

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

In the Matter of Union Electric Company d/b/a)
Ameren Missouri's Changes to Company's) File No. GR-2018-
0346 Purchased Gas Adjustment (PGA) Clause.)

RESPONSE TO STAFF RECOMMENDATION

Pursuant to the *Order Directing Filing* issued by the Missouri Public Service Commission (“Commission”) on December 23, 2019, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”) responds to the *Staff Recommendation Regarding Ameren Missouri’s 2017-2018 Actual Cost Adjustment Filing* and its attached Memorandum, (collectively, “Staff Recommendation”).¹

I. Introduction

1. The Staff Recommendation included a request for the Commission to order the Company to establish specific ACA account balances as of August 31, 2018. Additionally, while Staff had no recommended dollar adjustments, it specifically requested, and the Commission's Order required, the Company to respond to the following sections of the Staff Recommendation:

Section II. Reliability Analysis and Gas Supply Planning;

- A. Storage Planning;
- B. Reserve Margin on Panhandle for the Columbia/Jefferson City Region;
Reserve Margin on Panhandle Eastern and MoGas Pipeline for the Rolla System; and
- C. Design Flow Modeling

Section III. Gas Cost

Section IV. Hedging

Ameren Missouri believes the information contained herein will be valuable to Staff and the Commission.

¹The Staff Recommendation was submitted to the Commission on December 13, 2019.

Section II. Reliability Analysis and Gas Supply Planning

A. Storage Planning

2. Staff recommends the Company adjust its ending October planned balances to accommodate the potential for warmer weather in the first half of November.

3. Ameren Missouri has taken into account Staff's concerns. Indeed, while the storage plans provided in response to Data Request MPSC 0054 for the PEPL Service Area estimated storage at 99% at the end of October 2017, the storage plans for the PEPL Service Area at the end of October 2018 was an estimated 93%. The storage plans for the PEPL Service Area at the end of October 2019 was an estimated 94.3%. The Company will continue to evaluate its planned storage balances.

B. Reserve Margins

1. Reserve Margin – Panhandle – Columbia/Jefferson City Region

4. Staff encourages the Company to evaluate its capacity needs for the Columbia/Jefferson City region on an annual basis.

5. Ameren Missouri will continue to evaluate its capacity needs for the region on an annual basis. ** _____

_____**

2. Panhandle Eastern and MoGas Pipeline Reserve Margin – Rolla System

6. ** _____

_____**

7. * _____

_____**

C. Design Flow Modeling

8. Staff recommends Ameren Missouri continue to develop the modeling system for the TETCO, NGPL, and PEPL systems, and that it closely monitor the capacity of city gates and its distribution system in the Wentzville Area.

9. Ameren Missouri continues to develop modeling for the various delivery systems, and will continue to closely monitor and evaluate alternatives to improve system reliability and capacity to adequately serve existing customers as well as support future load growth for the Wentzville area.

Section III. Gas Cost

10. Staff found that the Company used an outdated FERC authorized storage injection rate in calculating the cost of its natural gas inventory with Dominion Energy Transmission, Inc.

11. While the amount of the error was immaterial, Ameren Missouri will review procedures for monthly storage reporting in an effort to ensure the completeness and accuracy of the data. This procedure review will serve to re-educate both the data contributors and the Front Office reviewers.

CONFIDENTIAL – 20 CSR 4240-2.135(2)(A)4

Section IV. Hedging

12. Staff had no dollar adjustments related to hedging. However, Staff recommended that the Company:

- Evaluate its hedging strategy in a manner that balances actual benefits to customers while balancing market price risk; and
- Carefully plan for the price protected volumes based on reasonably-forecasted normal requirements consistent with its hedging goal.

13. Ameren Missouri continues to review its hedging strategies, and will continue to provide detailed commodity costs and hedging costs for all its gas supply in its responses to the data requests for each annual ACA audit.

WHEREFORE, Ameren Missouri requests that the Commission accept its response to Staff's recommendations and give them due consideration in rendering any applicable decision.

Respectfully submitted,

By: */s/ Jermaine Grubbs*

Jermaine Grubbs, MO Bar #68970
Corporate Counsel
Ameren Missouri
1901 Chouteau Ave.
P.O. Box 149 (MC 1310)
St. Louis, MO 63166
(314) 554-2041 (telephone)
(314) 554-4014 (facsimile)
AmerenMOService@ameren.com

**ATTORNEY FOR UNION ELECTRIC
COMPANY d/b/a AMEREN MISSOURI**

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was served on all parties of record via electronic mail (e-mail) on this 30th day of January, 2020.

/s/ Jermaine Grubbs
Jermaine Grubbs