

**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-2017-0341  
Purchased Gas Adjustment (PGA) Clause.            )

**RESPONSE TO STAFF RECOMMENDATION**

Pursuant to the *Order Directing Filing* issued by the Missouri Public Service Commission (“Commission”) on November 7, 2018, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”) responds to the *Staff Recommendation Regarding Ameren Missouri’s 2016-2017 Actual Cost Adjustment Filing* and its attached Memorandum, (collectively, “Staff Recommendation”).<sup>1</sup>

**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, 2017. 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;  
and
- C. Reserve Margin on Panhandle Eastern and MoGas Pipeline for the Rolla System.

Section III. Hedging

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

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<sup>1</sup> The Staff Recommendation was submitted to the Commission on October 1, 2018.

## **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 will take 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 estimated storage at 93%. 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. Staff recommends Ameren Missouri submit comments on plans to address current and projected negative reserve margin for the Rolla System.

7. The Company is in the process of evaluating capacity needs for the Rolla System, and the Company's current use of the Prediction Interval (in contrast to the 95% Confidence Interval referenced by Staff) for reserve margin planning.

### Section III. Hedging

8. 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;
- Carefully plan for the price protected volumes based on reasonably-forecasted normal requirements consistent with its hedging goal; and
- Continue to assess and document the effectiveness of its hedges for the 2017-2018 period and beyond.

9. 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,

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**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 14<sup>th</sup> day of November, 2018.

*/s/ Jermaine Grubbs*  
Jermaine Grubbs