

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

In the Matter of the Application of)	
Union Electric Company d/b/a)	
Ameren Missouri for the Issuance)	Case No. EU-2012-_____
of an Accounting Authority Order)	
Relating to its Electrical Operations.)	

**VERIFIED APPLICATION
FOR ACCOUNTING AUTHORITY ORDER**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”), pursuant to Section 393.140(4), and 4 CSR 240-2.060, and hereby applies for an Accounting Authority Order (“AAO”) addressing the Company’s accounting for fixed costs it has been unable to recover due to an extraordinary, unanticipated, and devastating ice storm that struck Southeast Missouri in late January, 2009. In support thereof, the Company respectfully states as follows:

1. Ameren Missouri is a corporation in good standing, duly organized and existing under and by virtue of the laws of the State of Missouri, with its principal office and place of business at One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103. There is already on file with the Missouri Public Service Commission (“Commission”) a certified copy of the Company’s Certificate of Corporate Good Standing (*see* Case No. EO-2010-0149), and the Company’s Fictitious Name Registration as filed with the Missouri Secretary of State’s office (*see* Case No. EN-2010-0069), and said documents are incorporated herein and made a part hereof for all purposes. The Company is engaged in providing electric and gas utility services in portions of Missouri as a public utility under the jurisdiction of this Commission. Other than cases that have been docketed at the Commission, Ameren Missouri has no pending actions or final unsatisfied judgments or decisions against it from any state or federal court or agency

within the past three (3) years which involve customer service or rates, except for appeals of Case No. ER-2008-0318 (SD 30865, currently pending in the Missouri Court of Appeals, Southern District), Case No. ER-2010-0036 (10AC-CC00474, currently pending in the Circuit Court of Cole County), and Case No. EO-2010-0255 (11AC-CC00336, currently pending in the Circuit Court of Cole County). The Company has no annual report or assessment fees that are overdue.

2. Communications in regard to this Application should be addressed to:

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Managing Associate General Counsel
Ameren Services Company
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3. By this Application, Ameren Missouri seeks an AAO from the Commission authorizing the Company to undertake certain accounting procedures in connection with its electrical operations related to the Company's failure to recover its fixed costs, occasioned by an extraordinary, unanticipated, and unusually severe ice storm that struck Southeast Missouri in January, 2009.

The January, 2009 Ice Storm

4. As the Commission may recall, on January 28, 2009, an unusual and extremely devastating ice storm struck Southeastern Missouri. The ice storm was so severe that approximately 95% of Ameren Missouri's customers in six counties (approximately 36,500 customers) lost service. Ameren Missouri lost 3,800 electric distribution poles in the ice storm, the most it has ever lost in a single storm. Governor Nixon declared a state of emergency for this area of Missouri, and although Ameren Missouri's restoration efforts were lauded by the Commission Staff and the utility industry, it was many days before service was restored to all of the Company's customers, and many weeks before the electric cooperatives serving the area were able to fully restore service to their customers.

5. Noranda Aluminum, Inc. ("Noranda"), Ameren Missouri's largest customer by far, was significantly impacted by the ice storm. Specifically, the ice took down the electric transmission lines of Associated Electric Cooperative, Inc. ("AECI") which delivers Ameren Missouri's power to Noranda's smelter located in New Madrid, abruptly cutting off power to the plant. As a consequence Noranda's smelter was shut down in mid-cycle, and molten aluminum "froze" throughout the plant, rendering the facility inoperable. Ultimately the frozen aluminum had to be jack-hammered out to restore the plant to full service. The plant was completely out of service immediately following the ice storm, and two-thirds of Noranda's electrical load was lost for many months. At the time of the ice storm it was unclear whether Noranda would ever be able to restore its smelter to full service.

6. The loss of load at the Noranda plant had an immediate and devastating financial impact on Ameren Missouri. Sales to Noranda constitute approximately 11% of the Company's system-wide native load sales. Annual revenues from Noranda, which do not vary significantly due to Noranda's load factor of approximately 98%, were approximately \$139 million at the time

of the ice storm. Moreover, a significant portion of the Company's fixed costs are allocated to the Large Transmission Service class (of which Noranda is the only member) in rate cases. Without Noranda's revenue contribution, the Company has no opportunity to recover these fixed costs because while the ice storm caused the Company's kilowatt-hour sales to be reduced by approximately 11%, its fixed costs were not reduced at all.

7. In response to this catastrophe, and in an effort to mitigate the material financial loss it was facing because of the drastically lower sales without an accompanying reduction in its fixed costs, Ameren Missouri entered into contracts with the AEP Operating Companies ("AEP") and Wabash Valley Power Association, Inc. ("Wabash") for sales of the power which Noranda was no longer able to take. Ameren Missouri believed that these contracts reflected long-term partial requirements sales with these counter-parties. This was important because under the Company's fuel adjustment clause ("FAC") tariff, revenues derived from long-term partial requirements sales were excluded from the FAC, just as revenues from the sales to Noranda which these transactions replaced had been. If revenues from these replacement transactions had been excluded from the FAC as Ameren Missouri expected, the Company would have been able to recover the fixed costs that had been allocated to Noranda through those transactions.

8. In Case No. EO-2010-0255, Ameren Missouri's first FAC prudence review, the Staff and other parties challenged Ameren Missouri's classification of the AEP and Wabash contracts as long-term partial requirement sales, and thus challenged exclusion of the revenues derived from the AEP and Wabash contracts from the FAC. The Commission ultimately concluded that under the terms of the Company's FAC tariff these contracts do not reflect long-term partial requirements sales. As a consequence, the Commission determined that all of the costs and revenues associated with these contracts will have to be flowed through to customers

via the FAC.¹

9. As a consequence, the Company has now experienced an extraordinary, unanticipated, and non-recurring loss of sales due to the ice storm, without experiencing an accompanying reduction in the fixed costs allocated to Noranda in Case No. ER-2007-0002 (for the months of January and February 2009) and Case No. ER-2008-0318 (for the months of March 2009 through April, 2010). The exact amount of fixed costs which Ameren Missouri failed to recover as a result of the loss of the Noranda load was \$36,194,690. Workpapers detailing the calculation of these lost fixed costs have been provided to the Staff and the Office of the Public Counsel shortly before, or concurrently with the filing of this Application. Attached hereto and incorporated herein by reference as Exhibit A is a Summary of the calculation of these lost fixed costs.

10. Ameren Missouri did not recover these fixed costs during the period that Noranda was out of service because these fixed costs were not offset by income from other sources. In fact, Ameren Missouri's earnings were below its Commission-authorized return on equity during the entire period the Noranda load was lost. Attached hereto and incorporated herein by reference as Exhibit B is a schedule comparing Ameren Missouri's earned return on equity versus the Commission-authorized return on equity during the relevant time period.

¹ The Company has appealed the Commission's decision in Case No. EO-2010-0255. In addition, the Commission has only made a determination that the AEP and Wabash contracts do not reflect long-term partial requirements sales with respect to revenues under those contracts for the period March 1, 2009 through September 30, 2009. Consequently, as a result of a successful appeal or based upon future orders of the Commission for post-September 30, 2009 revenues under those contracts, there is a scenario where the Company could ultimately be permitted to retain some or all of the AEP and Wabash revenues and, under such a scenario, would be able to recover some or all of these fixed costs. This Application seeks only an AAO, and if such a scenario occurs, the Company acknowledges that it would not be entitled to amortization and recovery of fixed costs to the extent they are recovered through AEP and Wabash contract revenues.

11. Ameren Missouri's inability to recover the fixed costs that had been allocated to Noranda was attributable to an extraordinary, unanticipated and unusual ice storm. The Company's inability to recover these fixed costs would have a significant and detrimental financial impact on Ameren Missouri, absent the relief requested herein.

WHEREFORE, Ameren Missouri respectfully requests that the Commission issue an Accounting Authority Order authorizing Ameren Missouri to defer and record to the Uniform System of Accounts, Account 182.3, Other Regulatory Assets, the fixed costs that were allocated to Noranda but which it was unable to recover due to the effect on Noranda's load of the January, 2009 ice storm. In addition, Ameren Missouri requests that it be permitted to amortize these costs over a reasonable period, commencing with the effective date of rates approved in Ameren Missouri's next rate case to be filed no later than two years after the effective date of the Commission's order approving the AAO.

Respectfully submitted,

UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri

SMITH LEWIS, LLP

/s/ Thomas M. Byrne
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**ATTORNEYS FOR UNION ELECTRIC
COMPANY d/b/a AMEREN MISSOURI**

Dated: July 25, 2011

VERIFICATION

STATE OF MISSOURI

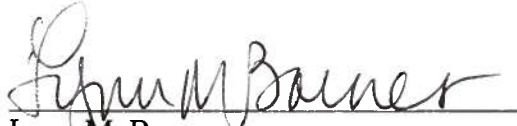
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CITY OF ST. LOUIS

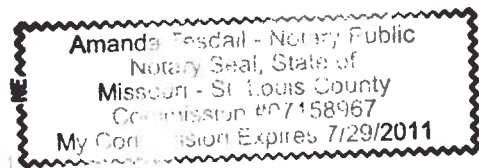
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I, Lynn M. Barnes, of lawful age, being duly sworn, deposes and says that she is Vice President of Business Planning and Controller for Union Electric Company d/b/a Ameren Missouri, that she is duly authorized and did sign the foregoing Application on behalf of Union Electric Company, that she has knowledge of the facts stated in the foregoing Application, and that said facts are true to the best of her knowledge, information and belief.


Lynn M. Barnes

Subscribed and sworn to before me this 25 day of July, 2011.


Notary Public



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via e-mail, to the following parties on the 25th day of July, 2011.

Office of the General Counsel
Missouri Public Service Commission
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Jefferson City, MO 65101
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Office of the Public Counsel
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/s/ Thomas M. Byrne

Thomas M. Byrne

Load Reduction Period: Noranda Outage start: Jan 27, 2009 at 2200 hours
Noranda Back to Full Load : April 9, 2010 at 2400 hours

|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

**The only costs that vary with Noranda's load are fuel-releated (NBFC); remaining costs are fixed as they do not vary with Noranda's load
***Jan 2009 and Apr 2010 include only usage associated with days identified as included in the outage

AmerenUE
Earned Regulatory Return on Equity
Missouri Electric
January 2009 Through May 2010

Month	Year	Mo. Electric Rate Base	Mo. Electric Operating Income	Return on Rate Base	Return on Equity	Allowed ROE	Variation
January	2009	6,169,143,105	382,758,987	6.20%	6.88%	10.20%	-3.32%
February		6,224,863,979	361,752,402	5.81%	6.13%	10.20%	-4.07%
March (1)		6,019,494,000	353,605,000	5.87%	6.02%	10.76%	-4.74%
April		6,019,642,000	336,030,000	5.58%	5.46%	10.76%	-5.30%
May		6,037,599,000	341,673,000	5.66%	5.61%	10.76%	-5.15%
June		6,038,441,000	352,331,000	5.83%	5.95%	10.76%	-4.81%
July		6,083,856,000	342,577,000	5.63%	5.56%	10.76%	-5.20%
August		6,091,596,000	354,246,000	5.82%	5.91%	10.76%	-4.85%
September		5,940,022,000	353,804,000	5.96%	6.18%	10.76%	-4.58%
October		5,940,577,000	377,935,000	6.36%	6.96%	10.76%	-3.80%
November		5,944,307,000	386,765,000	6.51%	7.24%	10.76%	-3.52%
December		5,930,950,000	370,370,000	6.24%	6.74%	10.76%	-4.02%
January	2010	5,847,204,000	403,903,000	6.91%	8.01%	10.76%	-2.75%
February		5,855,130,000	416,864,000	7.12%	8.42%	10.76%	-2.34%
March		5,828,584,000	404,367,000	6.94%	8.07%	10.76%	-2.69%
April		5,981,975,000	390,624,000	6.53%	7.29%	10.76%	-3.47%
May		5,988,850,000	391,114,000	6.53%	7.29%	10.76%	-3.47%
Average					6.69%	10.69%	-4.00%

Capitalization Per Order

	ER-2007-0002		ER-2008-0318	
	Percent	Weighted Cost	Percent	Weighted Cost
Equity	52.224%	5.330%	52.010%	5.596%
Preferred Stock	2.017%	0.110%	1.740%	0.090%
Long-Term Debt	44.964%	2.460%	45.530%	2.627%
Short-Term Debt	0.795%	0.040%	0.720%	0.024%
Total	100.000%	7.940%	100.000%	8.337%
Total Excluding Equity		2.610%		2.741%

Notes:

The Rate Base and Operating Income are per the filed Monthly MPSC Surveillance Reports.

The Regulatory Return On Equity is calculated using the capitalization and weighted cost from MPSC Case No. ER-2007-0002 through February 2009 and the capitalization and weighted cost from MPSC Case No. ER-2008-0213 starting in March 2009.

(1) The March 2009 Surveillance Report is the new Quarterly Surveillance Report filed since the Company's FAC became effective on March 1, 2009. The Total is now only Total Electric.