

AmerenUE's Response to  
State of MO - Atty General Data Request  
MPSC Case No. ER-2007-0002  
AmerenUE's Tariff Filing to Increase Rates for Electric Service  
Provided to Customers in the Company's Missouri Service Area

FILED<sup>3</sup>  
APR 25 2007  
Missouri Public  
Service Commission

Requested From: Steven Carver

Data Request No. AG/UTI-265

Ref: AmerenUE Response to AG/UTI-094, PlantSales.xls (Market Sales Prices for Peaking Plants). Please provide the following information regarding market prices for peaking plants in relation to AmerenUE acquisitions:

- a. State the FERC Approval date and closing date(s) associated with AmerenUE's acquisition of the Pinckneyville and Kinmundy plants from Ameren Energy Generating Company ("AEG").
- b. State the acquisition price per KW paid by AmerenUE for the Pinckneyville and Kinmundy plants.
- c. Explain whether the prices stated in your response to part (b) are believed to be consistent with market prices and not excessive, given the prices summarized in the PlantSales.xls transaction summary for combustion turbine "CTG" transactions occurring in 2003, 2004 or 2005.
- d. Identify each of the listed CTG transactions in the PlantSales.xls spreadsheet that occurred between affiliated entities.
- e. State whether AmerenUE has provided any information to Commission Staff in response to Staff inquiries into the facts, circumstances and/or prudence of the Company's acquisition of Pinckneyville and Kinmundy assets from its AEG affiliate.
- f. If your response to part (e) is affirmative, please provide complete copies of all such documents.
- g. Please provide complete copies of the documents identified as Exhibits AS-29, AS-33 and AS-34 sponsored by Ameren in FERC Docket No. EC03-53-000.
- h. Were any specific non-price terms or conditions associated with the Pinckneyville or Kinmundy plants considered by AmerenUE in addition to the offered price per KW, in determining the acquisition to be reasonable?
- i. If your response to part (h) is affirmative, please identify each such non-price term or condition and explain/quantify how it influenced the determination that the offered price was reasonable and not in excess of market value.

**Response:**

- c. The acquisition price for the Pinckneyville and Kinmundy plants, \$471/KW, was consistent with market prices and not excessive. In early 2003, when AmerenUE made the decision to purchase the Pinckneyville and Kinmundy CTG plants, we had market data for six CTG plant sales, as shown in the "Chart" tab of file AG DR 094 - Plant Sales.xls. These six sales occurred between November 2002 and February 2003 and represented a price range of \$353 to \$532/KW, with an average of \$453/KW. The acquisition price of \$471/KW (book value at the time of my testimony) was consistent with these market prices.

State Exhibit No. 521  
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- d. AmerenUE did not determine whether any of the parties to the CTG transactions in the Plant Sales.xls spreadsheet were affiliated.
- e. I am not aware that Staff has made any inquiries concerning Pinckneyville and Kinmundy.
- g. See attached.
- i. Yes. Refer to the testimony of Richard A. Voytas (attached) in FERC Docket No. EC03-53-000. The major non-price factors are:
  - 1. transmission availability
  - 2. machine characteristics
    - a. dual fuel capability
    - b. quick start capability
    - c. heat rate
    - d. start-up costs
  - 3. seller credit issues

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Date: December 5, 2006