

**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.)	

In the Matter of Union Electric Company)	
d/b/a AmerenUE for Authority to File)	
Tariffs Increasing Rates for Natural Gas)	Case No. GR-2007-0003
Service Provided to Customers in the)	
Company's Missouri Service Area.)	

**AMERENUE'S RESPONSE TO PUBLIC COUNSEL'S RECOMMENDATIONS
FOR NOTICE AND PUBLIC HEARINGS**

COMES NOW Union Electric Company d/b/a AmerenUE (AmerenUE or Company), pursuant to 4 CSR 240-2.080(15), and hereby files this Response to Public Counsel's Recommendations for Notice and Public Hearings. For its Response, AmerenUE states as follows:

Local Public Hearings

1. Public Counsel has recommended to the Commission that it should conduct 12 separate Local Public Hearings. While the Company has absolutely no objection to holding a sufficient number of public hearings to give ratepayers a fair opportunity to provide the Commission information about AmerenUE's requested rate increase, the recommended number of Local Public Hearings in these cases is substantial.

2. While there is no particular "rule of thumb" one can derive from other rate cases before the Commission, it is noteworthy that far fewer Local Public Hearings were more than adequate in several recent large company rate cases, including in Kansas City Power & Light Company's current rate case (only two hearings) Missouri Gas Energy's 2004 rate case (four

hearings), and Aquila's 2005 combined electric and steam rate cases for both its MPS and SJLP divisions (two hearings).

3. AmerenUE has a large service territory, and the matters before the Commission involve both electric and gas rates. Consequently, more Local Public Hearings may be warranted. However, 12 separate hearings may be unwarranted.

4. One of the purposes of holding Local Public Hearings is to ensure that the general public is adequately represented before the Commission in rate cases. In AmerenUE's electric rate case alone, there exist 13 separate intervenors, plus Staff and Public Counsel. Of those 15 parties, at least four represent the interests of the general ratepaying public or substantial subgroups of the general ratepaying public. There is little doubt that the public will be heard, and fully represented, in these rate cases, without the necessity of holding 12 Local Public Hearings.

5. Twelve separate Local Public Hearings will also create a substantial and perhaps unwarranted burden on the Commission, its Staff and other parties, particularly given the parties' and the Commission's schedule over the next several months. As recommended by the parties in the Jointly Proposed Procedural Schedules filed in each of these cases, Local Public Hearings should be held after direct testimony is filed so that the key positions of the parties are known at the time of the Local Public Hearings. This means that Local Public Hearings almost certainly need to be held in January during one of the busiest periods of the rate cases. During that period, all parties will be meeting for technical and settlement conferences designed to correct data errors and to narrow and perhaps resolve issues. Rebuttal testimony must be prepared, and substantial discovery will be underway. Based upon the foregoing, AmerenUE suggests the Commission consider whether indeed 12 Local Public Hearings are warranted.

Customer Notice

7. AmerenUE has no objection to the customer notice Public Counsel recommends in its August 25 Recommendation. However, there exists an important omission in that notice; that is, AmerenUE's request to implement a fuel adjustment clause (FAC) in its electric rate case. AmerenUE believes that customers should be notified of its request for an FAC. In fact, if the proposed FAC rules currently being considered in Docket No. EX-2006-0472 were in effect, notification to customers that an FAC is being requested would be required in the customer notice given in all rate cases (*see* proposed rule 4 CSR 240-20.090(2)(D)).

8. Consequently, AmerenUE requests that the notice recommended by Public Counsel be approved, with the following addition to be inserted as the second full paragraph of the notice (after the paragraph ending "... \$6.00 per month for natural gas"):

AmerenUE's electric rate filing includes a request to implement a fuel adjustment clause. A fuel adjustment clause, if approved by the Commission, would allow increases or decreases in fuel and purchased power costs occurring after base electric rates are set by the pending electric rate case to be passed through to customers as a separate line on customer's bills. Increases in fuel and purchased power costs above base electric rates would be applied to customer bills via a separate and additional charge and decreases would be applied to customer bills via a credit.

WHEREFORE, AmerenUE respectfully suggests that the Commission consider whether 12 separate Local Public Hearings are warranted in these combined cases, and

prays that the Commission approve the customer notice recommended by Public Counsel,
with the additional paragraph set forth in numbered paragraph 8 of this Response.

Respectfully submitted,

Dated: August 29, 2006

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via e-mail, to the following parties on the 30th day of August, 2006.

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