

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

In the Matter of the Propriety of the)	
Rate Schedules for Natural Gas Service of)	Case No. GR-2018-0227
Union Electric Company, Doing Business as)	
Ameren Missouri)	

**AMEREN MISSOURI’S RESPONSE TO STAFF’S REQUEST FOR CLARIFICATION
OF PRIOR ORDER OR, IN THE ALTERNATIVE, ISSUANCE OF A NEW ORDER**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Company” or “Ameren Missouri”), and for its Response to the above-referenced Staff Request states as follows:

1. The Staff’s Request is twofold: first, the Staff asks the Commission to “clarify” that when it issued its February 21 order opening this case that it, in fact, issued an Accounting Authority Order (“AAO”) that, from the date of that order, required the Company to defer the impact of the income tax rate change to a regulatory liability. Alternatively, if the Commission does not “clarify” its order in the manner requested by the Staff, the Staff requests that a new order that would amount to an AAO be issued.

2. The Staff’s clarification request is borderline specious because it neither stands up to even a cursory examination of the February 21 order itself nor does it withstand an examination of the February 21 order when one considers the Commission’s April 18, 2018 *Order Scheduling Oral Argument Regarding the Issuance of Accounting Authority Orders to Address the Effect of Federal Tax Cuts*. Indeed, the April 18 order that scheduled the oral argument did so for the express purpose of allowing consideration of “the question of whether the Commission *should* issue an accounting authority order in each of these cases *to preserve any excess revenues* from the income tax rate changes for possible adjustment in these or future rate cases” (emphasis added). Had the Commission intended to order an AAO (deferral) (or had

it in fact done so) when it opened this docket, there would have been absolutely no reason to schedule an oral argument months later to address the question of whether it *should do so*. Even the Staff's Chief Counsel recognized on-the-record that the question three months after the February 21 order was issued was whether the Commission should *later* issue such an order, not whether it had already done so: "And the question that was expressly set for discussion today is whether the Commission should set AAOs . . . in order to defer . . . " the impact of the tax rate change.¹ Indeed, Staff's Chief Counsel expressed the opinion that in order to require a deferral the Commission would have to follow §393.140(8) and hold a hearing before such an order could be issued: "There's no question that you can (order a deferral) under Section 393.140(8) * * * So you would have to at least offer the opportunity for evidentiary hearing . . ."²

3. In short, one cannot square the Staff's "primary request" for "clarification" with either the Commission's April 18 order scheduling an oral argument or the position Staff's Chief Counsel took on what that order meant only a few months ago.

4. That brings us to the Staff's alternative request; that is, that an AAO be issued now. Given that the Staff is on record that a hearing must be held before a deferral can be ordered, the Staff's alternative request should similarly be denied because clearly the Company has not been afforded the opportunity to file testimony or to have an evidentiary hearing regarding the question that has been pending in this docket for months: *should* an AAO be issued?

5. A couple of final points bear noting. During the oral argument held in May, it was clear that there are potential legal issues, policy issues, and utility-specific facts pertinent to the answer to the question addressed during that argument; those issues have not been resolved

¹ Tr., Vol. 1, p. 9, ll. 21-25.

² Id., p. 10, ll. 4 – 14.

nor have those facts been adduced. In addition, the Company would point out that since that argument it has been engaged in regular discussions with Staff in an effort to effectuate a rate change that would properly take into account both the impact of tax reform and the substantially changed circumstances since its natural gas service rates were last changed many years ago (in 2011). Unfortunately, agreement has not been reached. Consequently, on September 20, 2018 the Company filed a 60-day notice of its intention to file a gas rate case where all such issues can be addressed. The Company's intention is to file that case when (or shortly after) the 60-day period expires.

WHEREFORE, the Company requests that the Commission issue an order denying the Staff's Request.

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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 5th day of October, 2018.

/s/ James B. Lowery