

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

In the Matter of Union Electric Company d/b/a)
Ameren Missouri's Purchased Gas Adjustment) Case No. GR-2010-0180
(PGA) Factors.)

RESPONSE TO STAFF RECOMMENDATION

COMES NOW Union Electric Company, d/b/a Ameren Missouri (Ameren Missouri or Company) and provides the following Status Update:

1. On October 19, 2012, the Missouri Public Service Commission Staff (Staff) filed its Staff Recommendation regarding the Company's Actual Cost Adjustment (ACA) filing for the 2009-2010 period. On October 25, 2012, the Missouri Public Service Commission (Commission) ordered the Company to respond to the Staff Recommendation.

2. The Staff Recommendation points out an error in the Company's ACA accounting. The Company agrees it is correct to adjust the state-wide ACA balance by \$375,584 to reflect a billed revenue error. In fact, this adjustment was made to the Company's records in August of this year.

3. The Staff Recommendation expressed concern with the Company's natural gas reserve margin for the Columbia region of its system. While the Company acknowledges it had a lower reserve margin that it would prefer to have had over the time period at issue in this case, at no time was the Company unable to provide supply to its customers, accordingly, there was no negative impact to its customers.

4. Looking forward, the Company has taken steps to address this issue and has contracted for delivered supply (to the city gate) for this winter. This additional supply provides the Company with a 1.2% reserve margin at the 95% confidence level. Ameren Missouri

believes this should alleviate Staff's concern for this winter. The Company continues to work towards a long term solution for its customers.

4. Staff set out suggestions regarding the Company's hedging policy, generally asking that the Company continue to evaluate its hedging strategy for the 2010-2011 ACA and beyond. The Company has completed an assessment of the effectiveness of its hedges for the 2010-2011 ACA and provided that assessment to Staff on July 25, 2012.

5. Staff requests that if any change is made to the Company's hedging policy, certain information is provided to Staff. The Company reviews its hedging policies on a regular basis and agrees that it will provide the requested information to Staff in the event that it makes a change to this policy.

6. Finally, the Staff Recommendation asks that the Company continue to keep the Commission informed as to its resolution of its circuit court action against MOGas Pipeline, LLC. As the Commission is aware, the Company has provided written updates in its open ACA cases as well as providing updates to the Commission's General Counsel from time to time. The Commission is aware of the status of this case. The Company will continue to communicate information regarding this case to the Commission as is appropriate.

WHEREFORE, Ameren Missouri respectfully asks the Commission to accept this Response to Staff Recommendation in fulfillment of its order of October 25, 2012.

Respectfully submitted,

UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri

/s/ 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, MC 1310

St. Louis, MO 63166-6149

(314) 554-3484 (phone)

(314) 554-2514

(314) 554-4014 (fax)

AmerenMOService@ameren.com

CERTIFICATE OF SERVICE

The undersigned certifies that true and correct copies of the foregoing have been e-mailed or mailed, via first-class United States Mail, postage pre-paid, to the service list of record this 5th day of November, 2012.

**Missouri Public Service
Commission**

Office General Counsel
Jeffrey Keevil
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
GenCounsel@psc.mo.gov
Jeff.Keevill@psc.mo.gov

Office of the Public Counsel

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

/s/ Wendy K. Tatro

Wendy K. Tatro