

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

In the Matter of Union Electric Company)	
d/b/a AmerenUE's Filing to Adjust Rates)	
Under its Approved Fuel and Purchased)	Case No. ER-2011-0018
Power Cost Recovery Mechanism Pursuant)	
To 4 CSR 240-20.090(4).)	

**AMERENUE'S LIMITED RESPONSE TO MIEC'S AND OPC'S MOTIONS TO
REJECT TARIFF OR IN THE ALTERNATIVE MOTIONS
TO SUSPEND AND REQUESTS FOR HEARING**

COMES NOW Union Electric Company d/b/a AmerenUE (AmerenUE) and hereby files this limited response to the Motions to Reject Tariff or in the Alternative Motions to Suspend filed by the Missouri Industrial Energy Consumers (MIEC) and the Office of the Public Counsel (OPC), and also responds to the Staff Response to Order Directing Staff Filing (Staff Response) regarding said Motions. In this regard, AmerenUE states as follows:

1. Paragraphs 1 through 3 of Staff's Response set forth the relevant procedural history regarding MIEC's and OPC's Motions.
2. MIEC and OPC are asking the Commission to turn the process prescribed by its fuel adjustment clause (FAC) rules (4 CSR 240-20.091) on its head by injecting *allegations* of imprudence made in the separate prudence review docket provided for in 4 CSR 240-20.090(7) into the ministerial periodic adjustment of FAC rates, as provided for in 4 CSR 240-20.090(4). As the Staff, the proponent of the separate and distinct *allegation* of imprudence made in a different docket itself recognizes, "importantly, Staff's conclusion [i.e., allegation] in File No. EO-2010-0255 – that AmerenUE was imprudent . . . has not yet been subjected to all applicable

process in the prudence docket, and has not yet been accepted by the Commission.” Staff Response, ¶ 6. On that basis, the Staff recommends denial of MIEC’s and OPC’s Motions.

3. Parties should not be allowed to turn a ministerial periodic adjustment of the FAC rate into a prudence review or other contested proceeding merely because an unproven *allegation* of imprudence has been made. An allegation is not proof. AmerenUE has exercised its right to seek a hearing respecting this allegation, in the proper docket – the prudence review docket (Case No. EO-2010-0255) -- and the Commission has scheduled a prehearing conference for the express purpose of discussing a procedural schedule respecting proceedings to test the validity of the allegation that has been made, consistent with the due process rights of AmerenUE. Indeed, AmerenUE strongly disagrees with the Staff’s allegation, and will vigorously oppose it.

4. Rates charged pursuant to an FAC are implemented on an interim, subject-to-refund-with-interest basis for two principal reasons. First, the actual collections versus the assumed collections (based upon projected kilowatt-hour sales) must be trued-up after each recovery period, and second, prudence reviews must occur at least every 18 months, and if a prudence disallowance were to be made a downward adjustment to the FAC rate, with interest, would have to be made. The process prescribed by the FAC rules is to one, implement the periodic adjustments, two, true-up the collections, and three, address allegations of imprudence. This process is orderly, fair and protects utilities and ratepayers alike. If the Staff’s allegation of imprudence is proven in whole or in part, then the sums involved will be returned to customers, with interest.

5. That is the process prescribed by the Commission’s FAC rules. That is the process that must be followed here.

WHEREFORE, AmerenUE hereby requests that the Commission make and enter its order denying MIEC's and OPC's above-referenced Motions.

Respectfully submitted,

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**ATTORNEYS FOR UNION ELECTRIC
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was served via e-mail on all counsel of record this 14th day of September, 2010.

/s/James B. Lowery