

Answer: Ameren Missouri cannot address what MISO might propose in the future regarding a long-term capacity market. Ameren Missouri would note that the latest draft of the tariff to implement MISO's RAP includes both a "self-schedule" and "opt-out" option.

3. Are MISO, Ameren Missouri and the other parties in this proceeding willing to make Ameren Missouri's continued participation in MISO contingent on Ameren Missouri's continued participation and compliance with the Missouri Public Service Commission's Electricity Utility Resource Planning Process or any succeeding rules?

Answer: Any required permission to continue the transfer of functional control of Ameren Missouri's transmission system to the MISO could only be withheld if it is shown that the transfer is detrimental to the public interest. Imposing a "condition" that Ameren Missouri do what it is required by law to do; that is, comply with validly adopted regulations of the Commission (those now existing or succeeding regulations), is not related to the public interest question in this case. Consequently, such a condition would be inappropriate.

4. Would it be appropriate for the Commission to make Ameren Missouri's participation in MISO expressly contingent on MISO's willingness to waive any exit fees as a result of the Missouri Public Service Commission making a determination that Ameren Missouri or any successor's compliance with the Electric Utility Resource Planning Process and the Missouri Public Service Commission has been abrogated, changed or made irrelevant in any way or for any reason related to Ameren Missouri's compliance with the Electric Utility Resource Planning Process?

Answer: Ameren Missouri does not believe such contingency is possible. Ameren Missouri has sought and received permission from the Commission to transfer functional control of its transmission system to the MISO on two prior occasions, covering the past approximately 7 years. The Stipulations approved by the Commission in each prior case have provided that the transfer and participation by Ameren Missouri was prudent. The transfer of functional control required Ameren Missouri to become a party to the Midwest ISO Transmission Owner's Agreement ("TO Agreement"), which is also a part of the MISO's FERC-approved tariff. The

obligations under the TO Agreement related to exit fees are contractual and cannot be changed without the unanimous consent of all of the MISO transmission owners. Ameren Missouri does not have the power to force all of the other transmission owners to agree that Ameren Missouri can be relieved of any applicable exit fee obligations.

Moreover, Ameren Missouri does not believe that any conditions beyond those reflected in its Application in this case are necessary or appropriate. The Company's Application seeks permission to continue its MISO participation on essentially the same terms as have been in place since permission was first obtained. Ameren Missouri believes that the cost-benefit analysis filed with the Company's Application in this case demonstrates that its continued participation is not detrimental to the public interest, because according to the analysis, participation provides Ameren Missouri's customers benefits in excess of \$70 million dollars over the three-year period 2011 -2013. The Commission's authority in this case is to either conclude that continued participation on the terms outlined in Ameren Missouri's Application is detrimental to the public interest, in which event those benefits will not be available, or to approve the Application.

5. Will Ameren Missouri and MISO guarantee that Ameren Missouri's ratepayers and other Load Serving Entities (LSEs) located inside the Ameren Missouri transmission footprint will be held harmless if LSEs in MISO are not able to fully "self schedule" or "opt out" in order to meet their Resource Adequacy requirements in the forthcoming MISO Resource Adequacy Enhancements Proposal? See Attachment #1.

Answer: No. Please refer to the second paragraph to the answer to Question 4, above.

6. If Ameren Missouri and MISO cannot make the foregoing guarantee, would it be appropriate for the Commission to make its approval of Ameren Missouri's continued participation in MISO contingent on MISO's willingness to waive exit fees if Ameren Missouri loses the ability to self-schedule and opt out of the capacity market?

Answer: No. Please refer to the answer to Question 4, above.

7. (a) When MISO determines that new transmission needs to be built in Ameren Missouri's territory (such as the multi-value projects or MVPs), who has the right of first refusal to build that project?

Answer: In response to the first part of this question, neither the TO Agreement nor the MISO's tariff references a "right of first refusal." The TO Agreement addresses the obligation of Owners to construct projects which are approved as a part of the MISO Transmission Expansion Plan. Appendix B of the Transmission Owners Agreement states:

Ownership and the responsibility to construct facilities which are connected to a single Owner's system belong to that Owner, and that Owner is responsible for maintaining such facilities. Ownership and the responsibilities to construct facilities which are connected between two (2) or more Owners' facilities belong equally to each Owner, unless such Owners otherwise agree, and the responsibility for maintaining such facilities belongs to the Owners of the facilities unless otherwise agreed by such Owners. Finally, ownership and the responsibility to construct facilities which are connected between an Owner(s)' system and a system or systems that are not part of the Midwest ISO belong to such Owner(s) unless the Owner(s) and the non-Midwest ISO party or parties otherwise agree; however, the responsibility to maintain the facilities remains with the Owner(s) unless otherwise agreed.

(b) Would Ameren Transmission Company (ATC) have any right to construct transmission projects in Missouri "but for" Ameren Missouri's membership in MISO?

Answer: Yes. Please also note that Ameren Transmission Company is commonly referred to using the acronym "ATX," in order to avoid confusion with another MISO transmission owner, American Transmission Co, LLC, which is commonly referred to using the acronym "ATC."

8. (a) What criteria, if any, does Ameren Missouri use to determine whether or not it will build a transmission project itself or allow ATC to construct it?

Answer: Ameren Missouri has determined that it will construct transmission projects that are required to maintain reliable service to its customers. Projects justified for purposes other than maintaining reliable service to Ameren Missouri's customers, such as Multi-Value Projects,

Regionally Beneficial Projects and projects to interconnect and integrate new generation resources will be built by ATX and its subsidiaries.

(b) Please describe and provide the statutory/regulatory support for Ameren Missouri's authority to transfer or waive its right to construct MISO transmission projects and then allow ATC to construct those projects.

Answer: Ameren Missouri is not waiving or transferring any rights.

(c) Where Ameren Missouri either implicitly or explicitly consents to ATC constructing a transmission project in Missouri, do the Missouri Public Service Commission's affiliate transaction rules found in 4 CSR 240-20.015 apply?

Answer: The Company does not believe the affiliate transaction rules apply.

(d) How can Ameren Missouri and MISO guarantee that Missouri consumers are best served by allowing ATC to construct the projects in Missouri and not bidding the projects out?

Answer: Please refer to the second paragraph to the answer to Question 4, above.

9. (a) Please describe ATC's right to use eminent domain in Missouri and provide both statutes and case law in support of your position.

Answer: Neither Ameren Missouri nor ATX have conducted the research and analysis that would be necessary to state a position on this question because no issue relating to ATX's right to use eminent domain has arisen.

(b) Are the parties willing to make Ameren Missouri's MISO membership contingent on Ameren and MISO agreeing to allow the Commission to approve any transmission projects to be constructed in Ameren Missouri's service territory prior to their being built? If the answer to the preceding question is no, why not?

Answer: Please refer to the second paragraph to the answer to Question 4, above.

10. Under MISO's interpretation of their Joint Operating Agreements, are The Empire District Electric Company, Kansas City Power & Light Company, KCPL Greater Missouri Operations, and Associated Electric Cooperatives, Inc. (AECI) entitled to compensation for the use of their facilities? If so, how much estimated compensation are each entitled to receive?

Answer: Ameren Missouri lacks the knowledge or information necessary to answer this question.

11. To the extent that Entergy's proposal to become a member of MISO requires the construction of new facilities or upgrades in Missouri, what facilities and upgrades will need to be built? What will be their size and cost? What will be the cost recovery method for those facilities? Who will pay for those facilities and upgrades? What will be the total cost to Missouri ratepayers for those facilities and upgrades?

Answer: Ameren Missouri lacks the knowledge or information necessary to answer this question.

12. (a) Why are each of the MISO Multi-Value Projects (MVP) proposed for mid-year 2011 and for MTEP 2012 necessary?

Answer: The criteria on which the MVP projects are justified are included in MISO's FERC-approved tariff. In its order approving the MVP tariff terms, FERC indicated that the MVP projects should be considered as a portfolio for justification purposes. As projects are approved, the criteria are identified.

(b) Assuming the MVP costs can be passed through to ratepayers under a FERC tariff through Ameren's FAC tariff, as Construction Work in Progress (CWIP) or through some other mechanism, how much will the MVP projects cost Ameren Missouri's customers on an annualized basis and in total?

Answer: Ameren Missouri cannot definitively determine the cost to Ameren Missouri customers as the portfolio of MVP projects has not been identified. For the one MVP project that has been approved, Ameren Missouri customers' allocated percentage of the project cost is 7.05%. This percentage allocation will change for other projects as the MISO footprint changes and load grows. Currently, we expect Ameren Missouri customers to receive a cost allocation percentage in the range of 6.7% to 8.5% of the project cost.

13. (a) Wisconsin Public Power, Inc. (WPPI) paid for transmission upgrades from a new coal plant and thought they would be receiving a corresponding amount of financial transmission rights to transmit baseload generation to their customers. Please describe what happened, whether WPPI received any financial transmission rights and

what MISO did to fairly compensate WPPI? How is MISO remedying these problems going forward in similar situations? What assurances can MISO offer the Missouri Joint Municipal Electric Utility Commission (MJMEUC) that it will not have a similar problem when they start transmitting electricity from their Prairie State coal plant in Illinois and that MJMEUC will not be forced to buy capacity to meet their Resource Adequacy requirement?

Answer: Ameren Missouri lacks the knowledge or information necessary to answer this question.

(b) Also, please describe what steps have been taken to upgrade the transmission system from Illinois to Missouri to facilitate the movement of capacity and energy from Prairie State to LSEs in Missouri, and what additional transmission upgrades, if any, would be necessary under the RAR Enhancement Proposal?

Answer: With regard to transmission network upgrades related to Prairie State, the following upgrades were made:

- a) 30 miles of 345 kilovolt transmission line from the Baldwin Power Plant switchyard in Illinois to the Rush Island Power Plant switchyard in Missouri;
- b) New Prairie State switchyard;
- c) 1 mile 345 kilovolt transmission line from the new switchyard to the existing Baldwin-Mt. Vernon line;
- d) 7 mile 345 kilovolt transmission line from the new switchyard to the existing Baldwin-Stallings line;
- e) Various line terminal equipment, breakers and relay facilities.

Based upon the Company's understanding of the RAP proposal, the Company does not believe additional transmission upgrades would be necessary under the RAP proposal.

14. What assurances can MISO make to Citizen's Electric Cooperative that its current contract to take service from Wabash Valley Power Association will be honored – will Citizens receive financial transmission rights for that contract?

Answer: Ameren Missouri lacks the knowledge or information necessary to answer this question.

15. Are there any MISO employees who would receive a bonus or have a portion of their compensation tied to successful implementation of the capacity market MISO is now proposing? If so, who, and how much? If so, who authorized the compensation plan? If it was a particular board at MISO, please identify the board, the members of the board, and which board members voted in favor of the proposed capacity market, and which members voted in opposition to the capacity market.

Answer: Ameren Missouri lacks the knowledge or information necessary to answer this question.

16. Are there any other questions the Commission should be asking, but failed to ask?

Answer: Yes. The relevant question the Commission can ask in this case is whether Ameren Missouri's participation in the MISO is detrimental to the public interest if the permission is granted according to the terms on which the permission is sought; that is, according to the terms contained in Ameren Missouri's Application.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing Response was served via e-mail to all counsel of record for the parties in this case on this 16th day of June, 2011.

/s/ James B. Lowery