

**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-2022-0062

STAFF RECOMMENDATION

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

1. On September 28, 2021 Union Electric Company, d/b/a Ameren Missouri (“Ameren Missouri”) filed an *Application to Extend the ACA Recovery Period Under the Company’s Rider PGA for Good Cause Shown and to Approve Updated Rates Reflecting Such Extension, Motion for Expedited Treatment* (“Application”) along with one (1) tariff sheet bearing an effective date of November 1, 2021. The 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. Also included in this filing is the annual change to the Actual Cost Adjustment (“ACA”) factor and a request by Ameren Missouri to extend the ACA recovery period due to the February 2021 Cold Weather Event.

2. The Commission issued an order on September 29, 2021, directing Staff to file a recommendation regarding Ameren Missouri’s Application and corresponding tariff sheet, Tariff No. YG-2022-0062, no later than October 14, 2021.

3. Staff has reviewed this filing and has determined it was calculated in conformance with Ameren Missouri’s PGA Clause. Staff does not oppose the approval of this tariff sheet on less than thirty (30) days’ notice. Such action is supported by

Ameren Missouri's Commission-approved PGA clause allowing for notice of ten (10) business days for PGA change (both increases and decreases) filings. Therefore, Staff recommends the Commission approve the tariff sheet (No. YG-2022-0062), as filed on September 28, 2021, on an interim basis, subject to refund, for service on and after November 1, 2021.

4. Staff acknowledges the February 2021 Cold Weather Event had a significant impact on certain natural gas prices,¹ and in Staff's opinion, is an extraordinary event as contemplated in Ameren Missouri's tariff. Staff, therefore, recommends the Commission grant Ameren Missouri's request stated in its Application, and supported by the affidavit in Schedule 2 of its Application, to extend its ACA recovery period.

5. Due to the limited time available to review the documentation supporting the ACA factor submitted in this filing, Staff requests permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 15, 2022.

WHEREFORE, for the foregoing reasons and those stated in Staff's Memorandum attached hereto, Staff recommends that the Commission issue an order approving Ameren Missouri's request to extend its ACA recovery period and tariff sheet in Tracking No. YG-2022-0062, on an interim, subject to refund status; and further order Staff to file its recommendation on Ameren Missouri's ACA filing no later than December 15, 2022.

¹ See Case Nos. AO-2021-0264 and GO-2021-0362.

Respectfully submitted,

/s/ Jamie S. Myers

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Attorney for Staff of the
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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 on this 14th day of October, 2021.

/s/ Jamie S. Myers

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. GR-2021-0291, Tariff No. YG-2022-0062
Union Electric Company, d/b/a Ameren Missouri

FROM: Michael J. Ensrud, Procurement Analysis

/s/ David M. Sommerer 10/14/2021
Financial and Business Analysis Division /Date

/s/ Jamie Myers 10/14/2021
Staff Counsel's Office/Date

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

DATE: October 14, 2021

On September 28, 2021 Union Electric Company, d/b/a Ameren Missouri (“Ameren Missouri” or “Company”), of St. Louis, Missouri, filed one (1) tariff sheet bearing an effective date of November 1, 2021. The 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. Also included in this filing is the annual change to the Actual Cost Adjustment (ACA) factor. Ameren Missouri requests the tariff sheet go into effect on November 1, 2021.

Beyond traditional changes included in the filed “Application to Extend the ACA Recovery Period Under the Company's Rider PGA for Good Cause Shown and to Approve Updated Rates Reflecting Such Extension, and Motion for Expedited Treatment (Tariff Revision YG-2022-0062)”, Ameren Missouri is proposing to implement, by a change in its ACA factor, a recent change in its PGA tariff that was effective by operation of law on September 25, 2021 (Case No. GT-2022-0031, Tariff No. YG-2022-0043).

Ameren Missouri characterizes this change as:

Ameren Missouri seeks to defer recovery of the Actual Cost Adjustment (“ACA”) factor beyond 12 months, to 36 months, in accordance with the recent changes to the Company's Rider PGA, based on a finding of the Commission that good cause has been shown that an extraordinary event has occurred to support such deferred recovery ...

The pertinent language in Sheet 26 states:

However, for good cause shown that an extraordinary event has occurred, the Company may (subject to Commission approval after opportunity for comment from any party) defer recovery beyond 12 months, and up to 36 months, and the amount deferred will be added to the subsequent ACA

period's cumulative ACA account balance. Amounts deferred beyond 12 months will not be included in the calculation of the current period's ACA factor described in paragraph 7 below.

The support for the “extraordinary event” is provided in the “AFFIDAVIT OF TIMOTHY L. EGGERS”. There Ameren Missouri asserts:

11. Ameren Missouri's purchased gas costs for February 2021 were approximately \$60.6 million, while the Company's purchased gas costs for the entire calendar year 2020 were approximately \$31 million.

12. If the ACA recovery period were not extended as sought in the *Application*, Ameren Missouri estimated that its PGA rates would more than double.

The application also contains the following:

7. Correspondingly, the Company asks the Commission to make a finding that Ameren Missouri has shown good cause that the February 2021 Polar Vortex was an extraordinary event to allow deferred recovery of the subject ACA costs, and for the Commission to authorize the amount deferred to be added to the subsequent ACA period's cumulative ACA account balance as described in the afore-quoted provisions in gas Tariff Sheet No. 26.

Ameren Missouri is seeking Commission authorization to treat the extraordinary cost resulting from the February 2021 Polar Vortex, as a qualifying “extraordinary event” that justifies special treatment and, allows three-year recovery of the resulting significant cost increases. Commission approval is required for this special treatment.

Ameren Missouri’s application contains the following:

3. In File No. GT-2022-0031, and consistent with the description provided at the March 23, 2021 workshop in File No. AO-2021-0264, Ameren Missouri pursued one of the options to mitigate the substantial rate impacts for customers: narrow amendments of the Company's Rider PGA included in gas Tariff Sheet No. 26 to **allow flexibility** to extend the ACA recovery period beyond 12 months and **up to 36 months**. [**Emphasis added.**]

Ameren has taken the entire ACA under-recover for the 12 months ended August of 2021 and deferred two-thirds of balance to future ACA filings.

On September 29 2021, the Commission issued “Order Directing Expedited Staff Recommendation and Setting A Time For Any Responses To Ameren Missouri’s Application And Tariff Filing”. It set out the following:

THE COMMISSION ORDERS THAT:

1. No later than October 14, 2021, the Commission’s Staff shall file a recommendation concerning Ameren Missouri’s request to extend the ACA recovery period and corresponding tariff sheet filed by Ameren Missouri, Tariff No. YG-2022-0062.

Spreading Ameren Missouri’s 2020-2021 ACA under-recovery balance over three years still produces significant increases over existing ACA rates. Ameren Missouri states the following in its cover letter:

The change in the Total PGA rate applicable to the Company’s service areas will increase to 77.12¢/Ccf from 46.02¢/Ccf for firm sales customers. The interruptible sales customers’ PGA will increase to 52.00¢/Ccf from 29.37¢/Ccf. The transportation PGA will remain unchanged at 0.00¢/Ccf.

These rate changes, both PGA and ACA, should be implemented on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2021-0291 and GR-2020-0372. The Staff does support the conclusion that the effect that the February 2021 Polar Vortex had on certain natural gas prices constitutes an extraordinary event under Ameren Missouri’s Tariff Sheet 26. Due to the limited time available to review the documentation supporting the ACA factor submitted in this filing, the Procurement Analysis Department requests permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 15, 2022. The ACA procedure involves review of and true-up to the actual gas costs incurred.

As of the issuance of this memo, the Company is not delinquent on its PSC assessment.

Staff has verified that Ameren Missouri has filed its annual report. 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.

Ameren Missouri also seeks expedited treatment of this Application in accordance with 20 CSR 4240-2.080(14) and has incorporated its motion for expedited treatment into the application itself. Ameren Missouri requests a decision on this Application to be effective by at least October 25, 2021, even though the tariff has an effective date of November 1, 2021. Staff has no objection to Ameren Missouri receiving the expedited approval date as long as Ameren Missouri does not commence charging the tariffed rates until November 1, 2021.

OFFICIAL CASE FILE MEMORANDUM

MO PSC Case No. GR-2021-0291

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October 14, 2021

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Staff has reviewed this filing and has determined it was calculated in conformance with Ameren Missouri's PGA Clause. Staff does not oppose the approval of this tariff sheet on less than thirty (30) days' notice. Such action is supported by Ameren Missouri's Commission-approved PGA clause allowing for notice of ten (10) business days for PGA change (both increases and decreases) filings.

Therefore, Staff recommends the following tariff sheet, as filed on September 28, 2021, be approved on an interim basis, subject to refund:

P.S.C. MO. No. 2

119th Revised SHEET No. 30 Cancelling 118th Revised SHEET No. 30

Nor does Staff oppose the granting of expedited treatment – as requested in the application.

