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December 1, 2000

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

FILED³

DEC 01 2000

Missouri Public
Service Commission

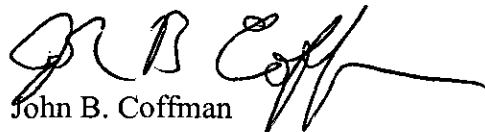
**RE: Union Electric Company d/b/a AmerenUE,
Case No. EM-96-149**

Dear Mr. Roberts:

Enclosed for filing in the above referenced case, please find the original and 8 copies of **Notice of Areas of Disagreement**. Please "file stamp" the extra enclosed copy and return it to this office. I have on this date mailed, faxed, or hand-delivered the appropriate number of copies to all counsel of record.

Thank you for your attention to this matter.

Sincerely,


John B. Coffman
Deputy Public Counsel

JBC:kh

cc: Counsel of record

Enclosure

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

FILED³
DEC 01 2000
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 Certain)
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

NOTICE OF AREAS OF DISAGREEMENT

COMES NOW the Office of the Public Counsel (Public Counsel) and submits this Notice pursuant to Paragraph 7.f.x of the July 12, 1996 Stipulation and Agreement approved by the Missouri Public Service Commission ("Commission") in the above-styled case.

1. On October 12, 2000, Union Electric Company d/b/a AmerenUE (Company) filed its Final Earnings Report for the Second Sharing Period of the Second Experimental Alternative Regulation Plan (EARP II). Pursuant to the Stipulation and Agreement approved in this case on February 21, 1997, signatories have thirty days after the final report is filed "to provide notice that there may be areas of disagreement not previously brought to the attention of the Commission that need to be resolved." Paragraph 7.f.x., pages 15-16. Company has agreed to an extension until December 1, 2000 for this filing.

2. Public Counsel has been investigating and reviewing the calculations performed by Company in producing its October 12, 2000 Final Sharing Report and has been requesting data from Company in furtherance of this investigation. Thirty-six data requests were sent to Company on November 6, 2000, and most responses to these data requests are still outstanding.

2/11/00

Without responses to these outstanding data requests, the areas of disagreement listed in this pleading remain somewhat general in nature:

- a) Environmental Expenses. The Company accrued as an expense several million dollars that may be incurred in the future for clean up of contaminated sites in Missouri. Public Counsel believes that the accrued expenses should not be included in the sharing credit calculations because of the uncertainty regarding the amount and timing of any actual remediation activities.

In addition, the Company has incurred some actual costs during the test year for remediation activities which may be associated with the clean up of former manufactured gas plant sites. It is Public Counsel's opinion that the Commission should disallow all costs associated with manufactured gas plant remediation efforts from the sharing credit calculations.

- b) Computer Software Costs. Public Counsel is investigating whether Company has properly accounted for these costs.
- c) Computer Costs (Capitalization v. Expense). Public Counsel is investigating whether Company has properly accounted for these costs.
- d) Gross Receipts Synchronization. Public Counsel is investigating whether Company has properly accounted for these costs.
- e) Lobbying and PAC Costs. Public Counsel is investigating whether Company has properly accounted for these costs.
- f) Consulting Costs Related to Non-regulated Activities. Public Counsel is investigating whether Company has properly accounted for these costs.

- g) Ameren Energy Hardware/Software Costs. Public Counsel is investigating whether Company has properly accounted for these costs.
- h) Ebusiness Strategy Study. Public Counsel is investigating whether Company has properly accounted for these costs.
- i) Enterprise Architecture Project. Public Counsel is investigating whether Company has properly accounted for these costs.

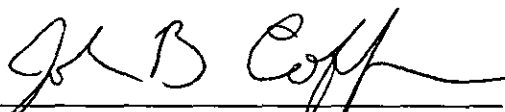
3. These areas of disagreement may properly be brought to the Commission for resolution pursuant to Paragraph 7 of the Stipulation and Agreement.

4. Public Counsel has had some limited settlement discussions with Company. Further discussions and discovery efforts will likely narrow or otherwise alter the areas of disagreement listed in this pleading.

5. For the purposes of moving this case forward with regard to the October 12, 2000 Final Sharing Report, Public Counsel recommends that the Commission establish a deadline for Company for file prepared direct testimony.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing document has been either faxed, mailed, or hand-delivered to the following counsel of record on this 1st day of December, 2000:

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