

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

In the Matter of Union Electric Company     )  
d/b/a AmerenUE's Purchased Gas            )     Case No. GR-2009-0337  
Adjustment (PGA) Factors.                    )

**RESPONSE TO STAFF RECOMMENDATION**

COMES NOW Union Electric Company d/b/a Ameren Missouri (Ameren Missouri or Company) and for its *Response to Staff Recommendation*, states as follows:

1.     On December 20, 2010, the Staff (Staff) of the Missouri Public Service Commission (Commission) filed the *Staff Recommendation* in this case.

2.     The *Staff Recommendation* did not propose any adjustments to the Company's filed Actual Cost Adjustment (ACA) balances. It did, however, ask the Commission to hold the case open so that Staff could continue to monitor the Company's pursuit of refunds from payments made to Missouri Pipeline Company and Missouri Gas Company. Ameren Missouri continues to diligently pursue these refunds and has no objection to holding this case open.

3.     The *Staff Recommendation* discussed having the Company reconsider its target ending October storage balance on Natural Gas Pipeline Company (NGPL) to provide more flexibility for injections of additional natural gas if October or November are warmer than normal. The Company still plans to fill its NGPL storage to approximately 100% by the end of October and believes that course of action is prudent. However, the Company has changed how we manage the NGPL system with baseload and swing supply in order to lessen the likelihood that it will have to sell gas in the last quarter of the year. We believe this addresses Staff's concern.

4. The *Staff Recommendation* encouraged the Company to continue to evaluate its capacity needs on its pipelines. The Company agrees with this recommendation and is evaluating its capacity needs as well as looking for other options to meet the supply requirements of our system.

5. The *Staff Recommendation* asked the Company to assess and document the effectiveness of its hedges for the 2009-2010 ACA and beyond. Ameren Missouri believes it already provides most of this information for its hedges and has no objection to continuing to do so. Additionally, it will work with Staff to determine if additional information can be provided so that Staff can evaluate its hedging practices. Of course, it should be noted that any evaluation of the Company's hedging strategy should be conducted with the goal of hedging in mind. That is, that hedging is not done with the goal of beating the market price but rather to provide price stability for our customers. Ameren Missouri believes it has been very successful in meeting that goal.

WHEREFORE, Ameren Missouri respectfully submits this response to the Staff Recommendation filed on December 20, 2010.

Respectfully submitted,

UNION ELECTRIC COMPANY,  
d/b/a Ameren Missouri

*Wendy K. Tatro*

**Wendy K. Tatro**, # 60261  
Associate General Counsel  
Thomas M. Byrne, #33340  
Managing Associate General Counsel  
Ameren Services Company  
P.O. Box 66149  
St. Louis, MO 63166-6149

(314) 554-3484 (phone)  
(314) 554-2514 (phone)  
(314) 554-4014 (fax)  
AmerenMOService@ameren.com

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing *Response to Staff Recommendation* was served on the following parties via electronic mail (e-mail) on this 21<sup>st</sup> day of January, 2011.

General Counsel Office  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
GenCounsel@psc.mo.gov

Lera Shemwell  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
Lera.shemwell@psc.mo.gov

Lewis Mills  
Office Of Public Counsel  
200 Madison Street, Suite 650  
P.O. Box 2230  
Jefferson City, MO 65102  
opcservice@ded.mo.gov

/s/ Wendy K. Tatro

Wendy K. Tatro