

BACKGROUND

During 2015, the Missouri Public Service Commission Staff ("Staff") circulated some possible modifications to 3.161(5) – Monthly Reports and 3.161(9)(B) – Periodic Change to Fuel Adjustment Rates (collectively "Periodic Reporting"). As part of the ongoing workshops, Ameren Missouri and Kansas City Power and Light and KCP&L-GMO ("Companies"), have considered Staff's proposed changes and desire to jointly provide these preliminary comments, which the Companies will be prepared to discuss at the next workshop to be held August 13, 2015. Although the Companies are providing responses to these portions of the Staff draft, the Companies desire to gain a better understanding of the basis and use of much of the information that is already being provided, and of the additional information the Staff's draft contemplates. The Companies also desire to discuss the frequency of reporting and whether monthly reporting is appropriate for some or all of the information that ultimately is to be reported. Consequently, while the Companies are providing preliminary comments now the Companies may make alternative reporting proposals, either as part of this workshop process or later, if a formal rulemaking proceeds. These comments should not be taken as a consensus on the Companies' part that the Staff's draft reporting provisions, even if the below comments were fully accounted for, are the appropriate reporting provisions.

PRELIMINARY RESPONSES

The following are the Companies' responses to current Periodic Reporting rules and Staff's modifications thereto. Parenthetical references are made in accordance with the Staff's marked-up version of the rules (which may not correspond to current reporting references).

Monthly Reports

(5) Monthly Reports. So long as it has a RAM in effect, each electric utility shall submit a monthly report through the commission's electronic filing and information system (EFIS) and to the Office of the Public Counsel (OPC) and to other parties. Each monthly report shall be verified by the affidavit of an electric utility representative(s) who has knowledge of the subject matter and who attests to both the veracity of the information and his/her knowledge of it, the information identified in this section, which shall be provided in electronic format where available (with formulas intact). The information in the monthly report shall be submitted no later than sixty (60) days after the end of the reported month. The first monthly submission shall be made within sixty (60) days after the end of the first complete month after the electric utility's RAM goes into effect. Each monthly report shall contain the following information:

There should not be a need to both submit reports in EFIS and separately send to OPC and others who are considered parties under the FAC rules. EFIS should be set up such that those who are automatic parties to FAC cases arising out of an approved FAC can access the reports. OPC does not get non-case related submission notifications from EFIS. Only PSC and OPC can access NCRS

(A) The billing month revenues billed pursuant to the RAM, by rate class and voltage level; staff agrees

Recommend removing this Periodic Reporting requirement. This information is provided in True-Up filings when the amount billed under FAR filings is relevant to customer adjustments (when the actual amount differs from anticipated amounts).

(B) The billing month revenues billed through the electric utility's base rates, by rate

class and voltage level; Staff agrees

Recommend removing this Periodic Reporting requirement. Total revenues billed under base rates have no clear connection to the operation of a FAC.

(C) The electric utility's actual calendar month fuel and purchased power costs, allocated by ~~rate class and~~ voltage level using ~~commission approved allocation methods~~;

(D) The electric utility's actual calendar month fuel-related revenue, allocated by ~~rate class and~~ voltage level, using commission approved allocation methods; MIEC agrees

The Companies agree that a summary of actual costs and revenues is needed by stakeholders. However, the Companies do not understand why this information is reported by rate class. Also, the meaning of "commission approved allocation methods" is unclear.

(E) Each significant factor that has affected the level of the electric utility's fuel-related revenues in the calendar month, along with workpapers documenting each of these significant factors;

[Existing] (F) Each significant factor that has affected the level of the electric utility's fuel and purchased power costs in the calendar month, along with workpapers documenting each of these significant factors; MIEC wants to keep both E&F. OPC suggests staff consider that it has the info it needs for prudence review.

The requirement to describe significant factor(s) influencing the level of FAC revenues and expenses is currently provided for in FAR requirements. Why is there a need to periodically report these apart from the FAR filings?

(G) Calendar month off-system megawatt-hours sold;

The Companies are supportive of providing this information in conjunction with total revenues each FAR accumulation period.

(H) Calendar month megawatt-hours generated, fuel consumption, fuel expense and heat rate, by generating ~~unit plant, station, or facility~~; Staff agrees with generating unit. Heat Rate – needed just for general rate case instead of on a monthly basis.

"By generating unit" should not be added. Some of this information (e.g., fuel consumption; fuel expense) is not maintained at the generating unit level, and it appears to have no direct relevance to the calculation of FAR adjustments or true-ups. Actual heat rate testing data is also supplied each time an FAC is requested or continued.

(I) Calendar month megawatt-hours purchased, ~~stating firm and non-firm purchases separately~~; What is definition of firm? (bi-lateral and market?) what energy the RTO is taking from contract is important on a monthly basis and should be included in the rules somewhere. Can get info by counterparty. Want to be able to see how the aggregate contract is doing.

The Companies are supportive of providing purchased-power volumes each FAR accumulation period. However, what is the purpose of differentiating between firm and non-firm purchases? This seems to have originated in pre-ISO markets and may have unnecessarily persisted.

(J) Prices of fuel purchased by fuel type during the calendar month, breaking out freight and transportation prices;

The Companies do not object to this type of reporting as part of FAR filing requirements.

[New] (K) The following information, ~~actual and budgeted~~, for the reported calendar month, as well as for year-to-date and prior calendar year:

1. ~~Actual~~ fuel-related revenue, by account ~~and sub-account number~~;

- | 2. ~~Actual~~ fuel costs included in the fuel and purchased power costs, by account ~~and subaccount~~ number;
- | 3. ~~Actual fuel handling labor costs;~~ OPC may not agree with by FERC account.

The Companies object to providing budgeted information on these items as budgets do not factor into base or FAR rates and are therefore irrelevant to the operation of the FAC. Additionally, costs and revenues may not be budgeted at the level of granularity requested. FAC reporting should be focused on what occurred in the relevant reporting period.

In addition, FAC reporting should not apply to costs or revenues not included in an FAC (e.g., fuel handing costs).

Reporting by “subaccount” is also inappropriate insofar as there is no uniform definition of that term and various subaccounts (minors) or other accounting codes a utility may choose (but is not required) to set-up or maintain necessarily vary from company to company.

- | (L) The following information for the calendar month, by generation ~~unit~~facility, plant, station, by fuel type and by total for the electric utility:
 - 1. Quantity of fuel burned, with designation of the units in which the quantity is reported (e.g. tons, MCF, MMBtu);
 - 2. Million British Thermal Units (MMBtu) of fuel burned;
 - 3. Average cost of fuel per MMBtu, by fuel type;
 - | 4. Aggregate megawatt hours (MWhs) of net energy generated by the generating ~~units~~facilities, plants, stations at each generation station, where net energy generated is the gross generation net of the station use; and
 - 5. Average cost of fuel per MWh;

“By generating unit” should not be added. Some of this information (e.g., fuel burned; fuel cost) is not maintained at the generating unit level, and it has no direct relevance to the calculation of FAR adjustments or true-ups. Also, if item 2 is provided there is no need for item 1. Either 1 or 2

- | (M) A detailed description of each account and sub-account where each fuel and purchased power cost or fuel-related revenue is recorded; a reasonable detailed description of the managerial accounting information used for purchased-power cost, etc. Ameren will draft language.

The Companies are open to discussing relevant information to enable FAR reviewers to understand the FAR adjustments, but do not agree that this particular requirement is appropriate. Consistent with other comments, any requirement for a “detailed” description should instead be for a “reasonably detailed” description.

- | ~~(N) Total fuel cost;~~
All info is in K.

The Companies are supportive of providing this information for each FAR accumulation period. Also, the Companies recommend that additional clarity be added to this rule to clarify that Periodic Reporting should focus only on costs for which FAR recovery is sought.

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- | (O) Identification of each contract for nuclear fuel, coal, natural gas commodity and transportation the electric utility entered into or renewed during the reported month with identification of terms and parties of the contract. Identification of when and where staff may review each contract;
- | [New] (P) A copy of each contract for capacity and/or energy purchase having a length of three (3) months or longer that the electric utility entered into during the reported month;
- | [New] (Q) A copy of each contract for capacity and/or energy sales of a length of three (3) months or longer that the electric utility entered into during the reported month;

[New] (R) Notice of any change(s) to the electric utility's hedging policy and, if changed, a statement or copy of the changed policy;

[New] (S) Each revision to the electric utility's internal policy for participating in a Regional Transmission Organization (RTO) ancillary services market, if the RTO in which the electric utility participates has such a market; Staff ok with this. OPC says monthly report should say if new, or renewed contract.

See prior comments submitted June 23, 2015 regarding Staff version of 20.090(4), which already addresses contract availability. The same approach should be applied to hedging policies and the policies relating to RTOs specified in (R) and (S).

(T) The electric utility's monthly short-term debt interest rate, along with:

1. An explanation of the how that rate was determined;
2. The calculation of the short-term debt interest rate;
3. Identification of any changes in the basis(es) used for determining the short-term debt interest rate from the previous monthly report; and
4. If there is a change in the basis(es) used for determining the short-term debt interest rate, a copy(ies) of the changed basis(es) or identification of where it/they may be reviewed; and

The Companies are supportive of providing this information for each FAR accumulation period.

(U) Any additional information that the commission has ordered the electric utility to provide in its monthly reports.

The Companies have no objection to this rule.

Periodic Change to Fuel Adjustment Rates (FAR)

(B) The following information in electronic format where available (with formulas intact):

1.

B. The actual fuel costs of the types of fuel costs designated in the FAC, listed by generating ~~unit~~ facility, station, plant and fuel type; and

The Companies have no objection to this reporting requirement provided that clarity is offered that the generating facility (plant) is the unit of measurement as opposed to individual "units" within a facility.

C. The actual purchased power costs of the types of purchased power costs designated in the electric utility's FAC, differentiated by:

(I) ~~Short-term and long-term~~ purchased power; OPC asks about definition. Ameren no definition in rule. Commission order may define. Tariff defined.

(II) ~~On-peak and off-peak costs; and~~

(III) Demand costs and energy costs, separately stated;

[New] D. The megawatt-hours and costs of purchased power of the type included in the electric utility's FAC, differentiated by;

(I) Long-term purchased power, with a definition of long-term purchased power;

(II) Short-term purchased power, with a definition of short-term purchased power; and

(III) ~~Spot-market purchased power;~~

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The term "spot market purchased power" has no meaning in the world of RTO markets. Also, there is no apparent reason to distinguish between short- and long-term purchased power. Moreover, these requirements appear to relate to prudency reviews. Additional information could be provided in such reviews, and the Companies would note that detailed information concerning purchased power costs is already provided via existing reporting requirements under 4 CSR 240-3.190.

E. Gross or net? Revenues, ~~expenses, and megawatt hours~~ of off-system sales;

Purchased power (whether it could be allocated to load or off-system sales) and off-system sales revenues are all FAR items. Given modern electric utility operations and the markets in which utilities operate, there does not appear to be any purpose in creating distinctions between (i.e., between load and off-system sales) recoverable net costs when there is not common practice (or rule) regarding how costs should be allocated between categories (i.e. native load and off-system sales). Given the nature of RTO markets, purchased power costs and off-system sales revenues be reported in accordance with FERC and GAAP rules each FAR reporting period without further differentiation.

F. Fuel-related revenues other than off-system sales revenues separated by type of fuel-related revenue;

The Companies do not object to this reporting requirement to the extent to which it is limited to those costs/revenues includable in the FAR.

G. Extraordinary costs not to be passed through the electric utility's FAC, if any, due to such costs being an insured loss, or subject to reduction due to litigation or for any other reason; Is this the same as E on Monthly reporting? Should this be deleted - what does it mean?

The Companies interpret this rule to require disclosure of costs for which the company is not seeking recovery as part of a FAR filing. Accordingly, they object to such reporting as part of FAR filing requirements.

H. Net base energy costs collected in base rates; and

(I) Any additional requirements the commission ordered;

(II) Calculation of each of the proposed fuel adjustment rates;

(III) Calculations of the voltage differentiation in the proposed FAC rates, if any, to account for differences in line losses by service voltage level;

The Companies have no objection to this rule.

4. The electric utility's monthly short-term debt interest rate, along with:

A. An explanation of how that rate was determined;

B. The calculation of the short-term debt interest rate;

C. Identification of any changes in the basis(es) used for determining the short-term debt interest rate since the last FAC rate adjustment; and

D. If there is a change in the basis(es) used for determining the short-term debt interest rate, a copy(ies) of the changed basis(es) or identification of where it/they may be reviewed; and

The Companies have no objection to this rule.

5. Calculations underlying any seasonal variation in the FAC rate(s):

The Companies seek clarification on this proposed rule. It appears as though it requests the reproduction of data used to devise base rates in a general rate proceeding each time a FAR filing is presented. If this assumption is correct, the Companies object to periodically filing a calculation already in the possession of stakeholders.