

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a)	
AmerenUE's Tariffs Increasing Rates for Electric)	<u>Case No. ER-2007-0002</u>
Service Provided to Customers in the Company's)	
Missouri Service Area)	

ORDER DIRECTING STAFF TO RESPOND TO AMERENUE'S MOTION
FOR CLARIFICATION

Issue Date: June 14, 2007

Effective Date: June 14, 2007

On May 31, 2007, AmerenUE filed a motion for clarification as part of its application for rehearing regarding the Commission's Report and Order. AmerenUE requests clarification of an issue addressed by the Commission at page 95 of its Report and Order. In its decision on "Net Salvage Percentage to be Used for Assets in Account 322", the Commission held that an additional .2 percent should be added to the depreciation rate for Account 322. However, the Commission also found that Staff and AmerenUE's agreement to add an additional .1 percent to the depreciation rates for other nuclear plant accounts was not identified as a separate issue and was not supported by any evidence. Therefore, the Commission found it had no basis for making a decision regarding those accounts.

AmerenUE interpreted the Commission's inability to decide whether an additional .1 percent should be added to the depreciation rates for other nuclear accounts to mean the net salvage percentages for those accounts must be set at zero. As a result, AmerenUE calculated its rates using zero net salvage percentages for those accounts – specifically accounts 321, 323, 324, and 325. Because net salvage percentages for those accounts

were set at zero, AmerenUE's allowed revenue requirement was reduced by approximately \$1 million below the revenue requirement contemplated in the Report and Order. The compliance tariffs submitted by AmerenUE and approved by the Commission reflect that lower revenue requirement, although AmerenUE indicates it does not believe the Commission intended that result.

AmerenUE explains that the depreciation rates proposed by Staff in its testimony include net salvage percentages of -3 percent for account 321, -3 percent for account 323, -2 percent for account 324, and -1 percent for account 325. Those net salvage percentages were not challenged by any party and AmerenUE contends the Commission should have ordered it to use those net salvage percentages for those accounts.

No party has responded to AmerenUE motion for clarification, but the Commission would like to learn the position of its Staff before it rules on that motion. Therefore, the Commission will direct Staff to respond to AmerenUE's motion for clarification.

IT IS ORDERED THAT:

1. The Staff of the Commission shall respond to Union Electric Company d/b/a AmerenUE's May 31, 2007 motion for clarification no later than June 19, 2007.
2. Any other party wishing to respond to Union Electric Company d/b/a AmerenUE's May 31, 2007 motion for clarification shall do so no later than June 19, 2007.

3. This order shall become effective on June 14, 2007.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Morris L. Woodruff, Deputy Chief Regulatory Law
Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 14th day of June, 2007.