

In Re: Union Electric Company's)
2008 Utility Resource Filing Pursuant) **Case No. EO-2007-0409**
to 4 CSR 240- Chapter 22)

4. The point of this date juggling is to ensure that AmerenUE has completed another IRP before it makes a significant supply-side commitment. In its Final Order Regarding AmerenUE's 2008 Integrated Resource Plan, the Commission recognized a number of deficiencies in AmerenUE's last IRP, and so moved up the date for filing the next IRP. Since

that February 19 order, the Commission and the parties have been trying to fine tune the IRP filing date with respect to a major Demand Side Management potential study and with respect to supply-side decision dates. In its May 11 Motion for Change in Integrated Resource Plan Filing Date and for Expedited Treatment, AmerenUE spoke only to decisions about starting construction of supply-side resources, and Public Counsel's May 15 reply was similarly limited.

5. Of course, the same rationale for tying the IRP filing date to supply-side **construction** decision dates applies equally to supply-side **acquisition** decision dates. In its May 11 motion, AmerenUE did not mention that it was considering a significant supply-side acquisition, and Public Counsel had no independent information that AmerenUE is considering a significant supply-side acquisition when Public Counsel made its May 15 response. Since that time, however, Public Counsel has learned that AmerenUE is considering the acquisition in the near future of combined cycle natural gas generating units that are least 250 MW. Nothing in the last IRP filing analyzed or considered such a course of action. Two of AmerenUE's final list of eighteen alternative resource plans in its last IRP included combined cycle gas generation, but these plans were not near the top of the final list of eighteen plans. Furthermore, those two plans contemplated adding combined cycle generation in 2020.

6. On May 25, 2009, Public Counsel learned that AmerenUE, through an advertisement or advertisements in the publication *Gas Daily*, was interested in acquiring combined cycle plants in the next year.¹ Public Counsel is also aware that one of AmerenUE's affiliates is considering the sale of a non-regulated combined cycle plant in Illinois, as well as two coal-fired units. In its first quarter 2009 earnings call, Ameren CEO Tom Voss noted: "we are exploring the possible sale of three of our smaller Non-rate-regulated Generating assets. The

¹ See Attachment A.

coal-fire Meredosia and Hudsonville plants and the Green Tower combined cycle natural gas plant.”²

7. AmerenUE’s last IRP filing did not analyze the economics of adding new gas combined cycle generation until at least ten years from now. It would be contrary to the purpose of the entire IRP process for a utility to file an IRP and then almost immediately acquire a supply side resource inconsistent with that IRP, and then file its next IRP which would necessarily incorporate the unplanned acquisition as an existing system resource. For the same reasons that Public Counsel suggested that the Commission condition the extension of AmerenUE’s next IRP filing date on a commitment not to make a decision to start construction of a supply-side resource until that decision has been vetted through the IRP process, Public Counsel believes that any decision by AmerenUE to acquire a significant supply-side resource – whether from an affiliate or otherwise – should also be vetted through the IRP process.³

8. Commission Rule 4 CSR 240-2.080(20) provides that: “Any pleading may be amended within ten (10) days of filing, unless a responsive pleading has already been filed, or at any time by leave of the commission.” Public Counsel seeks leave to amend its May 15 response in light of the new information concerning AmerenUE’s interest in acquiring new supply-side resources in the near future. Public Counsel’s May 15 response requested that the Commission condition its approval of an extension of the IRP filing date by ordering that “AmerenUE shall not make a decision sooner than July 4, 2012 to start construction of a new generating plant

²See <http://seekingalpha.com/article/134689-ameren-corporation-q1-2009-earnings-call-transcript?page=-1>). Although the transcript refers to the “Green Tower” plant, it appears that Mr. Voss is referring to the “Grand Tower” plant, a 516MW plant in Jackson County, Illinois.

³ Furthermore, AmerenUE currently has excess capacity and its surplus will increase substantially when the 400 MW Taum Sauk plant returns to service in 2010, so AmerenUE has no urgent need to acquire additional capacity.

unless it receives prior approval from the Commission.” Public Counsel now seeks leave to amend that request so that the Commission would order that “Unless AmerenUE receives prior approval from the Commission, it shall not make a decision sooner than July 4, 2012 to start construction of a new generating plant or to acquire a combined cycle or coal-fired generating plant.”

WHEREFORE Public Counsel respectfully requests leave to amend its May 15 response.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to all parties this 2nd day of June 2009.

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