

**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-2022-0351
Purchased Gas Adjustment (PGA) Clause.)

RESPONSE TO STAFF RECOMMENDATION

Pursuant to the *Order Directing Response* issued by the Missouri Public Service Commission (“Commission”) on December 12, 2023, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”) responds to the *Staff Recommendation Regarding Ameren Missouri’s 2021-2022 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, 2022. Staff recommended a \$1,093,074.81 reduction in the ACA account balance and 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. MoGas Pipeline Reserve Margin – Rolla Region;
- B. Panhandle Eastern Pipeline Company Reserve Margins – Columbia System;

Section III. Billed Revenue and Actual Gas Costs;

Section IV. Hedging;

Section V. Recommendations;

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 12, 2023.

billing practices with no clear rationale of what the benefit of such changes would be. However, Ameren Missouri already has a well-defined process to account for billed revenue and actual gas costs prudently and in line with our PGA tariff, the Missouri Gas Tariffs, and the Code of State regulations. Staff has recommended changes without identifying which of these standards we are violating or identifying a single test case that does not follow our well-established procedures. After several meetings with Staff to explain our practices and procedures, it is evident that we cannot reach a common understanding on this matter. Furthermore, the suggested changes would not benefit the customer, but rather cost both the Company and customers money – potentially very significant amounts of money, depending on the alternative approach taken - through process changes and system programming. It is also not clear to the Company that a viable alternative exists to achieve Staff's intended goal as the Company understands it, at least without abandoning foundational principles of utility billing practices and completely redesigning the billing process.

The billing process is reasonable, effective, predictable and has remained consistent over decades. Our revenue methodology is solid, evidenced by no findings in our annual financial audits performed by an independent registered public accounting firm as well as various FERC audits and reviews of our accounting records. Staff's suggestion to change our processes does not include an explanation of how the current process fails to conform with any tariff provision or accounting principle, nor does Staff explain what benefit would arise from undertaking the potentially complex task of changing either billing or accounting practices. The adjustments proposed by Staff are simply due to timing considerations inherent in the design of Ameren's cycle billing and when activity is considered billed to the customer.

Missouri Gas Tariffs

Sheet 56, General Rules & Regulations, Section 8. Billing Practices, Subsection A. Monthly Billing Periods

VIII. Billing Practices

A. Monthly Billing Periods

Company will render bills over twelve (12) monthly billing periods in a year, with each bill based upon the service used between regularly scheduled meter readings. While Company's work schedules provide for the orderly reading of all meters over intervals of approximately 30 days, holidays, weekends, inclement weather and other operating constraints may cause the billing interval to vary during various portions of the year.

Ameren Gas Tariffs

Page 26 Section III. Actual Cost Adjustment (ACA) Account

Such reconciliation of gas costs incurred and recovered shall be for the twelve (12) month period ending with August of each year, as defined herein."

Page 27 Section III. Actual Cost Adjustment (ACA) Account Paragraph 6

The total gas cost recovered each month shall be equal to the product of the billed Ccf of each rate classification times the sum of the applicable RPGA and ACA factors. The RPGA factor will include, if applicable, the FAF factor.

Page 27 Section III. Actual Cost Adjustment (ACA) Account Paragraph 10 (a)

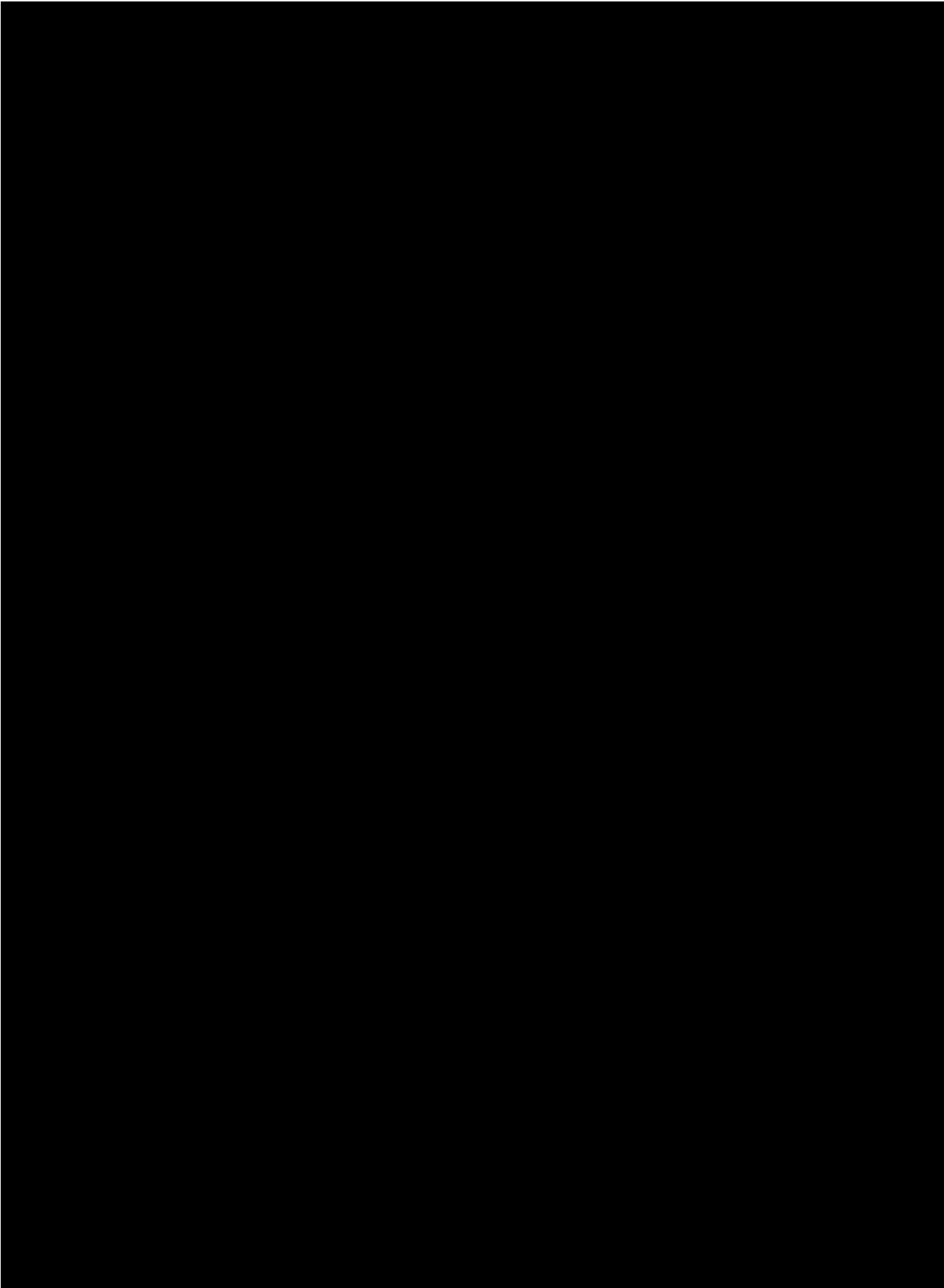
Provide all documentation necessary to reconcile the Company's actual gas costs with its billed revenue. Provide all documentation of all natural gas purchases (commodity, demand or reservation charges or other charges) to support that the claimed costs are properly attributed to the ACA period and that the pipelines, natural gas suppliers, and any other vendors have charged or invoiced the Company for the volumes nominated and received at the proper rates.

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Section IV. Hedging

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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/ Jennifer L. Hernandez
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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 15th day of March 2024.

/s/ Jennifer L. Hernandez