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December 15, 1999

HAND DELIVERED

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

FILED³

DEC 15 1999

Re: Case No. EX-99-442
Case No. HX-99-443
Case No. GX-99-444
Case No. GX-99-445

Missouri Public
Service Commission

Dear Mr. Roberts:

Enclosed for filing in the above four cases please find an original and 14 copies of AmerenUE's Application for Rehearing and Motion for Reconsideration in each of the above-named cases.

Also enclosed for filing is one original Entry of Appearance for each case. If you need multiple copies of my Entry, please let me know.

Copies of the Application and Entry have been provided to the Office of the Public Counsel and the Office of the General Counsel.

I appreciate your attention to this matter.

Sincerely,



Colly J. Durley

smk

Enclosures

c: Office of the Public Counsel
Office of the General Counsel

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of:

The Missouri Public Service
Commission's Proposed Rule
Regarding Affiliate Transactions
for Steam Heating Utilities

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Case No. HX-99-443

**APPLICATION FOR REHEARING AND
MOTION FOR RECONSIDERATION**

COME NOW Ameren Corporation and Union Electric Company, d/b/a AmerenUE (referred to herein as "AmerenUE"), by and through its counsel and pursuant to Section 386.500 Mo. Rev. Stat. (1994) state the following in support of its Application for Rehearing and Motion for Reconsideration:

1. On November 16, 1999, the Commission issued a memorandum authorizing the filing of an Order of Rule Making in the above-named matter adopting Rule No. 4 CSR 240-80.015. The Order of Rule Making was received by the Secretary of State on November 22, 1999.

2. The Order of Rule Making in this case is unlawful and unreasonable, arbitrary and capricious, exceeds the statutory authority and the jurisdiction of the Commission, was made without following legal procedures, and contains impermissibly vague, ambiguous, and unduly broad and subjective terms and provisions as set out more specifically below.

3. The Commission failed to use contested case procedures pursuant to Section 536.010 et seq. Mo. Rev. Stat. (1998 Supp.). On August 10, 1999, the Commission unreasonably and unlawfully denied AmerenUE's request to adopt such procedures in this matter in violation of §§ 536.010 and 386.250 Mo. Rev. Stat. (1998 Supp.). As a result, AmerenUE

was denied its statutory and constitutional due process rights to a full hearing and to the protections and safeguards afforded by contested case procedures.

4. The Commission's action in the Order for Rule Making is arbitrary and capricious and in violation of the law in that there was no determination that AmerenUE's existing practices were unjustly discriminatory or unduly preferential as required under Section 393.140(5) Mo. Rev. Stat. (1994).

5. The Commission violated Section 393.140(12) Mo. Rev. Stat. (1994) and exceeded its jurisdiction by attempting to regulate non-jurisdictional businesses and activities. Although Section 393.140(12) gives the Commission the ability to "inquire" into regulated corporations that are not subject to its jurisdiction, this provision does not grant the Commission the power to promulgate and adopt rules affecting transactions between covered gas companies and their affiliates. In doing so, the Commission overreached the boundaries of its statutory authority and created a rule in conflict with state law. This conclusion is unaffected by and consistent with the Stipulation and Order reached in Union Electric Company/CIPSCO Inc. Merger Case EM-96-149 (1996).

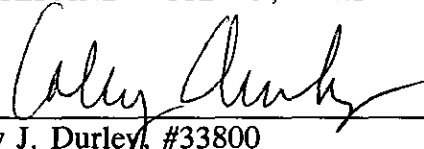
6. The Commission has unlawfully and unjustly exceeded its jurisdiction by attempting to regulate non-jurisdictional activities in violation of Section 393.140(12). The asymmetrical pricing standards in 4 CSR 240-80.015(2)(A) which are unfair, unreasonable and beyond the authority and jurisdiction of the Commission is one example.

7. The Rule contains impermissibly vague and ambiguous provisions and terms. Terms such as "preferential services," "unfair advantage," and "competitively prohibitive cost" are impermissibly vague and fail to give covered entities sufficient notice with respect to whether those entities are in compliance with the rule.

8. The Rule constitutes a denial of equal protection and due process under the federal and state constitutions by unreasonably restricting the ability of affiliated entities to compete when there is no evidentiary-based finding that affiliated entities possess sufficient market power in the relevant markets. In addition, the remedy chosen by the Commission to serve the stated purpose of the Rules of the prevention of cross-subsidization of affiliate activities through rates for regulated utility service goes far beyond what is reasonable or necessary for that purpose. Rates for regulated service are set periodically through general rate cases. Cross-subsidy prevention apparently will occur through the reporting requirements and CAM approval process in the Rules. There is no correlation between the two processes so the yearly repetition of reporting under the Rules may have no bearing on whether the regulated rates of the utility are changed, and thus will be a needless expenditure.

WHEREFORE, AmerenUE respectfully requests that the Commission issue its order staying the effective date of the Rule and granting a rehearing or reconsideration for the reasons stated herein and for such other relief as is deems appropriate.

SMITH, LEWIS, BECKETT, POWELL,
ROARK AND DURLEY, L.L.P.

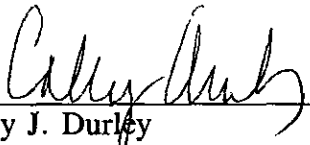
By 

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Attorneys for Ameren Corporation
and Union Electric Company, d/b/a
AmerenUE

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been hand delivered to the Office of the Public Counsel and the Office of the General Counsel this 15th day of December, 1999.



Colly J. Durley

smk