

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

In the Matter of Union Electric)
Company d/b/a Ameren Missouri's)
Purchased Gas Adjustment Tariff)
Filing)

Case No. GR-2021-0291
Tracking No. YG-2021-0169

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and for its Recommendation, states as follows:

1. On March 16, 2021, Union Electric Company d/b/a Ameren Missouri (Company) filed a proposed tariff sheet bearing an effective date of April 1, 2021. This tariff sheet was filed to reflect changes in Ameren Missouri's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas since it established its existing PGA rates in November 2020.

2. In its *Order Directing Expedited Staff Recommendation And Setting Time For Any Responses* (Order), issued March 16, 2021, the Commission directed Staff to file a recommendation regarding the tariff sheet filed by the Company in tariff Tracking No. YG-2021-0169. The Order directed Staff to file its recommendation no later than March 22, 2021 not later than 3:30pm, and any other entity to file any comments or response no later than 3:30pm March 22, 2021.

3. The change in the PGA factor will increase natural gas cost to \$0.4602/Ccf from \$0.3763/Ccf for residential and general service customers (firm sales customers). The Residential and General Service Total PGA rate increase is \$.0839 per Ccf, a 22% increase. The Residential and General Service increase

includes a filing adjustment factor¹ of \$.0500 per Ccf. The Interruptible sales customers' Total PGA rate will increase to \$.2937 per Ccf from the current Total PGA rate of \$.2740 per Ccf which is an increase of \$.0197 per Ccf, a 7% increase. The Interruptible PGA rate increase includes a filing adjustment factor of \$.0127 per Ccf. The Transportation rate remains the same at \$0 per Ccf.

4. This PGA filing changes the Company's PGA rate based on estimated changes in the cost of natural gas for the period April 2021 through October 2021 and is considered an interim rate subject to later refund. There is no change to the Actual Cost Adjustment (ACA) factor with this filing. In the October 2021 PGA/ACA filing, the Company's ACA factor will be updated to reflect the reconciliation of actual gas costs with revenue recoveries for the period of September 1, 2020 through August 31, 2021, which will include the impact of the February 2021 Cold Weather Event. The instant PGA filing does not comprehend the full effects of the February Cold Weather Event.

5. In its March 16th Tariff Filing Letter, Ameren Missouri incorrectly cited to certain notice provisions regarding annual rate increases in Commission rule 20 CSR 4240-10.060(1). The same notice provisions are mirrored in Section 393.275.1. RSMo. As further explained in Staff's Memorandum, these notice provisions do not apply to purchased gas adjustments and are explicitly excluded by statute: *"...The provisions of this subsection shall not apply to rate adjustments in the purchase price of natural gas which are approved by the commission."* Rate changes

¹ Tariff Sheet No. 23 states the Company may include, in any PGA filing, a PGA Filing Adjustment Factor, not to exceed \$.05 per Ccf, which is designed to refund to, or recover from customers any over or under recoveries of gas costs that have accumulated since the Company's last ACA filing.

that occur from purchased gas adjustments are not annual rate increases but are changes approved by the Commission made on an interim status subject to customer refund. PGA rate changes over the ACA period may fluctuate up or down.

6. For reasons more fully explained in Staff's Memorandum, attached hereto as Appendix A and incorporated herein, the PGA rate changes should be approved on an interim, subject to refund status, pending final Commission decisions in ACA Case Nos. GR-2021-0291 (winter 2020-2021) and GR-2020-0372 (winter 2019-2020).

WHEREFORE, for the reasons stated in Staff's Memorandum attached hereto as Appendix A, the Staff respectfully requests that the Commission issue an order approving Ameren Missouri's tariff sheet in tariff Tracking No. YG-2021-0169, on an interim, subject to refund status.

Respectfully submitted,

/s/ Robert S. Berlin

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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 22nd day of March, 2021.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. GR-2021-0291, File No. YG-2021-0169
Union Electric Company, d/b/a Ameren Missouri

FROM: Anne M. Crowe, Procurement Analysis

/s/ David M. Sommerer 3/22/2021
Financial and Business Analysis Division/Date

/s/ Robert S. Berlin 3/22/2021
Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for Union Electric Company, d/b/a Ameren Missouri
PGA Tariff Filing Effective April 1, 2021

DATE: March 22, 2021

Union Electric Company, d/b/a Ameren Missouri (“Ameren Missouri” or “Company”), of St. Louis, Missouri filed a tariff sheet on March 16, 2021. This tariff sheet bears an effective date of April 1, 2021. This tariff sheet was filed to reflect changes in Ameren Missouri’s Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas since it established its existing PGA rates last November.

On March 16, 2021, the Commission issued an Order requiring Staff to file a recommendation with regard to the tariff sheet no later than 3:30 p.m. on March 22, 2021.

For Residential and General Service customers, the Total PGA rate filed by Ameren will increase to \$.4602 per Ccf from the current Total PGA rate of \$.3763 per Ccf. The Residential and General Service Total PGA rate increase is \$.0839 per Ccf, a 22% increase. The Residential and General Service increase includes a filing adjustment factor¹ of \$.0500 per Ccf. The Interruptible sales customers’ Total PGA rate will increase to \$.2937 per Ccf from the current Total PGA rate of \$.2740 per Ccf which is an increase of \$.0197 per Ccf, a 7% increase. The Interruptible PGA rate increase includes a filing adjustment factor of \$.0127 per Ccf. The Transportation rate remains the same at \$0 per Ccf.

This PGA filing changes the Company’s PGA rate based on estimated changes in the cost of natural gas for the period April 2021 through October 2021 and is considered an interim rate subject to later refund. There is no change to the Actual Cost Adjustment (ACA) factor with this filing. In the October 2021 PGA/ACA filing, the Company’s ACA factor will be updated to reflect

¹ Tariff Sheet No. 23 states the Company may include, in any PGA filing, a PGA Filing Adjustment Factor, not to exceed \$.05 per Ccf, which is designed to refund to, or recover from customers any over or under recoveries of gas costs that have accumulated since the Company’s last ACA filing.

the reconciliation of actual gas costs with revenue recoveries for the period of September 1, 2020 through August 31, 2021, which will include the impact of the February 2021 Cold Weather Event. The Commission has opened Case No. AO-2021-0264, which calls for an investigation into the February 2021 Cold Weather Event. Notice of Case No. AO-2021-0264 has been filed in this case.

Case No. GR-2021-0291, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2020-2021 ACA filing. Case No. GR-2020-0372 was established to track the Company's PGA factors to be reviewed in its 2019-2020 ACA filing. This proposed PGA rate change should be implemented on an interim, subject to refund status pending final Commission decisions in Case No. GR-2021-0291 and GR-2020-0372.

Staff has verified that Ameren Missouri has filed its annual report, and is not delinquent on its PSC assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing other than as set forth above.

The Company states in its Filing Letter:

“Because the revised PGA will increase annual revenues in excess of 7%, the Company is also filing information pursuant to 20 CSR 4240-10.060(1): (A) a list of all cities and counties within the Company's gas certificate area which implies a business license tax on the Company's gross receipts, along with the contact information for the official responsible for administration of the tax; with (B) the reasonable estimate of the resulting annual increase in the Company's annual gross receipts in each affected city and county; and (C) an explanation of the methods used to develop those estimates.”

On advice of Staff counsel, Commission rule 20 CSR 4240-10.06(1) is inapplicable in a PGA filing pursuant to Sect. 393.275.1 which states:

The commission shall notify the governing body of each city or county imposing a business license tax pursuant to section 66.300, 92.045, 94.110, 94.270 or 94.360, or a similar tax adopted pursuant to charter provisions in any constitutional charter city with a population of at least three hundred fifty thousand inhabitants which is located in more than one county, on gross receipts of any gas corporation, electric corporation, water corporation or sewer corporation of any tariff increases authorized for such firm doing business in that city or county if the approved increase exceeds seven percent. The commission shall include with such notice to any city or county the percentage increase approved for the utility, together with an estimate of the *annual* increase in gross receipts resulting from the tariff increase on customers residing in that city or county. ***The provisions of this subsection shall not apply to rate adjustments in the purchase price of natural gas which are approved by the commission.*** [emphasis added]

Staff counsel points out the statute clearly and unambiguously excludes PGA filings from the notice requirement under the statute and mirrored by 20 CSR 4240-10.06(1). The notice provisions apply to annual rate increases, not periodic rate changes based on the estimated cost of

gas that are approved by the Commission on an interim status subject to refund to the customer. PGA rate changes are not annual rate increases. During a winter ACA period, such as 2019-2020, a PGA rate change may decrease the gas commodity charge in one filing only to be decreased again in a subsequent PGA filing. The point is that PGA rate change filings reflect the cost of gas and may fluctuate up or down.

Staff has reviewed this filing and has determined it was calculated in conformance with Ameren Missouri's PGA Clause. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty (30) days' notice is demonstrated by Ameren Missouri's Commission-approved PGA clause allowing for notice of ten (10) business days for PGA change filings. Therefore, Staff recommends the following tariff sheets, as filed on March 16, 2021 be approved on an interim basis, subject to refund:

P.S.C. MO. No. 2

118th Revised SHEET No. 30 Cancelling 117th Revised SHEET No. 30

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AFFIDAVIT OF ANNE M. CROWE

STATE OF MISSOURI)	
)	ss.
COUNTY OF COLE)	

COMES NOW Anne M. Crowe, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

/s/ Anne M. Crowe
Anne M. Crowe