

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

In the Matter of Union Electric Company d/b/a Ameren Missouri for Authority to Implement Rate Adjustments Required by 4 CSR 240-2.090(4) and the Company's Approved Fuel and Purchased Power Cost Recovery Mechanism.<sup>1</sup> )  
 ) **File No. ER-2015-0233**  
 ) Tariff No. YE-2015-0289  
 )  
 )

**STAFF RECOMMENDATION TO APPROVE TARIFF SHEET REGARDING  
CHANGE TO THE FUEL ADJUSTMENT RATE FOR  
ACCUMULATION PERIOD 18**

**COMES NOW** the Staff of the Missouri Public Service Commission ("Commission"), by and through counsel, and for its recommendation to approve tariff sheet, states as follows:

1. On March 27, 2015, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed a proposed tariff sheet, 6<sup>th</sup> Revised Sheet No. 72.9, with supporting direct testimony pursuant to Commission Rules 4 CSR 240-20.090(4) and 4 CSR 240-3.161(7) seeking approval to adjust the Company's Fuel Adjustment Rates ("FARs") used to calculate its Fuel Adjustment Clause ("FAC") charge billed to its customers. The proposed tariff sheet bears an effective date of May 27, 2015.

2. Concurrently on March 27, Ameren Missouri submitted a true-up filing in File No. ER-2015-0234 to identify the amount of over- or under-recovery during Recovery Period 15 ("RP15") prescribed by its FAC. The over- or under-recovered

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<sup>1</sup> The Commission's Order Directing Notice and Directing Filing of Staff Recommendation issued herein on March 30, 2015, contained the caption set forth on this pleading; however, Staff respectfully suggests that for purposes of clarity and to be more descriptive of the specific case at issue, the caption should be changed to *In the Matter of the Adjustment of Union Electric Company d/b/a Ameren Missouri's Fuel Adjustment Clause for the 18<sup>th</sup> Accumulation Period*.

amount (or true-up amount) and interest amount for RP15 are used when calculating the new FARs in this case.

3. On March 30, the Commission ordered Staff to examine and analyze Ameren Missouri's filings in this case, and to file its recommendation no later than April 27, 2015, as required by Rule 4 CSR 240-20.090(4). The Commission also directed that all parties to Case No. ER-2012-0166 (the general rate proceeding in which continuation of Ameren Missouri's FAC was most recently approved) be added to the service list for this case, and set an intervention date of April 10. The Commission received no applications to intervene.

4. Staff's *Memorandum*, attached hereto and incorporated herein by reference, recommends the Commission issue an order approving the proposed revised tariff sheet Ameren Missouri filed on March 27, 2015.

5. Commission Rule 4 CSR 240-20.090(4) states: "An electric utility with a FAC shall file one (1) mandatory adjustment to its FAC in each true-up year coinciding with the true-up of its FAC."<sup>2</sup> The rule requires Staff "to determine if the proposed adjustment to the FAC is in accordance with the provisions of this rule, Section 386.266 RSMo and the FAC mechanism established in the most recent general rate proceeding." If so, "the commission shall either issue an interim rate adjustment order approving the tariff schedules and the FAC rate adjustments within sixty (60) days of the electric utility's filing or... the tariff schedules and the FAC rate adjustments shall take effect sixty (60) days after the tariff schedules were filed."

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<sup>2</sup> An electric utility may also file up to three (3) additional adjustments to its FAC within a true-up year with the timing and number of such filings to be determined in a general rate proceeding.

6. Ameren Missouri's filing in this case requests Commission approval of one tariff sheet bearing an effective date of May 27, 2015, that revises the current FARs in its FAC. The filing includes testimony and workpapers of Ameren Missouri witness Erik C. Wenberg supporting the Company's calculation of the Fuel and Purchased Power Adjustment ("FPA").

7. The FPA amount is \$59,981,414. The FPA amount<sup>3</sup> is the sum of: Customer Responsibility for Accumulation Period ("AP") 18 equal to \$59,011,984<sup>4</sup> (Line 4 on 6<sup>th</sup> Revised Sheet No. 72.9); plus Interest for AP18 and RP15 equal to \$399,400 (Line 4.1 on 6<sup>th</sup> Revised Sheet No. 72.9); plus True-Up amount for RP15, without interest, equal to \$630,030 (Line 4.2 on 6<sup>th</sup> Revised Sheet No. 72.9). This True-Up amount is before the Commission for approval in pending File No. ER-2015-0234.

8. As explained in Staff's *Memorandum*, the FPA amount results in a Current Period FAR (FAR 18) of \$0.00226 per kWh (Line 7 on 6<sup>th</sup> Revised Sheet No. 72.9) which, when added to the Prior Period FAR (FAR 17) of \$0.00171 per kWh (Line 8 on 6<sup>th</sup> Revised Sheet No. 72.9), results in a Fuel Adjustment Rate (FAR) of \$0.00397 per kWh (Line 9 on 6<sup>th</sup> Revised Sheet No. 72.9), which is a decrease of \$0.00002 per kWh when compared to the existing FAR of \$0.00399 per kWh<sup>5</sup>. Because of a difference in line losses, the FAR is adjusted for the voltage at which customers receive service, resulting in the following FARs with Voltage Level Adjustments:

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<sup>3</sup> 6<sup>th</sup> Revised Sheet No. 72.9 lines 1 through 5 include the complete calculation of the FPA Amount of \$59,981,414.

<sup>4</sup> The customer responsibility for AP18 is equal to ninety-five percent (95%) of \$62,117,878 (the difference between Actual Net Energy Cost ("ANEC") and Net Base Energy Cost ("B") during AP18).

<sup>5</sup> The \$0.00399 per kWh rate is found on line 9 of 5<sup>th</sup> Revised Sheet No. 72.9.

	Proposed RP18 FARs	Current RP17 FARs	Difference
Secondary	\$0.00420/kWh	\$0.00422/kWh	\$0.00002/kWh decrease
Primary	\$0.00407/kWh	\$0.00409/kWh	\$0.00002/kWh decrease
Large Transmission	\$0.00394/kWh	\$0.00396/kWh	\$0.00002/kWh decrease

Based on a monthly usage of 1,100 kWh, the proposed change to the Secondary FAR would decrease the Fuel Adjustment Charge of an Ameren Missouri residential customer's bill from \$4.64 to \$4.62, a decrease of \$0.02 per month.

9. In its December 12, 2012, *Report and Order* in Case No. ER-2012-0166, the Commission granted Ameren Missouri relief from Rule 4 CSR 240-20.100(6)(A)16 to allow the costs of landfill gas purchased for operation in the Company's Maryland Heights generating facility to flow through its FAC; therefore, Staff has continued to allow the costs of that landfill gas and "other potential renewable generation energy costs"<sup>6</sup> to flow through Ameren Missouri's FAC for AP18. In its direct filing in its pending general rate case, Case No. ER-2014-0258, Ameren Missouri removed the landfill gas costs from its FAC. As of the date of this filing, the Commission has not issued a Report and Order in Case No. ER-2014-0258.

10. Staff has determined that Ameren Missouri timely filed the 6th Revised Tariff Sheet No. 72.9 and that it complies with Commission Rule 4 CSR 240-3.161 and Ameren Missouri's FAC as defined in its FAC tariff sheets.

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<sup>6</sup> Ameren Missouri *Application for Waiver or Variance*, page 3, filed December 7, 2012, in Case No. ER-2012-0166.

11. Staff has verified that Ameren Missouri is not delinquent on any assessment, and has filed its 2014 annual report. Ameren Missouri is current on the filing of its Surveillance Monitoring reports as required by 4 CSR 240-20.090(10) and its monthly reports required by 4 CSR 240-3.161(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except File No. ER-2015-0234 as noted herein.

**WHEREFORE**, Staff recommends the Commission issue an order approving the following proposed revised tariff sheet, as filed on March 27, 2015, to become effective on May 27, 2015, as requested by Ameren Missouri:

MO.P.S.C. Schedule No. 6

6th Revised Sheet No. 72.9 Cancelling 5th Revised Sheet No. 72.9.

Respectfully submitted,

**/s/ Jeffrey A. Keevil**

Jeffrey A. Keevil  
Senior Staff Counsel  
Missouri Bar No. 33825

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Missouri Public Service Commission**  
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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 27th day of April 2015.

**/s/ Jeffrey A. Keevil**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
File No. ER-2015-0233, Tariff Tracking No. YE-2015-0289  
Union Electric Company d/b/a Ameren Missouri

FROM: David C. Roos, Regulatory Economist III  
Matthew J. Barnes, Utility Regulatory Auditor IV  
Curtis Gateley, Utility Policy Analyst II

/s/ John A. Rogers 04/27//2015

Energy Resource Analysis Unit / Date

/s/ Jeffrey A. Keevil 04/27/2015

Staff Counsel's Office / Date

SUBJECT: Staff Recommendation for Approval of Tariff Sheet Filed to Change Rates Related to Ameren Missouri's Fuel Adjustment Clause Pursuant to the Commission's Report and Order in File No. ER-2012-0166.

DATE: April 27, 2015

On March 27, 2015, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, 6<sup>th</sup> Revised Sheet No. 72.9 bearing a proposed effective date of May 27, 2015, canceling 5<sup>th</sup> Revised Sheet No. 72.9. The filed tariff sheet, 6<sup>th</sup> Revised Sheet No. 72.9, revises Ameren Missouri's Fuel Adjustment Rates ("FARs") of its Fuel Adjustment Clause ("FAC"). Staff recommends the Missouri Public Service Commission ("Commission") approve 6<sup>th</sup> Revised Sheet No. 72.9.

Ameren Missouri's March 27, 2015 filing includes the testimony of Ameren Missouri witness Erik C. Wenberg and associated Ameren Missouri work papers. The testimony and work papers include information and data that supports Ameren Missouri's calculation of the dollar amount of its Fuel and Purchased Power Adjustment ("FPA"). That dollar amount ("FPA Amount") is \$59,981,414 and is reflected on line 5 of 6<sup>th</sup> Revised Sheet No. 72.9. This FPA Amount results in a FAR<sub>18</sub><sup>1</sup> of \$0.00226 per kWh, which when added to the FAR<sub>17</sub> of \$0.00171

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<sup>1</sup> FAR<sub>RP</sub> is defined in Original Sheet No. 72.7 as "FAR Recovery Period rate component calculated to recover under- or over-collection during the Accumulation Period that ended immediately prior to the applicable filing." Since this filing occurred after the end of Accumulation Period 18, FAR<sub>RP</sub> in this recommendation is referred to as FAR<sub>18</sub>.

per kWh results in a proposed FAR<sup>2</sup> of \$0.00397 per kWh. The proposed FAR is \$0.00002 per kWh less than the current FAR<sup>3</sup> of \$0.00399 per kWh.

### **Calculation of Total Company Fuel and Purchased Power Difference**

Ameren Missouri's work papers for Accumulation Period 18 ("AP18"), which includes the period of October 1, 2014 through January 31, 2015, contain data and calculations for Actual Net Energy Cost ("ANEC") equal to \$247,303,227 (line 1 of 6<sup>th</sup> Revised Sheet No. 72.9) and Net Base Energy Cost ("B") equal to \$185,185,349 (line 2 of 6<sup>th</sup> Revised Sheet No. 72.9). For this filing, B is equal to sales of 12,736,268,895 kWh for October 1, 2014 through January 31, 2015, times \$0.01454<sup>4</sup> per kWh. The difference between ANEC and B is equal to \$62,117,878 and is the amount on line 3 of 6<sup>th</sup> Revised Sheet No. 72.9, the Total Company Fuel and Purchased Power Difference.

### **Calculation of FPA Amount**

Ameren Missouri's work papers and 6<sup>th</sup> Revised Sheet No. 72.9 show the FPA Amount<sup>5</sup> of \$59,981,414 to be the sum of:

1. Customer Responsibility for AP18 equal to \$59,011,984<sup>6</sup> (Line 4 on 6<sup>th</sup> Revised Sheet No. 72.9); plus
2. Interest for AP18 and Recovery Period 15 ("RP15") equal to \$399,400; plus
3. True-Up amount for RP15, without interest, equal to \$630,030.<sup>7</sup> This true-up amount is before the Commission for approval in pending File No. ER-2015-0234.

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<sup>2</sup> FAR is defined in Original Sheet No. 72.7 as "Fuel Adjustment Rate applied to retail customer usage on a per kWh basis starting with the applicable Recovery Period following the FAR filing."  $FAR = FAR_{RP} + FAR_{RP-1}$ .

<sup>3</sup> The \$0.00399 per kWh rate is found on line 9 of 5<sup>th</sup> Revised Sheet No. 72.9.

<sup>4</sup> Winter NBFC Rate on Original Sheet No. 72.6.

<sup>5</sup> 6<sup>th</sup> Revised Sheet No. 72.9 lines 1 through 5 include the complete calculation of the FPA Amount of \$59,981,414.

<sup>6</sup> The customer responsibility for AP18 is equal to ninety-five percent (95%) of \$62,117,878 (the difference between ANEC and B during AP18).

<sup>7</sup> Union Electric Company's Schedule No. 6, Original Sheet No. 72.8: "TRUE-UP: After completion of each RP, the Company shall make a true-up filing on the same day as its FAR [Fuel Adjustment Rate] filing. Any true-up adjustments shall be reflected in T above. Interest on the true-up adjustment will be included in I above. The true-up adjustments shall be the difference between the revenues billed and the revenues authorized for collection during the RP."

**Calculation of FAR<sub>18</sub>**

FAR<sub>18</sub> of \$0.00226 per kWh is equal to the Customer Responsibility for AP18 plus interest for AP18 and RP15 plus the True-Up Amount for RP15 divided by the Estimated Recovery Period Sales in kWh settled at MISO CP node (AMMO.UE or successor node) of 26,517,199,004 kWh. FAR<sub>18</sub> will apply during RP18—Ameren Missouri’s billing months of June 2015 through January 2016.

**Calculation of FAR Without Voltage Level Adjustments**

Line 9 of Ameren Missouri’s proposed 6<sup>th</sup> Revised Sheet No. 72.9 reflects a FAR of \$0.00397 per kWh which is the sum of: 1) FAR<sub>18</sub> of \$0.00226 per kWh, and 2) FAR<sub>17</sub> of \$0.00171 per kWh.

**Calculation of FARs with Voltage Level Adjustments**

Because of a difference in line losses<sup>8</sup>, there are different current FARs for service taken at Secondary, Primary, and Large Transmission voltage levels. Listed below are the proposed RP18 FARs, the current RP17 FARs and the difference between them for Secondary, Primary, and Large Transmission service:

	Proposed RP18 FAR	Current RP17 FAR	Difference
Secondary	\$0.00420/kWh	\$0.00422/kWh	\$0.00002/kWh Decrease
Primary	\$0.00407/kWh	\$0.00409/kWh	\$0.00002/kWh Decrease
Large Transmission	\$0.00394/kWh	\$0.00396/kWh	\$0.00002/kWh Decrease

Based on a monthly usage of 1,100 kWh, the proposed change to the Secondary FAR would decrease the Fuel Adjustment Charge of an Ameren Missouri residential customer’s bill from \$4.64 to \$4.62, a decrease of \$0.02 per month.

Staff reviewed proposed 6<sup>th</sup> Revised Sheet No. 72.9, the direct testimony of Ameren Missouri witness Erik C. Wenberg and work papers in this filing, as well as Ameren Missouri’s monthly information submitted in compliance with 4 CSR 240-3.161(5) for AP18. Staff verified that the actual fuel and purchased power costs net of off-system sales revenues reflected therein

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<sup>8</sup> Secondary, Primary, and Large Transmission Voltage Adjustment Factors are shown on lines 10, 12, and 14, respectively, on Ameren Missouri’s proposed 6<sup>th</sup> Revised Sheet No. 72.9.

match the fuel and purchased power costs and emission costs net of off-system sales revenues on line 1 of Ameren Missouri's requested 6<sup>th</sup> Revised Sheet No. 72.9 and the supporting schedules of witness Erik C. Wenberg. Staff reviewed Ameren Missouri's monthly reports and verified that the kWh billed shown on the monthly reports match the accumulation period sales used to calculate B. Staff reviewed Ameren Missouri's monthly interest rates that are applied to 95% of the over/under Net Base Energy Cost amount and verified that the monthly interest rates and calculations of monthly interest amounts are correct for AP18.

### **Landfill Gas Facility and Other Renewable Energy Costs**

In its December 12, 2012, *Report and Order* in Case No. ER-2012-0166, the Commission granted Ameren Missouri relief from Rule 4 CSR 240-20.100(6)(A)16 to allow the costs of landfill gas purchased for operation in the Company's Maryland Heights generating facility to flow through its FAC; therefore, Staff has continued to allow the costs of that landfill gas and "other potential renewable generation energy costs" to flow through Ameren Missouri's FAC for AP18. In its direct filing in Case No. ER-2014-0258, Ameren Missouri removed the landfill gas costs from its FAC. As of the date of this filing, the Commission has not issued a report and order in Case No. ER-2014-0258.

### **Staff Recommendation**

Ameren Missouri timely filed 6<sup>th</sup> Revised Sheet No. 72.9, and based on Staff's review the Staff has determined that it is in compliance with Commission Rule 4 CSR 240-3.161 (Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements), and Ameren Missouri's FAC embodied in its tariff.

Commission Rule 4 CSR 240-20.090(4) provides in part:

[T]he commission shall either issue an interim rate adjustment order approving the tariff schedules and the FAC rate adjustments within sixty (60) days of the electric utility's filing or, if no such order is issued, the tariff schedules and the FAC rate adjustments shall take effect sixty (60) days after the tariff schedules were filed.

Ameren Missouri requested that 6<sup>th</sup> Revised Sheet No. 72.9, filed March 27, 2015, become effective on May 27, 2015, the beginning of the first billing cycle of Ameren Missouri's June 2015 billing month. Thus, the proposed tariff sheet was filed with 61 days' notice.

Therefore, Staff recommends the Commission issue an order approving the following proposed tariff sheet, as filed on March 27, 2015, to become effective on May 27, 2015, as requested by Ameren Missouri:

MO.P.S.C. Schedule No. 6

6<sup>th</sup> Revised Sheet No. 72.9 Canceling 5<sup>th</sup> Revised Sheet No. 72.9.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2014 Annual Report<sup>9</sup>. Ameren Missouri is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10) and its monthly reports as required by 4 CSR 240-3.161(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except File No. ER-2015-0234 as noted herein.

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<sup>9</sup> Ameren Missouri filed its 2014 Annual Report on April 15, 2015.

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

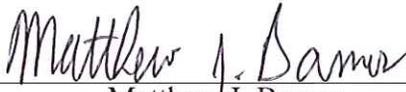
In the Matter of Union Electric Company            )  
d/b/a Ameren Missouri Authority to                )  
Implement Rate Adjustments Required by        )  
4 CSR 240-2.090(4) and the Company's         )  
Approved Fuel and Purchased Power Cost        )  
Recovery Mechanism                                 )

File No. ER-2015-0233

**AFFIDAVIT OF MATTHEW J. BARNES**

STATE OF MISSOURI    )  
                                  ) ss  
COUNTY OF COLE     )

Matthew J. Barnes, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.

  
\_\_\_\_\_  
Matthew J. Barnes

Subscribed and sworn to before me this 27<sup>th</sup> day of April, 2015.

SUSAN L. SUNDERMEYER  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Callaway County  
My Commission Expires: October 28, 2018  
Commission Number: 14942086

  
\_\_\_\_\_  
Notary Public

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

In the Matter of Union Electric Company     )  
d/b/a Ameren Missouri Authority to         )  
Implement Rate Adjustments Required by     )  
4 CSR 240-2.090(4) and the Company's       )  
Approved Fuel and Purchased Power Cost     )  
Recovery Mechanism                             )

File No. ER-2015-0233

**AFFIDAVIT OF CURTIS GATELEY**

STATE OF MISSOURI     )  
                                   ) ss  
COUNTY OF COLE     )

Curtis Gateley, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.

  
\_\_\_\_\_  
Curtis Gateley

Subscribed and sworn to before me this 27<sup>th</sup> day of April, 2015.

SUSAN L. SUNDERMEYER  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Callaway County  
My Commission Expires: October 28, 2018  
Commission Number: 14942086

  
\_\_\_\_\_  
Notary Public

