

FILED³

OCT 25 2000

October 25, 2000

VIA FEDERAL EXPRESS

Missouri Public
Service Commission



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

Re: MPSC Case No. EM-2001-233

Dear Mr. Roberts:

Enclosed for filing on behalf of Union Electric Company, d/b/a AmerenUE, in the above matter, please find an original and eight (8) copies of its **Amendment to Application for Transfer of Assets**.

Kindly acknowledge receipt of this filing by stamping a copy of the enclosed letter and returning it to me in the enclosed self-addressed envelope.

Very truly yours,

A handwritten signature in cursive script that reads "James J. Cook".

James J. Cook
Managing Associate General Counsel

JJC/dhb
Enclosures

cc: Parties on Attached Service List

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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Missouri Public
Service Commission

In the matter of the Application of Union)
Electric Company (d/b/a AmerenUE) for)
an order to 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

AMENDMENT TO APPLICATION FOR TRANSFER OF ASSETS

COMES NOW Union Electric Company, d/b/a AmerenUE ("AmerenUE" or "Company"), a Missouri corporation, and amends its Application to the Missouri Public Service Commission ("Commission") pursuant to Section 393.190 and 4 CSR 240-2.060 for an order authorizing the sale, transfer and assignment of certain Assets, Real Estate, Leased Property, Easements and Contractual Agreements. In support thereof, AmerenUE respectfully states as follows:

1. On October 6, 2000, AmerenUE filed an Application for Transfer of Assets, Change in Decommissioning Trust Fund and Motion for Expedited Treatment ("Application").
2. On October 18, 2000, the Commission issued an Order directing AmerenUE to amend its application to comply with 4 CSR 240-2.060(7).
3. AmerenUE hereby incorporates by reference the Application in its entirety.
4. A certified copy of the resolution of AmerenUE's Board of Directors authorizing the proposed transfer of assets is attached hereto as Exhibit A and incorporated herein by reference.

5. AmerenUE's forecast shows that an additional supply of power and energy beyond its current generation capacity will be required through 2004 and beyond. This capacity shortfall will have to be met through: (a) the purchase of power and energy at market prices; (b) the addition of new AmerenUE generation capacity, or (c) some combination thereof. The proposed transfer of assets to Central Illinois Public Service Company ("AmerenCIPS") includes the transfer of 520 MW of firm load. This reduction of 520 MW of firm load would alleviate AmerenUE's capacity shortfall through 2004 and defer the construction of \$218 million of new plants, resulting in a savings of \$6 million per year in fixed costs. This would allow AmerenUE's existing Missouri customers to: (a) have increased capacity; (b) achieve greater benefits from an installed generating base rather than constructing additional gas-fired capacity; and (c) benefit from lower average production costs and fewer energy purchases during periods of peak demand. Finally, the transfer of the assets will not result in any reduced level of service or reliability for those retail customers presently being served by AmerenUE in Missouri subject to the jurisdiction of the Commission. For all of the above stated reasons, the proposed transfer of assets is not detrimental to the public interest.

6. As indicated on page 6 of the Company's Application, none of the assets to be transferred are located within the State of Missouri. Therefore, the proposed transaction will have no impact on the tax revenues of the political subdivisions in Missouri in which any of AmerenUE's structures, facilities or equipment are located.

WHEREFORE, for the foregoing reasons, AmerenUE respectfully requests that the Commission issue its order:


- (a) Authorizing AmerenUE to perform in accordance with the terms and conditions of the form of Asset Transfer Agreement attached as Schedule 1 to Mr. Craig Nelson's Direct Testimony;
- (b) Authorizing AmerenUE to sell, transfer and assign to AmerenCIPS the assets and liabilities as more particularly described in the form of Asset Transfer Agreement, which assets and liabilities generally constitute AmerenUE's Metro East, Illinois retail electric and natural gas operations;
- (c) Approving as reasonable and prudent the consideration received by AmerenUE from AmerenCIPS for the transferred assets and liabilities;
- (d) Authorizing AmerenUE to enter into, execute and perform in accordance with the terms of all other documents reasonably necessary and incidental to the performance of the transactions which are the subject of the form of Asset Transfer Agreement and this Application;
- (e) Approving the reallocation of the capacity and energy associated with these assets to AmerenUE's Missouri electric jurisdiction;
- (f) Approving the reallocation of a portion of the decommissioning cost previously allocated to Illinois ratepayers to Missouri ratepayers;
- (g) Approving the reallocation of a portion of the funds currently in the Illinois jurisdictional subaccount of the nuclear decommissioning trust fund to the Missouri jurisdictional subaccount;
- (h) Approving the use of the latest available 12-Month Coincident Peak Demand Allocation Factors, adjusted for the elimination of the Illinois demands, for the performance of the above reallocations;

- (i) Approving AmerenUE's continuing to accrue decommissioning expense and to make contributions to the trust fund at the current level of \$6,214,184;
- (j) Confirming that the decommissioning expenses for the Callaway Plant are included in the Company's current cost of service and are reflected in its current rate for ratemaking purposes;
- (k) Confirming that the economic and financial input parameters used in the Zone of Reasonableness analysis contained in the Direct Testimony of Kevin L. Redhage (identical to those presented in Case No. EO-2000-205) continue to be valid and acceptable to the Commission; and
- (l) Granting such other relief as deemed necessary to accomplish the purposes of the Transfer Agreement and this Application and to consummate the sale, transfer and assignment of the Assets and related transactions.

Respectfully submitted,

UNION ELECTRIC COMPANY
d/b/a AmerenUE

By


James J. Cook, MBE #22697
Ameren Services Company
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COPY OF RESOLUTIONS ADOPTED AT THE
MEETING OF THE BOARD OF DIRECTORS OF
UNION ELECTRIC COMPANY
HELD ON THURSDAY, OCTOBER 12, 2000

Exhibit A

RESOLVED, that this Board hereby declares it advisable that the Company be and hereby is authorized to transfer its Illinois electric and natural gas businesses and related assets and liabilities, excluding its Venice power plant and its related transmission facilities, to AmerenCIPS; and further

RESOLVED, that this Board hereby authorizes the transfer from the Company to AmerenCIPS, of all employees as may be required, in addition to all requisite maintenance and labor agreements, where applicable, as may be necessary to implement the transfer; and further

RESOLVED, that the officers of this Company be and hereby are authorized and directed to enter into an Asset Transfer Agreement among Ameren Corporation and AmerenCIPS and the Company and said Asset Transfer Agreement shall designate the various assets, obligations and agreements that exist as of the Transfer Date to be transferred; and further

RESOLVED, that it is hereby authorized that the method of transfer shall consist of an approximate 50% direct transfer from the Company to AmerenCIPS of its combined Illinois assets net of liabilities in exchange for a promissory note in an amount equal to approximately 50% of the total book value; that the remaining balance of approximately 50% shall be transferred to Ameren Corporation from the Company with the Company declaring an "in-kind dividend" to Ameren Corporation, thereafter Ameren Corporation shall transfer the dividend assets and liabilities to AmerenCIPS as a capital contribution; and further

RESOLVED, that the officers of this Company be and hereby are authorized to seek, in their discretion and with the assistance of counsel, regulatory approvals required for the transfer of the Company's Illinois electric and natural gas businesses and related assets and liabilities, to AmerenCIPS as referred to in the foregoing resolutions; and further

RESOLVED, that the officers of this Company be and hereby are authorized to execute and deliver all such instruments and do or cause to be done all such further acts and things as they may consider necessary or desirable in order to carry into effect the purposes and intent of the foregoing resolutions and the terms and provisions of the Asset Transfer Agreement referred to therein.

I hereby certify that the foregoing is a true and correct copy of resolutions adopted at the meeting of the Board of Directors of Union Electric Company, held on Thursday, October 12, 2000 at the General Office Building of the Company, St. Louis, Missouri, and that such resolutions are still in full force and effect.

OCT 25 2000



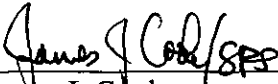
Assistant Secretary

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was served on the following parties of record via first-class mail on this 25th day of October, 2000:

General Counsel
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

Office of the Public Counsel
P. O. Box 7800
Jefferson City, MO 65102



James J. Cook