

LAW OFFICE OF ROBERT C. JOHNSON

720 OLIVE STREET SUITE 2400 ST. LOUIS, MO 63101

FAX: (314) 588-0638

Robert C. Johnson

DIRECT: (314) 345-6436

E-MAIL: bjohnson@bspmlaw.com

Lisa C. Langeneckert

DIRECT: (314) 345-6441

E-MAIL: llangeneckert@bspmlaw.com

July 13, 2001

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102-0360

FILED

JUL 16 2001

Missouri Public
Service Commission

Re: Case No. EO-2000-580

Dear Mr. Roberts:

On behalf of Holnam, Inc., et al, I enclose herewith for filing in the above matter, an original and eight (8) copies of *Renewed Motions to Implement Curtailment Tariff on an Interim Basis and for Oral Argument and Motion for Expedited Treatment*. I would appreciate your bringing this filing to the attention of the Commission.

I also enclose one (1) extra copy of the document with the request that it be file stamped and returned to the undersigned in the enclosed self-addressed envelope.

Yours very truly,



Robert C. Johnson

RCJ/gmw

Enclosures (11)

cc/enc.: All parties of record

Lewis Mills

FILED

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

JUL 16 2001

Missouri Public
Service Commission

In the Matter of an Investigation
Into an Alternative Rate Option for
Interruptible Customers of Union
Electric Company d/b/a AmerenUE

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Case No. EO-2000-580

**RENEWED MOTIONS TO IMPLEMENT CURTAILMENT TARIFF
ON AN INTERIM BASIS AND FOR ORAL ARGUMENT
AND MOTION FOR EXPEDITED TREATMENT**

Holnam Inc., Lone Star Industries, Inc., and River Cement Company (the "MEG Interruptibles") hereby renew their *Motions to Implement Curtailment Tariff Proposed by the MEG Interruptibles on an Interim Basis and for Oral Argument* previously filed herein, copies of which are attached as Exhibits A and B respectively. In addition, the MEG Interruptibles request expedited treatment of their request. In support of these motions, the MEG Interruptibles state as follows:

BACKGROUND

This case was initiated pursuant to the Stipulation and Agreement executed on April 3, 1999 in Case No. EO-96-15. The central issue involves consideration of a customer-proposed interruptible tariff that provides mandatory curtailment at the utility's option for economic reasons (up to sixty hours) and, also, for load constraint reasons. This customer proposal incorporates provisions from the traditional interruptible tariff (Rate 10 M) in effect on the AmerenUE system for at least twenty-five years and authorizes economic curtailments that had been requested by AmerenUE. This proposal was drafted by consultant Maurice E. Brubaker (the "Brubaker Proposal") and was offered in the spirit of compromise. The utility rejected this proposal and ultimately implemented a voluntary interruptible tariff incorporating a whole new concept of pricing, as determined by the utility without the requirement of Commission approval.

This new tariff (Rider M) and other available interruptible tariffs are voluntary and at the customer's option. The MEG Interruptibles proposal is more protective in that curtailment is at the option of the utility and not the customers.

PENDING MATTERS

This case was tried before the Commission on November 30, 2000, and briefing was completed in February 2001. Subsequently, the following pleadings were filed on or about the indicated dates:

DATE	PLEADING
February 23, 2001	<i>MEG Interruptibles Motion for Oral Argument</i>
March 19, 2001	<i>AmerenUE Request for Leave to File Supplemental Statement</i>
April 06, 2001	<i>MEG Interruptibles Motion to Implement Curtailment Tariff on an Interim Basis</i>
April 06, 2001	<i>MEG Interruptibles Motion to Reopen Record for Admission of Additional Evidence</i>

All of the above-identified pleadings are pending and awaiting Commission consideration and decision.

ARGUMENT

The MEG Interruptibles incorporate herein the arguments set forth in their respective pleadings attached hereto as Exhibits A and B. In addition, the MEG Interruptibles in further support of these renewed motions, state as follows:

1. Prompt implementation of the MEG Interruptibles' tariff proposal will effectively provide 40 Megawatts of capacity immediately to meet customer demands without any necessity of constructing a new expensive plant. The record confirms that the Brubaker Proposal is less costly than the cost of constructing new gas-fired capacity. Furthermore, the Brubaker Proposal, if implemented, saves the higher gas costs we are now experiencing and avoids fuel cost volatility.

2. The MEG Interruptibles are all engaged in the manufacture of cement at locations in Missouri. They employ substantial numbers of personnel and represent a significant part of the economic base in our State. The actions of AmerenUE in terminating Rate 10 M and replacing it with an unusable voluntary Rider M have effectively increased the MEG Interruptibles' annual cost of electric service by approximately \$2.4 million. This revenue increase benefits only AmerenUE and not its customers, as the billing determinants were established prior to the termination of Rate 10 M. Thus, the \$2.4 million further enhanced AmerenUE's over-earnings as claimed by the Commission Staff in its recently filed complaint case.

3. Implementation of the MEG Interruptibles' Proposed Tariff on an Interim Basis will not adversely affect any customer of AmerenUE. To the contrary, all customers will be benefited because the MEG Interruptibles' proposal offers more assured customer protection than the available voluntary tariffs. Furthermore, prompt granting of the MEG Interruptibles' motion will give the Commission the opportunity to test the proposed tariff and makes its own evaluation of their proposal.

4. The MEG Interruptibles renew their request for oral argument which we submit will be helpful to the Commission in considering and deciding the critical issues in this proceeding.

5. MEG Interruptibles also urge the Commission to grant these motions on an expedited basis. As noted previously, the MEG Interruptibles have incurred additional electric utility costs of approximately \$2.4 million during the pendency of this case. Prompt implementation of their tariff proposal on an interim basis would alleviate these higher energy costs in the future and assist these Missouri industrials in maintaining their positions in an increasingly competitive market. In addition, at least one of these industrials is considering construction of a new facility that would enhance the economy of the state and provide more jobs in a time of economic downturn. We note that AmerenUE pointed out in a recent pleading that

support of "economic development" is included in the Commission's Mission Statement. Prompt favorable responsive action by the Commission will contribute to economic development in our state.

CONCLUSION

Expedited action by the Commission would ensure to the utility the availability of 40 Megawatts of curtailable power immediately, it avoids the higher cost of construction of a new plant, and it avoids fuel cost volatility. Additionally, it will benefit all customers and support economic development in our state.

WHEREFORE, the MEG Interruptibles request that the Commission grant their *Renewed Motions to Implement Curtailment Tariff on an Interim Basis and for Oral Argument and Motion for Expedited Treatment*.

Dated at St. Louis, Missouri this thirteenth day of July 2001.

Respectfully submitted,

Robert C Johnson *RCJ*
Robert C. Johnson #15755
Phone: (314) 345-6436
E-Mail: bjohnson@bspmlaw.com
Lisa C. Langeneckert #49781
Phone: (314) 345-6441
E-Mail: llangeneckert@bspmlaw.com
720 Olive St., Suite 2400
St. Louis, MO 63101-2396
Fax: (314) 588-0638

CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that a true and correct copy of the foregoing has been mailed or hand delivered to the following on this 13th day of July 2001.

W. J. Geneckert

John B. Coffman, Esq.
Deputy Public Counsel
Office of the Public Counsel
Governor Office Building
200 Madison Street, Suite 650
Jefferson City, MO 65102

James J. Cook, Esq.
Managing Associate General Counsel
Ameren Services Company
One Ameren Plaza
1901 Chouteau Avenue
P.O. Box 66149 (MC1310)
St. Louis, MO 63166-6149

Dennis Frey, Esq.
Assistant General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

In the Matter of an Investigation
Into an Alternative Rate Option for
Interruptible Customers of Union
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1. Concurrently with the filing of this pleading, the MEG Interruptibles have filed a request with the Commission to reopen the record in this case to admit additional evidence described herein and to authorize such additional proceedings as the Commission shall deem appropriate. This Motion was prompted by recent events that occurred subsequent to the completion of the hearing in this case. These events included: (1) a statement of counsel filed with the Commission in this proceeding to the effect that Union Electric Company ("U.E.") anticipates experiencing transmission constraints in the upcoming summer period that will limit import capacity and is anticipating revising its reserved margins; (2) a statement in an article in the March 18, 2001 *St. Louis Post-Dispatch*, made in connection with an interview of Gary Rainwater, an executive of U.E. or an affiliate, to the effect that it would be necessary for U.E. to purchase approximately 450 MW of load in order to serve its Missouri customers this summer; and (3) a request filed by U.E. in Docket No. EM-2001-233 asking for Leave to Withdraw its Application for Transfer of Assets in a proceeding in which it sought to acquire approximately 500 MW of additional generating capacity to serve its Missouri jurisdictional customers.

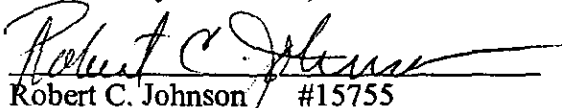
These events support the contentions of the MEG Interruptibles in this case and raise serious concerns about the ability of U.E. to serve its native Missouri load in the upcoming summer period. At the same time, the situation creates an opportunity for the Commission to implement a curtailment tariff incorporating the Brubaker proposals on an interim basis while this case is pending and permitting the utility at a minimum to reduce its demands by 40 MW. Furthermore, additional large customers of the utility may very well be interested in availing themselves of the tariff which we propose be made available to additional primary customers which would further enhance U.E.'s ability to serve all of its customers on a reasonable economic basis.

Additionally, it appears now that the conclusion of this case may be substantially delayed because of the recent events described above. Implementation of the Brubaker Proposal in an interim tariff would protect the interests of all customers of this utility.

WHEREFORE, the MEG Interruptibles request that the Commission implement on an interim basis a curtailment tariff incorporating the concepts and proposals of witness Brubaker as set forth on Exhibit A to this pleading.

Dated at St. Louis, Missouri this 6th day of April, 2001.

Respectfully submitted,


Robert C. Johnson #15755

Phone: (314) 345-6436

E-Mail: bjohnson@bspmlaw.com

Lisa C. Langeneckert #49781

Phone: (314) 345-6441

E-Mail: llangeneckert@bspmlaw.com

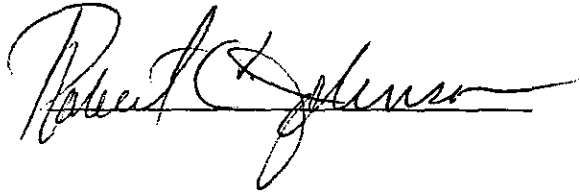
720 Olive St., Suite 2400

St. Louis, MO 63101-2396

Fax: (314) 588-0638

CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that a true and correct copy of the foregoing has been mailed or hand-delivered to the following on this 6th day of April 2001.

A handwritten signature in cursive script, appearing to read "Robert J. Johnson", written over a horizontal line.

John B. Coffman
Deputy Public Counsel
Office of the Public Counsel
Governor Office Building
200 Madison Street, Suite 650
Jefferson City, MO 65102

James J. Cook
Managing Associate General Counsel
Ameren Services Company
One Ameren Plaza
1901 Chouteau Avenue
P.O. Box 66149 (MC1310)
St. Louis, MO 63146-6149

Dennis Frey
Assistant General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

PROPOSED INTERRUPTIBLE RATE CONCEPTS
AmerenUE - (Missouri)

1. AmerenUE (UE) can interrupt for reliability purposes, consistent with the current tariff. UE may not interrupt simply because it anticipates the approach of a system peak.
2. The demand/energy structure of the rate, and the price relationship to the firm tariff, is maintained.
3. In addition to the reliability-based interruptions in paragraph 1, UE may, during not more than 60 hours per calendar year, declare a "high cost period." Such a period may be declared only if UE's anticipated incremental cost of generating or purchasing power exceeds \$500 per megawatthour (MWh). The customer has the right to curtail or to continue to purchase power during such periods.
4. UE will provide the customer with notice of the "high cost" period by not later than 8:00 AM on the preceding day. At such time, UE will provide the customer with its good faith best estimate of the incremental cost which will form the basis for the payment or credit.
 - a. The incremental cost amount quoted will be fixed, and not subject to later change.
 - b. The customer will have six hours to notify UE whether it intends to curtail or continue to purchase power. If the customer elects to purchase power, it will be charged a price equal to the quoted incremental cost, plus a mark-up of 1¢ per kilowatthour (kWh), for all kWh actually taken in excess of its assurance power demand.
 - c. If the customer elects to curtail, it shall advise UE of the level of demand to which it shall curtail, which may be equal to, greater than, or less than its assurance power demand level. The customer will receive a payment from UE equal to 90% of the quoted incremental cost times the number of kWh estimated to have been curtailed.
 - d. If the customer makes an election to curtail, but fails to curtail to the level indicated, it shall be subject to a penalty. The penalty will equal \$10 per kW times the difference between the committed curtailment and the actual average demand experienced during the curtailment period.
5. On-peak hours will be 10 AM - 8 PM, Monday through Friday.
6. Customer may change the level of its contracted Assurance Power Demand level with 90 day's notice. After a change has been made, no additional change may become effective sooner than 12 months following the date of change.
7. UE will maintain records supporting its good faith best estimate and the actual incremental cost. These records will be subject to review by the MPSC Staff and by the interruptible customers.

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

In the Matter of an Investigation)
Into an Alternative Rate Option for) Case No. EO-2000-580
Interruptible Customers of Union)
Electric Company d/b/a/ AmerenUE)

**MEG INTERRUPTIBLES MOTION
FOR ORAL ARGUMENT**

MEG Interruptibles ("MEG"), Holnam, et al, moves the Public Service Commission ("Commission") for the opportunity to present oral argument. In support of this Motion the MEG Interruptibles state as follows:

1. In this case, both the legal and the factual issues are complex and it will assist the Commission in this case by granting oral argument
2. This case presents a very important and timely issue because U.E. is, by its own admission, short on capacity; and all customers of the utility could be affected by this power shortage and lack of system reliability.
3. A review of the briefs filed in this case indicates that there is confusion with regard to the basic facts in this case and particularly with regard to the Brubaker Tariff.
4. The granting of this Motion for Oral Argument will not adversely impact any party.

WHEREFORE, the MEG Interruptibles request the opportunity to present oral argument on the critical issues involved in this case.

Dated: February 23, 2001

Respectfully submitted,



Robert C. Johnson #15755

Phone: (314) 345-6436

E-Mail: bjohnson@bspmlaw.com

Lisa C. Langeneckert #49781

Phone: (314) 345-6441

E-Mail: llangeneckert@bspmlaw.com

720 Olive St., Suite 2400

St. Louis, MO 63101-2396

Fax: (314) 588-0638

CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that a true and correct copy of the foregoing has been mailed or hand-delivered to the following on this 23rd day of February 2001.

Strangeneckert

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
P.O. Box 360
Jefferson City, MO 65102

John B. Coffman
Deputy Public Counsel
Office of the Public Counsel
Governor Office Building
200 Madison Street, Suite 650
Jefferson City, MO 65102

James J. Cook
Managing Associate General Counsel
Ameren Services Company
One Ameren Plaza
1901 Chouteau Avenue
P.O. Box 66149 (MC1310)
St. Louis, MO 63146-6149

Dennis Frey
Assistant General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102