

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

In the Matter of the Application of)	
Union Electric Company for Authorization)	
to Manage Sulfur Dioxide Emission)	Case No. EO-98-401
Allowance Inventory.)	

**MOTION TO EXTEND AUTHORITY TO THE DISPOSITION OF
NO_x ALLOWANCES AND MOTION FOR EXPEDITED TREATMENT**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”), pursuant to 4 CSR 240-2.080, and hereby submits a Motion to Extend Authority to the Disposition of NO_x Allowances and Motion for Expedited Treatment. In support thereof, the Company respectfully states as follows:

1. On December 5, 1998, the Missouri Public Service Commission (“Commission”) issued its *Order Approving Stipulation and Agreement* (“*Order*”) in this case. Pursuant to the Commission’s *Order*, Ameren Missouri was authorized to manage its inventory of sulfur dioxide (“SO₂”) emissions allowances, which were issued under the federal Clean Air Act and administered by the United States Environmental Protection Agency (“EPA”). Under the authority issued by the Commission, the Company was permitted to sell and trade SO₂ allowances subject to certain restrictions. The Company was required to keep detailed records of each transaction, and file an annual report with the Commission enumerating all of its transactions. The prudence of any allowance transaction was subject to review and adjustment as part of any audit and/or examination in a future rate case.

2. In 2005 the EPA issued its Clean Air Interstate Rule (“CAIR”) and created Nitrogen Oxide (“NO_x”) emissions allowances. Ameren Missouri has not previously sought nor received authority to sell or trade those allowances. Nonetheless, under the Company’s fuel adjustment clause (“FAC”) tariff, all revenues from the sale of both SO₂ and NO_x emissions

allowances are required to be included in the FAC calculation, and credited 95% to customers. There is specific provision for prudence review of FACs in the Commission's rules.

3. On July 6, 2011, the EPA finalized the Cross-State Air Pollution Rule ("CSAPR"), which replaced the CAIR. Under the CSAPR, new NOx emissions allowances will be issued, which will replace the NOx emissions allowances created when the CAIR was adopted. The CSAPR takes effect on January 1, 2012. Under the CSAPR, the NOx allowances issued under the CAIR will no longer be useable for compliance. Specifically, after the compliance certification filing dates applicable to 2011 seasonal and annual NOx compliance (late November, 2011 and early March, 2012 respectively) NOx emissions allowances created by the CAIR will no longer be usable.

4. Ameren Missouri is in possession of approximately 7,500 Annual NOx allowances and approximately 7,500 Seasonal NOx allowances which it does not need to satisfy its own emissions allowance requirements for 2011. If Ameren Missouri does not sell or trade these allowances, they are likely to become worthless by the beginning of March, 2012 and the end of November, 2011 respectively. The market for these NOx allowances is not liquid. However, Ameren Missouri has been contacted by potential counter-parties seeking to purchase some of these NOx allowances, and it is very possible that the Company might be able to sell some or all of these excess NOx allowances if it had authority to do so. As a consequence, Ameren Missouri is requesting that the Commission extend its existing authority to sell and trade SO₂ emissions allowances to the NOx emissions allowances that will no longer be useable for compliance post-December 31, 2011 so that the Company will be able to maximize revenues flowing to customers through the FAC. The Company does not believe any restrictions on the sale of these NOx allowances are warranted, but agrees that it should be required to maintain detailed records of each transaction, and provide such information along with the data submitted

pursuant to 4 CSR 240-3.161(5) and provide an annual report similar to the report that it is currently providing for its SO₂ emissions allowance transactions. The authority sought is limited to the NO_x allowances created by the CAIR; if Ameren Missouri seeks authority to sell or trade NO_x allowances created under the CSAPR, it will file a separate application.

5. Ameren Missouri is requesting expedited treatment of its Motion. Specifically, Ameren Missouri requests that the Commission issue an order granting this Motion as soon as it reasonably can, but in no event later than October 31, 2011. Each day that goes by the number of potential purchasers for the NO_x allowances at issue is reduced, and customers will be benefitted if Ameren Missouri is permitted to attempt to sell its excess NO_x allowances at the earliest possible time. Ameren Missouri filed this pleading as soon as it determined that the CSAPR were likely to take effect on January 1, 2012 and that there were potential purchasers for these excess NO_x allowances. There will be no harm from expediting approval of the extension of authority sought herein because Ameren Missouri does not need these NO_x emissions allowances for compliance in 2011 and the allowances will not be useable for compliance in 2012.

6. Ameren Missouri has contacted the Commission Staff, the Office of the Public Counsel and Kansas City Power & Light Company, the only parties to this proceeding, and has been authorized to represent that they support this Motion. Although the Staff has no objection to the Company's request for an order from the Commission by October 31, 2011, the Staff asked the Company to make clear that it is the Company that is requesting action by the Commission by a date certain. Ameren Missouri is also serving copies of this Motion on counsel for every party to its most recent electric rate case, Case No. ER-2011-0028.

WHEREFORE, Ameren Missouri respectfully requests that the Commission promptly issue its order authorizing Ameren Missouri to sell or trade the excess NO_x emissions

allowances which will no longer be usable for compliance post-December 31, 2011 due to the adoption of the CSAPR, subject to the same prudence review and adjustment and record-keeping and reporting requirements that are applicable to its SO₂ emissions allowances.

Respectfully submitted,

UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri

SMITH LEWIS, LLP

/s/ Thomas M. Byrne

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**ATTORNEYS FOR UNION ELECTRIC
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Dated: October 19, 2011

VERIFICATION

STATE OF MISSOURI

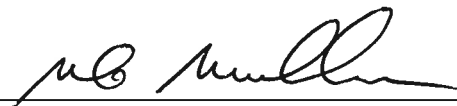
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CITY OF ST. LOUIS

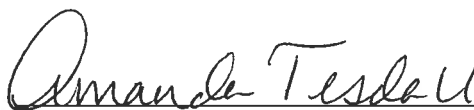
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Mike G. Mueller, of lawful age, being duly sworn, deposes and says that he is Vice President Energy Trading and Fuels Commodities for Union Electric Company d/b/a Ameren Missouri, that he is duly authorized and did sign the foregoing Motion on behalf of Union Electric Company, that he has knowledge of the facts stated in the foregoing Motion, and that said facts are true to the best of his knowledge, information and belief.



Mike G. Mueller

Subscribed and sworn to before me this 19th day of October, 2011.



Notary Public



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via e-mail, to the following parties on the 19th day of October, 2011.

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