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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 23rd  
day of December, 1999.

In the Matter of the Application of Union Electric )  
Company for Approval of an Experimental Retail ) Case No. EO-98-95  
Wheeling Pilot. )

ORDER CLOSING CASE

In the Stipulation and Agreement approved by the Commission in Case No. EM-96-149, Union Electric Company, now doing business as AmerenUE (UE), agreed to file with the Commission an experimental retail wheeling pilot program for 100 MW of electric power. On September 2, 1997, UE filed its application for approval of the experimental retail wheeling pilot program. Interventions were granted by Commission order on November 18, 1997, January 29, 1998, and August 4, 1998. On March 18, 1999, the Commission directed that UE file a case status report no later than April 19, 1999.

UE filed its Case Status Report on April 19, 1999, as directed. In that report, UE moved the Commission to close this case. In support of this request, UE asserted that certain events that occurred after the opening of this case have rendered it unnecessary. UE points out that the Commission and the Missouri General Assembly have each "undertaken substantial investigations designed to identify issues associated with electric restructuring." Both the Commission and the General Assembly

issued reports of their investigations which "provided opportunities for parties to discuss relevant issues far beyond what could have been obtained from a retail pilot." In addition, several states, including Illinois, have restructured their electric industries, resulting in practical experience "likely to be significantly more reliable than that which could be generated through a retail pilot." Finally, UE asserts that the pilot program would impose "significant costs and complexity" on UE, the Commission, the Staff of the Commission, and on other participants, in return for "little useful information."

This matter arose from the stipulation and agreement in Case No. EM-96-149, in which UE agreed to seek substantive input from interested parties and file a proposed experimental retail wheeling pilot plan with the Commission by September 1999. UE contends that it has discharged those obligations.

UE further notes that in January 1999, the Joint Interim Committee on Telecommunications and Energy published its report, following extensive hearings in 1997 and 1998, in which it stated that "pilot programs have limited value because they are generally too brief and too limited in scope to offer genuine insights into how competition will develop in full scale restructuring." UE further notes that the Commission's Retail Electric Competition Task Force, Case No. EW-97-245, filed its report in May 1998. That document "delineates key issues, options and makes many specific recommendations that should help the restructuring debate." UE suggests that the information contained in these reports makes implementation of its pilot program unnecessary.

UE also contends that implementation would be unduly expensive, particularly in view of the limited usefulness of pilots. UE states that administrative costs alone are likely to be as much as \$1,000,000 per month during the life of the pilot. Additional resources will be necessary to identify eligible consumers, develop and provide consumer education, and set up billing procedures. UE states that the pilot could not be implemented prior to the summer of 2000. UE further states that, in view of the fact that actual restructuring is occurring in high cost states such as Illinois, significant competitors are not likely to invest resources in a small-scale pilot in a low cost state such as Missouri.

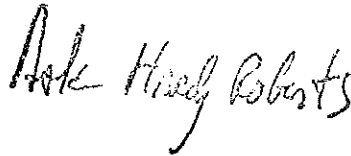
The Commission has considered UE's status report and motion to close this case. The Commission notes that no party has responded in opposition to UE's motion or filed any pleading requesting that the pilot plan be implemented. The Commission concludes that implementation of the pilot program would not be in the public interest in that the expected results would not justify the costs involved. Therefore, the Commission will close this case.

**IT IS THEREFORE ORDERED:**

1. That the motion to close case filed by the Union Electric Company, doing business as AmerenUE, is granted.
2. That this order shall become effective on January 4, 2000.

3. That this case may be closed on January 5, 2000.

BY THE COMMISSION

A handwritten signature in cursive script, reading "Dale Hardy Roberts".

**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

( S E A L )

Lumpe, Ch., Crumpton, Drainer,  
Murray, and Schemenauer, CC., concur.

Thompson, Deputy Chief Regulatory Law Judge