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**FILED**

March 17, 2000

MAR 20 2000

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

Missouri Public  
Service Commission

Re: MOPSC Case NO. ~~EO-96-15~~ *EO-2000-580*

Dear Mr. Roberts:

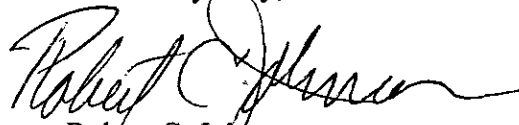
*EO-2000-580*

Enclosed for filing on behalf of Holnam, Inc., Lone Star Industries, Inc. and River Cement Company, are original and fifteen (15) copies of the Application to Initiate a Docket for Consideration of an Alternative Rate Option for Interruptible Customers of Union Electric Company and for Approval of an Interim Alternative Interruptible Rate and will appreciate you bringing this filing to the attention of the Commission.

Please file stamp one copy and return the same to the undersigned in the enclosed self addressed envelope.

Thank you for your attention to this matter.

Yours very truly,

  
Robert C. Johnson

Enclosure  
cc: All Parties of the Record

FILED

MAR 20 2000

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

Missouri Public  
Service Commission

In the Matter of the Investigation into the )  
Class Cost of Service and Rate Design for )  
Union Electric Company )

ED-2000-580  
Case No. ~~EO-96-15~~

**APPLICATION TO INITIATE A DOCKET FOR CONSIDERATION OF AN  
ALTERNATIVE RATE OPTION FOR INTERRUPTIBLE CUSTOMERS OF  
UNION ELECTRIC COMPANY AND FOR APPROVAL OF AN INTERIM  
ALTERNATIVE INTERRUPTIBLE RATE**

Pursuant to the Stipulation and Agreement previously entered into by the parties to the above proceeding on April 30, 1999 Holnam Inc., Lone Star Industries, Inc. and River Cement Company ("MEG Interruptibles") request that the Commission initiate a docket for its consideration of an additional alternative rate option for interruptible customers of Union Electric Company ("UE") to be available on June 1, 2000.

In support of this application the MEG Interruptibles state as follows:

1. Pursuant to the terms of the aforesaid Stipulation and Agreement ("Stipulation") the MEG Interruptibles initiated discussions with representatives of UE for the purpose of reaching agreement on an alternative rate option for interruptible customers of the utility. Although every effort was made by the MEG Interruptibles to negotiate a satisfactory alternative rate, to date, no agreement has been reached as a result of these discussions and it does not appear likely that any such agreement will be reached at any time in the foreseeable future, as the parties are presently at an impasse.

2. The issues in this proceeding are of critical importance to the MEG Interruptibles. The differential in rates paid by the MEG Interruptibles under the prior interruptible tariff under which they have been "grandfathered" and are presently being

served (the "Prior Tariff") and the applicable firm rate for these three UE customers exceeds \$2.5 million annually. This differential for all UE customers served on the Prior Tariff undoubtedly is substantially higher. The MEG Interruptibles are all engaged in business in a highly competitive industry. It is essential that they continue to realize comparable savings under any new alternative interruptible rate in order to maintain their competitive positions. The MEG Interruptibles over a period of many years have worked diligently to develop their business operations and production schedules so that they could accommodate the interruptions under the Prior Tariff. The most recent proposals submitted by Union Electric Company are substantially different in substance and essentially resulted in a "black box" approach with pricing to be determined on a future basis by the utility. This approach is unacceptable to these competitive businesses.

Furthermore, the MEG Interruptibles submit that the UE proposals may adversely affect system reliability by creating a disincentive to be served under an interruptible rate tariff when the impact of curtailment is measured against the economic benefit of continued operation. Clearly customer curtailments under the Prior Tariff enhanced system reliability.

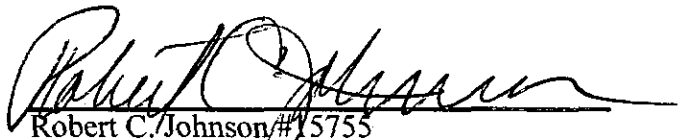
3. Attached as an Exhibit to this Application is an outline and description of an alternative interruptible rate proposed by the MEG Interruptibles. We submit that this proposal addresses the concerns raised by the utility, particularly with respect to economic interruptions and at the same time preserves certain benefits presently being achieved by the MEG interruptible under the Prior Tariff. This proposed interruptible tariff will be submitted for the Commission's consideration in the docket established by the Commission. Pending establishment of that docket, and issuance of a final report and

order therein, we request that the Commission approve such tariff on an interim basis and direct Union Electric to cause such tariff to become effective June 1, 2000 on such basis, pending issuance of a final and non-appealable report and order in the case

WHEREFORE the MEG Interruptibles request that the Commission:

1. Initiate a docket for consideration by the Commission of an alternative rate option for interruptible customers to be available June 1, 2000;
2. Enter an Order directing UE to prepare a proposed interim interruptible tariff incorporating the terms and conditions set forth in the Exhibit hereto, distribute same to the Commission and all parties within ten (10) days of entry of the Order and subject to the approval of such tariff by the Commission file and cause same to be effective on and after June 1, 2000.
3. Establish a schedule of proceedings in the new docket; and
4. Order that all parties to this proceeding become parties to the new case without the necessity of filing an intervention application.

Respectfully Submitted,



Robert C. Johnson #15755  
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(314) 588-0638 (fax)

ATTORNEY FOR MEG  
INTERRUPTIBLES

STATE OF MISSOURI     )  
                                      ) SS  
CITY OF ST. LOUIS     )

The undersigned, Robert C. Johnson, has reviewed the foregoing Application to Initiate a Docket for Consideration of an Alternative Rate Option for Interruptible Customers of Union Electric Company and for Approval of an Interim Alternative Interruptible Rate and states that the information contained therein is true and correct to the best of his knowledge, information and belief.



Subscribed and sworn to on this 17 day of March 2000,

  
Notary Public

My commission expires:

August 12, 2000



## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been mailed or hand delivered to the following on this 17<sup>th</sup> day of March, 2000

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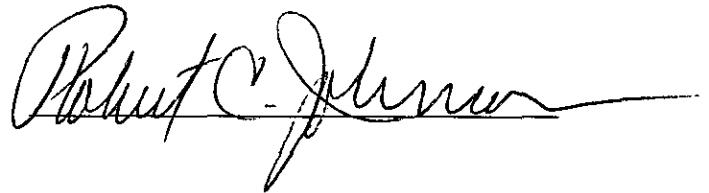
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A handwritten signature in black ink, appearing to read "Robert C. Johnson", written over a horizontal line.