

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Tariff Filings of Union)
Electric Company, d/b/a Ameren Missouri, to) Case No. ER-2014-0258
Increase Its Revenues for Retail Electric Service.)

**ERRATA TO
AMEREN MISSOURI’S INITIAL POST-HEARING BRIEF**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”), and in filing its Errata to Ameren Missouri’s Initial Post-Hearing Brief states as follows:

1. It has come to Ameren Missouri’s attention that there are errors in the Company’s Initial Post-Hearing Brief that was filed on March 31, 2015. Page 78 contains the following sentence:

Mr. Gorman himself testified in two recent cases whereby his clients signed onto stipulated agreements that included a stated return on equity of 9.83% and 9.8%, respectively. (In the most recent case in February, 2015, Mr. Gorman testified he advised his client that the settlement was reasonable and his client agreed. (Tr. 1249).

2. This portion of the brief should read as follows:

Mr. Gorman himself testified in two recent cases whereby his clients signed onto stipulated agreements that included a stated return on equity of 9.83% and 9.8%, respectively, and with respect to the most recent case, Mr. Gorman testified he advised his client that the settlement was reasonable and his client agreed.

3. Accordingly, Ameren Missouri corrects the errant sentence, makes the corresponding corrections to page 78 and the associated footnote no. 263, as shown in Attachment A (redline) and Attachment B (clean replacement page).

4. The above corrections do not alter the conclusions made in Ameren Missouri’s Initial Post-Hearing Brief. The corrections merely serve to clarify a confusing statement in the brief.

WHEREFORE, Ameren Missouri respectfully requests the Commission accept its Errata to Ameren Missouri's Initial Post-Hearing Brief.

Respectfully submitted,

UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri

/s/ Matthew R. Tomc

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, this 8th day of April, 2015, to counsel for all parties on the Commission's service list in this case.

/s/ Matthew R. Tomc _____

Setting aside the problems with excluding settled returns discussed below, the inclusion is also illogical if the intent is to reflect only litigated returns. If these two companies were removed, Mr. Gorman admitted the average upon which he relies to gauge investor expectations (9.63%) would be higher.²⁶²

Mr. Gorman himself testified in two recent cases whereby his clients signed onto stipulated agreements that included a stated return on equity of 9.83% and 9.8%, respectively,²⁶³ and ~~(with respect to In~~ the most recent case ~~in February, 2015~~, Mr. Gorman testified he advised his client that the settlement was reasonable and his client agreed.²⁶³ ~~(Tr. 1249).~~ That settlement included a 9.83% return on equity for a vertically integrated utility and a 56% equity ratio in its capital structure. The Company also had a fuel adjustment mechanism, a special rider for recovery of qualifying investments, and was allowed by law to recover CWIP in rates.²⁶⁴

Accordingly, Mr. Gorman's 9.63% estimation of an average return on equity is too low - it includes returns for companies that have different risks than Ameren Missouri, and unnecessarily excludes other appropriate data.

iii. Analysis of Mr. Schafer's ROE recommendation.

OPC witness Lance Schafer recommended a return on equity of 9.01%.²⁶⁵ This proceeding is the first regulatory proceeding in which Mr. Schafer has testified.²⁶⁶ Mr. Schafer is working on, but has not yet received, the Chartered Financial Analyst designation.²⁶⁷ Mr. Schafer has not worked as a financial analyst, at a bank, in a corporate treasury department, as a broker or trader, nor has he otherwise ever been involved with the issuing of debt or equity.²⁶⁸

²⁶² Tr. p. 1246, l. 24 to p. 1247, l. 4.

²⁶³ Tr. p. 1247, l. 5-8; Tr. p. 1248, l. 1-4; Tr. p. 1249.

²⁶⁴ Tr. p. 1247, l. 5 to p. 1249, l. 9.

²⁶⁵ Ex. 409, p. 3, l. 14.

²⁶⁶ Tr. p. 1309, l. 4-6.

²⁶⁷ *Id.*, l. 22-25.

²⁶⁸ Tr. p. 1310, l. 3-20.

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