permission and authority to participate in the Midwest ISO beyond April 30, 2009, when its current permission expires). Consequently, the Company requests that the Commission suspend further proceedings in this case after the Prehearing Conference scheduled for Monday, December 17, 2007, pending that reevaluation and pending further developments at the FERC respecting the Midwest ISO/MISO TO filing.¹

WHEREFORE, AmerenUE hereby files this Notice and its request to suspend further proceedings after the Prehearing Conference.

¹ Better information respecting the Midwest ISO/MISO TO filing at the FERC should be available in the next few months, given that the Midwest ISO/MISO TO filing was made pursuant to section 205 of the FPA, 16 U.S.C. § 824d, which requires initial FERC action on the filing within 60 days after its filing date (which in this case means by February 1, 2008). At or before that time, the FERC either must accept the filing, in which case it takes effect as a matter of law, reject the filing outright, reject the filing as deficient (in which case the applicants will have an opportunity to correct the deficiency), or accept the filing subject to refund, suspend the applicability of the rates (either for a momentary period or 5 months), and establish hearing procedures.

Dated: December 17, 2007.

Respectfully submitted,

SMITH LEWIS, LLP

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via e-mail, to the following parties, on the 17th day of December, 2007, as follows:

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