

**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	)	Case No. ER-2007-0002
Service Provided to Customers in the	)	
Company's Missouri Service Area.	)	

**JOINT RESPONSE OF STAFF AND AMERENUE TO ORDER DIRECTING FILING**

COMES NOW Union Electric Company d/b/a AmerenUE (AmerenUE or Company) and the Staff of the Missouri Public Service Commission (Staff), and in compliance with the Commission's August 30, 2006 Order Directing Filing respecting the test year for this case, hereby file this statement regarding their test year position, as follows:

1. In response to the Commission's July 11, 2006 Order Directing Notice, Suspending Tariff, Setting Hearings, and Directing Filings, the Staff of the Commission, joined by all participants in the Early Prehearing Conference held on August 17, 2006, filed a Jointly Proposed Procedural Schedule and Request for other Procedural Items (the "Joint Schedule"). The Joint Schedule provides for a test year ending June 30, 2006, and pro forma adjustments including certain items through January 1, 2007.<sup>1</sup> The Joint Schedule also provides for the filing by the Company, on September 29, 2006, of Supplemental Direct Testimony which will supplement the forecasted data used in AmerenUE's July 7, 2006 filing with actual data for the period April 1, 2006 through June 30, 2006, resulting in filed, actual data for the jointly recommended test year ending June 30, 2006. Although the forecasted data will be updated with actual data, there is to be no "update period" as that term is typically used.

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<sup>1</sup> For example, because AmerenUE had in place as of July 7, 2006 when it filed this rate case new fuel and transportation contracts with new prices effective January 1, 2007 for coal and coal transportation, AmerenUE used those January 1, 2007 prices as a pro forma adjustment to its revenue requirement analysis filed on July 7.

2. The Joint Schedule also provides that AmerenUE will true-up its test year through January 1, 2007 for certain items. In summary, the Joint Schedule reflects the agreement of those parties joining in the Joint Schedule (all of the parties participating in the Early Prehearing Conference on August 17, 2006) that the test year for this case will be:

the 12 month period ending June 30, 2006, with a true-up through January 1, 2007 for certain additional items (see footnote \*\*\* and \*\*\*\* on page 4 of the Joint Schedule)

Consequently, the Joint Schedule reflects neither of options (1) or (2) listed in the last full paragraph of page 2 of the Commission's August 30, 2006 Order Directing Filing.

3. The Joint Schedule provides for AmerenUE to provide the other parties actual data (i.e., the actual numbers as of January 1, 2007)<sup>2</sup> on any true-up item (e.g., actual plant-in-service as of January 1, 2007) by March 2, 2007. Under the Joint Schedule, any party could then file direct testimony relating only to the true-up, if necessary, on or before April 6, with any necessary rebuttal testimony relating only to the true-up due on April 13 and a true-up hearing, if necessary, on April 19-20.<sup>3</sup>

WHEREFORE, AmerenUE and the Staff hereby file this Response to the Commission's August 30, 2006 Order Directing Filing.

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<sup>2</sup> Actual numbers as of January 1, 2007 cannot be provided immediately due to the need to close the Company's books for 2006 which takes several weeks after year-end.

<sup>3</sup> While this cannot be predicted with any level of certainty, true-up testimony and hearings are often not necessary because a true-up is simply intended to involve reconciling significant items and maintaining a proper matching of revenues, expenses and rate base through a point in time after the end of the test year (here, through January 1, 2007) and is not intended to involve changes in methodology.

Respectfully submitted,

Dated: September 8, 2006

Steven R. Sullivan, #33102  
Sr. Vice President, General  
Counsel and Secretary  
Thomas M. Byrne, # 33340  
Managing Assoc. General Counsel  
Ameren Services Company  
P.O. Box 66149  
St. Louis, MO 63166-6149  
(314) 554-2098  
(314) 554-2514 (phone)  
(314) 554-4014 (fax)  
[ssullivan@ameren.com](mailto:ssullivan@ameren.com)  
[tbyrne@ameren.com](mailto:tbyrne@ameren.com)

**SMITH LEWIS, LLP**

/s/James B. Lowery  
James B. Lowery, #40503  
Suite 200, City Centre Building  
111 South Ninth Street  
P.O. Box 918  
Columbia, MO 65205-0918  
Phone (573) 443-3141  
Facsimile (573) 442-6686  
[lowery@smithlewis.com](mailto:lowery@smithlewis.com)

**Attorneys for Union Electric Company  
d/b/a AmerenUE**

/s/Steven Dottheim  
Steven Dottheim  
Chief Deputy General Counsel  
Missouri Bar No. 29149  
  
Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-7489 (Telephone)  
(573) 751-9285 (Fax)  
e-mail: [steve.dottheim@psc.mo.gov](mailto:steve.dottheim@psc.mo.gov)

### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 8th day of September 2006.

/s/ Steven Dottheim