

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

In the Matter of Union Electric Company d/b/a)	
AmerenUE for Authority to File Tariffs Increasing)	Case No. ER-2007-0002
Rates for Electric Service Provided to Customers)	
In the Company's Missouri Service Area.)	

**PREHEARING BRIEF
OF THE MISSOURI ENERGY GROUP**

On July 10, 2006, Union Electric Company, d/b/a AmerenUE ("AmerenUE") submitted to the Missouri Public Service Commission ("Commission") certain proposed tariff sheets to implement a general rate increase for retail electric service to customers in its Missouri service area.

In its Order Adopting Procedural Schedule and Test Year issued September 12, 2006, the Commission established March 6, 2007 as the deadline for prehearing briefs. This brief only addresses issues raised and supported by the testimony of Missouri Energy Group ("MEG") witness Billie LaConte in her Direct testimony filed on December 15 and 29, 2006 and her Surrebuttal testimony filed on February 27, 2007.

Return on Equity

Issue: *What return on equity should be used in determining revenue requirement?*

Response: *One lower than that requested by AmerenUE, that recognizes AmerenUE's decreased risk factors and rejects AmerenUE's financial risk adjustment. (See LaConte Direct, Ex. 551, pp. 2-13 and LaConte Surrebuttal, Ex. 554 pp. 2-7)*

Off-System Sales

Issue: *Should any tracking or sharing of changes in off-system sales margins be implemented?*

Response: *If the Commission accepts a sharing mechanism, the base level for the sharing mechanism should be set at \$180 million. AmerenUE should use a sharing mechanism that is progressive to the utility. (see LaConte Direct, Ex. 551, p. 16)*

Class Cost of Service

Issue: *Should the Commission adopt AmerenUE's proposal to cap any residential class increase at no more than ten percent (10%)?*

Response: *No. (Id., pp. 16-18)*

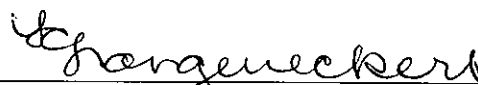
Rate Design

Issue: *Should AmerenUE have an Industrial Demand Response program? If so, what should be the parameters of the program*

Response: *Yes. The program should provide 800 MW of interruptible load with a credit of \$3.10-\$3.55 per kW with a program that lasts five years at a minimum (see LaConte Direct, Ex. 553, pp. 2-4 and LaConte Surrebuttal, Ex. 554 pp. 8-12)*

Respectfully Submitted,

THE STOLAR PARTNERSHIP LLP



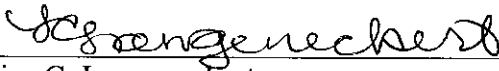
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CERTIFICATE OF SERVICE

Pursuant to 4 CSR 240-2.080 of the Commission's Rules of Practice and Procedure, I hereby certify that I have this day caused a copy of the foregoing to be served on all persons on the official service list in Docket No. ER-2007-0002 by electronic means or by U.S. mail, postage prepaid.

Dated at St. Louis, Missouri this 6th day of March, 2007



Lisa C. Langeneckert