

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

In the Matter of Union Electric Company)
d/b/a Ameren Missouri’s Infrastructure) **Case No. GO-2017-0061**
System Replacement Surcharge (ISRS))
Tariff Filing and Reconciliation)

STAFF RECONCILIATION RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and submits its *Reconciliation Recommendation* as set forth in the accompanying Memorandum (which is incorporated herein by reference) and further states as follows:

1. On August 18, 2016, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) submitted a tariff sheet revising its infrastructure system replacement surcharge (“ISRS”) values. Ameren proposed to reset those values to “zero” and effectively terminate the ISRS. The Commission allowed the proposed tariff sheet to become effective by operation of law on September 17, 2016.

2. In response to a request filed herein by Staff, the Commission opened this case by its *Order Opening Case for ISRS Reconciliation* (“Order”), issued September 14, 2016, for the purpose of receiving and processing reconciliation information regarding Ameren Missouri’s final over- or under-recovered ISRS amount.

3. Ameren Missouri has since provided Staff with a reconciliation of actual ISRS revenue collections for the previously unreconciled period. Staff’s verification of Ameren Missouri’s reconciliation revealed a small over-recovery during this time period, as described in the accompanying Memorandum.

4. The termination of Ameren Missouri’s ISRS means that the over-collected amount cannot be returned to customers through a reduction of the ISRS rate itself;

therefore, a one-time credit on customer bills for the February 2017 billing cycle is being recommended, as discussed in the accompanying Memorandum. The amount of the customer credit, by customer class, is shown on the accompanying Appendix B.

WHEREFORE, Staff requests the Commission issue an order as set forth in the “Recommendation” section of the accompanying Memorandum.

Respectfully submitted,

/s/ Jeffrey A. Keevil

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record this 21st day of December, 2016.

/s/ Jeffrey A. Keevil

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. GO-2017-0061
Union Electric Company d/b/a Ameren Missouri

FROM: Michael J. Ensrud, Rate & Tariff Examiner II, Procurement Analysis
John P. Cassidy, Utility Regulatory Auditor V, Auditing Department

/s/ David M. Sommerer 12/21/2016
Procurement Analysis / Date

/s/ Jeffrey A. Keevil 12/21/2016
Staff Counsel's Office / Date

/s/ Mark L. Oligschlaeger 12/21/16
Auditing Department / Date

SUBJECT: Staff's Report and Recommendation Regarding Union Electric Company d/b/a Ameren Missouri Bill Credit (Refund) of ISRS Revenue Over-Collected Amounts

DATE: December 21, 2016

BACKGROUND

On August 18, 2016, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed a revised tariff to terminate its ISRS rates and reset them to zero. On August 31, 2016, Staff recommended¹ approval of Ameren Missouri's tariff filing. Further, Staff recommended, and the Commission granted,² that a case be opened for the purpose of receiving and processing the reconciliation information. Ameren Missouri has since provided Staff with a reconciliation of actual ISRS revenue collections for the period covering May 1, 2015 through September 16, 2016.

Rule 4 CSR 240-3.265(6) and Section 393.1012(3) RSMo provide that a natural gas utility shall not collect an ISRS for a period exceeding three years unless it has filed for or is the subject of a new general rate proceeding. The Rules³ and Statutes⁴ further require an ISRS be subject to reconciliation. The current reconciliation and bill credit is the final step in this process after the zeroing out of the ISRS rates which was the result of no new general rate proceeding being filed within the prescribed three-year deadline.

The resetting of an ISRS to zero is usually done in the context of a general rate case. Unlike other ISRS filings, this reconciliation is proposed as a one-time bill credit, not new monthly tariff rates. Therefore, there is no tariff filing and the ISRS rate continues to be zero. Also, all

¹ See STAFF RECOMMENDATION TO APPROVE TARIFF AND MOTION TO OPEN CASE – August 31, 2016

² See ORDER OPENING CASE FOR ISRS RECONCILIATION - September 14, 2016

³ 4 CSR 240-3.265(17)

⁴ See Section 393.1015.5(2) RSMo

calculated bill credits are rounded, and additionally one-cent has been added to the refund amount to ensure a complete refunding of the over-collection.

Reconciliation

On September 14, 2016, in Case No. GO-2017-0061, the Commission issued its *Order Opening Case For ISRS Reconciliation* which approved Ameren Missouri's tariff filing request to reset its ISRS surcharge values to zero and to effectively terminate its ISRS rates beginning on September 17, 2016. The Commission also required a reconciliation to address the unreconciled collection period covering May 1, 2015 through September 16, 2016. Commission Rule 4 CSR 240-3.265(17) requires the reconciliation of ISRS revenue Ameren Missouri collected from customers in prior periods to account for over / under-collection of ISRS revenue.

Ameren Missouri has since provided Staff with a reconciliation of actual ISRS revenue collections for the unreconciled collection period. Staff's verification of Ameren Missouri's reconciliation revealed an over-recovery of ISRS revenue collections that totaled to approximately \$14,581 during this time period.

Ameren Missouri proposes a one-time credit to its gas customers' bills to refund this approximate \$14,581 over-recovered ISRS revenue balance. Staff supports the one-time bill credit approach to refund Ameren Missouri's ISRS over-collection to its customers and recommends that this one-time credit refund be placed into effect, on a non-prorated basis, for the February 2017 billing cycle, which begins on January 26, 2017, using customer counts provided in Ameren Missouri's 2015 annual report. Staff recommends that the credit be returned within the context of this one billing cycle. This one-time bill credit approach will return the over-collected amounts to Ameren Missouri's ratepayers without delay.

THE ISRS RATE SCHEDULES

The termination of Ameren Missouri's ISRS means that the over-collected amount cannot be returned to customers through the ISRS rate; therefore, a one-time credit on a customer's bill is being recommended. Much of the methodology used to calculate the credit amounts is consistent with the methodology used to establish ISRS rates both for other gas utilities and for Ameren Missouri in past filings.

The recommended bill credits are contained in Appendix B, attached hereto and incorporated by reference. Unlike other ISRS charts, Staff calculated the billed refund amount to six (6) digits, rather than two (2) digits. There is one new column on Attachment B that reflects the appropriate bill credit that has been rounded to whole cents from the calculated amount. Then the credit amount is increased by one cent. This rounding procedure increases the likelihood that the entire over-collected amount is returned to the customers.

Staff has verified that Ameren Missouri has filed its 2015 annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

RECOMMENDATION

Based upon the rationale stated above, Staff recommends the Commission issue an order in this case that:

1. Accepts Staff reconciliation (refund) figure of \$14,581 as being the appropriate reconciliation figure;
2. Accepts Staff's recommendation that this reconciliation be accomplished by a one-time bill credit - in lieu of the traditional methodology of factoring in differences into future ISRS rates;
3. Directs Ameren Missouri to implement a one-time ISRS bill credit for each customer class as reflected in Appendix B, which generates a one-time credit of \$14,581⁵;
4. Establishes a deadline for all ISRS bill credits to appear on the appropriate customer's bill beginning with the February 2017 billing cycle, which begins on January 26, 2017, using customer counts provided in Ameren Missouri's 2015 annual report; and
5. Directs Ameren Missouri to include a statement on the customer's bill that says "One-time ISRS credit".

⁵ Slightly more will be refunded due to the additional rounding up of the refund.

Ameren Missouri
ISRS Balance One-Time Credit Development

CASE NO. GO-2017-0061
 ISRS Refund Amount

<u>Customer Rate Class</u>	<u>Number of Customers¹</u>	<u>Customer Charges</u>	<u>Ratio To Res. Cust. Charge</u>	<u>Weighted Customer #</u>	<u>Company's Total ISRS Revenues</u>		<u>ISRS Refund Gross</u>	<u>Rounded Customer Credit²</u>
					<u>Customer Percentage</u>	<u>Refund Per Customer</u>		
Residential	115,036	\$15.00	1.0000	115,036	80.5456%	\$0.102093	\$11,744	\$0.11
Small General Service	12,697	\$28.83	1.9220	24,404	17.0869%	\$0.196223	\$2,491	\$0.21
Interruptible Service	8	\$264.30	17.6200	141	0.0987%	\$1.798877	\$14	\$1.81
Standard Volume Service	631	\$28.72	1.9147	1,208	0.8459%	\$0.195474	\$123	\$0.21
Large Volume Service	21	\$1,451.53	96.7687	2,032	1.4229%	\$9.879395	\$207	\$9.89
TOTAL	128,393			142,821	100.0000%		\$14,581	

Footnote #1 - used number of customers reported in annual report,

Footnote #2 - to increase the likelihood each customer receives a full refund, calculated refund amounts are rounded then add one cent.

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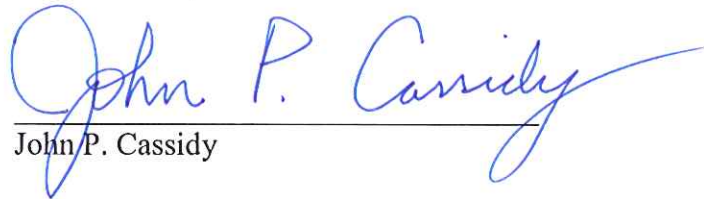
In the Matter of Union Electric Company)	
d/b/a Ameren Missouri's Infrastructure)	<u>Case No. GO-2017-0061</u>
System Replacement Surcharge (ISRS))	Tracking No. JG-2017-0033
Tariff Filing and Reconciliation)	

AFFIDAVIT OF JOHN P. CASSIDY

STATE OF MISSOURI)
) ss
COUNTY OF ST. LOUIS)

COMES NOW John P. Cassidy and on his oath states that he is of sound mind and lawful age; that he contributed to the foregoing Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

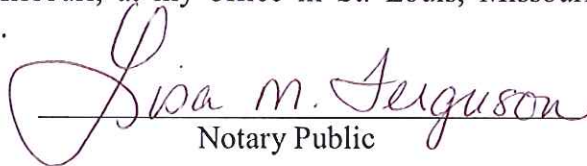
Further the Affiant sayeth not.



John P. Cassidy

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of St. Louis, State of Missouri, at my office in St. Louis, Missouri, on this 15th day of December, 2016.



Notary Public



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

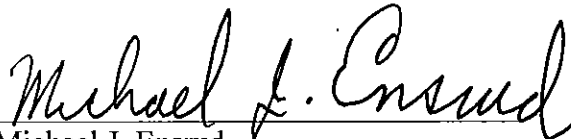
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Tariff Filing and Reconciliation)	

AFFIDAVIT OF MICHAEL J. ENSRUD

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW Michael J. Ensrud and on his oath states that he is of sound mind and lawful age; that he contributed to the foregoing Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

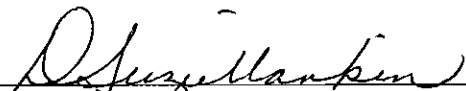
Further the Affiant sayeth not.



Michael J. Ensrud

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20th day of December, 2016.



Notary Public

