

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

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

**AMERENUE'S MOTION TO ADOPT PROCEDURES FOR IMPLEMENTING  
AMERENUE'S REQUESTED FUEL ADJUSTMENT CLAUSE**

COMES NOW Union Electric Company d/b/a AmerenUE ("AmerenUE" or "Company"), pursuant to 4 CSR 240-2.080, and hereby requests the Commission to enter an order providing for the procedures that will apply to its request for a fuel adjustment clause. In this regard, AmerenUE states as follows:

1. On this date, AmerenUE filed a request for a general rate increase including supporting direct testimony.
2. As outlined in the direct testimony of AmerenUE witness Warner L. Baxter, the Company's filing includes a request to establish a fuel adjustment clause ("FAC") and an environmental cost recovery rider ("ECR"), pursuant to the provisions of Senate Bill 179.<sup>1</sup> Section 386.266.9 provides that an electric utility "may apply for any adjustment mechanism [i.e. a FAC or ECR] whether or not the commission has promulgated . . . rules" to implement Senate Bill 179. Moreover, Section 386.266.12 requires the Commission to have "previously promulgated rules to implement the application process" for a FAC or ECR before the Commission may issue "an order for any rate adjustment mechanism." Consequently, utilities are authorized by statute to request a FAC and ECR before rules are promulgated, as the

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<sup>1</sup> Laws of Missouri 2005, codified as Section 386.266, RSMo.

Company has done, but the Commission cannot actually issue an order approving a FAC or ECR until after “rules to implement the application process” are promulgated.

3. Recently, on June 15, 2006, the Commission transmitted a Notice of Proposed Rulemaking to the Secretary of State, thereby initiating the rulemaking process for rules to implement rate adjustment mechanisms respecting fuel and purchased power costs, including FACs. These rules, once finalized and promulgated, will satisfy the requirement in Section 386.266.12 requiring that rules governing the application process be promulgated prior to the entry of a Commission order approving a FAC. Because of the requirement in Section 386.266.9 that rules must be promulgated no later than one hundred fifty days after the rulemaking process is initiated, among other reasons, it is expected that rules relating to the Company’s requested FAC will be finalized by mid-November, 2006, and perhaps earlier.

4. In contemplation of the finalization of the rules respecting FACs after an electric utility has requested a FAC but during the rate case in which the FAC is requested, the rules transmitted to the Secretary of State contain “transition” provisions addressing the manner in which the electric utility would be expected to supplement its rate case filing to conform to the rules as promulgated, or to request a waiver respecting the rules as promulgated. *See* Proposed Rule 4 CSR 240-20.090(16). These transition provisions do not at this point have the force and effect of law in that they appear only in proposed rules. However, they provide what is in effect a roadmap that is available for the Commission’s use in this rate case to provide guidance to the parties respecting how AmerenUE’s FAC request will be handled, in contemplation of finalization of the rules through the rulemaking process.

5. In summary, this transition mechanism contemplates that an electric utility that files its rate case within 30 days of the time the Commission initiated the rulemaking process will

request, as the Company has done, to establish a FAC as part of the Company's initial filing. Thereafter, the mechanism contemplates that once the rules are finalized, the electric utility will supplement or amend its rate case filing within 15 days after the Commission issues its Final Order of Rulemaking and no later than 165 days after the electric utility files its rate case so that its supplemented or amended filing conforms to the final rules, as adopted. The mechanism also allows the electric utility to request waivers from this requirement, and provides a process whereby other parties to the rate case can respond to the electric utility's supplemented or amended filing or waiver request.

6. As expressed by a number of Commissioners during Agenda discussions regarding the proposed rules, the Commission can, as part of its scheduling or procedural orders in an individual rate case, adopt a mechanism to address the transitional period between a request for a FAC and finalization of rules respecting a FAC. The Company recommends and requests that the Commission do so in this case by entering its order adopting and applying, for purposes of this case, the provisions which appear as subsection (16) of proposed rule 4 CSR 240-20.090. Entering such an order will provide guidance to all parties to the case respecting the process by which AmerenUE's FAC request will be handled, including a fair opportunity for the Company supplement or amend its filing comply with the final rules or request a waiver, for parties to respond to the Company's supplemented or amended filing or waiver request, and for the Commission to then rule upon the FAC request in a timely manner as part of this rate case, as contemplated by Senate Bill 179.

7. With respect to the Company's request for an ECR rider, the Company is not making a specific request for the Commission to adopt similar procedures at this time, but would simply note that at such time as the rulemaking process for an ECR is initiated, the Company

would expect to request a similar order at that time, depending upon the timing and content of the proposed ECR rules.

WHEREFORE, AmerenUE requests that the Commission enter its order adopting and applying for purpose of this case the provisions which appear as subsection (16) of proposed rule 4 CSR 240-20.090 with respect to the Company's request for a FAC, granting a waiver from the final transition provisions of the FAC rules that are finally promulgated to the extent, if any, they vary from the terms of the requested order, and ordering that the parties be ordered to comply with the provisions of proposed rule 4 CSR 240-20.090, as adopted by the Commission's order as requested herein.

Dated: July 7, 2006

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## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was served via e-mail, to the following parties on the 7th day of July, 2006.

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**/s/James B. Lowery**  
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