

ROBERT C. JOHNSON
ATTORNEY AT LAW

720 OLIVE STREET SUITE 2400 ST. LOUIS, MO 63101
TEL: (314) 345-6436 FAX: (314) 588-0638
bjohnson@bspmlaw.com

April 21, 2000

VIA FEDERAL EXPRESS

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
501 West High Street, Suite 530
Jefferson City, MO 65102

Re: MOPSC Case No. EO-2000-580

Dear Mr. Roberts:

Enclosed for filing on behalf of Holnam, Inc. et al, in the above matter, please find an original and fifteen (15) copies of Reply of MEG Interruptibles to Staff and Union Electric Company's Responses to Application to Establish a Docket to Investigate an Alternative Rate Option for Interruptible Customers and Request for Oral Argument.

I will appreciate you bringing this filing to the attention to the Commission and also returning to the undersigned a file stamped copy thereof in the enclosed self-addressed envelope.

Yours very truly,

Robert C. Johnson/m.g.
Robert C. Johnson

Enclosure
cc: Maurice Brubaker

FILED²
APR 24 2000
Missouri Public
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²

APR 24 2000

Missouri Public
Service Commission

In the Matter of an Investigation)
Into an Alternative Rate Option for)
Interruptible Customers of Union)
Electric Company d/b/a Ameren UE)

Case No. EO-2000-580

**REPLY OF MEG INTERRUPTIBLES TO STAFF AND UNION ELECTRIC
COMPANY'S RESPONSES TO APPLICATION TO ESTABLISH A DOCKET
TO INVESTIGATE AN ALTERNATIVE RATE OPTION FOR
INTERRUPTIBLE CUSTOMERS AND REQUEST FOR ORAL ARGUMENT**

Holnam, Inc., Lone Star Industries Inc., and River Cement Company ("MEG Interruptibles") hereby submit their reply to the responses filed herein by Union Electric Company ("UE") and the Staff of the Missouri Public Service Commission ("Staff").

REPLY TO STAFF RESPONSE

The Staff and the MEG Interruptibles are in agreement on the initiation of a docket in this matter and the establishment of a schedule of proceedings herein to consider an additional alternative rate option for interruptible customers. However, the Staff did not support the proposal of the MEG Interruptibles to implement, on an interim basis, in the upcoming summer season, an interruptible rate proposal that essentially represents a compromise between the positions of UE, as reflected in Rider M – Option Based Curtailment Rider filed April 6, 2000 and the MEG Interruptibles, who supported retention of the interruptible rate tariff in effect prior to June 1, 1999. The MEG Interruptibles submit that their proposal incorporates the best features of both. Furthermore, the implementation on an interim basis of such a tariff is clearly consistent with the language contained in the Stipulation and Agreement entered into by the parties in Case Number EO-96-15 (the "Stipulation"), which expressly provides for establishment of a docket to consider an alternative interruptible rate.

The upcoming summer season presents all parties with an excellent opportunity to evaluate the proposal of the MEG Interruptibles and at the same time will preserve a substantial portion of the economic benefits that have been achieved under prior interruptible tariffs of this utility. The experience of the upcoming summer could then be used as the evidentiary basis for the Commission's decision herein to determine the appropriateness of the MEG Interruptible proposal.

REPLY TO RESPONSE OF UNION ELECTRIC COMPANY

UE did not voice any specific objection to placing into effect the MEG Interruptibles proposal on an interim basis. UE did, however, argue that this proceeding is "unnecessary" despite the express language of the Stipulation. In summary, the argument of UE is to the effect that this utility has developed its tariff proposal and despite the strong opposition to such proposal by the MEG Interruptibles, the utility proposal should be the only option available. UE's arguments are long on verbage and short on facts.

Following execution and filing of the Stipulation, UE filed a voluntary curtailment tariff, which became effective June 1, 1999. Such tariff was not well received by UE's customers although it was intended to replace the traditional curtailment tariffs in effect at UE for many years. Subsequently, UE developed a "black box" approach reflected in the tariff filed on April 6, 2000. This tariff is complex, provides for uncertain pricing and is dependent on future determinations by UE. It is very difficult, if not impossible for a customer, to budget his electric power costs under UE's proposal. Based on the filed Tariff and discussions with UE, the proposal of UE is an unusable alternative for the MEG Interruptibles. While such a tariff maybe of theoretical interest it is a one

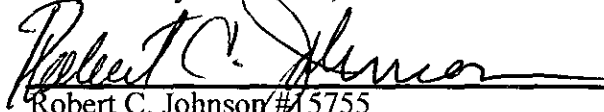
way street that strongly favors the utility and, in effect, shifts the economic risk of the utility business to the customer.

The MEG Interruptibles, under the UE curtailment tariffs in effect for many years prior to June 1, 1999 have achieved savings of approximately \$2.5 million per year. These companies are all in extremely competitive industry. Any increase in costs will jeopardize their ability to be competitive in the cement industry, yet despite this, UE continues to insist on having its way on every issue. Our review of the UE proposals and the revenue implications indicate that the savings these companies have traditionally achieved could be materially reduced if not eliminated. UE has failed to indicate any valid reason or argument in support of its position in this matter.

REQUEST FOR ORAL ARGUMENT

The MEG Interruptibles submit that the issues involved in this proceeding are of critical importance to their economic viability and urge the Commission to schedule oral arguments on these issues at an early date. They concur with the position of Staff that an early pre-hearing conference should be scheduled and it may be more appropriate to schedule oral arguments immediately following an early pre-hearing conference to determine if the autocratic intransigence of this utility has softened, and it is willing to negotiate and accept a compromise proposal.

Respectfully Submitted,



Robert C. Johnson #15755

720 Olive St. Suite 2400

St. Louis, MO 63101

(314) 345-6436

(314) 588-0638 (fax)

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been mailed or hand delivered to the following on this 21st day of April 2000

James J. Cook
Ameren Services Company
One Ameren Plaza
1901 Chouteau Ave.
P.O. Box 66149 (MC 1310)
St. Louis, MO 63146-6149

General Counsel
Missouri Public Service Commission
Truman Building
301 West High Street, 7-N
Jefferson City, MO 65101

Steven Dottheim
Deputy General Counsel
P.O. Box 360
Jefferson City, MO 65102

Office of the Public Counsel
Truman Building
301 West High Street, Room 250
Jefferson City, MO 65101

A handwritten signature in cursive script, appearing to read "Robert Johnson", is written over a horizontal line.