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BY HAND DELIVERY

January 12, 2005

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
Governor Office Building
200 Madison Street
Jefferson City, Missouri 65101

Re: Case No. EO-2004-0108

Dear Mr. Roberts:

Attached for filing in the above-referenced case are an original and eight (8) copies of the *Response of the Missouri Industrial Energy Consumers to AmerenUE's Initial Reply to the Commission's December 30 Order Directing Filing*.

Thank you for your assistance in bringing this filing to the attention of the Commission, and please call me if you have any questions.

Very truly yours,

Diana M. Vuylsteke
DMV:rms

Enclosures (9)
cc: All Parties

FILED⁴

JAN 12 2005

Missouri Public
Service Commission

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*And Bryan Cave,
A Multinational Partnership,
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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the Matter of the Application of Union Electric)
Company, doing business as AmerenUE, for an)
Order Authorizing the Sale, Transfer and)
Assignment of Certain Assets, Real Estate, Leased) Case No. EO-2004-0108
Property, Easements and Contractual Agreements)
To Central Illinois Public Service Company, doing)
Business as AmerenCIPS, and, in connection)
Therewith, Certain Other Related Transactions)

RESPONSE OF THE
MISSOURI INDUSTRIAL ENERGY CONSUMERS TO
AMERENUE'S INITIAL REPLY TO
THE COMMISSION'S DECEMBER 30 ORDER DIRECTING FILING

Comes now Anheuser-Busch Companies, Inc., The Boeing Company, DaimlerChrysler Corporation, Ford Motor Company, General Motors Corporation, Hussmann Refrigeration, J.W. Aluminum, Monsanto, Pfizer, Precoat Metals, Proctor & Gamble Manufacturing and Solutia, and responds to Union Electric Company's d/b/a AmerenUE's ("AmerenUE's") January 3 *Initial Reply to the Commission's December 30, 2004 Order Directing Filing* in Case No. EO-2004-0108 ("December 30 Order").

For the reasons stated in the Commission's Staff's *Motion Relating to Commission's December 30, 2004 Order Directing Filing in Case No. EO-2004-0108 and AmerenUE's Responses in Case No. EO-2004-0108 to Commission Order Directing Filing and Staff Motion for Expedited Treatment* (pages 1-2) filed January 11, the instant pleading will be filed in both Case No. EO-2004-0108 and EA-2005-0180.

The December 30 Order directs AmerenUE "to conduct a least cost analysis which reflects the following scenarios: (1) rejection of the Metro East transfer both with and without the Noranda capacity requirements and (2) approval of the Metro East transfer both with and without the Noranda capacity requirements." In its Initial Reply, AmerenUE states that it would not be able to complete Scenario 1 until January 24, 2005.

It is vitally important that the Commission require AmerenUE to provide full disclosure on the contents of Scenario 1 at the earliest possible date. AmerenUE has included mandatory conditions to its proposal to serve Noranda. Those mandatory conditions include the transfer of the Metro East service area to AmerenUE's affiliate, AmerenCIPS, on June 1, 2005, and completion of the transfer of the Kinmundy and Pinckneyville combustion turbine generators from Ameren Energy Generating Company to AmerenUE by June 1, 2005. AmerenUE witness Craig Nelson asserts that the transfer of these assets must be done in a manner that AmerenUE determines in its sole discretion to be to its satisfaction. *Direct Testimony of Craig Nelson*, p. 6, lines 1-6 (Case No. EA-2005-0180).

The Commission approved the transfer of the Metro East transfer to AmerenCIPS subject to certain ratepayer protection conditions. *Report and Order*, Case No. EO-2004-0108, October 6, 2004. AmerenUE must specifically explain and provide evidence to support its arguments that the Commission should change the October 6 order. It also must persuasively show that lifting the ratepayer protection conditions will not harm Missouri retail customers. Accordingly, the Commission must review the public interest implications of: 1) transferring the Metro East asset without the conditions it previously found reasonable and 2) granting the certificate to serve Noranda. Scenario 1 is needed to complete these important evaluations. Absent a complete evaluation of these issues, the Commission lacks evidence to amend its conditional approval of the Metro East transfer, and should not do so.

Significantly, AmerenUE states at page 4 of its Initial Reply that it has not even contemplated the case where Metro East is not transferred while serving Noranda. Even if AmerenUE chooses not to contemplate the impact of its proposal on ratepayers, it is important that the Commission do so. The Commission has a duty to protect the public interest by considering the

ramifications of modifying its conditions for approving the Metro East transfer. AmerenUE's refusal to evaluate or provide meaningful information regarding the economic impact of removing the PSC's conditions for the Metro East transfer constitutes a failure to prudently and accurately evaluate the proposed transaction's impact on Missouri retail customers, and should not be deemed acceptable to the Commission.

Alternatively, AmerenUE can expedite this proceeding and minimize its discovery burden by eliminating issues that are unrelated to serving Noranda. Specifically, AmerenUE should eliminate the need for providing the details under Scenario 1 by removing its condition that the Metro East transfer must be done in a manner that AmerenUE finds acceptable in its sole discretion, and accepting the Commission's previously approved conditions for transferring the Metro East assets. If AmerenUE is not willing to accept the Commission's conditions, then it should, as discussed above, evaluate the economic impact on Missouri retail customers of modifying or eliminating these conditions.

Given the December 30 Order's requirement that AmerenUE complete the Scenario 1 analysis by January 6, 2005, MIEC requests that it be provided at the earliest possible date (but certainly not later than January 24, 2005, as Ameren states at page 5 of its Initial Reply). As a preliminary matter, AmerenUE should be ordered to provide all analyses supporting the validity of its statements at pages 6-7 of its Initial Reply contending that the Joint Dispatch Agreement will have no detrimental impact on Missouri retail customers if the Metro East transfer occurs and Noranda is served.

Respectfully submitted,

BRYAN CAVE, LLP

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ATTORNEY FOR THE MIEC

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have served on all parties by electronic service
this 12th day of January, 2004.

Diana Vuylsteke
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