

**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 Service Provided to Customers)	<u>Case No. ER-2010-0036</u>
In the Company's Missouri Service Area.)	

**AMERENUE'S RESPONSE TO THE REPLY OF THE MISSOURI JOINT MUNICIPAL
ELECTRIC UTILITY COMMISSION TO AMERENUE'S OPPOSITION TO
APPLICATION FOR INTERVENTION**

COMES NOW Union Electric Company d/b/a AmerenUE (the "Company" or "AmerenUE"), and hereby responds to the above-captioned Reply of the Missouri Joint Municipal Electric Utility Commission ("MJMEUC") filed late in the day yesterday, September 1, 2009, as follows:

1. MJMEUC's Reply contains certain inaccurate statements, and while acknowledging that this is a retail rate case about bundled retail rates (which neither MJMEUC nor its members pay), the Reply goes on to make a number of points that are completely irrelevant to this retail rate proceeding.
2. MJMEUC Reply Paragraphs 8 through 11: MJMEUC's assertions in these paragraphs are inaccurate. MJMEUC claims that AmerenUE "has the authority to remove its transmission assets from the MISO" To the contrary, as recognized by the express terms of the Stipulation and Agreement approved by this Commission in Case No. EO-2008-0134, AmerenUE can only "remove its transmission assets" if this Commission gives it permission to do so under the standards that apply to requests for permission to transfer a part of a utility's franchise, works or system under Section 393.190, RSMo (the "detrimental to the public

interest” standard). Specifically, the Stipulation and Agreement provides in pertinent part as follows:

If AmerenUE does not believe sufficient and timely progress is being made (through its own discussions with the Midwest ISO or through the Midwest ISO’s stakeholder process) toward mitigating those risks, including the risks associated with RECB allocations, vis-à-vis the costs and benefits of continued Midwest ISO participation, notwithstanding the anticipated approval of this 2008 Stipulation, AmerenUE may elect to return to the MoPSC and seek permission to withdraw from the Midwest ISO prior to April 30, 2012. (Emphasis added).

Whether AmerenUE “remove[s] its transmission assets from the MISO” depends upon (a) AmerenUE electing to “return to the MoPSC” to “seek permission to withdraw,” and (b) this Commission granting that permission under Section 393.190, RSMo.

3. MJMEUC Reply Paragraphs 2 through 6: MJMEUC states that AmerenUE owns transmission and distribution assets that its members “depend on.” It is true that every wholesale customer in this and every other state “depends on” the *interconnected* transmission and distribution systems of all utilities (investor-owned utilities, cooperatives, and third-party transmission service providers). The rates paid for transmission service by those wholesale customers (like MJMEUC’s members) and issues respecting the adequacy of those wholesale customers’ access to that interconnected system are within the jurisdiction of the Federal Energy Regulatory Commission (“FERC”). The transmission (and distribution) component of retail rates (i.e., the impact on the retail revenue requirement relating to the inclusion of transmission and distribution assets and related operating expenses in AmerenUE’s revenue requirement) is squarely within this Commission’s jurisdiction. However, MJMEUC members do not pay those retail rates and consequently have no legitimate interest in this retail rate case.

4. MJMEUC Reply Paragraphs 12 through 15: The basic message from MJMEUC in these paragraphs is a suggestion that the retail rate treatment of investments made by

AmerenUE in its transmission and distribution system impacts whether MJMEUC members pay “just and reasonable rates” for, presumably, access to and use of the transmission system. The rates that MJMEUC’s members pay for access to the transmission system are a matter for determination *by the FERC*. This Commission sets no rate – a just and reasonable one, or otherwise – that is paid by MJMEUC members.

5. In summary, MJMEUC’s Reply provides no more bases for its request to intervene than did its original application to intervene. Indeed, it further demonstrates that its issues, whatever they may be, have nothing to do with setting bundled retail rates, which is the only purpose of this general rate proceeding. Consequently, MJMEUC’s Application to Intervene should be denied.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via e-mail, on counsel for the following parties of record in this case, on the 2nd day of September, 2009:

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