

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of Union Electric Company)	
d/b/a AmerenUE's Purchased Gas)	
Adjustment Factors to be Audited in its)	Case No. GR-2008-0107
2006-2007 Actual Cost Adjustment.)	

THE PARTIES RESPONSE TO COMMISSION ORDER

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") in the above-captioned matter and in Response to the Commission's February 24 *Order Directing Filing of Issues List*, on behalf of the Parties, Union Electric Company, d/b/a AmerenUE ("AmerenUE" or "the Company"), and the Office of the Public Counsel states:

1. The Parties agree there are currently no issues that require a hearing.
2. Staff recommends AmerenUE decrease the Texas Eastern Transmission Corporation ("TETCO") service area ACA balance by a total of \$15,398.
3. On page 1, paragraph 3 of *AmerenUE's Response to Staff's Recommendation*, AmerenUE agrees with this recommendation. Thus there is no issue in dispute.
4. Staff has not proposed any dollar adjustment for the Panhandle Eastern Pipeline Company (PEPL) and Rolla areas but reserves its final recommendation pending AmerenUE's pursuit of refunds from Missouri Pipeline Company (MPC) and Missouri Gas Company (MGC) for the overpayment of gas costs in these areas. On page 2, paragraph 2 of *AmerenUE's Response to Staff's Recommendation*, AmerenUE states it does not object to this recommendation.

5. Staff recommended the August 31, 2007 ACA balances shown in the table below. The Company agreed with Staff's adjustment to the area served by TETCO (the only adjustment proposed by Staff). An over-recovery is shown as a negative number and is an amount owed to the customers by the Company, while an under-recovery is a positive number and is an amount owed to the Company by the customers.

	Balance per AmerenUE Filing	Staff Adjustments	Ending Balances
Natural Gas Pipeline Co. of America: Firm Sales ACA	\$ 9,699	0	\$ 9,699
Panhandle Eastern Pipe Line Co: Firm Sales ACA	\$ (4,775,793)		\$ (4,775,793)
Interruptible Sales ACA	\$ 24,660	0	\$ 24,660
Rolla (Former Aquila Eastern System): Firm Sales	\$ (321,237)	0	\$ (321,237)
Texas Eastern Transmission Corp: Firm Sales	\$ (1,992,022)	\$ 11,518	\$ (1,980,504)
Interruptible Sales	\$ (524,343)	\$ 3,880	\$ (520,463)

6. Staff has proposed no financial adjustments for issues related to Reliability and Gas Supply Planning portion of the Staff Recommendation.

7. Staff agrees with the Company in its reply "...that an appropriate reserve margin will vary with changes in various factors, including economic conditions and the availability of pipeline capacity."¹ One method in which this reserve margin justification could be accomplished is via a comprehensive reliability or demand study for the area.

8. Staff accepts the Company's date for an updated reliability study for the Cape Girardeau region by May 29, 2009. This study will include data from the winter of

¹ AmerenUE's Reply, Case No. GR-2008-0107, February 20, 2009, p. 1, 2, para. 6.

2008/2009. Staff realizes that this study would be used for reliability and gas supply decisions for the winter of 2009/2010. Staff also agrees with the Company in that it is appropriate to re-analyze the Cape Girardeau region for the appropriate capacity and supply plans.

9. Staff recommends the Company fully evaluate the reliability of its propane facility. AmerenUE does not object, and plans to complete this evaluation during the winter of 2009/2010 and will provide an update to its demand study for this area upon completion of the propane facility study, no later than May 31, 2010.

10. Staff does not suggest any adjustment concerning Staff's statement that the Company should re-evaluate its storage plan so that gas sales would not be the only remedy when storage is full and the weather is warm in October and November.

11. Based on the comments above, there is no need for any hearing at this time.

WHEREFORE, the Parties reply to the Commission's Order regarding a List of Issues, that there are currently no issues requiring a hearing and recommend the Commission order AmerenUE to make the adjustments noted above and hold this case open pending the outcome of AmerenUE's pursuit of overpayment from MPC and MGC which could result in additional comments or recommendations.

Respectfully submitted,

/s/ Lera L. Shemwell

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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 all counsel of record this 24th day of March, 2009.

/s/ Lera L. Shemwell