

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

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

**STAFF RECOMMENDATION TO APPROVE TARIFF
AND MOTION TO OPEN CASE**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its Recommendation to Approve Tariff and Motion to Open Case states as follows:

1. On August 18, 2016, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") submitted a tariff sheet bearing an effective date of September 17, 2016. According to Ameren Missouri's cover letter accompanying the tariff sheet, the purpose of the tariff revision "is to terminate the current Rider ISRS – Infrastructure System Replacement Surcharge values and reset them to zero." The tariff has been assigned Tracking No. JG-2017-0033.

2. A natural gas utility's ISRS revenues are subject to refund based upon a finding and order of the Commission, to the extent provided in subsections (5) and (8) of Section 393.1015, RSMo.¹

3. Commission Rule 4 CSR 240-3.265(17)² requires that at the end of each 12-month period that an ISRS is in effect, the natural gas utility shall reconcile the differences between the revenues resulting from the ISRS and the appropriate pretax revenues as found by the Commission for that period and shall submit the reconciliation

¹ 4 CSR 240-3.265(4).

² See also Section 393.1015.2(5), RSMo.

and proposed ISRS rate schedule revisions to the Commission for approval to recover or refund the difference, as appropriate.

4. However, Section 393.1012.3, RSMo., provides that *“[i]n no event shall a gas corporation collect an ISRS for a period exceeding three years unless the gas corporation has filed for or is the subject of a new general rate proceeding; provided that the ISRS may be collected until the effective date of new rate schedules established as a result of the new general rate proceeding, or until the subject general rate proceeding is otherwise decided or dismissed by issuance of a commission order without new rates being established.”* (Emphasis added)

5. The three year period allowed in Section 393.1012.3, RSMo., for Ameren Missouri’s ISRS will expire in October, and Ameren Missouri has indicated to Staff it does not plan to file a gas rate case prior to expiration of the three year period, thus necessitating Ameren Missouri’s tariff filing “to terminate the current Rider ISRS – Infrastructure System Replacement Surcharge values and reset them to zero.”

6. As explained in Staff’s recommendation memorandum, attached hereto and incorporated herein by reference, Staff recommends approval of Ameren Missouri’s tariff filing which has been assigned Tracking No. JG-2017-0033, since the tariff resets Ameren Missouri’s ISRS rates to zero.

7. As also explained in the attached Staff recommendation memorandum and as mentioned in Ameren Missouri’s cover letter accompanying the tariff sheet filing, Ameren Missouri has committed to provide Staff with a reconciliation update and final balance as soon as practicable after the close of its September revenue billing month.

After Staff has reviewed and verified that information, Staff will provide the Commission, through a subsequent filing in this case, the exact final over or under-recovered collection amount for the period covering May 1, 2015³ through September 16, 2016.

WHEREFORE Staff recommends the Commission issue an order (1) approving Ameren Missouri's tariff filing⁴ which has been assigned Tracking No. JG-2017-0033, to become effective on September 17, 2016 and (2) opening a docket to receive Staff's final reconciled over or under-recovered amount through September 16, 2016, when complete.

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 31st day of August, 2016.

/s/ Jeffrey A. Keevil

³ The reconciliation should cover the period beginning on May 1, 2015, since April 30, 2015 was the reconciliation cutoff date in the prior Ameren Missouri ISRS case.

⁴ The specific tariff sheet to be approved is **P.S.C. Mo. No. 2, 8th Revised Sheet No. 34, Cancelling P.S.C. Mo. No. 2, 7th Revised Sheet No. 34.**

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. GO-2017-____ / File No. JG-2017-0033
Union Electric Company, d/b/a Ameren Missouri

FROM: Michael J. Ensrud, Tariffs/Rate Design - Energy
John P. Cassidy, Auditing

/s/ David M. Sommerer 08/31/2016
Procurement Analysis / Date

/s/ Jeffrey A. Keevil 08/31/2016
Staff Counsel's Office / Date

SUBJECT: Staff Report and Recommendation Regarding the Application of Union Electric Company d/b/a Ameren Missouri Rate Seeking the Missouri Public Service Commission's Approval to eliminate the existing Infrastructure System Replacement Surcharge outside the context of a general rate proceeding.

DATE: August 31, 2016

BACKGROUND

On August 18, 2016, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed a revised tariff with the Commission. The stated purpose of the revision "is to terminate the current Rider ISRS - Infrastructure System Replacement Surcharge values and reset them to zero"¹.

Whereas, the typical ISRS filing either establishes or increases an ISRS charge, this filing is unique in that it is submitted to bring Ameren Missouri in compliance with Commission rules and Missouri statutes by "zeroing out" the ISRS rates – outside the context of a full rate case.

The Commission rule that is satisfied by this filing is as follows:

4 CSR 240-3.265 Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges

(6) In no event shall a natural gas utility collect an ISRS for a period exceeding three (3) years unless it has filed for or is the subject of a new general rate proceeding; provided that the ISRS may be collected until the effective date of new rate schedules established as a result of the new general rate proceeding, or until the subject general rate proceeding is otherwise decided or dismissed by issuance of a commission order without new rates being established. (Emphasis Added)

¹ Ameren cover letter –August 18, 2016.

Similarly, Section 393.1012.3, RSMo., provides as follows:

3. In no event shall a gas corporation collect an ISRS for a period exceeding three years unless the gas corporation has filed for or is the subject of a new general rate proceeding; provided that the ISRS may be collected until the effective date of new rate schedules established as a result of the new general rate proceeding, or until the subject general rate proceeding is otherwise decided or dismissed by issuance of a commission order without new rates being established. (Emphasis Added)

The proposed tariff sheet complies with the aforementioned Commission rule and statute, since Ameren Missouri has not filed and does not plan to file a rate case within the required three (3) year period after its ISRS was established. The current composite ISRS was established on October 18, 2013², resulting from Ameren Missouri's ISRS Case No. GO-2014-0015.

The below table shows the cumulative amount included in rates being eliminated:

ISRS Case No.	Revenue Requirement	Cumulative
GO-2014-0015	\$1,266,546	
GO-2015-0274	\$51,967	\$1,318,513

The Staff has verified that Ameren Missouri has filed its 2015 annual report and is not delinquent on any assessment.

The submitted tariff page is designated 8th Revised Sheet No. 34.

STAFF REVIEW OF RECONCILIATION OF ISRS COLLECTIONS

Ameren Missouri's recent filing in JG-2017-0033 requests a tariff revision to reset its current ISRS rates to zero, effective on September 17, 2016. The first authorized ISRS collection following Ameren Missouri's prior rate case³ went into effect on October 18, 2013 as part of Ameren Missouri ISRS Case No. GO-2014-0015. The gas ISRS statute, Section 393.1012, RSMo., states the following in subsection (3):

3. In no event shall a gas corporation collect an ISRS for a period exceeding three years unless the gas corporation has filed for or is the subject of a new general rate proceeding; provided that the ISRS may be collected until the effective date of new rate schedules established as a result of the new general rate proceeding, or until the subject general rate proceeding is otherwise decided or dismissed by issuance of a commission order without new rates being established.

² That means the 3-year deadline is October 18, 2016.

³ Ameren Missouri's most recent general rate case was Case GR-2010-0363.

Ameren Missouri has indicated to Staff that it does not plan to file a gas rate case on or prior to October 18, 2016.

Along with its tariff request to reset the ISRS rates to zero in this case, Ameren Missouri also provided a reconciliation that it performed in adherence to Commission Rule 4 CSR 240-3.265(17). The rule requires the reconciliation of the ISRS revenue Ameren Missouri collected from customers in prior periods to account for over or under-collection of ISRS revenue. The reconciliation that Ameren Missouri provided was intended to address over or under-recovery of ISRS revenue collections that had occurred since Ameren Missouri ISRS Case No. GO-2015-0274.

Case No. GO-2015-0274 only addressed a reconciliation of Ameren Missouri's ISRS collections for the period covering October 18, 2013 through April 30, 2015⁴. In that proceeding, it was determined that Ameren Missouri had under-collected ISRS-related revenues from its customers by \$51,967. As a result of Case No. GO-2015-0274, Ameren Missouri's authorized ISRS collection was adjusted to \$1,318,513 from the previous authorized level of \$1,266,546 established in Case No GO-2014-0015. The new authorized ISRS collection went into effect on August 1, 2015.

The reconciliation that Ameren Missouri provided to Staff in this case reflected a \$2,171 under-recovered amount for the period covering August 1, 2015 through July 31, 2016. However, Staff informed Ameren Missouri that the reconciliation should have addressed the period covering May 1, 2015 through July 31, 2016, since April 30, 2015 represented the measurement cutoff in the prior Ameren Missouri ISRS case. Based upon the May 1, 2015 through July 31, 2016 measurement period, Staff has verified that Ameren Missouri has under-recovered its authorized ISRS collection by \$1,918. Ameren Missouri has informed the Staff that it agrees with this calculation and with the May 1, 2015 through July 31, 2016 measurement period. Ameren Missouri also indicated to Staff that, during October 2016, the Company will provide Staff with the necessary information to further reconcile the actual ISRS revenue collections for the period covering August 1, 2016 through September 16, 2016. Once Staff has reviewed and verified that information Staff will provide the Commission, through a subsequent filing in this case, the exact final over or under-recovered collection amount for the period covering May 1, 2015 through September 16, 2016.

⁴ October 18, 2013 through April 30, 2015 represented the period of time that the prior ISRS case, Case No. GO-2014-0015 had been in effect.

RECOMMENDATION

Staff recommends that the Commission issue an order opening a docket to receive Staff's final reconciled over or under-recovered amount through September 16, 2016 when complete. In the meantime, as part of the docket, Staff recommends the Commission approve the following tariff sheet, as filed by Ameren Missouri on August 18, 2016, to go into effect on September 17, 2016, as requested by Ameren Missouri:

P.S.C. MO. No. 2

8th Revised Sheet No. 34, Cancelling 7th Revised Sheet No. 34

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Tariff Filing and Reconciliation)	

AFFIDAVIT OF JOHN P. CASSIDY

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

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.



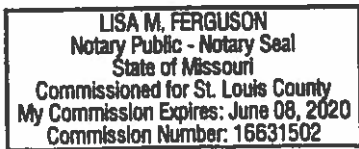
John P. Cassidy

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, on this 31st day of August, 2016.



Notary Public



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Tariff Filing and Reconciliation)	

AFFIDAVIT OF MICHAEL J. ENSRUD

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

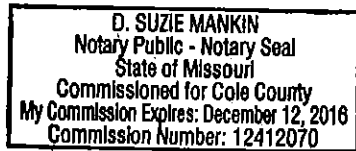
COMES NOW Michael J. Ensrud and on his oath states that he is of sound mind and lawful age; that he contributed to the foregoing Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

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 31st day of August, 2016.




Notary Public