

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

**Central Illinois Light Company** )  
**d/b/a AmerenCILCO** )

Proposal to implement a Competitive )  
Procurement Process by Establishing )  
Rider BGS, Rider BG-L, Rider RTP, )  
RTP-L, Rider D, and Rider MV )

**Docket No. 05-0160**

**Central Illinois Public Service Company** )  
**d/b/a AmerenCIPS** )

Proposal to implement a Competitive )  
Procurement Process by Establishing )  
Rider BGS, Rider BG-L, Rider RTP, )  
RTP-L, Rider D, and Rider MV )

**Docket No. 05-0161**

**Illinois Power Company d/b/a Ameren IP )**

Proposal to implement a Competitive )  
Procurement Process by Establishing )  
Rider BGS, Rider BG-L, Rider RTP, )  
RTP-L, Rider D, and Rider MV )

**Docket No. 05-0162**

**APPLICATION FOR REHEARING OF  
THE MIDWEST INDEPENDENT POWER SUPPLIERS**

The Midwest Independent Power Suppliers (“MWIPS”) hereby files its Application for Rehearing in the captioned proceeding.<sup>1</sup> MWIPS commends the Commission for approving the auction process proposed in this proceeding.

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<sup>1</sup> MWIPs is a group of leading competitive power suppliers that share an interest in achieving full and fair competition in the Midwest. MWIPS members are involved in developing and owning electric generation in Illinois and elsewhere in the Midwest. The positions set out in this Application for Rehearing represent the position of MWIPS as a group, but do not necessarily represent the position of individual MWIPS member companies. Members of MWIPS also may be filing individual Applications for Rehearing.

Implementation of this competitive process will allow Ameren to shop for the best deal for its ratepayers. However, in order for those ratepayers to fully realize the benefits of the competitive process, the after-the-fact, annual prudence reviews called for in the Commission's Final Order ("Order") should be eliminated. Accordingly, for the reasons set forth below, MWIPS requests that the Commission grant rehearing concerning the requirement of after-the-fact prudence review of the auction results.

### **ARGUMENT**

On pages 78-83 of the Order, the Commission has provided for an annual after-the-fact review of the prudence of Ameren's energy purchases pursuant to the auction process. This annual process adds an element of uncertainty to the auction process which suppliers will consider an added risk which, in turn, will cause suppliers to add a risk premium to the prices they bid into the auction. In addition, the addition of this risk factor may reduce the number of suppliers who participate in the auction. (The extent of supplier risk is exacerbated by the fact that the order offers no guidance as to the nature or effect of the annual prudence review.) Fewer bids and higher bid prices both serve to reduce the extent to which the ratepayers benefit from the auction process. There is no need for an after-the-fact prudence process in this proceeding where the Commission has determined that the proposed auction process is prudent.

## CONCLUSION

WHEREFORE, for the reasons set forth above, MWIPS urges the Commission to grant rehearing with respect to the issue discussed above and to issue an Order on rehearing that is modified accordingly.

Respectfully submitted,

Midwest Independent Power Suppliers

By:

A handwritten signature in black ink that reads "Freddi L. Greenberg". The signature is written in a cursive style with a large, prominent initial "F".

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**CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of the Application for Rehearing filed on behalf of Midwest Independent Power Suppliers was served electronically upon the Service list this 7th day of February, 2006.

A handwritten signature in black ink that reads "Freddi L. Greenberg". The signature is written in a cursive style with a large initial 'F' and 'G'.

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