

**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-2006-0333
2005-2006 Actual Cost Adjustment.)	

STAFF RECOMMENDATION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") in the above-captioned matter and for its recommendation states as follows:

1. On October 17, 2006, Union Electric Company d/b/a AmerenUE (Ameren), filed four (4) tariff sheets to reflect changes in Ameren's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas for the 2005-2006 winter season, as well as changes in the Actual Cost Adjustment (ACA) factor.

2. Ameren has service territories with different suppliers, so it has separate PGA's for each area. Staff's memorandum details its analysis of Ameren's gas purchasing practices.

3. As a result of Staff's analysis, Staff recommends the Commission issue an order requiring Ameren to:

A. Establish the following account balances in its next ACA filing to reflect the (over)/under recovery of the ACA balances to be (refunded)/collected from the ratepayers as of August 31, 2006:

	Balance per AmerenUE Filing	Staff Adjustments	Ending Balances
Natural Gas Pipeline Co. of America:			
Firm Sales ACA	\$ 41,781	0	\$ 41,781
Interruptible Sales	0	0	0
Panhandle Eastern Pipe Line Co:			
Firm Sales ACA	\$ (3,928,900)	0	\$ (3,928,900)
Interruptible Sales ACA	\$ 188,749	0	\$ 188,749
Former Aquila Eastern System Incremental:			

	Balance per AmerenUE Filing	Staff Adjustments	Ending Balances
Firm Sales	\$ 11,116	0	\$ 11,116
Texas Eastern Transmission Corp: Firm Sales	\$ (1,495,196)	0	\$ (1,495,196)
Interruptible Sales	\$ (279,044)	0	\$ (279,044)

- B. Correct the line-loss error for its transportation customers in its 2006/2007 ACA filing so that the error has no impact on the firm sales customers ACA balance.
- C. Continue to assess and document the effectiveness of its hedges for the 2005/2006 period and beyond.
- D. Respond to Staff's concerns in the Reliability Analysis and Gas Supply and Planning section related to: (1) updated demand studies, (2) analysis of capacity requirements by pipeline, (3) analysis and support for growth for peak day capacity estimates, (4) reserve margin and capacity planning, and (5) storage monitoring and plan review for Marble Hill service area.
- E. Respond to the recommendations herein within 30 days.

WHEREFORE, the Staff recommends that the Commission order Ameren to comply with Staff's recommendations noted above.

Respectfully submitted,

/s/ Lera L. Shemwell

Lera L. Shemwell
Deputy General Counsel
Missouri Bar No. 43792

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-7431 (Telephone)
(573) 751-9285 (Fax)
Email: lera.shemwell@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 21st day of September 2007.

/s/ Lera L. Shemwell_____