

January 24, 2000

FILED

JAN 24 2000

**Missouri Public
Service Commission**



Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

Re: MPSC Case Nos. EO-96-14 and EM-96-149

Dear Mr. Roberts:

Enclosed for filing on behalf of Union Electric Company, d/b/a AmerenUE, in the above matters, please find an original and fourteen (14) copies of its **Response to the Commission Order of January 20, 2000** for each case.

Kindly acknowledge receipt of these filings by stamping two copies of the enclosed letter and returning them to me in the enclosed self-addressed envelope.

Very truly yours,

James J. Cook /sh

James J. Cook
Managing Associate General Counsel

JJC/db
Enclosures

cc: Ms. Shelly Register
Parties on Attached Service List

FILED

JAN 24 2000

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

**Missouri Public
Service Commission**

In the matter of the Application of Union Electric)
Company for an order authorizing: (1) certain)
merger transactions involving Union Electric)
Company; (2) the transfer of assets, real estate,)
leased property, easements and contractual)
agreements to Central Illinois Public Service)
Company; and (3) in connection therewith, certain)
other related transactions)

Case No. EM-96-149

In the Matter of the Monitoring of the)
Experimental Alternative Regulation Plan of)
Union Electric Company)

Case No. EO-96-14

**UNION ELECTRIC COMPANY'S RESPONSE
TO THE COMMISSION ORDER OF JANUARY 20, 2000**

Comes now Union Electric Company ("Union Electric" or "Company") in response to the Commission's Order of January 20, 2000 ("Order"). The Order directed the Company to file the "data, figures or other calculations which are derived as a result of the Report and Order issued by the Commission in Case No. EO-96-14 on December 23, 1999." The Order also directed the Company to submit a calculation of the rate reduction.¹ Attached hereto are the requested data, figures and calculations consisting of four pages. These filings assume the correctness of the Report and Order in Case No. EO-96-14 (issued December 23, 1999), with respect to which rehearing petitions are pending and possible judicial review anticipated. By the present filing, Union Electric does not waive or in any way compromise any rights it may have to challenge any aspect

¹ The rate reduction being filed herewith is the total annual rate decrease. The distribution of this reduction to the customer classes would be in accordance with the Stipulation and Agreement. Workpapers supporting this filing will be sent to all parties.

181

of the Report and Order filed in connection with Case No. EO-96-14, including the "final earnings report" and "third year credit sharing report" that Union Electric was directed to file on January 14, 2000, nor does the Company waive or in any way compromise any rights it may have to challenge any aspect of a Commission Order in EM-96-149.

Date: January 24, 2000

Respectfully submitted,

AmerenUE

By: James J. Cook / sh
James J. Cook, MBE #22697
Ameren Services Company
One Ameren Plaza
1901 Chouteau Avenue
P.O. Box 66149 (MC 1310)
St. Louis, MO 64166-6149
314-554-2237
314-554-2098
314-554-4014 (fax)

OF COUNSEL:

Robert J. Cynkar
Craig S. Lerner
Cooper, Carvin & Rosenthal
1500 K Street, N.W.
Suite 200
Washington, D.C. 20005
202-220-9600
202-220-6901 (fax)

UNION ELECTRIC COMPANY
MISSOURI REVENUE SHARING
ACTUAL AND WEATHER NORMALIZED
TWELVE MONTHS ENDED 6/30/96, 6/30/97, AND 6/30/98
AND RATE DECREASE EFFECTIVE 9/1/98
(IN THOUSANDS OF DOLLARS)

	<u>6/30/96</u>	<u>6/30/97</u>	<u>6/30/98</u>	<u>TOTAL</u>	<u>3 YEAR AVERAGE</u>	<u>RATE DECREASE</u>
ACTUAL CALCULATED MISSOURI REVENUE SHARING	\$43,662	\$17,897	\$28,375	\$89,934	\$29,978	
WEATHER NORMALIZED	12,040	22,916	14,007	48,963	16,321	<u>\$16,321</u>

UNION ELECTRIC COMPANY
MISSOURI ELECTRIC
CALCULATION OF POSSIBLE SHARING REVENUES
BASED ON TWELVE MONTHS ENDING JUNE 30, 1998
(IN THOUSANDS OF DOLLARS)

WEATHER NORMALIZED PER MISSOURI ORDER

	<u>6/30/98</u>
MISSOURI RATE BASE	\$ 3,902,576
TOTAL RETURN ON RATE BASE	10.472%
EARNED RETURN ON COMMON EQUITY	13.414%
50% SHARING FOR EARNED RETURN > 12.61% = 14.00%	
[(13.414% - 12.61%) * 50% * \$3,902,576 (RB) * .54847 (C.E. %)]	\$ 8,605
TOTAL 50% SHARING INCLUDING INCOME TAXES (.6231)	\$ 13,966
100% SHARING FOR EARNED RETURN > 14.00%	
[(14.000% - 14.000%) * 100% * \$3,902,742 (RB) * .54847 (C.E. %)]	\$ -
TOTAL 100% SHARING INCLUDING INCOME TAXES (.6231)	\$ -
TOTAL SHARING INCLUDING TAXES (EXCLUDES GROSS RECEIPTS TAX)	\$ 13,966
ACTUAL 1997 CREDIT TO MISSOURI REVENUE RETAIL CUSTOMERS LESS THAN ORDERED.	\$ 41
ADJUSTED TOTAL SHARING	\$ 14,007
ADJUSTED TOTAL INCLUDING GROSS RECEIPTS TAX	\$ 14,707

UNION ELECTRIC COMPANY
 MISSOURI ELECTRIC
 MISSOURI SHARING REVENUES
 BASED ON TWELVE MONTHS ENDING JUNE 30, 1997
 (IN THOUSANDS OF DOLLARS)
 WEATHER ADJUSTED

	MISSOURI RATE BASE	\$3,895,839
	TOTAL RETURN ON RATE BASE	10.711%
	EARNED RETURN ON COMMON EQUITY	13.944%
	50% SHARING FOR EARNED RETURN > 12.61% = 14.00%	
	[[13.944% - 12.61%] * 50% * \$3,895,839 (RB) * .54225 (C.E. %)]	\$14,090
	TOTAL 50% SHARING INCLUDING INCOME TAXES (.6231)	\$22,870
	100% SHARING FOR EARNED RETURN > 14.00%	
	[(0% - 14.00%) * 100% * \$3,895,839 (RB) * .54225 (C.E. %)]	\$0
	TOTAL 100% SHARING INCLUDING INCOME TAXES (.6231)	\$0
	TOTAL SHARING INCLUDING TAXES (EXCLUDES GROSS RECEIPTS TAX)	\$22,870
	ACTUAL 1996 CREDIT TO MISSOURI RETAIL CUSTOMERS LESS THAN ORDERED	\$46
	NET SHARING CREDIT TO BE REFUNDED	\$22,916

6/30/97

UNION ELECTRIC COMPANY
CALCULATION OF CUSTOMER SHARING CREDITS
TWELVE MONTHS ENDED JUNE 30, 1996
(IN THOUSANDS OF DOLLARS)

WEATHER ADJUSTED

	<u>6/30/96</u>
MISSOURI RATE BASE	\$3,813,610
TOTAL RETURN ON RATE BASE	10.353%
EARNED RETURN ON COMMON EQUITY	13.340%
50% SHARING FOR EARNED RETURN > 12.61% = 14.00%	
$[(13.340\% - 12.61\%) * 50\% * \$3,813,610 \text{ (RB)} * .53344 \text{ (C.E. \%)}]$	\$7,425
TOTAL 50% SHARING INCLUDING INCOME TAXES (.6231)	\$12,052
100% SHARING FOR EARNED RETURN > 14.00%	
$[(14.000\% - 14.000\%) * 100\% * \$3,813,610 \text{ (RB)} * .53344 \text{ (C.E. \%)}]$	\$0
TOTAL 100% SHARING INCLUDING INCOME TAXES (.6231)	\$0
TOTAL SHARING INCLUDING TAXES (EXCLUDES GROSS RECEIPTS TAX)	\$12,052
LESS ONE-TIME \$30 MILLION CREDIT OVER REFUND (1995)	-12
NET SHARING CREDIT TO BE REFUNDED	\$12,040

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via Federal Express on this 24th day of January, 2000, on the following parties of record:

Richard S. Brownlee, III
Hendron & Andrae
235 E. High Street
P. O. Box 1069
Jefferson City, MO 65102

James C. Swearngen
Brydon, Swearngen & England
P. O. Box 456
312 East Capitol Avenue
Jefferson City, MO 65102-0456

Robin E. Fulton
Schnapp, Fulton, Fall,
McNamara & Silvey L.L.C.
135 E. Main Street, Box 151
Fredericktown, MO 63645-0151

Robert C. Johnson
720 Olive Street - 24th Floor
St. Louis, MO 63101

John B. Coffman
Office of Public Counsel
Truman Building, Room 250
301 West High Street
P. O. Box 7800
Jefferson City, MO 65102

Sam Overfelt
Missouri Retailers Association
P. O. Box 1336
618 E. Capitol Avenue
Jefferson City, MO 65101

Steven R. Dottheim
Chief Deputy General Counsel
Missouri Public Service Commission
Truman Building
301 West High Street, 7-N
P. O. Box 360
Jefferson City, MO 65102

Maurice L. Arnall
UtiliCorp Regulatory Services
20 West 9th Street
Kansas City, MO 64105

General Counsel
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

Thomas M. Byrne
Laclede Gas Company
720 Olive Street, Room 1524
St. Louis, MO 63101

Diana Schmidt-Vuylsteke
Bryan Cave LLP
One Metropolitan Square
211 N. Broadway, Suite 3600
St. Louis, MO 63102-2750

Maurice Brubaker
Brubaker & Associates, Inc.
1215 Fern Ridge Parkway, Ste. 208
P. O. Box 412000
St. Louis, MO 63141-2000

James J. Cook / sh
James J. Cook