

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

In the Matter of Union Electric Company, d/b/a)
Ameren Missouri's 2012-2013 ACA Audit) File No. GR-2014-0061

STAFF REPLY

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its reply to Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") in this matter hereby respectfully states:

1. On December 18, 2014, Staff filed its *Recommendation to Adjust ACA Balances*, recommending adjustments to the Company's filed 2012-2013 ACA balances.

2. As ordered by the Commission, Ameren Missouri responded to Staff's recommendation on February 2, 2015. The Commission ordered Staff to reply to Ameren Missouri no later than February 13, 2015.

3. Ameren Missouri responded to Staff's recommendations regarding its ending ACA balances, as well as Staff recommendations regarding the Company's reliability analysis and gas supply planning, and the Company's hedging program.

4. In its response, Ameren Missouri agreed with Staff's recommended adjustments to the Company's ending ACA balances as shown in the table in Section V. Recommendations, on page 8 of Staff's *Recommendation*. Staff agrees with the Company's response.

5. Staff's *Recommendation* also contained comments on two reliability and supply planning topics: (1) lost and unaccounted for gas (L&U) calculations for the

Rolla area, and (2) storage ratchets and reserve margin for the Cape Girardeau service area.

6. The Company responded that it agrees with Staff's recommendation to monitor L&U in the Rolla area and take appropriate action to prevent any increase in L&U in that area. Staff agrees with this response.

7. With respect to storage ratchets and reserve margin, Ameren Missouri responded that it carefully reviewed Staff's concerns, and affirmed its confidence in its ability to meet peak day requirements in the Cape Girardeau area. The Company agreed to continue monitoring capacity requirements and make changes as necessary. Staff agrees with this response.

8. Finally, Ameren Missouri noted its commitment to routine review and assessment of its hedging program and strategies, particularly the balance between a hedging instrument's effectiveness in mitigating price volatility and its cost. The Company affirmed its confidence in its hedging strategy, but agreed to confer with Staff as appropriate and continue to provide Staff with market-to-market summaries and other analysis to aid Staff in its review. Staff agrees with the Company's response.

9. Based on Ameren Missouri's response, Staff finds no issues that require Commission resolution.

WHEREFORE, Staff respectfully submits this *Reply* and recommends the Commission issue an order (1) establishing Ameren Missouri's ending ACA balances for 2012-2013 as reflected in the table on page 8 of Staff's *Recommendation*, in "Section V. Recommendations," and (2) closing this case.

Respectfully Submitted,

**STAFF OF THE MISSOURI
PUBLIC SERVICE COMMISSION**

/s/ John D. Borgmeyer

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 11th day of February, 2015.

/s/ John D. Borgmeyer