

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

**Application of Union Electric Co.  
for Authority to Participate in the  
Midwest ISO Through a Contractual  
Relationship with GridAmerica**

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**Case No.: EO-2003-0271**

**RESPONSE OF MIDWEST ISO TO ORDER GRANTING CONTINUANCE**

Intervenor Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") states the following in response to the Commission's June 19, 2003 Order Granting the Unopposed Motion of AmerenUE for a Continuance.

1. The Commission noted in its Order granting the continuance that a delay in this proceeding may affect the operations of Midwest ISO, AmerenUE customers and other parties to this case. The Commission, therefore, directed the parties to file pleadings providing information concerning such impacts.

2. The Midwest ISO appreciates the Commission's concern for unnecessary delays that could affect the Project Activity Schedule developed by the Midwest ISO to implement its "Midwest Market Initiative." The current goal of this schedule is to permit the Midwest ISO's proposed Energy Market to commence operations on March 31, 2004. In order to meet this date, the Midwest ISO has scheduled Market Trials to occur from November 3, 2003 through February 27, 2004.

3. In conjunction with the planning and preparation for the Market Trials, the process for allocating Financial Transmission Rights ("FTR") will also be proceeding. The preliminary FTR Allocation occurred on June 6, and response and feedback is currently being gathered from Transmission Owners, other market participants, state regulatory commissions and affected stakeholders. Midwest ISO is scheduled to make an information filing on its FTR

allocation methodology at the Federal Energy Regulatory Commission (“FERC”) on August 1, 2003. As the process of analyzing and refining the FTR initial allocations continues, Midwest ISO will make an FTR allocation for Market Trials in October, continue to solicit feedback from all stakeholders, and prepare for a final FTR allocation in January 2004.

4. The Midwest ISO is also involved in a wide-ranging Participant Readiness Program. Participant Readiness began in early June and will continue through August 2003. After a Checkpoint Phase Preparation Stage that will occur in September, the Midwest ISO will spend the next six months to confirm that all participants are ready when the Energy Market goes live on March 31, 2004.

5. AmerenUE has advised Midwest ISO that its goal is to receive permission from this Commission to begin operations on October 1, 2003, as part of the GridAmerica transco. That date is consistent with Midwest ISO’s current schedule.

6. At the present time the Midwest ISO does not object to the lack of a hearing date set by the Commission. Assuming that meaningful and intensive settlement negotiations begin during the week of June 30 when the hearing in this case was to occur in Jefferson City, the Midwest ISO is content to proceed without a new hearing date. However, should significant progress not occur in the next two weeks, Midwest ISO will request that a hearing date be set no later than mid-August. Such a date, assuming it fits into the Commission’s schedule, would be consistent with the objectives of AmerenUE and other parties to obtain decisions in this matter prior to October 1, 2003.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid, this 26<sup>th</sup> day of June, 2003 to:

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