

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2008-0366 File No. JG-2009-0279
Union Electric Company d/b/a Ameren UE

FROM: Thomas M. Imhoff, Energy Department – Tariffs/Rate Design

<u>/s/ Thomas M. Imhoff 10/21/08</u> Utility Operations Division/Date	<u>Lera Shemwell 10/21/08</u> General Counsel's Office/Date
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SUBJECT: Staff Recommendation for Union Electric d/b/a Ameren UE's Winter Season PGA Filing - Effective November 1, 2008

DATE: October 21, 2008

On October 17, 2008, Union Electric Company d/b/a AmerenUE (UE or Company), of St. Louis, Missouri, filed four (4) tariff sheets requesting an effective date of November 1, 2008. These tariff sheets were filed to reflect changes in UE's PGA factors as a result of estimated changes in the cost of natural gas for the upcoming winter season and changes in the ACA factor. The winter season includes the months of November through March. UE requests that the tariff sheets go into effect on November 1, 2008.

For the area served by Panhandle Eastern Pipe Line Company (PEPL), including the cities of Columbia, Jefferson City, Mexico, and Wentzville; and excluding the Rolla Service Area, the effects of these changes reduces the PGA rate filed by UE on June 1, 2008 from \$1.1016 per hundred cubic feet (Ccf) to \$0.9950 per Ccf. The PGA rate for the 2007-2008 winter season was \$0.8959 Ccf. Based on average winter usage, a Residential customer's, bill is expected to be approximately \$51 higher than last year, or an approximate 8% increase.

For the Rolla Service Area, including the cities of Rolla and Owensville, the effect of these changes will decrease the PGA factor for the 2008-2009 winter season to \$1.2142 per Ccf from \$1.2938 Ccf filed by UE on June 1, 2008. The PGA rate for the 2007-2008 winter season was \$1.3503 per Ccf. Based on average winter usage, a Residential customer's, bill is expected to be approximately \$56 lower than last year, or an approximate 8% decrease.

For the area served by Texas Eastern Transmission Corporation (TETCO), including the city of Cape Girardeau, the effect of these changes reduces the PGA rate filed by UE on June 1, 2008 from \$1.1016 per Ccf to \$0.9950 per Ccf. The PGA rate for the 2007-2008 winter season was \$0.8959 per Ccf. Based on average winter usage, a Residential customer's, bill is expected to be approximately \$46 higher than last year, or an approximate 8% increase.

For the area served by Natural Gas Pipeline Company of America (NGPL), including the community of Marble Hill, the effect of these changes reduces the PGA rate filed by UE on June 1, 2008 from \$1.1016 per Ccf to \$0.9950 per Ccf. The PGA rate for the 2007-2008 winter season was \$0.8959

per Ccf. Based on average winter usage, a Residential customer's, bill is expected to be approximately \$45 higher than last year, or an approximate 8% increase.

Case No. GR-2008-0366, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2007-2008 ACA filing. Case No. GR-2008-0107 was established to track the Company's PGA factors to be reviewed in its 2006-2007 ACA filing. This rate change should be on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2008-0107 and GR-2008-0366.

Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Department (PAD) has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 31, 2009.

Staff has verified that this company has filed its annual report; however, **it is delinquent** on its second quarter payment on its 2008 assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

Staff has reviewed this filing and has determined that it was calculated in conformance with UE'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 UE's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheets be approved, interim subject to refund:

P.S.C. MO. No. 2

95 th Revised SHEET No. 30	Cancelling 94 th Revised SHEET No. 30
8 th Revised SHEET No. 30.1	Cancelling 7 th Revised SHEET No. 30.1
101 st Revised SHEET No. 31	Cancelling 100 th Revised SHEET No. 31
96 th Revised SHEET No. 32	Cancelling 95 th Revised SHEET No. 32


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