BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company,	)	
d/b/a Ameren Missouri's Tariff to Increase	)	**Case No. ER-2012-0166**
Its Revenues for Electric Service.	)	

NOTICE REGARDING EXTRA-RECORD COMMUNICATION

Issue Date: July 25, 2012

On July 25, 2012, I received the attached correspondence from James P. Leonard as an attachment to an email.

Respectfully submitted,

Kevin D. Gunn, Chairman

Dated at Jefferson City, Missouri,
on this 25th day of July, 2012.

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Missouri Public Service Commission July 25, 2012
200 Madison St.
P O Box 360
Jefferson City, Mo 65012 RE: Ameren Missouri's July 2012 14% and Feb. 2012 15% rate request increases.

Attn: Kevin Gunn- PSC Chairman [Kevin.gunn@psc.mo.gov]

Ameren Missouri [Ameren] is the largest public utility monopoly in the state of Missouri. It is the Missouri Public Service Commission's [PSC] responsibility to serve the public interest against all utilities monopolies. The PSC has been rubber stamping Ameren's repeated rate requests.

There was a time when interim rate increases were rare. Interim rate increases were to be used for financial distress, not as regular rate increases. Not anymore; Ameren is again [July 2012] requesting 14%, or $14.00 per month increase that comes on the heels of a [Feb. 2012] request for a 15% rate increase. These rate increase requests come after Ameren just received a 7% rate increase in July 2011.

Ameren's strategy is to counter the time line between the rate request and the rate implementation by the PSC. Ameren is gaming the regulatory system by strategically requesting calculated rate increase after rate increase, thus overwhelming and bullying the PSC with its repeated rate request increases, and surcharges like the rider Fac adj, the fuel service charges and the energy pgm charges. Ameren's corporate strategy is stated in a 2009 Standard & Poor's investment sheet. It states that "Ameren has determined that in order to deal with problems of lower rates and to fully recover current cost and even earn a fair return on investment, Ameren intends to seek smaller and more frequent rate increases. It also plans to seek automatic cost recovery mechanisms for its most expensive items, such as its fuel cost and environmental investments."

Ameren is a utility-monopoly that cannot be trusted. (Ameren was accused of using 'fuzzy math' in a 2009 request for nuclear power plant.) Ameren has little regard for its service customers. Ameren's corporate strategy is all about obtaining the highest electric rates in an effort to reach the national average as well as the highest return on its equity. Ameren will continue its S & P 2009 strategy to request annual and/or semi-annual rate increases and/or surcharge requests until the PSC stops Ameren from this bullying.

Ameren has a good business model. It does whatever it wants to do and spends whatever it wants to spend. Ameren is able to do this because it can always go to the PSC and request a rate increase which usually results in Ameren receiving at least half of its original inflated request. Then, the PSC is seen as doing its job by cutting the original inflated rate request. Ameren can then go back to the PSC and start the rate requesting procedure all over again.

Ameren is in a no lose situation; it is guaranteed a 10.6% [by the PSC] to 11.5% [requested by Ameren] return on its equity. An example of Ameren's no lose business model is: if Ameren invests too much infrastructure to produce electric power that it does not need for its service area customers, it can sell the excess electricity to wholesale utilities outside Ameren's service area and then request a rate increase from its service area customers thru the PSC to continue pursuing this business model. Therefore Ameren is generating more electricity than its service area customers need, and it can sell the surplus electricity to wholesale customers outside its service area [off system sales]. Since the 2008 recession has decreased electricity demand and prices, Ameren has seen its 'off system sales' revenue decline. This means service area retail customers are requested to make up the difference through more rate increases. The July 2010 rate increase was justified to make up for the decline in electric sales to outside customer utility service area. This increase was to make up for lower wholesale power prices and lower energy demand nationwide due to the state of the economy. This increase continues to be reflected as a per month rider fac adj.surcharge.

The PSC has to make a stand and stop Ameren's strategy. It is not in the public interest for Ameren to fail or go bankrupt, so why is Ameren raising its dividend and giving its C.E.O. a pair of salary increases? Ameren is a mismanaged business. If Ameren cannot operate their utility efficiently without continuous rate requests and surcharge increases, then Ameren should get out of the utility business and let someone else do a better job.

Perhaps the PSC response to Ameren's repeated rate requests should be to outsource every rate request to an independent, Missouri-based auditing firm for a full scale audit of all of Ameren's revenue and expenses in order to justify the specific rate increase.
cc: Scott Glasgow-[scott.glasgow@psc.mo.gov]
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