

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

In the Matter of the Application of)
Union Electric Company d/b/a AmerenUE)
for an Order Authorizing the Sale and)
Transfer of Certain Assets of AmerenUE)
to St. James Municipal Utilities)
and Rolla Municipal Utilities.)

Case No. EO-2010-0263

REPLY TO STAFF RESPONSE

Come now The City of Rolla, Missouri, by and through Rolla Municipal Utilities (RMU), and the City of St. James, Missouri, by and through St. James Municipal Utilities (SJM), by and through counsel, and for their Reply to the Staff Response filed on May 21, 2010, respectfully state as follows:

1. RMU and SJMU respectfully disagree with the Staff's analysis. Staff's Response (para., 4) states that "if the proposed transaction is consummated, it will affect the residents of Rolla, including Ms. Hawley." The Staff does not say how it will affect either Ms. Hawley or the residents. The critical factor, however, is that whatever the effect, it will not affect Ms. Hawley *any differently* than any other resident of Rolla or St. James who pays an electric bill to RMU or SJMU. The Staff quotes the test for permissible intervention from 4 CSR 240-2.075: "The proposed intervenor has an interest which is different from that of the general public (emphasis supplied) and which may be adversely affected by a final order arising from the case; ...". The Staff does not indicate how Ms. Hawley's interest that might be "adversely affected" actually *differs* from that of how the general public will be affected. Neither did Ms. Hawley in her pleadings. RMU and SJMU suggest it cannot be done.

2. The Phelps substation, the subject of Ameren's application, is part of the equipment now used in the delivery of power to the customers of RMU and SJMU, so Ms. Hawley and all customers are "affected" by it now, especially when a breaker trips and the lights go out. It will continue to serve the same general function after the sale is completed but the plan is to upgrade it for reliability purposes and to save money over having to pay Ameren to perform the upgrades. The Commission does not set rates for electric customers of RMU or SJMU now, and it will not after the sale. Whether electric rates in the two cities eventually go up, down or remain unchanged as a result of the sale are nevertheless matters within the exclusive jurisdiction of the respective cities.

3. The citizens of St. James have already voted by an overwhelming majority in passing a recent bond issue that they want to fund the purchase of the substation and associated 34.5 kV lines. The Rolla City Council has already voted that it wants to proceed with the purchase of the substation transformers and associated 34.5 kV lines. If we define the general public for these purposes as the citizens of Rolla and St. James, then the majority of them, either at the polls or through their duly elected representatives, have each already indicated their desire with regard to the Phelps Substation. In contrast, the pleadings of Ms. Hawley indicate her strong desire to (a) attempt to reverse these governmental decisions; (b) embark on unlikely quests (e.g., making Ameren provide retail service in Rolla); and (c) involve the Commission in non-jurisdictional efforts (e.g., (i) her request to be "protected from poor utility business policies and rate abuses that are afforded to other Missouri citizens through MoPSC regulation" and (ii) to revisit and overturn electrical engineering studies and financing arrangements already completed).

WHEREFORE, RMU and SJMU pray that the Commission issue its order denying Donna D. Hawley permission to intervene in the above-entitled matter.

Respectfully submitted,

//s// Gary W. Duffy

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on May 25, 2010, to the following:

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