

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

In the matter of Union Electric Company	)	
d/b/a AmerenUE for Authority to File	)	
Tariffs Increasing Rates for Electric	)	Case No. ER-2007-0002
Service Provided to Customers in the	)	
Company's Missouri Service Area.	)	

**UNION ELECTRIC COMPANY d/b/a AMERENUE'S
REPLY TO MIEC RESPONSE TO ORDER REQUESTING STAFF TO CLARIFY
REVISED TRUE-UP RECONCILIATION**

COMES NOW Union Electric Company d/b/a AmerenUE ("AmerenUE" or "Company") and hereby replies to the above-captioned filing of this date by MIEC, and in this regard, states as follows:

1. Contrary to MIEC's argument, Staff's net salvage percentages, which the Company has adopted, do not include any terminal net salvage.¹ Indeed, no retirement dates for the Company's non-nuclear generating units were used in calculating net salvage percentages for those units. Without retirement dates, there can be no terminal net salvage in the net salvage percentages. Consequently, there is no terminal net salvage in the Company's or the Staff's revenue requirement.

2. MIEC is simply wrong, as indicated by Staff in Staff's Clarification of Revised True-Up Reconciliation and in Ms. Mathis's Surrebuttal Testimony.

Dated: May 17, 2007

¹ See Exh. 223, Surrebuttal Testimony of Staff Witness Jolie Mathis, pages 5-7 (where the Staff explicitly states it is rejecting terminal net salvage).

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing Union Electric Company d/b/a AmerenUE Reply to MIEC Response to Order Requesting Staff to Clarify Revised True-Up Reconciliation was served via e-mail, to the following parties on the 17th day of May, 2007.

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