

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

**In the Matter of Union Electric Company, d/b/a)
Ameren Missouri's Tariff to Increase Its Annual)
Revenues for Electric Service)**

Case No. ER-2011-0028

REPLY BRIEF OF MISSOURI RETAILERS ASSOCIATION

The Staff's Brief (pp. 89-91) and Ameren Missouri's Brief (pages 87-93) address the level of property taxes to be included in Ameren Missouri's revenue requirement. Neither the record evidence, nor Staff's and Ameren Missouri's analysis, support their proposed additional \$10.8 million in property tax expense.

Both parties emphasize that the Sioux scrubbers and the Taum Sauk reservoir will be included in Ameren Missouri's 2011 property taxes. They fail to note that those properties were included in Ameren Missouri's 2010 taxes. In fact, the market value of those two properties included in Ameren's 2010 property taxes was \$979,941,363 (Exhibit 501).

Neither party estimates the state-assessed property taxes for 2011 on the Sioux scrubbers. More to the point, they do not quantify in the record the known and measurable decrease in property taxes on the Sioux scrubbers in St. Charles County for 2011—information readily available to Ameren Missouri.

The parties provide no analysis of Ameren Missouri's 2011 property taxes in Reynolds County, the property tax situs of the Taum Sauk reservoir. The record evidence establishes (Exhibit 501) that the assessment on the Taum Sauk reservoir increased 50% between 2009 and 2010, increasing from \$53,585,250 to \$80,632,022. If Ameren Missouri's 2010 property tax bill in Reynolds County jumped millions of dollars to reflect that 50% increase in assessed value, Ameren Missouri should have put evidence in the record. The Commission cannot assume that

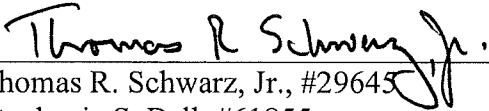
Ameren Missouri's property tax in Reynolds County will increase more dramatically in 2011 than it did in 2010, and there is no evidence in the record to support a finding to that effect.

Neither Ameren Missouri nor the Staff have provided an evidentiary basis for increasing Ameren's property tax revenue requirement by almost \$11 million. The Missouri Retailers Association again urges the Commission to set a level of \$119 million for property taxes in Ameren Missouri's revenue requirement, and order Ameren Missouri to track the results of its \$28.8 million in protested taxes for calendar year 2010.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that true copies of the foregoing pleading were sent to each of the following parties of record via electronic transmission this 13th day of June, 2011:

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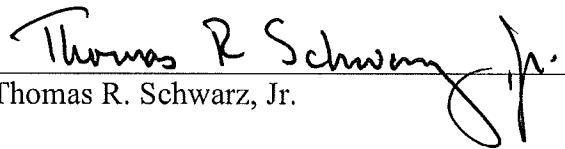
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