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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 29th
day of June, 2000.

In the Matter of Union Electric Company's)
Market Power Study Required by MPSC Case) Case No. EO-98-261
No. EM-96-149.)

ORDER CLOSING CASE

Procedural History:

On February 21, 1997, the Commission approved a transaction involving Union Electric Company (UE) and an Illinois electric utility, Central Illinois Public Service Company, Inc. (CIPSCO), whereby the two utilities would operate thenceforth as subsidiaries of a common holding company, known as AmerenUE and AmerenCIPS. In the Matter of Union Electric Company, Case No. EM-96-149 (Report and Order, issued February 21, 1997). That Order provided, at Ordered Paragraph 1(b), that "[b]y January 1, 1998, and with the participation of Staff and the Office of Public Counsel, Union Electric Company shall file with this Commission a report that assesses the ability of the merged companies to exercise vertical and especially horizontal market power in price deregulated retail generation." This case was opened to receive that report.

After two extensions, UE filed the report on March 2, 1998, with a correction on March 24, 1998. On April 13, 1999, the Commission directed the parties to report on the status of the case and to make recommendations

as to further proceedings, if any. UE responded on April 23, 1999. Staff and Public Counsel responded on May 3, 1999. In the meantime, certain entities have sought to intervene, which motions are still pending.

Discussion:

The Commission directed that the market power study that forms the basis of this case be performed by UE, with the participation of Staff and the Public Counsel, because evidence in Case No. EM-96-149 caused concern that the electric utilities operated by Ameren would possess such vertical and horizontal market power as to require the Commission to take appropriate mitigating action prior to the establishment of statewide retail competition.

However, deregulation of electric utilities has not yet become a reality in Missouri. Thus, the Commission need not take any mitigating action with respect to Ameren's market power. Because the Missouri legislature has not yet acted, further investigation is premature.

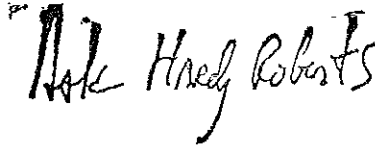
UE and Staff have both recommended that this case be closed. Public Counsel, on the other hand, contends that the market power study filed by UE is deficient and should be supplemented with the results of further analyses. The Commission has reviewed the study and the recommendations of the parties. The Commission agrees that this case should now be closed.

IT IS THEREFORE ORDERED:

1. That all pending motions not already decided are denied.
2. That this order shall become effective on July 11, 2000.

3. That this case may be closed on July 12, 2000.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read "Dale Hardy Roberts". The signature is written in a cursive, somewhat stylized script.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Drainer, Murray, Schemenauer,
and Simmons, CC., cncur.
Lumpe, Ch., absent.

Thompson, Deputy Chief Regulatory Law Judge