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

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

**UNION ELECTRIC COMPANY d/b/a AMERENUE'S**
**RESPONSE TO APPLICATIONS FOR REHEARING**

COMES NOW Union Electric Company, d/b/a AmerenUE ("AmerenUE" or "Company"), and files this Response to the Applications for Rehearing filed by the Office of the Public Counsel ("OPC"), the State of Missouri ("State"), the Missouri Industrial Energy Consumers ("MIEC"), and the Consumers Council of Missouri ("CCM"). For its Response, AmerenUE states as follows:

**OPC's Application for Rehearing**

1. OPC's Motion to Dismiss. The Company already addressed this matter in the Company's Response to Public Counsel's Motion to Dismiss filed on January 16, 2007, which is incorporated herein by this reference. The Commission has already ruled on OPC's Motion to Dismiss, as reflected in the Commission's May 22, 2007 Report and Order ("Report and Order"). Indeed, OPC concedes the Commission had the power to deny that Motion. Rehearing is only proper if the Commission has exceeded its authority, or has acted unlawfully. Insofar as the Commission had the power to deny OPC's Motion, and did so, rehearing respecting this issue is improper.

2. Off-System Sales. OPC, creatively and incorrectly, raises a vague notion that the Commission somehow "improperly" assigned the burden of proof on this issue when it rejected OPC's argument that the Commission should reach forward and utilize one budget item for a

period beyond the test year in the case (while ignoring all other future costs and expenses) in setting a base level of off-system sales. While there are numerous reasons (some of which were cited by the Commission in the Report and Order (see in particular the first full paragraph of the Report and Order on page 32)) why a Commission should not reach forward and grab one budgeted item in setting rates when other budgeted items are ignored, to suggest that the burden of proof on the off-system sales issue was improperly assigned just because the Commission cited the *uncontroverted* evidence that AmerenUE's budget includes fewer than normal planned outages is, to put it kindly, a stretch. This is not a burden of proof issue. Rather, it is an issue of how the Commission *evaluated* the record in this case. The Company agrees that it bore the ultimate burden of persuasion respecting the justness and reasonableness of the rates to be set in this case. It met that burden. Indeed, there is substantial and competent evidence of record, which as noted remains uncontroverted, that among other things, the budget is not representative of normal conditions because the budget it based upon fewer than normal (i.e. upon an abnormal level of) planned outages. It is also uncontroverted that if fewer than normal planned outages occur, more megawatt hours ("MWhs") will likely be available to sell off-system. If an abnormally high level of MWhs is available for sale, off-system sales revenues will also be abnormally high, all else being equal. Because the Commission sets rates based upon a normalized historic test year, it was reasonable for the Commission to make note of the fact that one of the problems with relying upon a budgeted figure is that it fails to reflect normal conditions. The Commission did not err in doing so.

OPC's second off-system sales-related argument is that using a production cost model as the basis for predicting the future level of off-system sales is somehow not really any different than simply grabbing one figure from a future year's budget. OPC is mistaken. Production cost

models, such as those run by both the Staff and the Company in this case, use a large number of normalized inputs and sophisticated databases which are designed to produce *normalized* levels of generation and sales. There is substantial and competent evidence of record demonstrating these facts. There is also substantial and competent evidence of record demonstrating that the 2007 budget is not based upon normal conditions.

OPC is dissatisfied with the decision the Commission reached on off-system sales. That dissatisfaction does not, however, support a basis for rehearing respecting that issue.

3. Return on Equity. OPC sarcastically suggests that the Commission erred in addressing the return on equity ("ROE") issue by concluding that "Golly, this stuff is too hard." As the Company's Application for Rehearing indicates, the Company believes the Commission erred with respect to its ROE decision, but not because of a lack of effort or good faith on the part of the Commission in attempting to reach an appropriate ROE decision. However, OPC wrongly and unfairly mischaracterizes what the Commission did in this case with respect to evaluating the expert testimony presented in this case. Contrary to OPC's suggestion otherwise, the Commission did not state that it "cannot or will not rely on the expert testimony." Rather, the Commission said (properly) that it must "use its judgment." In using its judgment, the Commission used, as "guidance," the testimony of the various ROE experts who testified (Report and Order p. 37).

OPC also incorrectly accuses the Commission of "completely ignoring" MIEC witness Gorman's ROE testimony, simply because the Commission did not blindly accept Mr. Gorman's bottom line recommendation of 9.8%, or simply because no expert recommended precisely the ROE adopted by the Commission (10.2%). The record in this case supports an ROE much higher than Mr. Gorman's recommended 9.8% including evidence of the average allowed ROEs

(56 basis points above Mr. Gorman's number), which was relied upon by the Commission. The law does not require the Commission to adopt an ROE that precisely matches a particular number recommended by a particular expert. For example, assume a rate case where only two parties provide expert testimony on ROE, the Company at 20%, and the Staff at 3%. In that case, there would be only two specifically recommended ROEs – 20% and 3%. Would the Commission be bound to choose either 20% or 3%? Would the Commission be disabled from using its judgment to arrive at a fair ROE somewhere between those two extreme figures? The answer is that of course the Commission would not be required to choose one figure or the other as a matter of law. The Company does not agree with the Commission's ROE decision, as reflected in the Company's Application for Rehearing, but neither the law nor the facts require the Commission to blindly adopt only specifically recommended numbers from one particular expert in setting an allowed ROE in a rate case.

4. Electric Energy, Inc. OPC accuses the Commission of acting illogically when the Commission correctly found that an electric utility cannot be found to have acted imprudently for failing to take an action it had no obligation to take in the first place. This kind of argument is a perfect illustration of the "heated rhetoric" the Commission properly ignored in deciding this issue (Report and Order p. 56). The Commission correctly found that AmerenUE had no obligation to somehow try to take money away from its shareholders, who had put their capital at risk for EEInc. simply because others, including OPC, wanted to confiscate power from EEInc. at cost, apparently forever.

OPC says that prudence is defined by what a reasonable person would do under the circumstances. Assuming that were the test, AmerenUE was entirely reasonable in protecting its shareholders' interests by not attempting to take an action it neither had the power to take, nor

the legal obligation to take.[1] At bottom, AmerenUE, the only entity under the jurisdiction of this Commission, had no power or right to tell EEInc.'s board what EEInc.'s board should do with power from the Joppa Plant. EEInc.'s board had the power, and exercised it, to use the market based rate authority EEInc. obtained from the FERC to sell EEInc.'s power at market rates. The benefit of doing so devolved to EEInc.'s shareholders, including AmerenUE, as it should, given that it is those shareholders who put their capital at risk respecting EEInc. in the first place.

5. Pinckneyville and Kinmundy. OPC confuses the Company's overall burden of *persuasion* in a rate increase case – i.e., its burden to establish that its revenue requirement necessitates a rate increase in order to produce just and reasonable rates – with the burden of *going forward* with evidence that OPC and others who propose adjustments to the Company's filed revenue requirement must carry. If OPC did not bear the burden of going forward on adjustments it is advocating, then all other parties would have to do in a rate case is file a piece of testimony listing (without support) various adjustments in various amounts and the Company would essentially have to prove a negative on each one; i.e., would have to prove that the list of proposed adjustments lacked merit. The Commission properly imposed the burden of going forward with evidence on the adjustment OPC proposed on OPC, a burden that OPC failed to meet.

With respect to this issue, the Company filed its rate case, including a comprehensive cost of service study supporting its requested revenue requirement. The rate base reflected in

[1] OPC also takes Mr. Rainwater,'s statement that "we" control the board out of context. Ameren Corporation subsidiaries possess the votes to elect a majority of the members of the EEInc. board, and thus control the election of directors. That does not mean that AmerenUE – the holder of 40% of the issued and outstanding shares of stock in EEInc. – had the power to force EEInc. to sell power at cost forever. In other words, Mr. Rainwater, who is not a lawyer and who testified that he had no formal training relating to corporate governance, cannot establish the legal principle OPC wishes existed – that EEInc.'s board, once elected, somehow ought to owe a duty to AmerenUE *ratepayers*. EEInc.'s board owes its duty to EEInc and its shareholders, and EEInc.'s board properly discharged that duty when it decided it was in EEInc.'s best interest to use the market-based rate authority it had obtained from the FERC.

that cost of service study included the actual purchase price, at cost (in this case, net book value), of these combustion turbine generating ("CTG") plants. While recognizing that the affiliate transaction rule pricing standards applied (*see* Report and Order p. 66), the Commission also properly recognized that under longstanding and well-established law, it was up to other parties to propose adjustments to the revenue requirement reflected in the Company's cost of service study (i.e. to go forward with evidence supporting the adjustments that they were proposing). (*See, e.g., State ex rel. Associated Natural Gas. Co. v. Public Service Commission*, 954 S.W.2d 520, 528 (Mo. App. W.D. 1997) (quoting *In Re: Union Electric Company*, 27 Mo. P.S.C. (N.S.) 183, 193 (1985) (When a utility makes an expenditure that it wishes to include in its rates, that expenditure is "presumed to be prudently incurred.")). Whether a utility expenditure may be included in rates is tested by "a standard of reasonable care requiring due diligence as the standard for evaluating the prudence of a utility's conduct." *In Re: Missouri-American Water Co.*, Report and Order of Missouri Public Service Commission dated August 31, 2000, Case No. WR-2000-281. Under this reasonable care standard, it is the parties challenging the "conduct, decision, transaction, or expenditures of a utility" that "have the *initial* burden of showing inefficiency or improvidence, thereby defeating the presumption of prudence accorded the utility." *Id.* (emphasis added). This reasonable care standard has as its roots the fundamental principles cited above that prohibit the Commission from taking over the management of the utility. *Id.* (citing *State ex rel. City of St. Joseph v. Public Service Commission*, 30 S.W.2d 8, 14 (Mo. banc 1930)).

OPC proposed an adjustment when it filed its direct testimony on December 15, 2006, and included the evidence that OPC contended demonstrated that AmerenUE did not comply with the Commission's affiliate transaction rules (specifically, 4 CSR 240-20.015(A) and (B))

with regard to the purchase of these CTGs. OPC's argument was, and is, essentially, that the fair market value of these CTGs was less than the net book value paid by AmerenUE. In support of its adjustment, OPC attempted to establish what it contended to be the fair market value of these CTGs; i.e, it went forward with evidence that it hoped would create a serious doubt as to whether the net book value was less than or equal to the fair market value of these CTGs.

The Commission found that OPC simply did not carry its initial burden of going forward with evidence necessary to create a serious doubt about the fairness of the price paid by AmerenUE. Consequently, the Company need not have done more to sustain its burden to support its rate increase request and the inclusion of these CTGs in rate base at net book value.

Regardless, the Company did more, and provided substantial and competent evidence indicating that AmerenUE did meet the requirements of 4 CSR 240-20.015(A) and (B). AmerenUE witness Rick Voytas's pre-filed testimony and his testimony at the hearing established that competitive bids were solicited and obtained respecting the purchase of these CTGs, thus demonstrating compliance with subpart (A), which simply requires a demonstration that bids were obtained or a demonstration of why bids were not obtained. That same testimony also demonstrates that the net book value price paid by AmerenUE was at equal to, if not lower than, the fair market value of these CTGs, thus demonstrating compliance with subpart (B), which requires nothing more.

Stripped to its essence, OPC's complaint is that the Commission did not accept OPC's argument that forced sale prices of substantially dissimilar CTGs should be relied upon to establish the fairness of the price paid by AmerenUE. The Commission decided, based upon the evidence of record, that AmerenUE paid a fair market price for these CTGs. Based upon that decision, a violation of the Commission's affiliate transaction rules is simply not possible given

that the purpose of the rules is to "prevent regulated utilities from subsidizing their unregulated operations."[2] By definition, a regulated utility does not subsidize its unregulated affiliate when it pays that affiliate a fair market price for an asset it needed. No one contends AmerenUE did not need these CTGs. By paying a fair price for them, the Commission's affiliate transaction rules were satisfied.

6. Peno Creek. OPC again mistakenly argues that it bore no burden of going forward with evidence that would create a serious doubt about the reasonableness of the expenditures made by AmerenUE to build the Peno Creek CTG Plant. For the reasons outlined above and in the Report and Order, OPC is incorrect. At bottom, OPC fails to accept that the Commission rejected the "opinion" of an economist about the propriety of AmerenUE's construction of a CTG plant in the face of evidence from the Company and the Staff documenting that the construction costs were reasonable and proper.

OPC also takes the Commission to task for failing to accept Mr.Kind's contention that the $390/kW figure he relied upon (which the record shows was not for the highly functional aero derivative CTGs at Peno Creek) was a stale figure from a 1995 analysis completed several years before the Peno Creek Plant was built. OPC alleges that Mr. Kind showed that the $390 figure was from 1999, not 1995, and cites to Mr. Kind's surrebuttal testimony. Mr. Kind's surrebuttal testimony claims that a data request response proves Mr. Kind is correct, and refers to that data request response as Attachment 8 to Mr. Kind's surrebuttal testimony. There is, however, no Attachment 8 to Mr. Kind's surrebuttal testimony. Thus, the "evidence" Mr. Kind would argue would support his contention that the figures were from 1999 does not exist of record. In any event, Mr. Voytas, who was in charge of the *1995* asset optimization study that

[2] *Order of Rulemaking*, Case No. EX-99-442. The Commission can take official notice of its Order of Rulemaking, pursuant to Section 536.070 (6), RSMo. (2000).

generated the $390 figure, testified to the contrary, and his testimony was accepted by the Commission. Consequently, the Commission's decision is based upon substantial and competent evidence of record, and was proper.

7. Taum Sauk Regulatory Capacity. AmerenUE has already addressed the impropriety of OPC's out-of-time proposed adjustment relating to the alleged sale of Taum Sauk capacity.[3] The Commission has already ruled, a ruling that OPC does not allege was outside the Commission's power and discretion to make, that OPC's proposed adjustment is "far out-of-time and violates the Commission's rules and its procedural order in this case." (Report and Order p. 116.) Rehearing is only proper if the Commission acts beyond its statutory authority or otherwise acts unlawfully. No one seriously contends that the Commission did so. Consequently, the Commission's determination that OPC's proposed adjustment violates Commission rules and its scheduling ends the inquiry, and rehearing should not be granted.

**State of Missouri's Application for Rehearing.**

8. Off-System Sales. The Commission made a decision, based upon the evidence of record in this case, that the use of production cost models using inputs designed to mimic normalized conditions produces a more reliable indicator of a normalized level of off-system sales that should be built into AmerenUE's rates. The fact that Staff and the Company essentially agreed on each and every aspect of this modeling, with the exception of one input (the appropriate normalized gas price) demonstrates the reliability of these models. The $230 million level of annual off-system sales margins was set based upon use of historic data in Staff's production cost model, normalized to take into account changes that occurred during the historic

[3] *See Union Electric Company d/b/a AmerenUE's Response to Order Establishing Time to Respond to Issue Raised in Public Counsel's Brief and Motion to Strike, Union Electric Company d/b/a AmerenUE's Motion to Strike Public Counsel's Reply Filed May 17, 2007,* and *Union Electric Company d/b/a AmerenUE's Response to Public Counsel's May 18, 2007 Reply*, each of which are incorporated herein by this reference.

test year. There were no capacity sales in the test year. The Commission, in its discretion, chose to rely upon the evidence presented by the Staff respecting an appropriate base level of off-system sales margins, without reaching forward to consider revenues (or costs) that may or may not occur in 2007, 2008, 2009, or beyond. The Commission correctly recognized that it should not supplement that modeling results which were produced based upon a detailed and careful analysis of the operation of the Company's system with a very small level of capacity sales occurring after the test year.

For this reason, and the reasons discussed above in response to OPC's request for rehearing with respect to the off-system sales issue, the State's request for rehearing on this issue should be denied.

9. Taum Sauk Regulatory Capacity. This issue was already addressed above in connection with OPC's request for rehearing on the same issue. The State attempts to bolster these arguments with two citations to the record, both of which are misleading.

The state claims that the Company agreed, at page 1222, that it could make capacity sales from the Taum Sauk Plant. There was no such agreement. AmerenUE witness Shawn Schukar was simply asked if discussions about the topic of Taum Sauk capacity had occurred, and Mr. Schukar testified no such discussions had occurred.[4] The State also misleadingly suggests that Mr. Schukar (at page 1237 of the transcript) testified that 400 megawatts of capacity could be sold from the Taum Sauk Plant. Mr. Schukar provided no such testimony. Mr. Schukar simply acknowledged the quite obvious fact that when a 400 megawatt plant goes out of service, the Company's capacity position drops by 400 megawatts. That is far cry from agreeing that 400 megawatts could or in fact would be sold, and it is far cry from providing evidence of during what months sales could be made, or at what price Taum Sauk capacity could actually be sold, or

[4] Tr. p. 1222, l. 13 to p. 1223, l. 1.

if it could be sold at all. There is simply no evidence of record that capacity has ever been sold from the Taum Sauk Plant, and there is no evidence of record as to how much, if any, Taum Sauk capacity could have been sold at some point in the future. Consequently, not only does the proposed adjustment violate the Commission's rules and scheduling order, but any such adjustment would be speculative.

10. Pinckneyville and Kinmundy CTGs. For the reasons outlined above in connection with the Company's response to OPC's Application for Rehearing on this same issue, the State's request for rehearing should be denied.

11. SO2 Allowance Sales. The Commission properly made a policy decision when it decided that implementing a regulatory account that would ensure that 100% of SO2 allowance margins (together with closely related sulfur premiums/credits) are available for the benefit of ratepayers as part of the fuel expense calculation in the Company's next rate proceeding. By adopting that policy decision, the Commission necessarily rejected the State's argument that a high level of SO2 allowance sales should be built into rates. The Commission recognized that this would create the wrong incentives for the Company, to the potential detriment of ratepayers.

The State complains that the $5 million level chosen by the Commission was unsupported. The record belies that complaint. The $5 million level was within the range of past sales of SO2 allowances (e.g., the Company sold $3.9 million of SO2 allowances during the test year ending June 30, 2006,[5] and only sold the additional approximately $30 million in late 2006 as an offset to the extraordinary costs associated with the 2006 storms occurring after July 1, 2006. Consequently, the Commission acted well within its discretion, based upon the evidence, in setting a base level of $5 million. Indeed, the evidence of record reflects that the Staff did not recommend including any amount of SO2 allowance sales revenues in base rates.

[5] Exh. 62, p. 4, l. 12.

12. Return On Equity. The State's complaint with the Commission's ROE decision is essentially the same as OPC's. Consequently, the State's request for rehearing on this issue should be denied for the same reasons already discussed above in connection with OPC's request for rehearing relating to ROE.

The State also urges the Commission to punish AmerenUE for what the State characterizes as "substandard" service. As the Company has already indicated in its Application for Rehearing, the Commission found that AmerenUE was an average company with average risk, yet awarded AmerenUE a below-average ROE. Moreover, AmerenUE was awarded a below-average ROE without a fuel adjustment mechanism. Consequently, there is ample evidence of record supporting an ROE higher than that recommended by Mr. Gorman, and as AmerenUE points out in its Application for Rehearing, the ROE that was awarded is too low, based upon the evidence of record in this case.

13. EEInc. The State continues to attempt to recast its position on this issue by arguing that it is not, directly or indirectly, asking this Commission to effectively grant ratepayers an equitable interest in the Joppa Power Plant. State witness Brosch's testimony belies the State's denial of the effect of the State's position, if it were adopted. *See* Exh. 501, p. 24 (cited by the Commission at p. 52 of the Report and Order), where Mr. Brosch explains the basis for his proposed EEInc. adjustment, as follows: "I am not an attorney and cannot offer any legal opinion regarding the obligations of management. Ultimately, this may be a question for the Commission to decide. However, I believe *that equity and fairness* dictates a regulatory outcome . . ." (emphasis added) that, according to Mr. Brosch, would require AmerenUE as a shareholder in EEInc. to donate the profits AmerenUE can realize from the investment AmerenUE shareholders (not ratepayers) put at risk to ratepayers. In summary, ratepayers got

energy and capacity under purchased power agreements with EEInc., and ratepayers, as part of their rates, paid for that energy and capacity – nothing more, and nothing less. This was a fair trade – MWhs and MWs for dollars. Ratepayers do not own stock in EEInc., and did not take the investment risk in EEInc. and, consequently, ratepayers are not entitled to the returns on that stock.

14. Fuel Adjustment Clause. The Commission has denied AmerenUE's request for a fuel adjustment clause. Consequently, the error alleged by the State respecting the Commission's decision to accept and consider the fuel adjustment clause tariff filing made by the Company on September 29, 2006 is moot.

**MIEC's Application for Rehearing.**

15. Terminal Net Salvage. MIEC argues that the Commission has inadvertently included terminal net salvage costs in the depreciation rates approved for the Company's steam and hydraulic plants. MIEC argues that the net salvage percentages "by definition, include a provision for terminal net salvage because they are applied to 100% of the investment in these accounts." (MIEC's Application for Rehearing or Reconsideration, p. 1.) This allegation is simply incorrect. For terminal net salvage costs to be included in depreciation rates (A) the cost of tearing down the plants at the end of their life must be developed and included in the depreciation rates, (B) the date of final retirement for each plant must be calculated, and (C) survivor curves for the plants must be truncated. The Staff took none of these steps in applying their net salvage percents in this case. In fact, the Staff handled net salvage exactly as it was handled in the *Laclede* and *Empire* cases, and the Staff specifically pointed out that its position is that terminal net salvage should be rejected. (Tr. 3595.) MIEC's incorrect argument that Staff's

treatment of net salvage, which was adopted by the Commission, includes terminal net salvage should be denied.

16. MIEC also continues to argue that historic inflation should be stripped out of the depreciation calculation, and that their witness' projection of future inflation should be substituted. As the Commission's Report and Order recognized, MIEC's position is directly in conflict with the Commission's decisions in *Laclede* and *Empire*. Also the calculation is flawed because it overstates the average age of historical retirements as explained by Company witness Stout. Finally, it is grounded on one witness' prediction of the future level of inflation which the Commission found to be inherently unreliable. (Report and Order, pp. 92-93.) MIEC has provided nothing new that would warrant the Commission's adoption of its projections of future inflation and its departure from its decisions in previous cases, so the Commission should reject this argument.

17. MIEC makes essentially the same argument as did OPC and the State with respect to ROE. Consequently, the Company incorporates by reference its arguments set forth above regarding ROE made in response to the arguments of OPC and the State.

**CCM's Application for Rehearing.**

18. CCM makes essentially the same arguments as did OPC and the State with respect to ROE. Consequently, the Company incorporates by reference its arguments set forth above regarding ROE made in response to the arguments of OPC and the State. CCM also makes one additional argument, and complains that the Commission's ROE decision was "inconsistent and unfair to ratepayers when compared to the Commission's recent decision issued in the Aquila electric rate case." Given that Aquila was granted a fuel adjustment clause *and* granted a higher ROE than granted to the Company, it is difficult to understand how a

comparison to the Aquila rate case could reveal "inconsistency and unfairness" to ratepayers, as CCM alleges.

19. CCM also continues to advocate for a $25 per day customer credit for any outage of more than 48 hours in duration, regardless of the cause of the outage or the fault of the utility. The Company addressed this issue in detail at pages 150 – 153 of its Post Hearing Brief, and will not repeat that discussion here. The Company would note, however, that as is apparent from CCM's Application for Rehearing that the only basis for this proposal is CCM's contention that understandably frustrated customers testified to their frustration at local public hearings. Those customers' testimony certainly can be and the Company is sure was considered by the Commission as it reached its decision in this case. However, the expression of frustration by customers does not constitute substantial and competent evidence that an arbitrary, $25 per day penalty that is triggered after an arbitrary, 48 hour period, should be imposed on a utility – without regard to fault under circumstances where the utility's system was devastated by unusually severe storms the utility could not control. The Commission properly decided that the record simply does not support adoption of any such proposal. Moreover, as the Commission itself points out, the only "evidence," other than understandable customer complaints and frustration, regarding the basis, design, efficacy, and appropriateness of the program CCM proposes consists of a pamphlet for a program for a different utility operating in another state. The pamphlet is devoid of evidence respecting the circumstances that led to implementation of the program by this other utility, respecting why $25 is appropriate or respecting why 48 hours is an appropriate, non-arbitrary triggering point for payments. In short, the Commission simply has no basis in fact, no evidence, upon which to attempt to order the creation of such a program.

Finally, the Commission has no authority to require a shareholder funded program of this type. Doing so would constitute an award of money damages to customers inconvenienced by outages (regardless of fault). The Commission possesses no such power.

**Conclusion.**

There are no new facts or arguments reflected in OPC's, the State's, MIEC's or CCM's Applications for Rehearing. The arguments they raise do not demonstrate that the Commission exceeded its authority when it decided these issues, or that the Commission's decision was otherwise unlawful with respect to these issues. Consequently, AmerenUE respectfully requests that the Commission deny the Applications for Rehearing filed by OPC, the State, CCM, and MIEC.

Dated: June 11, 2007.

Respectfully submitted:

Respectfully submitted,

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## CERTIFICATE OF SERVICE

I hereby certify that the foregoing Response was served via e-mail, to the following parties on the 11th day of June, 2007.

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