

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

In The Matter Of Union Electric Company, d/b/a            )     File No. GR-2014-0061  
Ameren Missouri's 2012-2013 ACA Audit                    )     Tariff No. YG-2014-0183

**STAFF RESPONSE TO COMMISSION FILING**

**COMES NOW** the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), by and through counsel, and in response to the Commission's October 17 order hereby states:

1. On October 17, 2013, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed tariff sheets with an effective date of November 1, 2013, to reflect changes in Ameren Missouri's purchased gas adjustment (PGA) factors. The changes to the PGA factors are the result of estimated changes in the cost of natural gas for the upcoming winter season, and estimated changes in the actual cost adjustment (ACA) factor.

2. Along with the tariff sheets, Ameren Missouri filed a motion asking the Commission to approve a variance from the Company's tariff to allow it to distribute an overcharge refund to benefit customers on the Company's Rolla system.

3. On October 17, 2013, the Commission ordered Staff to file its recommendation regarding Ameren Missouri's tariff sheets and on its motion for variance no later than October 24, 2013.

4. As explained in Staff's *Memorandum*, attached hereto as Appendix A and incorporated by reference, Staff has determined that the rates in the proposed tariff sheet were calculated according to Ameren Missouri's PGA clause, with the exception of the Rolla Service Area Incremental ACA factor, for which Ameren Missouri requested

a variance. Staff's *Memorandum* also explains Staff's finding that there is good cause to approve the variance as requested by Ameren Missouri. Therefore these tariff sheets should be approved on an interim basis, subject to refund.

5. Ameren Missouri obtained the refund, a total of \$3,506,103, from MoGas Pipeline, LLC ("MoGas"). Of this amount, \$1,360,308 will be distributed to all Ameren Missouri gas customers; \$2,145,795 will be distributed to the approximately 3,700 customers in the Rolla system—which includes Rolla, Owensville and Salem—because these customers experienced a greater amount of overcharges related to the MoGas pipeline.

6. Ameren Missouri's filing contains PGA/ACA changes that are applicable to all customers, as is typical for this type of filing. The PGA/ACA applicable to all customers includes those customers' portion of the MoGas refund, a total of \$1,360,308, and returns that refund to customers as a credit to the ACA account in accordance with Ameren Missouri's tariffed PGA clause.

7. However, the filing also contains an Incremental ACA to be paid by the Company's customers in the Rolla system, which includes the Rolla, Owensville and Salem service areas. As shown on proposed tariff sheet 30.1, this Incremental ACA is a negative number and thus will be used to refund the remaining MoGas refund, a total of \$2,145,795, to Rolla system customers.

8. Because the refund owed to Rolla system customers represents a large amount of money for a relatively small number of customers, Ameren Missouri states it will use the Incremental ACA rate for approximately three years for these customers. As explained in Staff's *Memorandum*, Staff found that this is reasonable because the

three-year refund time frame will prevent dramatic fluctuations in customer bills for the Rolla system.

9. In order to implement the Incremental ACA in the manner proposed, Ameren Missouri requested the Commission grant variances from two tariff provisions.

10. First, Ameren Missouri requested a three-year variance from the definition of “The Actual Cost Adjustment (ACA) Factor” listed in Section I(B) of Ameren Missouri’s tariff sheet No. 23. Pursuant to this tariff sheet, the ACA factor is “[a]  $\phi$ /Ccf factor to reflect the annual reconciliation of actual purchased gas and pipeline service costs with annual recovery of such costs through the application of this Rider A.” Ameren Missouri’s requested variance to this tariff provision will permit the Company to use the “Incremental ACA” as an offset/credit to the Incremental PGA for the Rolla service area customers as described on Ameren Missouri’s proposed tariff sheet 30.1.

11. Ameren Missouri also requested a variance from Section III(7) of tariff sheet No. 28, specifically the provision that “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.” This variance is also necessary to allow Ameren Missouri to use the Incremental ACA as an offset/credit to the Incremental PGA for Rolla service area customers as described on Ameren Missouri’s proposed tariff sheet 30.1.

12. Commission Rule 4 CSR 240-2.060(4) provides that applications for variances or waivers from tariff provisions shall contain information as follows:

(A) Specific indication of the statute, rule, or tariff from which the variance or waiver is sought;

- (B) The reasons for the proposed variance or waiver and a complete justification setting out the good cause for granting the variance or waiver; and
- (C) The name of any public utility affected by the variance or waiver.

13. Staff finds that the Ameren Missouri has shown good cause for granting the variances, because Staff agrees with Ameren Missouri that the PGA is the appropriate place to make these refunds to customers, and because Staff agrees that a three-year refund period for customers on the Rolla system is a reasonable way to prevent dramatic fluctuations in customer bills.

14. During the ACA portion of this case, Staff will review the actual functioning of the Incremental ACA and make further recommendations as necessary.

15. Ameren Missouri's Commission-approved PGA clause allows for ten business days' notice for filings to change its PGA factor, and therefore good cause exists for approval of this tariff sheet on less than 30 days' notice.

**WHEREFORE**, Staff respectfully recommends the Commission issue an order granting Ameren Missouri a three-year variance from the definition of the ACA factor in Section I(B) of Tariff Sheet No. 23, and a three-year variance from Section III(7) of Tariff Sheet No. 28, both for the purpose of allowing Ameren Missouri to distribute the MoGas refund to its customers, and an order approving the following tariff sheets filed on October 17, 2013, with an effective date of November 1, 2013, on an interim basis, subject to refund:

P.S.C. MO. No. 2

103<sup>rd</sup> Revised Sheet No. 30 Cancelling 102<sup>nd</sup> Revised Sheet No. 30  
17<sup>th</sup> Revised Sheet No. 30.1 Cancelling 16<sup>th</sup> Revised Sheet No. 30.1

Respectfully Submitted,

**STAFF OF THE MISSOURI  
PUBLIC SERVICE COMMISSION**

/s/ John D. Borgmeyer

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**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 24<sup>th</sup> day of October, 2013.

/s/ John D. Borgmeyer