

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

|   |                       |
|---|-----------------------|
| In the Matter of the Application of Union ) |                       |
| Electric Company d/b/a AmerenUE for an )    |                       |
| Accounting Authority Order Regarding )      |                       |
| Accounting for Extraordinary Costs )        | Case No. EU-2008-0141 |
| Relating to Damage from the January )       |                       |
| 2007 Ice Storm. )                           |                       |

**STAFF'S CORRECTION TO STAFF'S REPLY**

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and corrects its reply to AmerenUE's response to Staff's recommendation as follows:

1. In paragraph 13 of its reply the Staff stated:

AmerenUE contends that its earnings were somehow insufficient to cover the ice storm costs during the 2007 time period that the Staff proposes to begin the amortization. However, based upon information in surveillance reports that AmerenUE supplied to both the Staff and the Office of Public Counsel, AmerenUE's Missouri jurisdictional electric return on equity was 11.09% for the twelve months ending September 30, 2007. This is well above the 10.25% return on equity the Commission established in AmerenUE's most recent general electric rate increase proceeding, Case No. ER-2007-0002. This level of return suggests AmerenUE is fairing better than the basis upon which rates were established in that case and that significant recovery of the ice storm costs is already taking place. Furthermore, AmerenUE's earnings during this time period that produced the 11.09% return on equity reflect the impact of the ice storm costs, as well as a Callaway nuclear plant refueling during April and May 2007. This proceeding began when AmerenUE filed with the Commission an application for an Accounting Authority Order. AmerenUE requested authority to defer to Uniform System of Accounts Account 182.3, Other Regulatory Assets, extraordinary operating and maintenance costs of \$24,708,000 AmerenUE incurred due to an ice storm that occurred on January 13, 2007.

2. Staff's statements in paragraph 13 of its reply are incorrect with respect to the return on equity the Staff stated the Commission used in setting rates in AmerenUE's

last rate case, the correct return on equity was 10.2 percent. Further, since the Staff filed its reply AmerenUE provided to the Staff an update of AmerenUE's cost of debt applicable as of September 30, 2007. When this updated cost of debt is used in determining return on equity, AmerenUE's Missouri jurisdictional electric average return on equity is 10.26 percent for the twelve months ending September 30, 2007, not the 11.09 percent stated in the Staff's reply filed January 31, 2008.

WHEREFORE, the Staff corrects its reply to AmerenUE's response to Staff's recommendation as set forth above.

Respectfully submitted,

/s/ Nathan Williams

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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 5<sup>th</sup> day of February 2008.

/s/ Nathan Williams