

# 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 ) **Case No. ER-2007-0002**  
Service Provided to Customers in the Company's ) **Tariff No. YE-2007-0007**  
Missouri Service Area )

### **ORDER REQUESTING REVISED SCENARIO**

Issue Date: May 22, 2007

Effective Date: May 22, 2007

The Commission will direct its Staff to file a financial scenario describing the effect on AmerenUE's revenue requirement and resulting rates based on the Report and Order the Commission has issued incorporating the following positions. In particular, the Commission would like to know the impact the adjusted rates would have on the average residential customer.

1. Fuel Adjustment Clause – No FAC allowed
2. Off System Sales – Base for sales set at \$230 million with a regulatory asset/liability tracker for consideration in the company's next rate case
3. Capital Structure – No adjustment from the capital structure proposed by the company
4. Return on Equity – 10.2%
5. Electric Energy, Inc. – No adjustment for EEInc.
6. Pinckneyville and Kinmundy – No adjustment to the rate base amount requested by the company

7. Peno Creek – No adjustment to the rate base amount requested by the company
8. SO<sub>2</sub> Allowance Sales – Offset 2006 storm costs and include \$5 million in base rates for SO<sub>2</sub> sales.
9. Depreciation
  - A. 4 CSR 240-10.020 – No adjustment
  - B. Life Span of Fossil Fuel and Hydro Plants – Accept Staff's position
  - C. Callaway Plant Life Span – Assume a 20-year life extension for Callaway
  - D. Terminal Net Salvage – No terminal net salvage will be allowed
  - E. Historic or Future Inflation Rates – Accept AmerenUE's position
  - F. Should Net Salvage Percents be Based on Actual Net Salvage Expense?  
– No
  - G. Difference Between Actual Book Accumulated and Theoretical Accrued Depreciation – No adjustment
  - H. Net Salvage Percentage to be used for Assets in Account 322 – Accept the percentage proposed by Staff and AmerenUE
10. Metro East – Accept AmerenUE's position
11. Taum Sauk Regulatory Capacity – Reject OPC proposal, No adjustment

**IT IS ORDERED THAT:**

1. The Staff of the Commission shall file its response to the above scenario as soon as possible.

2. This order shall become effective on May 22, 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 22nd day of May, 2007.