

**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 Fuel)	Case No. EO-2010-0255
Adjustment Clause of Union Electric Company,)	
d/b/a AmerenUE)	

MISSOURI INDUSTRIAL ENERGY CONSUMERS' REPLY BRIEF

Diana M. Vuylsteke, #42419
Brent Roam, #60666
BRYAN CAVE LLP
211 North Broadway, Suite 3600
St. Louis, MO 63102
(314) 259-2572 (Telephone)
(314) 259-2020 (Facsimile)
dmvuylsteke@bryancave.com
brent.roam@bryancave.com

**Attorneys for the
Missouri Industrial Energy Consumers**

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The Missouri Industrial Energy Consumers (“MIEC”) respectfully submits its Reply Brief in accordance with the Commission’s Order Setting Procedural Schedule in this case.

I. Introduction

Ameren Missouri (the “Company”) acted imprudently, improperly and unlawfully by excluding the revenues it collected under two off-system power sales agreements with American Electric Power Service (“AEP”) and Wabash Valley Power Association (“Wabash”) from its calculation of the Fuel and Purchased Power Adjustment Clause (“FAC”) for the time period of March 1, 2009 through September 30, 2009. In a flagrant violation of the FAC and this Commission’s Order Denying Ameren’s Application for Rehearing in Case No. ER-2008-0318, the Company kept the revenues from the above referenced off-system sales by merely mischaracterizing them “partial requirements sales” as that phrase is used in Tariff Sheet 98.3. While the Company attempts to argue that the Commission’s Order was grounded merely in expediency (apparently implying that the Commission would have permitted the modification if there were only more time), the Commission actually found that the Company had failed to show sufficient reason to rehear the Report and Order.”¹

¹ Order Denying Ameren’s Application for Rehearing, Case No. ER-2008-0318.

The contracts at issue are not partial requirements sales under the Tariff because (A) defining them as such renders the Tariff meaningless; (B) the Company's own internal business practices and preferred data dictionary do not support the notion that the contracts at issue are partial requirements contracts; and (C) the rules of tariff Construction dictate that the contracts at issue not be construed as partial requirements contracts. Additionally, (D) the Company's violation of the Tariff was imprudent, and harmed the utility's ratepayers.

Consequently, this Commission should order the revenues and associated fuel expense generated by the AEP and Wabash agreements to be included in the calculation of the FAC such that the margins from these sales will be used to reduce the fuel cost of the Company's rate payers as was contemplated by the FAC Tariff.

II. Argument

A. The Company's definition of the phrase "partial requirements sales" in Tariff Sheet 98.3 is untenable because it dilutes the phrase to such a degree that the phrase becomes ultimately meaningless.

The Company's first argument appears to be that the contracts at issue are partial requirements sales because the Company called them partial requirements sales.² Mr. Haro, Ms. Barnes and Mr. Highley all echoed the same circular sentiment that "[i]f . . . [a contract] has the word 'requirements' in it, then it's a requirements contract."³ The flaws in this argument are obvious. First, the Company drafted the contracts at issue with the express goal in mind of excluding them from the FAC.⁴ It is no wonder the contracts include terms that match the language of the Tariff's exclusionary clause. That the

² See for example, Transcript, Page 162, Line 23 through Page 163, Line 6; see also Initial Brief of Ameren Missouri, Page 12.

³ Transcript, Page 280, Lines 1-2.

⁴ Transcript, Page 74, Line 6 through Page 75, Line 6.

Company drafted contracts with self-serving terms is not evidence of the meaning of those terms as they are used in the Tariff. Furthermore, even if the Company and the counter-parties to the subject contracts agreed that the contracts at issue were “partial requirements sales,” their agreement as to what that phrase may mean as between those parties in the marketplace offers no insight into how that phrase is defined and traditionally understood in the regulatory context.

Company witness, Mr. Highly, who has no experience with fuel adjustment clauses and whose experience lies completely outside of Commission-regulated utility operations,⁵ attempts to distinguish requirements sales from other power sales by stating that a “requirements” contract is one that is “going to serve some ultimate load.”⁶ This distinction is meaningless. *All* power sales serve some ultimate load.⁷ Thus, the logical conclusion of the Company’s definition renders it so vague and amorphous that it includes every power contract into which a utility could conceivably enter.

The Company’s second argument is equally untenable. Company Witness Mr. Haro cites a portion of the Edison Electric Institute (“EEI”) Glossary discussing “Partial Requirements.”⁸ While that particular entry is helpful in drawing the distinction between the terms “full” and “partial,” it does not discuss the meaning of the term “requirements.” The term “requirements” is discussed a few pages later under the EEI Glossary’s entry for requirements service:

⁵ Transcript, Page 254, Line 24 through Page 257, Line 11.

⁶ Transcript, Page 279, Lines 8-10.

⁷ Transcript, Page 361, Lines 9-11.

⁸ Haro Surrebuttal, Ex. 2, JH-S5, p. 115 of the EEI Glossary.

Requirements Service: Service that the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning).⁹

The Company attempts to argue that “ongoing basis” in the above definition can simply mean for the life of the contract, which may be as short as “one day.”¹⁰ One wonders when hearing such an argument what happened to the Company’s emphasis on interpreting words according to their plain meaning. The Company’s selective use of the definitions found in the EEI glossary and its ridiculous interpretation of the phrase “ongoing basis” only highlights the extent of the linguistic acrobatics required to arrive at the Company’s position.

Similar to its curious definition of “ongoing basis,” the Company defines the term “system resource planning” from the above EEI Glossary entry in a way that includes every conceivable Company contract, and as such, renders the term ultimately meaningless. Specifically, the Company alleged that the AEP and Wabash contracts are part of its “system resource planning” because they were included in the company’s monthly filings with MISO and in the Company’s internal “position calculations, load forecasting, fuel budgeting and risk management position calculations.”¹¹ One can hardly conceive of a Company power contract that would *not* be included the Company’s monthly MISO filings and its internal calculations. So again, the Company’s attempt to force the AEP and Wabash contracts into the definition of a partial requirements contract stretches the meaning of the phrase beyond its breaking point.

⁹ Haro Surrebuttal, Ex. 2, JH-S5, p. 134 of the EEI Glossary.

¹⁰ Transcript, Page 89, Lines 7-10.

¹¹ Haro Surrebuttal, Ex. 2, Page 20, Lines 1-12.

Alternatively, the Company attempts to argue that the definition of “Requirements Service” in the EEI Glossary should be ignored as not relevant to this proceeding. Nonsense. First of all, the Company cites one entry of the EEI Glossary to defend its position as demonstrated above. As such, it cannot simply pick and choose the definitions it likes and discard the definitions it does not like. Secondly, Company Witness Mr. Haro testified that he agreed with the EEI Glossary definition of Requirements Service.¹² Third, the definition of “Requirements Service” in the EEI Glossary provides a clear definition of one of the key words at issue in this hearing (requirements), a word that the Company admits is “vague” and subject to “ambiguities” in the context of partial requirements contracts.¹³ Fourth, unlike the allegedly “obscure, arcane and outdated” FERC Form 1 from 1990, the EEI Glossary, with an identical definition to the one in FERC Form 1, was published as recently as April, 2005.¹⁴ As such, the EEI Glossary provides an up-to-date and useful definition of some of the key words in the phrase at issue, and should not be dismissed simply because it is damaging to the Company’s indefensible position.

The Company’s next argument suffers the same fate as the previous arguments. The Company cites the North American Energy Standards Board (NAESB) *Wholesale Quadrant Glossary*, which defines “Partial Requirements” as “a sale of power to a purchaser in which the seller pledges to meet a specified part of the purchaser’s requirement.”¹⁵ Like the EEI definition of Partial Requirements, this entry is directed at distinguishing “partial” from “full” and does not define the term “requirements.” The

¹² Transcript, Page 93, Lines 21-23.

¹³ Transcript, Page 276, Lines 7-15.

¹⁴ Haro Surrebuttal, Ex. 2, JH-S5.

¹⁵ Haro Surrebuttal, Ex. 2, Page 13, Lines 1-4.

problem with applying this definition alone is that (1) it does not define one of the core terms at issue (requirements); and (2) every conceivable contract between every seller of power and every buyer of power (except for a full requirements contract) fits within this definition. It is unimaginable that a seller and a buyer would enter into a contract (other than a full requirements contract) without specifying the amount of power the seller is required to provide to the buyer. Thus, this definition is only helpful for defining one of the words (partial) in the phrase at issue, and is not instructive with respect to the meaning of the other term (requirements). As such, this definition, while helpful, is inadequate.

Next, the Company attempts to extract the terms at issue from the context of the Tariff and interpret them according to their “plain meaning” as defined by Webster’s dictionary.¹⁶ The Company’s argument goes like this:

“Partial” means part rather than the whole, and “requirements” means something that is required. Therefore a partial requirements contract means a contract providing part of what is required.¹⁷

This argument falls apart for the same reasons as the others—it does not mean anything in the context of the Tariff. All contracts (other than full requirements contracts) provide for a part of what is required by the buyer. When added to the other phrases in the Tariff “long-term” (defined by the Company as one year) and “full”, the Company’s “plain meaning” definition of the exclusionary clause contemplates essentially every contract into which the Company could conceivably enter with any

¹⁶ Haro Surrebuttall, Ex. 2, Page 13, Lines 6-13.

¹⁷ *Id.*

buyer, so long as the contract was for 365 days. Is it conceivable that the parties meant to exclude from the FAC all off-system sales contracts with a duration of a year or more? Obviously not. However, applying the Company's definition results in the exclusion of every conceivable sales contract of a year or more. Such a result is absurd, unreasonable and does not comport with any of the parties' stated intent of the Tariff.

In what appears to be an argument of last resort, the Company's brief attempts to characterize Maurice Brubaker and Henry Fayne's testimony as actually agreeing with the Company's position. This argument merits only a brief rebuttal. Clearly Maurice Brubaker and Henry Fayne do not agree with the Company's position that the AEP and Wabash contracts constitute partial requirements sales as that term is used in the Tariff. The Company's dubious practice of picking lines and phrases from witnesses' testimony and using them completely out of context to distort their meaning and intent was well established at the hearing,¹⁸ and is again on display in its brief. Both Mr. Brubaker and Mr. Fayne testified unequivocally that while the AEP and Wabash contracts may constitute partial requirements sales as that phrase may be used in the marketplace, they are not partial requirements sales as that phrase is traditionally understood and defined in the regulatory context.¹⁹

B. The AEP and Wabash contracts do not constitute partial requirements contracts even under the Company's own preferred definition and its own internal business practices.

The Company's failure to classify the subject contracts as requirements contracts in its FERC Form 1 filings offers further evidence that these contracts are not

¹⁸ Transcript, Page 494, Line 4 through Page 496, Line 10.

¹⁹ Transcript, Page 510, Lines 12 through Page 511, Line 14 and Transcript, Page 472, Lines 10-25.

requirements sales. The Company attempts to dismiss the fact that it failed to classify the contracts as requirements contracts in the FERC Form 1 as irrelevant. However, the “simple litmus test”²⁰ used by the Company to determine whether a contract should be classified as a requirements contract is actually very instructive and supports the MIEC’s definition of the phrase at issue.

The Company states that “[i]f the name of a buyer appeared in the last IRP filing, the contract was reported as RQ [requirements]. If the name of the buyer did not appear in the last IRP, the contract would not be reported as RQ.”²¹ This “simple litmus test” conforms perfectly to the traditional definition of requirements service found in multiple regulatory sources. Specifically, requirements service is “service that the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning).”²² By classifying as requirements contracts only those contracts whose buyers appeared in the last IRP filing, the Company was ensuring that it was only including those contracts that the Company planned to serve on an ongoing basis and that were part of the company’s system resource planning. In other words, until it entered into the AEP and Wabash contracts, the Company’s practice of distinguishing between requirements contracts and non-requirements contracts conformed perfectly with the definition of requirements service supported by all of the parties in this case (except the Company).

Additionally, even according to the Company’s own preferred data dictionary, the AEP and Wabash contracts do not constitute requirements contracts. Company Witness

²⁰ Initial Brief of Ameren Missouri, Page 19.

²¹ *Id.*

²² Haro Surrebuttal, Ex. 2, JH-S3.

Mr. Haro's surrebuttal testimony offers a glowing review of the definitions found in the FERC's Electronic Quarterly Report ("EQR") data dictionary, stating that "[u]nlike FERC Form 1, the information from EQR reports is regularly reviewed and utilized by wholesale power market participants."²³ Mr. Haro's testimony then cites the EQR data dictionary to support the Company's definition of "long-term."²⁴ However, the Company fails to cite the EQR data dictionary's definition of "Requirements Service," which defines requirements service as follows:

Requirements Service: Firm, load-following power supply necessary to serve a specified share of customer's aggregate load during the term of the agreement.²⁵

Notably neither the AEP nor Wabash contract fits within this EQR definition of requirements service, because neither of these contracts are "load-following." On the contrary, the AEP contract calls for a set amount of power,²⁶ and the Wabash contract calls for the buyer to provide a schedule of the amount of energy it seeks to receive on a daily basis.²⁷ Therefore, even according to the Company's own preferred data dictionary, the AEP and Wabash Contracts fail to constitute requirements contracts, because they lack the requisite quality of supplying "load-following" power. Moreover, despite the Company's approval of the EQR Data Dictionary and its admission that "[a]ll public utilities and power marketers must file EQRs for each calendar quarter . . . [that] **must**

²³ Haro Surrebuttal, Ex. 2, Page 7, Lines 26-27.

²⁴ Haro Surrebuttal, Ex. 2, Page 7, Lines 18-22.

²⁵ Order No. 2001-I, Order Revising Electric Quarterly Report Data Dictionary, 125 FERC ¶ 61, 103, Attachment, Page 37.

²⁶ Haro Surrebuttal, Ex. 2, JH-S1.

²⁷ Haro Surrebuttal, Ex. 2, JH-S2, Appendix A.

summarize contractual terms and conditions for market based power sales,²⁸” the Company failed to classify both the AEP and the Wabash contracts as requirements contracts in its EQR filings.²⁹

As further evidence that the contracts at issue do not constitute requirements sales, MIEC witness Maurice Brubaker points out (and the Company admits) that the AEP and Wabash contracts do not provide the types of service characteristics that are typically associated with the Company’s actual requirements contracts (the municipal contracts).³⁰ Specifically, the AEP and Wabash contracts provide only capacity and energy and fail to provide the ancillary services traditionally associated with the Company’s actual requirements contracts. The Company mistakenly attempts to refute this argument by stating that the argument would apply only to a full requirements service contract. The Company misses the point of the testimony. Mr. Brubaker points out the disparate treatment of ancillary services between the subject contracts and the Company’s actual requirements contracts as merely another indication, among many, that the contracts at issue do not constitute requirements contracts even under the Company’s own internal practices.

C. The AEP and Wabash contracts are not “partial requirements sales” as that phrase is used in the Tariff, because the rules of tariff construction dictate that where a phrase is subject to two or more meanings within the context of a tariff, the phrase is to be construed so as to avoid an effect which renders the document meaningless or unreasonable and is to be construed strictly against the drafter.

²⁸ Haro Surrebuttal, Ex. 2, Page 7, Lines 22-24.

²⁹ Transcript, Page 109, Lines 8-11.

³⁰ Haro Surrebuttal, Ex. 2, JH-S2, Appendix B.

“A tariff is no different from any contract. And thus, its true application must sometimes be determined by the factual situation upon which it is sought to be impressed. . . . [A] tariff should be construed strictly against the [drafter] . . . , and consequently, any ambiguity or doubt should be decided in favor of the [the non-drafting party]. *Penn Cent. Co. v. General Mills, Inc.*, 439 F.2d 1338, 1340-1341 (8th Cir. Minn. 1971).

“A ‘latent ambiguity’ arises where a writing on its face appears clear and unambiguous, but some collateral matter makes the meaning uncertain.” *Alack v. Vic Tanny Int’l*, 923 S.W.2d 330, 337 (Mo. 1996). “When an ambiguity thwarts a court’s determining the parties’ intent from the plain meaning of the [writing’s] language, the court must glean the parties’ intent from evidence of their relationship . . . , the subject matter of the [writing], the facts and circumstances surrounding the execution of the [writing], the practical construction the parties themselves have placed on the [writing] by their acts and deeds, and other external circumstances that cast light on the intent of the parties.” *Specialty Restaurants Corp. v. Gaebler*, 956 S.W.2d 391, 395 (Mo. Ct. App. 1997) (finding the term “advance” to be ambiguous in the document at issue). “The term ‘ambiguous’ means a susceptibility to two or more meanings as well as a vagueness of meaning.” *Id.* at 394; see also *Alack v. Vic Tanny Int’l*, 923 S.W.2d 330, 337 (Mo. 1996) (finding a facially clear contract to be latently ambiguous).

“The terms of [a writing] are read as a whole to arrive at the intention of the parties. In that exercise, each term is construed to avoid an effect which renders other terms meaningless. A construction which attributes a reasonable meaning to all the provisions of the [document] is preferred to one which leaves some of the provisions

without function or sense.” *Ringstreet Northcrest v. Bisanz*, 890 S.W.2d 713, 718 (Mo. Ct. App. 1995) (finding ambiguity in a contract).

It is undisputed that Ameren drafted the phrase at issue.³¹ It is also undisputable that the phrase at issue is vague and ambiguous. The Company’s own witness testified that that the term “requirements” within the phrase “partial requirements contracts” was vague and ambiguous:

“part of the purpose of my testimony was to illustrate the vagueness of the word ‘requirements’ . . . [W]ith respect to partial requirements, there are ambiguities as to what those requirements are [T]he word ‘requirements’ is not specific enough in industry to tell you precisely what it means.”³²

Thus, it is clear that the phrase partial requirements sales is susceptible to at least two reasonable interpretations in the Tariff. Further, ample evidence was produced to demonstrate that the terms appear to have at least one meaning in the marketplace and another in the regulatory context.³³ Moreover, as demonstrated in the first section of this brief, construing the Tariff according to the Company’s definition renders the tariff meaningless, redundant, and unreasonable because it excludes from the FAC nearly every conceivable contract the Company could enter.

Additionally, as discussed in MIEC’s Initial Brief, the only evidence as to the parties’ intent at the time the Tariff’s drafting was provided by Staff Witness Lena Mantle who testified that the parties intended that the phrase would apply only to wholesale municipal customers.³⁴ Moreover, Ms. Mantle’s testimony was supported by the corroborating evidence that in the next rate case, the term “Municipal customers” was

³¹ Transcript, Page 188, Line 17 and Transcript, Page 62, Line 15 through Page 63, Line 3.

³² Transcript, Page 276, Lines 7-22.

³³ Transcript, Page 510, Lines 12 through Page 511, Line 14 and Transcript, Page 472, Lines 10-25.

³⁴ Transcript, Page 352, Lines 9-24.

simply inserted after the phrase at issue.³⁵ Furthermore, the Company's own witness, Mr. Haro, testified that the insertion of the phrase "municipal customers" was meant to "clarify" the meaning of the Tariff, noting, "[w]e clarified it because if that was the intention, then it was very simple to just limit it to municipalities. . . ."³⁶ After a break, the Company futilely attempted to rehabilitate Mr. Haro's damaging testimony by leading him to the exact opposite conclusion than the one he had given moments earlier: "Q. So it was not a clarification? A. It was not a clarification. . . ."³⁷ However, this subsequent testimony seems incredible in light of the facts surrounding the insertion of the phrase "municipal customers" and the reasonable unguided explanation of its purpose by both Ms. Mantle and Mr. Haro.

While the Company rejects Ms. Mantle's testimony, it provides no testimony of its own describing the Company's intent with respect to the phrase at issue. Notably, Mr. Lyons, who sponsored the exemplary tariffs, fails to appear on behalf of the Company; and Mr. Weiss, who was present at the meetings concerning the FAC Tariff failed to provide any testimony as to the what the Company meant by the phrase at issue. While Mr. Haro and Ms. Barnes may speculate as to what was meant by the phrase at issue, they were not in attendance at any of the meetings between Staff and the Company during the negotiations of the Tariff language, and possess no first-hand knowledge of the intent of the parties at the time the Tariff was drafted and adopted.³⁸ Their testimony on this issues is not useful.

³⁵ Transcript, Page 357, Lines 1-16.

³⁶ Transcript, Page 63, Lines 4-9.

³⁷ Transcript, Page 142, Lines 8-14.

³⁸ Transcript, Page 109, Lines 13-16 and Transcript, Page 189, Lines 6-14.

As such, this Commission should reject the Company's vague, unreasonable and self-serving definitions of the phrase at issue, and strictly construe the tariff in favor of the non-drafting parties.

D. The Company's actions were imprudent, and harmed the utility's ratepayers because the Company violated the FAC, and the ratepayers are entitled to the revenues generated by the AEP and Wabash contracts pursuant to the terms of the FAC.

The Company appears to first argue that its violation of the FAC was not imprudent because the violation was merely an attempt to replace the Noranda load it lost in the "catastrophic" ice storm of 2009."³⁹ The Company spent an inordinate amount of time in its opening statement, its witnesses' testimony and even its initial brief attempting to justify its violation of the FAC by describing the effects of the ice storm with increasingly apocalyptic flair. However, when pressed, Company witness Lynn Barnes was forced to admit that "the fact of the storm [is not] germane [or] relevant in any way to how this Commission interprets the clause that is at issue in the tariff."⁴⁰ In other words, the Company's interpretation of the tariff must stand or fall on its own, and cannot be propped up by repeatedly invoking the "devastating" effects of the ice storm.

Secondly, the Company attempts to argue that its violation of the FAC was not imprudent because it did not harm the utility's ratepayers. This argument is patently false, and begs the question it purports to answer. Pursuant to the FAC, the utility's ratepayers are entitled to those revenues generated by off-system sales. The Company's denial of those revenues to its ratepayers constitutes harm to the ratepayers, because the

³⁹ Transcript, Page 239, Lines 3-11.

⁴⁰ Transcript, Page 240, Lines 8-12.

ratepayers are deprived of the benefit of the agreement into which they entered with the Company. Unlike the ratepayers in the case cited by the Company who incurred no financial detriment as a result of the utility's actions,⁴¹ the rate payers in this action have lost approximately \$17,169,838.00 to which they are entitled under the terms of the Tariff.⁴² As such, the Company's argument that it's violation of the Tariff caused no harm to its ratepayers is absurd.

Finally, the Company argues that after the Commission denied its application for rehearing, it "had two options: (1) it could find a way, within the provisions of its FAC tariff, to replace the revenues lost due to the Noranda outage through exempt off-system sales, or (2) it could do nothing and simply absorb the Noranda loss and thereby permit the Company's earnings to be further eroded." This is untrue, and contrary to the Company's testimony in this case. First of all, Company witness Ms. Barnes admitted during her live testimony that the Company could have "sought an accounting authority order relating to the lost revenue as a result of the Noranda outage."⁴³ Secondly, Ms. Barnes admits that the Company could have immediately filed a rate case to recover the lost fixed costs associated with the loss of the Noranda load.⁴⁴ Third, the Company could have simply sought to cancel or withdraw the FAC.⁴⁵ Had the Company chosen any of these legitimate mechanisms to recover its losses, it could have resulted in a win-win situation for the ratepayers and the Company. The Company could have recovered its lost fixed costs from the loss of the Noranda load, and the ratepayers would have enjoyed

⁴¹ See *State ex rel. Associated Natural Gas Company v. Public Service Commission*, 954 S.W.2d 520 (Mo. App. 1997).

⁴² Eaves Direct Rebuttal, Ex. 11, Page 9, Lines 1-4.

⁴³ Transcript, Page 164, Lines 21-25.

⁴⁴ Transcript, Page 172, Lines 12-23.

⁴⁵ Transcript, Page 413, Lines 16-18.

higher levels of off-system sales margins. However, the Company chose none of the above options. Rather, it chose to violate this Commission's Order denying its request to keep revenues from off-system sales by simply mischaracterizing two traditional off-system sales in such a way as to make them appear to comport with the exclusionary clause of the Tariff. As such, the Company's actions were imprudent, improper and unlawful.

III. Conclusion

The Company acted imprudently, improperly and unlawfully by excluding the revenues it collected under the AEP and Wabash contracts from its calculation of the Fuel and Purchased Power Adjustment Clause ("FAC") for the time period of March 1, 2009 through September 30, 2009. In a flagrant violation of the FAC and this Commission's Order Denying Ameren's Application for Rehearing, the Company kept the revenues from the above referenced off-system sales by merely mischaracterizing them "partial requirements sales" as that phrase is used in Tariff Sheet 98.3.

The contracts at issue are not partial requirements sales under the Tariff because (A) defining them as such renders the Tariff meaningless; (B) the Company's own internal business practices and preferred data dictionary do not support the notion that the contracts at issue are partial requirements contracts; and (C) the rules of Tariff Construction dictate that the contracts at issue not be construed as partial requirements contracts. Additionally, (D) the Company's violation of the Tariff was imprudent, and harmed the utility's ratepayers.

Consequently, this Commission should order the revenues and associated fuel expense generated by the AEP and Wabash agreements to be included in the calculation of the FAC such that the margins from these sales will be used to reduce the fuel cost of the Company's rate payers as was contemplated by the FAC Tariff.

Respectfully submitted,

BRYAN CAVE LLP

/s/ Diana Vuylsteke

Diana M. Vuylsteke, #42419

Brent Roam, #60666

211 North Broadway, Suite 3600

St. Louis, MO 63102

Phone: (314) 259-2543

Fax: (314) 259-2020

E-mail: dmvuylsteke@bryancave.com

Attorney for the Missouri Industrial Energy
Consumers

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was sent by electronic mail this 24th day of February, 2011, to the parties on the Commission's service list in this case.

/s/ Diana Vuylsteke