

**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.         )

In the matter of Union Electric Company     )  
d/b/a AmerenUE's Purchased Gas            )  
Adjustment Factors to be Audited in its     )            Case No. GR-2008-0366  
2007-2008 Actual Cost Adjustment.         )

In the matter of Union Electric Company     )  
d/b/a Ameren Missouri's Purchased Gas     )  
Adjustment Factors to be Audited in its     )            Case No. GR-2009-0337  
2008-2009 Actual Cost Adjustment.         )

In the matter of Union Electric Company     )  
d/b/a Ameren Missouri's Purchased Gas     )  
Adjustment Factors to be Audited in its     )            Case No. GR-2010-0180  
2009-2010 Actual Cost Adjustment.         )

In the matter of Union Electric Company     )  
d/b/a Ameren Missouri's 2010-2011 ACA     )  
Audit.    )            Case No. GR-2012-0077  
  )

In the Matter of Laclede Gas Company's     )  
Purchased Gas Adjustment for 2006-2007     )            Case No. GR-2008-0140

In the Matter of Laclede Gas Company's     )  
Purchased Gas Adjustment for 2007-2008     )            Case No. GR-2008-0387

In the Matter of Laclede Gas Company's     )  
Purchased Gas Adjustment for 2008-2009     )            Case No. GR-2010-0138

In the Matter of Laclede Gas Company's     )  
PGA Factors to be Reviewed in Its            )            Case No. GR-2011-0055  
2009-2010 ACA Filing                         )

In the Matter of Laclede Gas Company's     )  
Purchased Gas Adjustment for 2010-2011     )            Case No. GR-2012-0133

**STAFF RESPONSE TO JOINT VERIFIED MOTION OF UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI AND LACLEDE GAS COMPANY**

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”), as directed by the Commission’s *Order Directing Filing* issued herein on July 18, 2013, and for its Response to the Joint Verified Motion of Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) and Laclede Gas Company (“Laclede”) for a Determination on the Pleadings Respecting Issues Relating to MoGas Pipeline, L.L.C. (“MoGas”) filed herein on July 15, 2013 (the “Joint Motion”), states as follows:

1. First, it should be noted that Staff was not a party to the circuit court cases underlying the Settlement Agreement between Ameren Missouri, Laclede, and MoGas which is attached to the Joint Motion as Attachment 1 (and which underlies the Joint Motion), as it is highly unlikely that Staff would have had standing to become a party to such cases. Accordingly, Staff was not directly and actively involved in the negotiations which led to the Settlement Agreement, nor did Staff have any contact with MoGas regarding the Settlement Agreement. All of Staff’s information regarding the Settlement Agreement and the negotiations leading to the Settlement Agreement has come from either Ameren Missouri or Laclede, and any opinions Staff may express regarding the Settlement Agreement is based on such information. If the Commission has any questions about the Settlement Agreement, the Joint Motion, or the reasons given in the Joint Motion by Ameren Missouri and Laclede for entering into the Settlement Agreement, Staff would respectfully recommend that the Commission schedule an on-the-record question session at which the Commission could ask questions of Ameren Missouri and Laclede.

2. Second, Staff would respectfully suggest that in addressing this matter the Commission (and more specifically any Order the Commission may issue in response to the Joint Motion) focus on the relief prayed for in the Joint Motion. Staff makes this suggestion because the Settlement Agreement between Ameren Missouri, Laclede, and MoGas which is attached to the Joint Motion as Attachment 1 might be argued to address matters beyond the jurisdiction of the Commission; however, the specific relief prayed for on pages 9 and 10 of the Joint Motion appears to be within the Commission's jurisdiction.

3. If the Commission chooses to grant the relief prayed for in the Joint Motion, the Commission should condition the effectiveness of its Order on the filing by Ameren Missouri and Laclede of proof that MoGas has made the required payments of \$3,506,103 and \$3,676,000 to Ameren Missouri and Laclede, respectively, as contemplated in footnote 10 of the Joint Motion.

4. As for the specific relief prayed for on pages 9 and 10 of the Joint Motion, subject to paragraph 1 above, Staff states as follows:

**Relief requested: WHEREFORE, Ameren Missouri and Laclede pray that the Commission make and enter its order disposing of all MoGas related issues in these ACA dockets, and more specifically enter an order as follows:**

**a. Determining that it was prudent and reasonable for Ameren Missouri and Laclede to enter into the Settlement Agreement;**

**Staff response:** Staff recognizes that Ameren Missouri and Laclede are to receive less under the Settlement Agreement than under their respective circuit court judgments against MoGas. However, as stated by the Ameren Missouri and Laclede in paragraph 7 of the Joint Motion, "For a number of reasons, issues could exist with respect to collecting the judgments,

such as the risk of an adverse appellate opinion relating to some or all of the judgments, [and] the risk of bankruptcy on MoGas' part given the size of the judgments." In the absence of a settlement agreement there will undoubtedly be additional litigation with additional delay (beyond the roughly seven years which have already passed), and the risk of an inability to actually recover any money from MoGas even if the circuit court judgments are upheld on appeal. Subject to the conditions / caveats contained herein, Staff does not oppose granting this relief under the rather unique circumstances presented herein.

**Relief requested:    b. Closing these ACA dockets with respect to all MoGas related issues effective upon issuance of the order (but subject to the requirement that, on a going forward basis, Ameren Missouri and Laclede return the funds to be paid to them by MoGas hereunder to their retail customers through their PGA mechanisms, as herein provided);**

**Staff response:**        There are no outstanding monetary non-MoGas issues in the listed Ameren Missouri ACA cases; there are monetary non-MoGas issues in at least some of the listed Laclede ACA cases. Staff would have preferred that the relief requested say "resolving" rather than "closing," as issues are "resolved" whereas cases are "closed" and the request relates only to "MoGas related issues." As for Laclede, since other non-MoGas issues remain, the ACA cases themselves obviously should not be closed; even in the situation of Ameren Missouri, before the ACA cases themselves are "closed" the Staff's Procurement Analysis Unit will need to confirm the receipt and amount of the settlement payment. It will also verify Ameren Missouri (and Laclede) includes all money received from MoGas in its ACA account. The Commission should not approve final ACA balances until the balances are summarized in a table of final ACA balances. The balances as filed in the various Ameren Missouri and Laclede ACA filings were

interim and contain no adjustments to bring down the invoice costs to the rates authorized in GC-2006-0491 or the settled amounts as proposed in the LDCs' Joint Motion. Until such time as the funds are credited and recognized in Ameren Missouri's and Laclede's accounts and reviewed by Staff, the Staff recommendation is to leave the relevant ACA cases open. The arguments to leave the cases open pending receipt and recording of the refunds is consistent with the argument made by Staff when Ameren Missouri recently requested historical ACA cases be closed. As for "closing these ACA dockets *with respect to all MoGas related issues*," subject to the requirement that the funds paid by MoGas to Ameren Missouri and Laclede are returned to their retail customers, conceptually Staff is not opposed to this relief, subject to the other conditions / caveats contained herein.

**Relief requested: c. Determining that there shall be no disallowance of charges from MoGas to Ameren Missouri or Laclede applicable to transportation services provided by MoGas between July 1, 2003, and May 31, 2008;**

**Staff response:** Subject to the conditions / caveats contained herein, Staff does not oppose granting this relief.

**Relief requested: d. Ordering that, upon the making of the payments required to be paid by MoGas to Ameren Missouri and Laclede, the Commission's complaint against MoGas pending in Cole County Circuit Court shall be dismissed;**

**Staff response:** Since this prayer for relief concerns an *action brought by the Commission* against MoGas for penalties in Cole County Circuit Court, rather than a Staff proceeding for a disallowance/adjustment, Staff recognizes that it has no authority concerning this matter. While Staff does not oppose it if the Commission deems it proper, Staff reminded Ameren Missouri and Laclede that this matter was not within the purview of Staff.

**Relief requested:** e. Determining that the \$3.506 million payment to be received by Ameren Missouri be included in Ameren Missouri's ACA balance, allocated as provided for on Attachment 2 [to the Joint Motion], and included in Ameren Missouri's ACA factors to be used starting November 1, 2013; and

f. Determining that the \$3.676 million payment to be received by Laclede be included in Laclede's ACA balance, allocated as provided for on Attachment 3 [to the Joint Motion], and included in Laclede's ACA factors to be used starting with [sic] effective date of Laclede's new PGA rates in November, 2013.

**Staff response:** Staff does not oppose granting this relief subject to any Order granting this relief expressly reserving to Staff the right to confirm the amount of payments received by Ameren Missouri and Laclede and to review the allocations proposed on Attachments 2 and 3 in the applicable ACA review and to propose any appropriate compliance adjustments resulting from such review.

WHEREFORE, Staff respectfully requests the Commission accept this Response as compliance with the Commission's *Order Directing Filing* issued herein on July 18, 2013.

Respectfully submitted,

/s/ Jeffrey A. Keevil  
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**VERIFICATION**

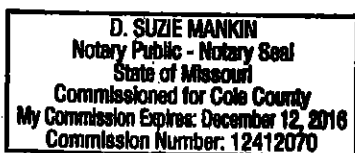
I, Anne Crowe, being duly sworn, depose and say that: I am a Regulatory Auditor in the Procurement Analysis Unit of the Staff of the Missouri Public Service Commission; that I have knowledge of the facts stated in the foregoing Staff Response; and that said facts are true and correct to the best of my knowledge, information and belief.

*Anne Crowe*

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Anne Crowe

Subscribed and sworn to before me this 29<sup>th</sup> day of July, 2013.

*D. Suzie Mankin*  
\_\_\_\_\_  
Notary Public



**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 29<sup>th</sup> day of July, 2013.

/s/ **Jeffrey A. Keevil** \_\_\_\_\_