

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

In the Matter of the Tariff Filing of Union)
Electric Company d/b/a AmerenUE, to)
Implement a General Rate Increase for Retail)
Electric Service Provided to Customers in its)
Missouri Service Area.)

Case No. ER-2007-0002
Tariff No. YE-2008-0012

STAFF’S RECOMMENDATION TO APPROVE TARIFF SHEETS

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”) and for its Recommendation the Commission Approve Tariff Sheets Union Electric Company d/b/a AmerenUE filed on July 6, 2007, to comply with the Commission’s *Report and Order*, as clarified by the Commission’s June 28, 2007 *Order Denying Applications for Rehearing, Granting Clarification and Correcting Order Nunc Pro Tunc*, states:

1. In the attached Memorandum, which is labeled Appendix A, the Staff recommends the Missouri Public Service Commission approve the fourteen (14) tariff sheets AmerenUE filed on July 6, 2007. AmerenUE filed the tariff sheets to comply with the Commission’s *Report and Order*, as clarified by the Commission’s June 28, 2007 *Order Denying Applications for Rehearing, Granting Clarification and Correcting Order Nunc Pro Tunc*. These fourteen (14) sheets are designed to implement the revenue requirement impact of the Commission’s clarification that “AmerenUE shall use the following net salvage percentages when calculating its allowed revenue requirement:

Account 321	-3%
Account 323	-3%
Account 324	-2%
Account 325	-1%.”

2. The Staff has determined the impact of the foregoing net salvage percentages on AmerenUE's allowed revenue requirement is \$1,010,430 and the fourteen (14) sheets are designed to collect that additional allowed revenue requirement. Thus, the total additional revenue requirement that AmerenUE is authorized by the Commission to collect, as a result of Case No. ER-2007-0002, is \$42,787,904.¹

3. The Staff recommends the Commission approve the fourteen (14) tariff sheets as complying with the Commission's *Report and Order*, as clarified by the Commission's June 28, 2007 *Order Denying Applications for Rehearing, Granting Clarification and Correcting Order Nunc Pro Tunc*.

4. The fourteen (14) tariff sheets filed on July 6, 2007, bear proposed effective dates of August 5, 2007. With its tariff filing on July 6, 2007 AmerenUE filed an associated *Motion For Expedited Treatment And For Approval Of Tariff Sheets Filed In Compliance With Commission Order* in which it requested the Commission allow these fourteen (14) tariff sheets to go into effect on July 23, 2007. In its *Report and Order*, at ordered paragraph 3, the Commission states, "Union Electric Company d/b/a AmerenUE is authorized to file a tariff sufficient to recover revenues as determined by the Commission in this order. AmerenUE shall file its compliance tariff no later than May 28, 2007." The Staff believes, as the Commission has clarified its *Report and Order*, the fourteen (14) tariff sheets comply with the Commission's *Report and Order* and that this constitutes "good cause shown" pursuant to Section 393.140(11) RSMo 2000 to allow these fourteen (14) tariff sheets to go into effect on less than thirty (30) days' notice.

¹ The AmerenUE tariff sheets that previously went into effect for service rendered by AmerenUE on and after June 4, 2007, authorized AmerenUE to collect an additional revenue requirement of \$41,777,474.

5. Accordingly, the Staff does not oppose AmerenUE's *Motion For Expedited Treatment And Approval Of Tariff Sheets Filed In Compliance With Commission Order* which, if granted, would allow the fourteen (14) tariff sheets AmerenUE filed on July 6, 2007, to go into effect on June 23, 2007.

WHEREFORE, the Staff of the Missouri Public Service Commission recommends the Commission approve the fourteen (14) proposed tariff sheets AmerenUE filed on July 6, 2007, to wit:

<u>Union Electric Company, P.S.C. Mo. Schedule No. 5 (Rates)</u>		
36 th Revised Sheet No. 28,	Cancelling 35 th Revised Sheet No.	28
24 th Revised Sheet No. 32,	Cancelling 23 rd Revised Sheet No.	32
27 th Revised Sheet No. 34,	Cancelling 26 th Revised Sheet No.	34
34 th Revised Sheet No. 37,	Cancelling 33 rd Revised Sheet No.	37
25 th Revised Sheet No. 39,	Cancelling 24 th Revised Sheet No.	39
24 th Revised Sheet No. 40,	Cancelling 23 rd Revised Sheet No.	40
29 th Revised Sheet No. 41,	Cancelling 28 th Revised Sheet No.	41
15 th Revised Sheet No. 45,	Cancelling 14 th Revised Sheet No.	45
25 th Revised Sheet No. 50,	Cancelling 24 th Revised Sheet No.	50
18 th Revised Sheet No. 55,	Cancelling 17 th Revised Sheet No.	55
11 th Revised Sheet No. 67.1,	Cancelling 10 th Revised Sheet No.	67.1
6 th Revised Sheet No. 67.4,	Cancelling 5 th Revised Sheet No.	67.4
11 th Revised Sheet No. 68,	Cancelling 10 th Revised Sheet No.	68
2 nd Revised Sheet No. 68.1,	Cancelling 1 st Revised Sheet No.	68.1

and the Staff has no objection to AmerenUE's *Motion For Expedited Treatment And Approval Of Tariff Sheets Filed In Compliance With Commission Order* which, if granted, would allow the proposed tariff sheets to become effective on July 23, 2007, with less than 30 day's notice for good cause shown pursuant to Section 393.140(11) RSMo 2000.

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams

Deputy General Counsel

Missouri Bar No. 35512

Attorney for the Staff of the
Missouri Public Service Commission

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 13th day of July, 2007.

/s/ Nathan Williams

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2007-0002
File No. YE-2008-0012
Union Electric Company d/b/a AmerenUE

FROM: James Watkins, Project Coordinator
Mack McDuffey, Rate & Tariff Examiner II

/s/ James Watkins 07/13/07
Project Coordinator/Date

/s/ Nathan Williams 07/13/07
General Counsel's Office/Date

SUBJECT: Staff Recommendation For **Approval** Of Tariff Sheets Filed To Comply With
The Commission's June 28, 2007 Order Denying Applications For Rehearing,
Granting Clarification, and Correcting Order Nunc Pro Tunc (Order)

DATE: July 13, 2007

On July 6, 2007, Union Electric Company d/b/a AmerenUE (UE) filed with the Commission fourteen (14) rates tariff sheets with an issue date of July 6, 2007, and a proposed effective date of August 5, 2007. UE also filed Motion For Expedited Treatment And Approval Of Tariff Sheets Filed In Compliance With Commission Order (Motion) dated July 6, 2007. These tariff sheets are designed to comply with Ordered Paragraph 7 of the Commission's June 28, 2007 Order, which states, "The Commission's Report and Order is clarified to provide that AmerenUE shall use the following net salvage percentages when calculating its allowed revenue requirement:" (list of accounts and percentages) followed by "AmerenUE shall file tariffs to reflect the revised calculations."

Staff Auditor Stephen Rackers with input from Staff Depreciation Witness Jolie Mathis has calculated that the additional increase in UE's allowed revenue requirement is \$1,010,430. He discussed the amount with UE's Manager of Regulatory Accounting, Mr. Gary Weiss, and Mr. Weiss is in agreement that the amount of additional increase is \$1,010,430 and the total allowed revenue requirement increase is \$42,787,904. The Missouri Public Service Commission Energy Department Staff (Staff) has reviewed the filed tariff sheets and is of the opinion that, based on an additional authorized increase in revenues of \$1,010,430, they are in compliance with the Commission's Order. Staff therefore recommends that the Commission **approve** the following proposed tariff sheets, as filed on July 6, 2007. The Staff has no objection to UE's Motion For Expedited Treatment And Approval Of Tariff Sheets Filed In Compliance With Commission Order, for the tariff sheets to become effective on July 23, 2007 as requested by UE, with less than 30 day's notice for good cause shown pursuant to Section 393.140(11) RSMo 2000:

Union Electric Company, P.S.C. Mo. Schedule No. 5 (Rates)
36th Revised Sheet No. 28, Cancelling 35th Revised Sheet No. 28
24th Revised Sheet No. 32, Cancelling 23rd Revised Sheet No. 32
27th Revised Sheet No. 34, Cancelling 26th Revised Sheet No. 34

34 th Revised Sheet No. 37,	Cancelling 33 rd Revised Sheet No. 37
25 th Revised Sheet No. 39,	Cancelling 24 th Revised Sheet No. 39
24 th Revised Sheet No. 40,	Cancelling 23 rd Revised Sheet No. 40
29 th Revised Sheet No. 41,	Cancelling 28 th Revised Sheet No. 41
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The Staff has verified that UE has filed its 2006 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.

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

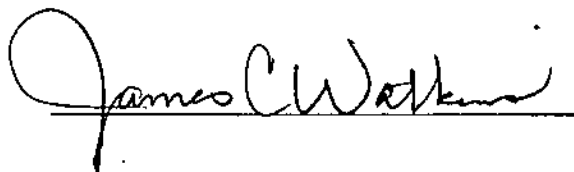
In the Matter of Union Electric Company d/b/a AmerenUE)
for Authority to File Tariffs Increasing Rates for Electric)
Service Provided to Customers in the Company's Missouri)
Service Area.)
)

Case No. ER-2007-0002
File No. YE-2008-0012

AFFIDAVIT OF JAMES C. WATKINS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

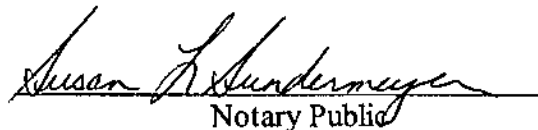
James C. Watkins, of lawful age, on oath states: that he has participated in the preparation of the foregoing Staff Recommendation; that he has knowledge of the matters set forth in such recommendation; and that such matters are true to the best of his knowledge and belief.



Subscribed and sworn to before me this 13th day of July, 2007.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942088



Notary Public

My commission expires 9-21-10