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August 19, 2002

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DANA K. JOYCE
General Counsel

The Honorable Blaine Luetkemeyer
Representative – 115th District
House Post Office
Jefferson City, MO 65101

Dear Rep. Luetkemeyer:

Thanks for your inquiry regarding the recently-settled AmerenUE excess earnings complaint case. You raised a question regarding refunds to customers who were transferred from the company to electric cooperatives for electric service. Although this issue was not originally anticipated, it is an important one. AmerenUE has developed a proposal that it hopes to resolve next week.

The company has offered lump sum payments to two cooperatives that transferred customers during the relevant time periods: Gascoage Electric Cooperative and Lewis County Rural Electric Cooperative. AmerenUE is proposing that the cooperatives agree to distribute or credit refunds to the appropriate customers on their co-op accounts, with the company agreeing to pay any related costs.

Customers eligible for a refund retroactive to April 1, 2002 can expect an average refund of \$1.00 - \$1.50. Customers eligible for both a retroactive refund and a credit associated with AmerenUE's Experimental Alternative Regulation Plan (EARP) for the year ending June 30, 2001 can expect an average refund of around \$20.00.

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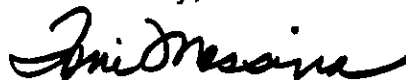
AmerenUE suggests that its cost to locate former customers and send individual refund checks to them would exceed the value of the refunds. The company believes that distribution through the cooperatives would be less costly and more efficient.

When EARP credits were paid in earlier years, AmerenUE was only required to distribute them to customers currently on their system. Customers no longer served by AmerenUE had to request their credit in writing and produce bill stubs or other documentation verifying their claim to a credit for a particular year.

Public Service Commission Staff believes that the company's proposal is reasonable, and AmerenUE has scheduled meetings with electric cooperatives' managers this week. If the cooperatives do not agree to handle the refunds and credits, the company will still provide them to its former customers. The customers, however, will have to contact the company individually and provide bill stubs or other documentation to verify that they were AmerenUE customers during the period associated with the refunds.

I will provide an update when more information is available. In the meantime, please call if you need further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Toni Messina".

Toni Messina
Legislative Liaison

C: Commissioners, Bob Quinn, Division Directors, Steve Dottheim, Warren Wood, Janet Hoerschgen