

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

In the Matter of Union Electric Company            )  
d/b/a AmerenUE's Purchased Gas Adjustment    )   Case No. GR-2006-0087  
Factors to be reviewed in its 2004-2005        )  
Actual Cost Adjustment.                            )

**RESPONSE TO STAFF RECOMMENDATIONS**

**COMES NOW** Union Electric Company d/b/a AmerenUE (AmerenUE or the Company), in accordance with the Missouri Public Service Commission's (Commission) order, and states as follows:

1.       On December 29, 2006, the Staff of the Missouri Public Service Commission (Staff) filed its Staff Recommendation in this case. Attached to the recommendation was a Staff memorandum.
2.       On January 12, 2007, the Commission issued its Order Directing Filing, which requires AmerenUE to file a written response to Staff's reliability recommendations no later than February 2, 2007.
3.       The recommendations contained within Staff's memorandum include corrections to the Company's recording of gas costs and a correction to the recording of revenues. Staff proposed for the Company to make three adjustments to certain ACA ending balances. These recommendations are to decrease the PEPL ACA balance by \$26,932, to decrease the TETCO ACA balance by \$3,576, and to decrease the NGPL ACA balance by \$4,736.
4.       AmerenUE believes these corrections are appropriate and agrees to adjust the ACA balances accordingly.

5. Staff's recommendations also included a statement that AmerenUE should continue to assess and document the effectiveness of its hedges for the 2005/2006 period and beyond. As the Commission is aware, AmerenUE has an aggressive hedging program and part of that process is to analyze both the methods and the results of those hedges. AmerenUE has no objection to this recommendation.

WHEREFORE, AmerenUE submits its Response to Staff Recommendations and requests the Commission accept this pleading in fulfillment of its January 12, 2007 Order Directing Filing.

Respectfully submitted,

UNION ELECTRIC COMPANY,  
d/b/a AmerenUE

By: /s/ Thomas M. Byrne  
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Dated: February 2, 2007

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Entry of Appearance was served via electronic filing and electronic mail (e-mail) or via regular mail on this 2<sup>nd</sup> day of February, 2007, to all parties to this case.

/s/ *Thomas M. Byrne*

Thomas M. Byrne