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April 19, 2001

Mr. Dale H. Roberts
Secretary/Chief Regulatory Law Judge
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED²
APR 19 2001
Missouri Public
Service Commission

RE: Union Electric Company d/b/a AmerenUE
Case No. EM-2001-233

Dear Mr. Roberts:

Enclosed for filing in the above-referenced case please find the original and eight copies of **Public Counsel Motion in Support of Staff's Response to Company Request for Leave to Withdraw Application and Public Counsel's Further Request for an Order Establishing A Competitive Bidding Process (NP and HC version)**. Please "file" stamp the extra-enclosed copy and return it to this office.

Thank you for your attention to this matter.

Sincerely,


John B. Coffman
Deputy Public Counsel

JBC:jb

cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³
APR 19 2001

Missouri Public
Service Commission

In the Matter of the Application of Union)
Electric Company, d/b/a AmerenUE for an Order)
Authorizing the Sale, Transfer and Assignment)
of Certain Assets, Real Estate Leased Property,)
Easements and Contractual Agreements to)
Central Illinois Public Service Company d/b/a)
AmerenCIPS, and, in Connection Therewith)
Certain Other Related Transactions.)

Case No. EM-2001-233

**PUBLIC COUNSEL MOTION IN SUPPORT OF STAFF'S RESPONSE TO COMPANY
REQUEST FOR LEAVE TO WITHDRAW APPLICATION
AND PUBLIC COUNSEL'S FURTHER REQUEST FOR AN ORDER ESTABLISHING
A COMPETITIVE BIDDING PROCESS**

COMES NOW the Office of the Public Counsel ("Public Counsel") in support of Staff's Response to Request of Union Electric Company for Leave to Withdraw Application for transfer of assets, filed on April 9, 2001, and Public Counsel further recommends, in recognition of transmission constraints and other current market conditions for purchased power, that Company be ordered to participate in a truly competitive bidding process for purchased power, as described below:

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*** This situation effectively gives Ameren Energy Marketing Company (AEMC) a great amount of market power that can be easily abused in determining the market pricing that it will set to service the AmerenUE load. Public Counsel urges the Commission to take proactive steps to ensure that AmerenUE's customers will have access to affordable and competitively priced electric supplies.

WHEREFORE, Public Counsel supports the Commission Staff's requested relief in its April 9, 2001 pleading. Public Counsel encourages the Commission to consider challenging AMEC's authority to sell power to AmerenUE at market based rates through litigation at the Federal Energy Regulatory Commission. This would help ensure that market power cannot be abused to raise prices far above competitive market levels and cost-based price levels for AmerenUE customers. The Commission should also inquire into whether Ameren is attempting to perform an end-run around provisions of Public Utility Company Holding Act (PUCHA) designed to ensure reasonable wholesale electric rates for regulated utility service.

Furthermore Public Counsel recommends that the Commission order AmerenUE to participate in a process to obtain competitively priced power to serve its needs for the next ten years. This process should include the following parameters:

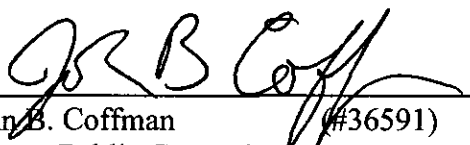
- a) AmerenUE should be required to work with the Commission Staff and Public Counsel to develop Requests for Proposals (RFPs) for power that are structured in a way to facilitate offers from a large number of suppliers who have a good likelihood of reserving the firm transmission access

necessary to reliably serve AmerenUE's Missouri load. Specifically, AmerenUE should be required to provide potential bidders with information that it possesses regarding: (1) important transmission constraints on its system and on adjoining utility transmission systems and reasonable estimates of transmission costs for supply-side resources located in different areas and (2) the extent to which new generation plants intended to serve AmerenUE's load may need to be located in certain geographic areas. (either within Ameren's control area or outside of its control area) due to transmission constraints. This would involve requiring AmerenUE to work with potential bidders to help them identify transmission interconnections with the AmerenUE control area which are most likely to have available firm transmission capacity from the AmerenUE border to the AmerenUE load. This may also involve structuring the RFPs so that they are long enough to encourage the building of plants close enough to the load so that transmission access can be acquired more easily.

b) Similar to the process that the Commission has already approved for AmerenUE in Case No. EA-2000-37, the Commission should require AmerenUE to give Staff and Public Counsel updates at key milestones in the RFP process and to either obtain consensus of the parties on key aspects of the RFP process or to request resolution of disputed issues from the Commission.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing document has been either faxed, mailed, or hand-delivered to the following counsel of record on this 19th day of April 2001:

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