

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

In the Matter of the First Prudence Review of)	
Costs Subject to the Commission-Approved)	<u>Case No. EO-2010-0255</u>
Fuel Adjustment Clause of Union Electric)	
Company d/b/a AmerenUE)	

**PUBLIC COUNSEL’S RESPONSE IN SUPPORT OF STAFF ADJUSTMENT, OR IN
THE ALTERNATIVE, REQUEST FOR HEARING**

COMES NOW the Office of the Public Counsel for its Response in Support of Staff Adjustment and Alternative Request for Hearing states as follows:

1. Staff filed its Prudence Report and Recommendation on August 31, 2010 in which Staff asserts that AmerenUE was imprudent in not including all costs and revenues associated with certain sales of energy to American Electric Power Operating Companies and to Wabash Valley Power Association, Inc. during the review period in determining associated fuel adjustment clause charges. Staff recommended that the Commission order AmerenUE to refund \$24.1 2 million, plus interest accrued after May 2010, to its customers through an adjustment to its fuel adjustment clause charge.

2. Commission rule 4 CSR 240-20.090(7)(B) establishes the process by which Staff is to file the results of its prudence audit, and allows parties to request a hearing. On September 9, AmerenUE filed a request for hearing because it disputes Staff’s assertion of imprudence.

3. Public Counsel supports Staff’s proposed adjustment. The Commission’s rules do not require a hearing, and the Commission could order the adjustment based upon the Staff Prudence Report and Recommendation, which is supported by affidavits. Public Counsel requests that the Commission do so.

4. However, since AmerenUE has requested a hearing for the purpose of challenging Staff's adjustment, Public Counsel expects that the Commission will schedule a hearing rather than act on the basis of the Staff Prudence Report and Recommendation. If the Commission declines to order the adjustment based upon the Staff Prudence Report and Recommendation, Public Counsel requests a hearing so that the Commission can determine whether the FAC balance should be adjusted for the reasons alleged by Staff or for other reasons.

WHEREFORE, Public Counsel respectfully requests that the Commission order AmerenUE to refund \$24.1 million, plus interest accrued after May 2010, to its customers through an adjustment to its fuel adjustment clause charge as described in the verified Staff Prudence Report and Recommendation. In the alternative, Public Counsel respectfully requests a hearing pursuant to 4 CSR 240-20.090(7)(B).

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been emailed this 10th day of September 2010 to all parties of record.

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