

August 23, 2002

Mr. Warren T. Wood, P.E.
Manager-Electric Department
Missouri Public Service Commission
Governor Office Building Suite 105
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102-0360

**RE: Venice Retirement/Replacement Analysis
AmerenUE Notification Of Resource Acquisition
Case Nos. EO-99-365 & EA-2000-37**

Dear Mr. Wood:

Pursuant to discussions with the MPSC staff in early 2002, AmerenUE completed its analysis of refurbishing the existing Venice steam plant versus retiring it. Enclosed with this letter is the documentation supporting AmerenUE's decision to retire the existing Venice steam plant and replace it with simple cycle peaking capacity.

This letter is being sent pursuant to the Commission's orders in the above referenced dockets. Based on stipulations and agreements reached in those dockets, the Commission's orders provided as follows:

Case No. EO-99-365

NOTIFICATION OF RESOURCE ACQUISITIONS

1. Within one hundred twenty (120) days from the time of committing to acquire a specific resource, the utility will send a letter to the Manager of the Electric Department and the Office of the Public Counsel including:
 - a) A description of the resource need and acquisition (not confidential); and
 - b) An attachment describing (can contain highly confidential material):
 - i. The process used in deciding to acquire the resource;
 - ii. The impact of the resource acquisition on capacity reserves; and
 - iii. The proposed rate making treatment of the resource.
2. If a filing has been made with the Commission within the previous one hundred twenty days containing the information in 1. above, then no letter with attachment is required.

Case No. EA-2000-37

Within 120 days from the time of committing to acquire additional generating capacity resources, AmerenUE will send to the Manager of the Commission's Electric Department and the OPC the following items:

- (1) A description of the resource needs and acquisition;

- (2) The impact of the additional generation capacity resources on capacity reserves;
- (3) The proposed ratemaking treatment for the additional generating capacity resources;
- (4) A copy of all proposals received for purchased generating capacity; and
- (5) Documentation of AmerenUE's acquisition decisions, including:
 - (i) A description of the process used in deciding to acquire the additional generating capacity resources;
 - (ii) A copy of AmerenUE's evaluations of the resource alternatives; and
 - (iii) AmerenUE's reasons for its decisions.

AmerenUE's compliance with these requirements is set forth in the enclosed documentation. Please note that entire Venice refurbishment/retirement study contains information which is extremely sensitive from a business and marketing perspective and has therefore been designated as Highly Confidential.

Enclosed are (3) copies of the document.

Very truly yours,

Richard A. Voytas
Manager, Corporate Analysis

Attachments

cc: John Coffman, Office of Public Counsel (2 copies of the document are enclosed)