BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of Union Electric Company, d/b/a AmerenUE's Tariffs to Increase its Annual Revenues for Gas Service.

Case No. GR-2010-0363

STAFF RECOMMENDATION REGARDING TEST YEAR AND TRUE-UP

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and recommends that the Missouri Public Service Commission (the Commission) (a) adopt the proposal of Union Electric Company d/b/a AmerenUE (AmerenUE or the Company) to use the twelve months ending December 31, 2009 as the test year in this matter, and (b) adopt a true-up of known and measurable changes to significant revenue and expense items through September 30, 2010. In support of this recommendation Staff states as follows:

1. On June 11, 2010, AmerenUE filed tariff sheets designed to increase annual revenues derived from its Missouri jurisdictional natural gas sales.

2. On June 16, 2010, the Commission issued its *Order Directing Notice, Suspending Tariff, Setting Hearings and Directing Filings*, suspending the tariffs filed on June 11, 2010, and directing Staff to file, among other items, a position regarding AmerenUE's proposed test year and true-up dates.

3. As contained in the Direct Testimony of Company Witness Thomas Opich, the Company is proposing the use of a test year consisting of the twelve months ending December 31, 2009. In addition, the Company proposes a true-up of known and measurable changes to significant revenue and expense items through November 30, 2010.

4. Staff agrees with the Company's proposed use of the twelve months ending December 31, 2009, for the test year in this case. Staff does not agree with the Company's

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proposed true-up date of November 30, 2010. To the contrary, Staff proposes a true-up of known and measurable changes to significant revenue and expense items through September 30, 2010. Staff states that a September 30, 2010 true-up date will more adequately allow Staff and other parties to audit and quantify any events that have a significant and material revenue requirement impact in this case.

WHEREFORE, Staff submits this recommendation for the Commission's consideration and asks that the Commission issue an Order consistent with the position reflected above.

Respectfully submitted,

<u>/s/ Eric Dearmont_</u>

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 13th day of July, 2010.

/s/ Eric Dearmont