

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2014-0061 File No. YG-2014-0183
Union Electric Company d/b/a Ameren Missouri

FROM: Kory Boustead, Energy Department – Tariffs/Rate Design
Anne Crowe, Utility Regulatory Auditor IV – Procurement Analysis Unit

/s/ Thomas M. Imhoff 10/24/2013 /s/ John Borgmeyer 10/24/2013
Utility Operations Division/Date Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for Union Electric d/b/a Ameren Missouri Winter PGA
Tariff Filing - Effective November 1, 2013

DATE: October 24, 2013

On October 17, 2013, Union Electric Company d/b/a Ameren Missouri (“Ameren or Company”), of St. Louis, Missouri, filed two (2) tariff sheets bearing an effective date of November 1, 2013, and a Request for Variance from its Purchased Gas Adjustment (“PGA”) tariff. These tariff sheets were filed to reflect changes in Ameren’s PGA factors as a result of estimated changes in the cost of natural gas and changes in the ACA component. Ameren requests the tariff sheets go into effect on November 1, 2013.

For all of its natural gas service areas, other than the Rolla Service Area, the PGA rate filed by Ameren will decrease to \$0.1778 per hundred cubic foot (“Ccf”) for the first 30 Ccf from the current PGA rate of \$0.1978 per Ccf. For all Ccfs in excess of the first 30 Ccf, the PGA rate filed by Ameren will decrease to \$0.9730 per Ccf from the current PGA rate of \$0.9930 per Ccf. These changes represent a decrease of \$0.0200 per Ccf.

For its Rolla Service Area, the PGA rate filed by Ameren will increase to \$0.3845 per Ccf for the first 30 Ccf from the current PGA rate of \$0.3578 per Ccf. For all in excess of the first 30 Ccf, the PGA rate filed by Ameren will increase to \$1.1797 per Ccf from the current PGA rate of \$1.1530 per Ccf. These changes represent an increase of \$0.0267 per Ccf. However, the Rolla Service Area PGA rates do not include the Incremental ACA factor, which Ameren proposes to show as a line item on customers’ bills that reflects the MoGas Pipeline, LLC (“MoGas”) mandated refund from the MoGas settlement due to overcharges by that pipeline.

Case No. GR-2014-0061, under which these changes were filed, was established to track the Company’s PGA factors to be reviewed in its 2012-2013 ACA filing. Case No. GR-2013-0100 was established to track the Company’s PGA factors to be reviewed in its 2011-2012 ACA filing. Case No. 2012-0077 was established to track the Company’s PGA factors to be reviewed

in its 2010-2011 ACA filing. Case No. 2010-0180 was established to track the Company's PGA factors to be reviewed in its 2009-2010 ACA filing. Case No. GR-2009-0337 was established to track the Company's PGA factors to be reviewed in its 2008-2009 ACA filing. Case No. GR-2008-0366 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 -2013-0100, GR-2012-0077, GR-2010-0180, GR-2009-0337, GR-2008-0366, and GR-2008-0107.

Ameren has requested a variance from its PGA clause so that it can refund, to its Rolla System Service Area customers, a MoGas settlement over approximately three years rather than one year as the tariff requires. Specifically the Company requests a variance to the definition of the ACA factor in Section I (B) of Tariff Sheet No. 23 which states the ACA factor is "A ¢/Ccf factor to reflect the annual reconciliation of actual purchased gas and pipeline service costs with the annual recovery of such costs through the application of this Rider A." Ameren also requests a variance to the twelve-month billing period used in calculating the ACA factor in Section III (7) of Tariff Sheet No. 28 which states "ACA factors shall be computed by dividing these cumulative balances by the estimated sales and transportation volumes during the subsequent twelve-month billing period of November – October, for each of the sales and transportation rate classifications."

The Company proposes to use the Incremental ACA factor to refund the MoGas settlement. Rolla System Service Area customers pay an Incremental PGA for MoGas transportation costs. The Company proposes to offset this Incremental PGA rate with a credit to the Incremental ACA rate so that the sum of the two rates equal 0. The Company estimates that using its proposed method, the MoGas settlement will be refunded to customers in about three years.

The Rolla Service Area serving the municipalities of Rolla, Salem, and Owensville have approximately 3,700 customers. The MoGas refund applicable to these customers is \$2,145,795. Spreading the refund over three years rather than one year will prevent significant fluctuations in customers' bills.

Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Unit ("PAU") has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 19, 2014.

Staff has verified 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.

Staff has reviewed this filing and has determined it was calculated in conformance with Ameren's PGA Clause with the exception of the Rolla Service Area's ACA factor variance request. 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's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings and Ameren's variance request for the reasons stated above. Therefore, Staff recommends the following tariff sheets as filed on October 17, 2013, and a three year variance request from Section I (B) of Tariff Sheet No. 23 and Section III (7) of Tariff Sheet No. 28 be approved, interim subject to refund:

P.S.C. MO. No. 2

103nd Revised SHEET No. 30 Cancelling 102st Revised SHEET No. 30
17th Revised SHEET No. 30.1 Cancelling 16th Revised SHEET No. 30.1

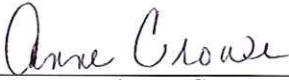
**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

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

AFFIDAVIT OF ANNE CROWE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Anne Crowe of lawful age, on oath states: that she participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of her knowledge and belief.



Anne Crowe

Subscribed and sworn to before me this 24th day of October, 2013.

LAURA BLOCH
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: June 21, 2015
Commission Number: 11203914



Notary Public