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 in the Company's Missouri Service Area	))))	Case No. ER-2008-0318

POST-HEARING BRIEF OF THE COMMERCIAL GROUP

The Commercial Group addressed only the issues of cost-allocation and rate design in this docket. These issues were the subject of a Stipulation And Agreement ("Stipulation") filed herein on December 3, 2008. Specifically, the Stipulation is a negotiated settlement of the class cost-of-service allocation and rate design issues in this rates case.

The Commercial Group was a signatory to the Stipulation, along with the Office of the Public Counsel, the Missouri Industrial Energy Consumers, the Missouri Energy Group and Noranda Aluminum, Inc. The Stipulation represents a negotiated agreement among the representatives of all customer groups in the case.

The only party that opposed the Stipulation was the Staff of the Commission. Although not a signatory, AmerenUE did not oppose the Stipulation.

The Commercial Group respectfully urges the Commission to adopt the Stipulation herein in spite of the Staff's objections.

I. ALL OF THE CLASS COST-OF-SERVICE STUDIES FILED IN THIS CASE – INCLUDING STAFF'S – SHOW THAT THE LGS AND SPS CUSTOMER CLASSES SHOULD RECEIVE RELIEF RELATIVE TO THE OTHER CUSTOMER CLASSES. THE STIPULATION MOVES THE LGS AND SPS CUSTOMER CLASSES CLOSER TO THEIR COST OF SERVICE.

Cost-of-service studies were filed in this case by AmerenUE, the Staff, the Office of Public Counsel and the Missouri Industrial Energy Consumers ("MIEC"). It is undisputed that every one of these cost-of-service studies – including the study filed by the Staff – shows that the large general service ("LGS") and small primary service ("SPS") classes are paying more than the costs of serving those classes.

The Stipulation moves these classes closer toward their cost-of-service, and does so in a way that is not objectionable to the representatives of the other customer classes.

II. THE INTERCLASS SHIFTS THAT WOULD OCCUR UNDER THE STIPULATION MEET THE STAFF'S OWN CRITERIA OF REASONABLENESS.

In contrast to its cost-of-service study filed in this case, the recommendation of the Staff is that equal across-the-board increases be given to all classes. Staff's witness admitted that Staff's own cost-of-service study indicated the need for reductions in revenues to the LGS and SPS classes. (12/4/08 tr. p. 2022, ln. 8-19). Staff's witness also admitted that the equal across-the-board increases being recommended by the Staff would perpetuate these inequalities. (12/4/08 tr. p. 2022, ln. 20 – p. 2023, ln. 9).

Staff's witness attempted to justify Staff's recommendation by testifying that the class inequalities shown by its cost-of-service were "close to zero" because they were within a range of plus or minus 5% from the other classes. (12/4/08 tr. p. 2023, ln. 10 –

p. 2024, ln. 8). But Staff's witness then admitted that the interclass shifts that would occur under the Stipulation – and which needed to occur under Staff's own cost-of-service study – were within this same Staff-defined band of reasonableness. (12/4/08 tr. p. 2024, ln. 9-11).

In other words, Staff's witness admitted that the interclass shifts that would occur pursuant to the Stipulation are reasonable.

III. CONCLUSION

WHEREFORE, for all the above and foregoing reasons, The Commercial Group respectfully requests that the Commission adopt the Stipulation filed herein.

Dated this 8th day of January, 2009.

Respectfully submitted,

By Rick D. Chamberlain

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CERTIFICATE OF SERVICE

The undersigned certifies that on January 8, 2009, a true and correct copy of the foregoing Post-Hearing Brief Of The Commercial Group was served by U.S. mail, postage prepaid, or by electronic mail addressed to all parties by their attorneys of record as provided by the Secretary of the Commission.

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