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December 15, 2006

VIA E-FILING

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W. Room 711
Washington, D.C. 20423-0001

**RE: STB Finance Docket No. 34918, Keokuk Junction Railway Co. d/b/a
Peoria & Western Railway - Lease and Operation Exemption - BNSF
Railway Company between Vermont and Farmington, Illinois**

Dear Secretary Williams:

Enclosed for filing in the above captioned proceeding is Ameren's "Reply to Inaccurate Statements in KJRY's December 7th Filing."

Please feel free to contact me if you have any questions.

Very truly yours,



Sandra L. Brown

Enclosures

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34918

**KEOKUK JUNCTION RAILWAY CO. d/b/a PEORIA & WESTERN RAILWAY –
LEASE AND OPERATION EXEMPTION – BNSF RAILWAY COMPANY
BETWEEN VERMONT and FARMINGTON, ILLINOIS**

**REPLY TO INACCURATE STATEMENTS
IN KJRY'S DECEMBER 7TH FILING**

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***ATTORNEYS FOR AMEREN ENERGY FUELS AND
SERVICES COMPANY***

December 15, 2006

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34918

**KEOKUK JUNCTION RAILWAY CO. d/b/a PEORIA & WESTERN RAILWAY –
LEASE AND OPERATION EXEMPTION – BNSF RAILWAY COMPANY
BETWEEN VERMONT and FARMINGTON, ILLINOIS**

**REPLY TO INACCURATE STATEMENTS
IN KJRY'S DECEMBER 7TH FILING**

Ameren Energy Fuels and Services Company ("Ameren") hereby files this reply ("Reply") to the inaccurate statements made by Keokuk Junction Railway Co. ("KJRY"), d/b/a/ Peoria & Western Railway in KJRY's filing made in this proceeding on December 7, 2006 ("KJRY Response"). To the extent KJRY or the Board views this as a reply to a reply not normally permitted under the Board's regulations, Ameren respectfully requests that the Board accept this Reply in order to have a complete record and to correct the inaccurate statements that KJRY added to this record in KJRY's Response.

As the Board is aware, the proposed transaction has created significant differences in opinion between KJRY and Ameren. Ameren has made every good faith effort to work out a commercial solution to the harm that Ameren believes this transaction would impose upon Ameren. In addition, Ameren has made every attempt to respond promptly to every task associated with this matter. Ameren personnel have traveled to meet with KJRY on several occasions on short notice and Ameren has responded as quickly as possible to phone calls, written proposals from KJRY and to filings or actions prompted by the Board proceeding. While

Ameren disagrees with many statements made in KJRY's Response, Ameren will limit its Reply to address the inaccurate statements that KJRY has made in its Response regarding other potential shippers on the subject line and particularly regarding the allegation that Ameren is holding a shipper hostage.

Contrary to KJRY's blurred assertion, Ameren believes it is the only shipper that has used the line in at least the last four years.¹ KJRY falsely states that Ameren is holding "Central Illinois Energy hostage as a bargaining chip" in this proceeding. KJRY's recitation of the facts is disappointing. The proposed Central Illinois Energy ("CIE") ethanol plant in Fulton County Illinois has been public knowledge for over five years. CIE, in an effort to save money and avoid building its own private track, asked Ameren if CIE could use several thousand of feet of Ameren's private spur track to connect to the BNSF Railway near Dunfermline, Illinois. As a good corporate neighbor (Ameren believed at that time, and continues to believe as of this date that CIE will not be an Ameren customer), Ameren agreed to lease CIE rights to use Ameren's private track. However, BNSF was the only carrier serving Ameren at the time of the CIE agreement so Ameren specified that BNSF would be used on Ameren's private spur track. Further, at the time of the lease with CIE, because BNSF was the only carrier providing service to Ameren, Ameren had no reason to believe that BNSF would attempt to lease its track.

CIE is starting in the process of scheduling deliveries of certain equipment needed to build the ethanol plant. Ameren understands that regular CIE rail shipments are still approximately six months in the future. CIE could build its own track to reach BNSF or KJRY. Ameren has attempted to help CIE because Ameren is fully aware of the cost and time involved in building and maintaining track. Ameren cannot legally and should not in any way be

¹ Ameren purchased the Duck Creek plant on January 31, 2003, so Ameren does not have direct knowledge regarding shipments on the line prior to its purchase of the Duck Creek plant.

penalized because it attempted to assist a local industry under the conditions known at that time. In any event, the Board should not condone the use of such inaccurate statements that appear to be an attempt to intimidate Ameren into agreeing to become captive to KJRY. Such tactics further emphasize the harm to Ameren if KJRY were to control or operate both routes into the Duck Creek plant.

KJRY is fully aware that Ameren offered as part of its settlement discussions² with KJRY that Ameren had no problem with KJRY leasing, purchasing or otherwise operating the portion of the BNSF line north of the Duck Creek plant. Such an arrangement would permit KJRY to serve CIE and any other potential shipper north of the Duck Creek plant, including any potential new rail shipper in Canton that currently transloads its traffic several miles away in order to get rail service.³ Ameren is not aware of any current or potential shippers on the BNSF line south of the Duck Creek plant to Vermont.

² Ameren is disappointed that it appears KJRY has chosen to bring the parties settlement discussions into its new Petition for Exemption proceeding in Finance Docket No. 34974. It appears that KJRY has decided to only partially and selectively disclose portions of the settlement discussions in an effort to attempt to create a more favorable light for KJRY; however, Ameren cannot confirm what has been disclosed in the new proceeding until the a Protective Order has been issued, confidentiality undertakings have been signed and KJRY provides the redacted material. Ameren intends to respond in that proceeding. Ameren is filing today in Finance Docket No. 34974 a request for an extension of time.

³ During settlement discussions, Ameren asked KJRY what other shippers may be interested in using the line so that Ameren could factor that information into its proposals. However, KJRY never provided any names to Ameren. KJRY's new filing in Finance Docket No. 34974 claims that Ameren's concerns should be overridden because of these other potential shippers. However, as stated above, Ameren's settlement proposal would provide KJRY the access to any of these potential shippers while also protecting Ameren's competitive situation.

CONCLUSION

For the reasons stated herein and in Ameren's Petition to Revoke or Reject Notice of Exemption, Ameren respectfully requests the Board to declare the proposed Notice void *ad initio* or revoke the Notice and dismiss the proceeding. Furthermore, the identical transaction filed in Finance Docket No. 34974 contains the same harms to Ameren with no attempt to address or even acknowledge the harm, and thus the Petition in Finance Docket No. 34974 should also be dismissed.

Respectfully submitted,

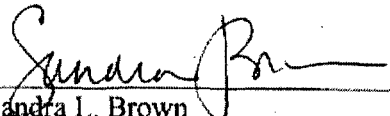
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CERTIFICATE OF SERVICE

This is to certify that on this 15th day of December 2006, I caused the foregoing Reply in the Finance Docket No. 34918 to be served upon counsel for all known parties of record by electronic means.


Sandra L. Brown