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May 10, 1996

VIA FEDERAL EXPRESS

Mr. David L. Rauch
Executive Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

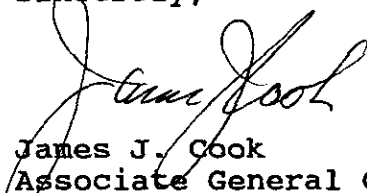
Re: MPSC Docket No. EM-96-149
UE/CIPSCO Merger

Dear Mr. Rauch:

Enclosed for filing on behalf of Union Electric Company in the above matter is an original and fourteen (14) copies of its Response to Office of Public Counsel's Motion to Declassify Data Requests.

Kindly acknowledge receipt of this filing by stamping as filed a copy of this letter and returning it to the undersigned in the enclosed envelope.

Sincerely,



James J. Cook
Associate General Counsel

JJC/bb
Enclosure(s)
cc: Counsel of Record

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**MISSOURI
PUBLIC SERVICE COMMISSION**

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the application)
of Union Electric Company for an)
order authorizing: (1) certain)
merger transactions involving)
Union Electric Company; (2) the)
transfer of certain assets, real)
estate, leased property, easements)
and contractual agreements to)
Central Illinois Public Service)
Company; and (3) in connection,)
therewith certain other related)
transactions.)

Docket No. EM-96-149

UNION ELECTRIC COMPANY'S REPLY
TO THE OFFICE OF PUBLIC COUNSEL'S
MOTION TO DECLASSIFY RESPONSES TO DATA REQUESTS

COMES NOW Union Electric Company ("UE" or "Company"), and for its reply to the Office of Public Counsel's ("Public Counsel") Motion to Declassify Responses to Data Requests, states as follows:

1. On or about May 3, 1996, Public Counsel filed its Motion to Declassify Responses to Data Requests. In that Motion, the Public Counsel requested that portions of responses to four data requests that have been designated "Highly Confidential" or "Proprietary" or both, be declassified and therefore, made public. The Company opposes declassifying three of these responses. The Company will agree to declassify one.

2. Specifically, the Company does not object to removing the Highly Confidential designation from the four pages attached to Public Counsel's Attachment 5, Supplemental Request No. 72 (Summary of 10-Year Merger Savings). These pages were originally designated as Highly Confidential because, at the time they were provided, the confidential financial and business information (the merger savings

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amounts) had not been publicly announced, and the employee-sensitive information and data that would be important in contract negotiations had also not been made public. Since that time, the Companies have concluded that the information can be released without causing the harm it might have if earlier release had been allowed.

3. The Company continues to believe that its designations on the other documents referenced in Public Counsel's motion are appropriate.

4. The documents included in Public Counsel's Attachment 3, are clearly confidential financial and business information. Particularly as the industry enters into a more competitive era, the information on this sheet would be very helpful to vendors and competitors in their dealings with the Company. As such, their knowledge of this information would harm the Company, and therefore its customers financially.

5. The information contained in Attachment 4 to the Public Counsel's Motion should also remain Highly Confidential and Proprietary. As stated in the letter from the Company's Vice President and General Counsel, (Attachment 2, Public Counsel's Motion), these documents are copies of a presentation to Union Electric's Board of Directors by Goldman, Sachs & Company, the Company's external consultant. They involve financial forecasts and market and business predictions and information which are not appropriate to be in the public domain. The Company also believes that selective release of individual pages would be inappropriate

and could be claimed to be a declassification of the entire document. Therefore, the Company continues to assert the Highly Confidential and Proprietary claims it has made to these documents.

6. The information contained in Public Counsel's Attachment 6, like the information in Attachment 4, includes sensitive, confidential financial and business information provided by an external consultant. This is exactly the type of information the Protective Order is designed to protect. If private financial and business information, like that contained in this attachment, is subject to public disclosure, it will be extremely difficult, if not impossible for companies like Union Electric to do business in today's and tomorrow's competitive environment.

It is particularly important to keep documents related to possible mergers confidential at the time a merger is being proposed, or contemplated, or even merely informally reviewed as a possible future option. But even after a merger is announced, it is still important to keep certain information confidential. The merger may or may not be consummated, but in either case, the information could be very valuable to other companies and detrimental to Union Electric and must be kept confidential.

7. Public Counsel seems to object to the use of a form for the purpose of designating documents as either Highly Confidential or Proprietary, or both. Obviously, nothing in the Protective Order prohibits the use of such a form. Nor does anything in the Protective Order require a detailed discussion of the support for the designation. Obviously, with over 780 data requests filed by

the parties in this case (no separate count has been made of the number that have been designated Highly Confidential or Proprietary) it was necessary to develop an efficient way to comply with the Protective Order. The Protective Order does not require that any additional information be provided at the time of designation - either as to why the documents fit a specific designation or why the release would damage the Company. Moreover, the public discussion of those reasons could, by itself, damage the Company.

8. Public Counsel's gratuitous characterizations of the Company's filing contained in paragraph 5 of its Motion, is irrelevant to the issue at hand. The Company obviously disagrees with those characterizations and the negative implications obviously intended, and expresses its disappointment that Public Counsel felt obliged to include them.

9. As to Paragraph 6 of the Motion, the Company denies that it has chose to publicly disclose information that supports its position, but designates other information as confidential. The Company also denies that the information included in the documents at issue here "undercut" the Company's position.

10. Interestingly, Public Counsel does not claim that the documents are not appropriately designated according to the definitions in the Protective Order. Its entire legal challenge boils down to a claim that "[i]t is patently unfair". It is also very interesting to note that Public Counsel has not claimed, indeed they could not claim, that they have been harmed in any way

because of the designations of confidentiality for these documents. Obviously Public Counsel has had access to all such documents, and actually had copies of the documents at issue here. The procedures set forth in the Protective Order allow for the Public Counsel and all other parties to have access to the documents, and allow full and complete consideration of those documents and any argument related to them by the Commission in their deliberations on this case. Again, aside for a claim of "unfairness", no harm has been alleged.

10. However, the Company strongly insists that it will be harmed by the release of this information. If the information included in these documents does not fall under the definitions of the Protective Order, the Protective Order is a sham and the Company is totally without protection for its private financial and business documents. Since no harm has been alleged in its Motion, it is apparent that Public Counsel's real intent for seeking "declassification" can be found in Attachment 1 of its Motion. In the letter from Public Counsel to the Company, asking for declassification, the following sentence can be found: "However, we have a long-standing policy to see as much material open to public view as possible, consistent with these needs." This sentence followed a claim that "Public Counsel is always sensitive to the legitimate needs for utilities to protect truly confidential information." Public Counsel cannot have it both ways. The documents included in this Motion are documents that this utility has a truly legitimate need to protect. Public Counsel's "long

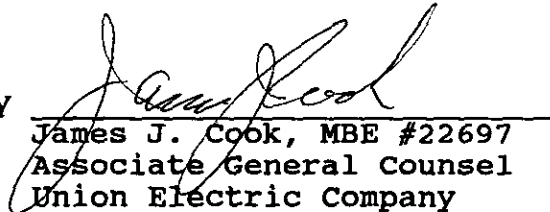
standing policy" is not the law - nor even good business practice. Although a utility is a regulated business, it is a business. It has legitimate business needs to keep certain information confidential. To release that information will harm the Company and its customers.

WHEREFORE, for the reasons stated above, Union Electric Company strongly urges the denial of Public Counsel's Motion to Declassify Responses to Data Requests.

Respectfully submitted,

UNION ELECTRIC COMPANY

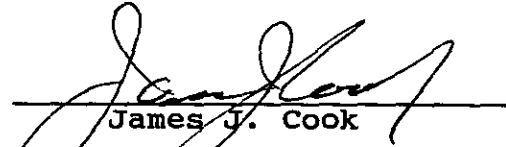
By



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Associate General Counsel
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VERIFICATION

I, James J. Cook, being first duly sworn on oath, state that I am an attorney for Union Electric Company, that I have read the foregoing instrument, and that the matters stated therein are true to the best of my knowledge and belief.


James J. Cook

Subscribed and sworn to before me this 10th day of May, 1996.

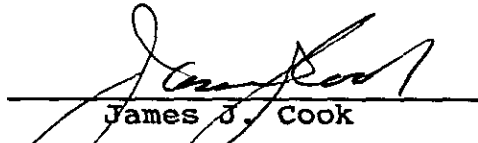


M. JACQUELINE BRAUER
NOTARY PUBLIC - STATE OF MISSOURI
ST. LOUIS COUNTY
MY COMMISSION EXPIRES 9/16/97


Notary Public

CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of May, 1996, a copy of the foregoing was served via first class, U.S mail, postage prepaid, upon all Counsels of Record.


James J. Cook