

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Proposed Emergency)	
Amendment to Commission Rule)	Case No. GX-2006-0181
4 CSR 240-13.055.)	

AMERENUE'S APPLICATION FOR REHEARING

COMES NOW Union Electric d/b/a AmerenUE ("AmerenUE") pursuant to §386.500 RSMo 2000 and 4 CSR 240-2.160, and for its Application for Rehearing respectfully states as follows:

BACKGROUND

1. On October 2, 2005, the Office of Public Council ("OPC") filed a Motion to Open a New Case and for a Finding of Necessity for Rulemaking. Attached to the Motion was a proposed Emergency Cold Weather Rule.
2. On October 25, 2005, the Missouri Public Service Commission ("Commission") issued an order opening this case and requesting written comments.
3. Comments were filed by various Missouri natural gas utilities, including AmerenUE. In addition, the Missouri Attorney General filed comments in this case.
4. On December 6, 2005, the Commission held a hearing on the necessity of emergency amendment as well as on what type of amendment would be appropriate.
5. On December 13, 2005, the Commission issued its Order Approving Emergency Amendments to the Cold Weather Rule.

BASIS FOR REHEARING REQUEST

6. The emergency amendments to the Cold Weather Rule, as ordered by the Commission, did not accept the cost recovery mechanism proposed by OPC and supported by the utilities. Instead, the Commission ordered that the natural gas utilities

were permitted to record the costs of complying with the rule through an Accounting Authority Order (“AAO”) with possible recovery later.

7. No party in this case denies that natural gas utilities will face increased bad debt costs under these amendments to the Cold Weather Rule. In fact, recognizing that increased costs will occur, all parties have proposed some type of mechanism for dealing with the issue. OPC initially proposed an AAO but later also supported a bad debt tracker with a mechanism to recover those costs through a direct charge. The utilities proposed a bad debt tracker which would recover those costs through the PGA.

8. AmerenUE, and the Missouri Gas Utilities (consisting of Missouri Gas Energy, Laclede Gas Company, Aquila and Atmos Energy Corporation (collectively, “Missouri Gas Utilities”)) have stated in every pleading filed in this case that a workable mechanism for the recovery of increased bad debt is necessary to prevent the utilities from being harmed by these increased costs.

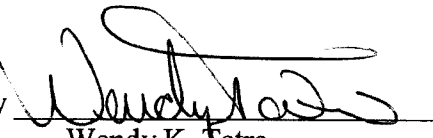
9. It is AmerenUE’s position that the issuance of an AAO is insufficient as a bad debt recovery mechanism. Initially, all parties recognize that the mere issuance of an AAO does not mean recovery of the costs will occur. AAO amounts are not automatically included in rates and a utility cannot even request recovery until such time as it files a rate case. Secondly, there is no guarantee of recovery. History demonstrates that the Commission Staff sometimes objects to the inclusion of these amounts in rates and the Commission sometimes adopts that recommendation.

10. Given the limitations inherent to an AAO as a cost recovery mechanism in these circumstances before the Commission in this case, AmerenUE respectfully submits to the Commission that an AAO is an ineffective mechanism for bad debt recovery

associated with the emergency amendments the Commission has ordered to the Cold Weather Rule.

WHEREFORE, given the insufficiency of the AAO mechanism and recognizing the need for prompt action, AmerenUE respectfully requests that the Commission rehear this issue in an expedited manner, and issue an order allowing gas utilities to recover the cost of compliance with these amendments through a bad debt tracker.

Respectfully Submitted,

By 
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Dated: December 15, 2005

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Entry of Appearance was served via electronic filing and electronic mail (e-mail) or via regular mail on this 15th day of December, 2005, to:

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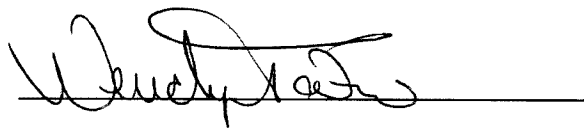
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A handwritten signature in black ink, appearing to read "Wendy K. Tatrow", is written over a horizontal line.

Wendy K. Tatrow