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December 26, 2001

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

FILED²
DEC 26 2001
Missouri Public
Service Commission

**RE: Union Electric Company,
Case No. EC-2002-1**

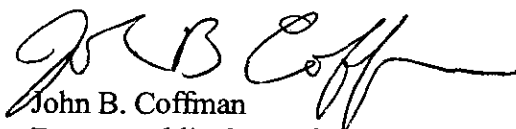
Dear Mr. Roberts:

Enclosed for filing in the above-referenced case please find the original and eight copies of **Public Counsel's Reply to Union Electric Company's Response to Public Counsel's Motion to Compel and Public Counsel's Response to Joint Stipulation**. Please "file" stamp the extra-enclosed copy and return it to this office.

A copy of this pleading has also been hand delivered to each Public Service Commissioner.

Thank you for your attention to this matter.

Sincerely,


John B. Coffman
Deputy Public Counsel

JBC:jb

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

STAFF OF THE MISSOURI)
PUBLIC SERVICE COMMISSION,)
Complainant,)
vs.)
UNION ELECTRIC COMPANY,)
d/b/a AmerenUE,)
Respondent.)

Case No. EC-2002-1

FILED²
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**PUBLIC COUNSEL'S REPLY TO UNION ELECTRIC COMPANY'S RESPONSE TO
PUBLIC COUNSEL'S MOTION TO COMPEL**

COMES NOW the Office of the Public Counsel (Public Counsel), and for its Reply states
as follows:

1. On December 7, 2001, Union Electric Company filed its Response to Public Counsel's November 30, 2001 Motion to Compel. On page 4 of its Response, Company states "OPC has not filed a complaint. Therefore, as of now, any discussion of the type rate design modifications that OPC might be considering, is irrelevant." This argument makes no sense.

If Staff is successful in its Complaint, and proves that Company is currently overearning, rates must be reduced. In order to reduce rates, the Commission must do so in a just and reasonable manner that includes consideration of all relevant factors and is based upon competent and substantial evidence. However, it is accomplished, the manner in which the

Commission reduces Company's rates in this case will be **rate design**. Even if the Commission were to determine that a rate reduction should be accomplished by equal percentage reductions in all rate elements, for all rate classes, the Commission would be making a rate design decision.

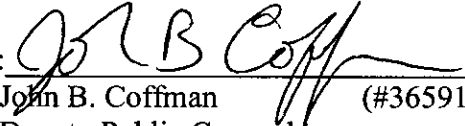
2. Rate design is an inherent issue that all parties must be allowed to address in any rate case, including an earnings complaint case. Company appears to be suggesting in its Response that any Public Counsel testimony offered in this case regarding a proposed rate design would be irrelevant. Such a finding by the Commission would be an unlawful and unconstitutional violation of Public Counsel's due process rights as a party of right to all Commission cases. §386.710(2) RSMo 2000.

3. Furthermore, rate design is just one of several potential issues in this case for which Public Counsel Data Request Nos. 726-741 might lead to relevant evidence. For instance, these data requests may potentially lead to relevant evidence regarding how UE can (1) utilize its existing capacity in a least cost manner and (2) best meet its future capacity needs. In a July 2, 2001 press release, entitled "**Ameren Denounces Missouri Public Service Commission Staff Proposed Electric Revenue Decrease**", Ameren's CEO stated that "Over the next several years, AmerenUE will be required to invest billions of dollars to meet the future energy needs of Missourians. The magnitude of that investment will require responsible energy regulation and policies that establish attractive rates for our customers..." Data Requests Nos. 726-741 are also a part of OPC's investigation of "policies that establish attractive rates for [UE's] customers.

WHEREFORE, Public Counsel respectfully requests that the Commission grant its
November 30, 2001 Motion to Compel.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By: 
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to the following this 26th day of December 2001:

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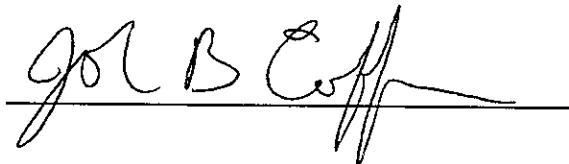
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A handwritten signature in dark ink, appearing to read "J B Cook", is written over a horizontal line.