

**BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI**

In the Matter of Union Electric Company     )  
d/b/a AmerenUE's Tariffs To Increase Its     )            Case No. ER-2008-0318  
Annual Revenues for Electric Service        )

POSITION STATEMENT OF MISSOURI ENERGY GROUP

COMES NOW the Missouri Energy Group ("MEG"), by and through undersigned counsel, and for its Position Statement respectfully states as follows:

1.     MEG currently takes no position on any of the issues in this case except for the following:

**Return on Equity:** What return on equity should be used in determining revenue requirement?

**MEG POSITION:**

As analyzed in MEG witness LaConte's direct testimony (see pp. 2-27) and her surrebuttal testimony at pp. 3-4, the MEG believes that the correct ROE for AmerenUE is 10 percent if the Commission grants a Fuel Adjustment Charge, and 10.2 percent if it does not.

In addition, the MEG suggests that the Commission consider a generic cost of capital approach. This approach reduces the cost of regulation, provides more certainty and simplifies the regulatory process. (see LaConte direct at 27-28 and her surrebuttal at 4-5.

**Off-System Sales:**

- a. **Margin:** What amount of off-system sales margin is appropriate for recognition in AmerenUE's revenue requirement in this case?

**MEG POSITION:**

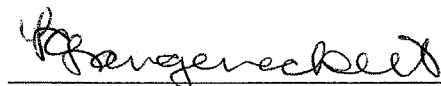
The MEG recommends that the Company use actual off-system sales revenue (OSSR) from October 1, 2007 – September 30, 2008, to determine the off-system sales margin. Based upon AmerenUE's 2007 3<sup>rd</sup> quarter 10Q, its 2007 Annual Report, and its 2008 3<sup>rd</sup> quarter 10Q, the off-system sales revenue for October 1, 2007-September 30, 2008 is \$572 million. When including the imputed Taum Sauk energy benefit of \$4.9 million for capacity sales and \$20.9 million for energy sales, the correct amount of Off-System Sales revenue is \$597.8 Million. (Imputed Taum Sauk Energy benefit from Rebuttal of Timothy D. Finnell, page 11, lines 7 – 9) See also LaConte direct, pp. 26-27

2. Although MEG's Position Statement is limited to the issues on which it filed testimony, MEG reserves the right to cross-examine witnesses and file post-hearing briefs on any issue in this case.

Respectfully submitted,

SANDBERG, PHOENIX & von GONTARD, P.C.

By:



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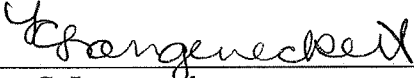
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Attorneys for Missouri Energy Group

CERTIFICATE OF SERVICE

Pursuant to 4 CSR 240-2.080 of the Commission's Rules of Practice and Procedure, I hereby certify that I have this day caused a copy of the foregoing to be served on all persons on the official service list in Docket No. ER-2008-0318 by electronic means or by U.S. mail, postage prepaid.

Dated at St. Louis, Missouri this 13th day of November, 2008.

  
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Lisa C. Langeneckert