

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

In re: Union Electric Company's	)	
2008 Utility Resource Filing pursuant to	)	Case No. EO-2007-0409
4 CSR 240 – Chapter 22.	)	

**RESPONSE TO PUBLIC COUNSEL'S JUNE 2<sup>ND</sup> MOTION**

**COMES NOW**, Union Electric Company d/b/a AmerenUE (AmerenUE or the Company) and in support of its *Response to Public Counsel's June 2<sup>nd</sup> Motion*, states as follows:

1. On May 11, 2009, AmerenUE filed a motion requesting the Commission change the due date for its next Integrated Resource Plan filing to February 2, 2011.

2. On May 15, 2011, the Office of the Public Counsel (OPC) filed a response indicating that it did not oppose the request.

3. On June 2, 2009, OPC filed a motion to amend its May 15, 2009, pleading.

4. OPC's amended response asked the Commission to order AmerenUE not to make a decision to start construction of a new generating plant or to acquire a combined cycle (CTG) or coal-fired plant prior to July 2, 2012 without first getting approval from the Commission. The basis for this request was two-fold. First, because an AmerenUE affiliate is exploring the possible sale of three generating assets and, second, because AmerenUE ran an advertisement in Gas Daily requesting information about CTG units located within the MISO region which might be for sale.

5. AmerenUE cannot agree to OPC's recommended language, nor does it believe the suggested change is necessary. At this time, AmerenUE has not changed its Preferred Resource Plan except for the modification about which it notified the Commission on May 5, 2009. Nor has the Company decided it is necessary to implement any of the contingency options identified in its previous IRP filing.

6. The events noted by OPC in its June 2<sup>nd</sup> filing are simply a consequence of AmerenUE's *continual* evaluation and planning process, which includes evaluating opportunities that may become available between the time an IRP is filed and the time a subsequent IRP is prepared and filed three years later. As we

have stated several times before, planning is not static. If the Company did not continue to evaluate options to meet the demand on its system – today and in the future – and if the Company ignores opportunities that might help it prudently meet those demands, it might rightfully be accused of acting imprudently. In effect, OPC seeks to impose restrictions on the Company’s ability to make resource decisions that do not exist as a matter of law when opportunities that it prudently should pursue arise in the IRP rules or otherwise.

7. Once the Company suspended its pursuit of a second nuclear unit in Missouri, the Company’s IRP indicates that its next best option is to meet its generation needs with a combined cycle plant. A combined cycle unit, located near AmerenUE’s load and within the footprint of the Midwest Independent Transmission System Operator, Inc. is on the market, and the seller, an AmerenUE affiliate, solicited AmerenUE (among many other potential bidders) to consider bidding on the plant. AmerenUE has submitted no such bid, and has made no decision respecting whether it may or may not do so.<sup>1</sup> What AmerenUE is doing, as we believe the Commission would expect it to do, is prudently evaluating whether bidding on this plant is in its and its customers best interests. As it did when it built its four coal-fired units and bought the many combustion turbines it already owns, AmerenUE will make a prudent business decision respecting whether to bid, and at what price, or whether not to bid. OPC’s additional language suggested in its June 2<sup>nd</sup> filing effectively seeks to punish AmerenUE (by seeking to condition an extension of the IRP filing date that OPC and others do not oppose) for continuing to evaluate options that arise for supplying electric service to its customers. OPC’s effort makes no sense, distorts the entire resource planning process reflected in the Commission’s IRP rules, represents an unlawful attempt to take over the management of the Company and it should be rejected.

8. In summary, the IRP process contemplates continual planning efforts. 4 CSR 240-22.080(10) sets forth when and how AmerenUE is to notify the Commission if it changes its preferred plan or implements a contingency option. AmerenUE has properly notified the Commission of the change to its preferred plan. AmerenUE has not yet decided to implement any contingency option. If AmerenUE decides to implement a contingency option, it will file a revised implementation plan respecting that contingency, as required.

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<sup>1</sup> AmerenUE’s Request for Information in *Gas Daily* was simply part of AmerenUE’s prudent due diligence efforts in evaluating whether it should or should not bid on the combined cycle plant offered for sale by its affiliate, that is, AmerenUE wanted to know if there were other, and potentially better, opportunities in the marketplace.

WHEREFORE, AmerenUE renews its request that the Commission amend its prior order to extend the due date for AmerenUE's next IRP filing to February 5, 2011 and respectfully requests that the Commission reject the additional language suggested by OPC in its June 2<sup>nd</sup> filing.

Respectfully submitted,

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Dated June 2, 2009

## CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 2nd day of June, 2009.

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