

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2013-0100
Union Electric Company d/b/a Ameren Missouri

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

<u>/s/ Thomas M. Imhoff 09/26/12</u> Utility Operations Division/Date	<u>/s/ Robert S. Berlin 09/26/12</u> General Counsel's Office/Date
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SUBJECT: Staff Recommendation on Motion For Variance From Tariff Provision for Union Electric Company d/b/a Ameren Missouri

DATE: September 26, 2012

On September 13, 2012, Union Electric Company d/b/a Ameren Missouri (Ameren or Company), of St. Louis, Missouri, filed a MOTION FOR VARIANCE FROM TARIFF PROVISION (Motion) that would allow Ameren to use an alternative base period of sales volumes as of the twelve (12) months ending August 2011 for the calculation of Ameren's October 2012 PGA.

In Section I(B) of Ameren's P.S.C. 7th Revised Sheet No. 24, the definition of "base period" includes the use of "the first twelve (12) of the thirteen (13) months immediately preceding the filing month" use of sales volumes used in calculating the commodity-related charges as well as the demand related charges. The exceptionally warm 2011-2012 winter led to Ameren experiencing sales volumes over the thirteen preceding months of less than 80% of the normal sales expected. If Ameren were to abide by the tariff in this instance, the use of these low sales volumes would result in a much higher Regular Purchased Gas Adjustment (RPGA) rate than what would be expected under more normal winter conditions. Under the tariff "base period" definition, Ameren customers would see a dramatic increase in their RPGA.

Staff has reviewed this filing and is recommending the Commission approve Ameren's Motion pertaining to its PGA Clause. Approval of Ameren's Motion would allow customers the benefit of a lower RPGA rate that is more representative of rates expected for the upcoming winter and would avoid the impact of higher RPGA rates resulting from last year's unusually warm winter.

Staff has verified that this company 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.

In the Matter of Union Electric)
Company d/b/a Ameren Missouri's) File No. GR-2013-0100
2011-2012 ACA Audit)

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Thomas M. Imhoff

SUSAN L. SUNDERMEYER
Notary Public - Notary Seal
State of Missouri
Commissioned for Callaway County
My Commission Expires: October 03, 2014
Commission Number: 10942086


Notary Public