

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GT-2008-0184, File No. YG-2008-0354, AmerenUE

FROM: Michael J. Ensrud, Energy – Tariffs / Rate Design
Greg Meyer - Auditing
Jeremy Hagemeyer - Auditing

/s/ Tom Imhoff 01/29/08

Energy Department/Date

/s/ Lera L. Shemwell 05/24/07

General Counsel's Office/Date

SUBJECT: Staff Recommendation on the initial Tariff Sheet filed by Union Electric
Company d/b/a AmerenUE ISRS Rate

DATE: January 29, 2008

BACKGROUND

On November 30, 2007, Union Electric Company d/b/a AmerenUE, filed a tariff sheet with the Missouri Public Service Commission (Commission) with a proposed effective date of January 1, 2008. This tariff sheet (File No. YG-2008-0354) proposes to establish, for the first time, Infrastructure System Replacement Surcharge (ISRS) rates.

In its Verified Petition of Union Electric Company d/b/a AmerenUE to Establish an Infrastructure System Replacement Surcharge, AmerenUE states:

8. With this Petition, AmerenUE requests the establishment of an ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period beginning October 1, 2006 through October 31, 2007.

On December 3, 2007, the Commission issued its ORDER SUSPENDING TARIFF, DIRECTING NOTICE AND SETTING INTERVENTION DATE. The Commission suspended AmerenUE's ISRS tariff sheet until March 29, 2008.

On December 20, 2007 AmerenUE filed Request for Approval of Customer Notice, wherein the following request was made.

WHEREFORE, AmerenUE respectfully requests that the Commission issue an Order approving the customer notices set forth in Attachments 1, 2 and 3 to this Request.

In this case, the Commission did not issue a specific filing date for the Staff to file its recommendation. Therefore, Staff relied upon the requirements set forth in the ISRS Rule: **4 CSR 240-3.265 Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges** which states:

*(11) The staff of the commission may examine the information of the natural gas utility provided pursuant to this rule and sections 393.1009 to 393.1015, RSMo, to confirm the underlying costs and proper calculation of the proposed ISRS, and **may submit a report regarding its examination to the commission not later than sixty (60) days after the natural gas utility files its petition.** The staff shall not examine any other revenue requirement or ratemaking issues in its consideration of the petition or associated proposed rate schedules.*

Based on this provision Staff's Memo is due January 29, 2008. The memo fulfills that requirement.

STAFF'S ANALYSIS

Staff recommends that the ISRS rates to be charged to AmerenUE's customers should collect \$1,211,459 in revenues annually.

The ISRS process is subject to true-up. Therefore, any shortfalls or over-collections that occur during the period this ISRS is in effect will be corrected in future ISRS filings.

Staff's review of AmerenUE's customer notices indicates that the notices do comply with the Commission's Rules. Even though AmerenUE made two separate filings relating to its customer notice requirements, it did meet the requirements of the Rule.

RECOMMENDATION

Based upon the Staff's conclusions, the Staff recommends that the Commission issue an order in this case that:

1. Implements the tariff sheet filed by AmerenUE on November 30, 2007, (assigned tariff number YG-2008-0354);
2. Authorizes AmerenUE to collect an ISRS sufficient to recover the authorized annual pre-tax revenues in the amount of \$1,211,459 ; and
3. Approves the ISRS-related Customer Notices.
4. Allow the filed page to become effect March 29, 2008.

The Staff has verified that this company has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

The revised ISRS tariff sheet should be designated as:

P.S.C. MO. No. 2

1st Revised SHEET No. 34, Canceling Original Sheet No. 34

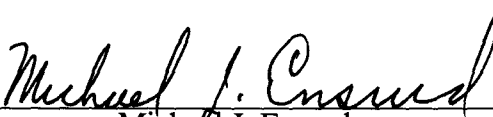
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Verified Petition of)	
Union Electric Company d/b/a)	Case No. GT-2008-0184
AmerenUE to Establish an Infrastructure)	Tariff No. YG-2008-0354
System Replacement Surcharge)	

AFFIDAVIT OF MICHAEL J. ENSRUD


STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Michael J. Ensrud, of lawful age, on oath states: that he has participated in the preparation of the foregoing written memorandum, to be presented in the above case; that the information in the attached written report were given by Union Electric Company d/b/a AmerenUE; that he has knowledge of the matters set forth in such memorandum; and that such matters are true to the best of his knowledge and belief.



Michael J. Ensrud

Subscribed and sworn to before me this 29th day of January, 2008.



Notary Public

