

Rules of
Department of Economic Development
Division 240 – Public Service Commission
Chapter 20 – Electric Utilities

PROPOSED AMENDMENT

4 CSR 240-20.090 ~~Electric Utility~~ Fuel and Purchased Power ~~Cost-Recovery~~Rate Adjustment Mechanisms

PURPOSE: This ~~rule sets forth~~ proposed amendment modifies the definitions, structure, operation, and procedures relevant to the filing and processing of applications to ~~reflect prudently incurred~~ allow fuel and purchased power costs ~~through~~ and fuel-related revenues in an interim energy charge or a fuel adjustment clause which ~~allows~~ allow periodic rate adjustments outside general rate proceedings ~~consistent with tariffs, commission orders and procedures that have been implemented since the effective date of the rule~~. Empire: Which utility tariff sheets does this apply to?

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(1) Definitions. As used in this rule, the following terms mean as follows:

(A) ~~Electric~~(1) This subsection defines various terms as used in this subsection and in subsection 4 CSR 240 3.161 Electric Utility Fuel and Power Rate Adjustment Mechanisms Filing and Submission Requirements:

(A) Accumulation period means the time period set by the commission in the general rate proceeding over which historical fuel and purchased power costs and fuel-related revenues are accumulated for purpose of determining the actual net energy costs (ANEC);

(B) Actual net energy costs (ANEC) means prudently incurred fuel and purchased power costs minus fuel-related revenues of a rate adjustment mechanism (RAM) during the accumulation period;

(C) Base energy costs means that part of the fuel and purchased power costs minus fuel-related revenues of a RAM that are included in ~~permanent~~ base rates as determined by the commission in a general rate case and that when divided by kWh at the regional transmission organization's price node for the electric utility's load or, if the electric utility is not a participant in a regional transmission organization, at the generator equals the base factor (BF);

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(D) Base factor (BF) means base energy costs per kWh at the regional transmission organization's price node for the electric utility's load or, if the electric utility is not a participant in a regional transmission organization, at the generator which are established in a general rate proceeding, which may vary by season of the year, and which are included in the utility's fuel adjustment clause (FAC);

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(E) Chapter 22 filings mean an electric utility's most recent 4 CSR 240-22 Electric Utility Resource Planning triennial compliance filing and most recent annual update report to that triennial compliance filing, if any, to which staff and other parties to the utility's resource planning case have filed their reports or comments;

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(F) MCF is one thousand (1,000) cubic feet of natural gas;

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(G) MMBtu is equal to one million (1,000,000) Btus; (Curt - move down)

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(H) ~~Electric utility~~ or utility means electrical corporation as defined in section 386.020, RSMo, subject to commission regulation pursuant to Chapters 386 and 393, RSMo;

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~~(B)(F)~~ FAC charge means the positive or negative dollar amount on each utility customer's bill that is equal to the applicable FAR times the monthly kWh, which in the aggregate is to recover from or return to customers the fuel and purchased power adjustment (FPA) amount;

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~~(JG)~~ Fuel adjustment clause (FAC) means a mechanism established in a general rate proceeding which is designed to recover from or return to customers the fuel and purchased power adjustment (FPA) amounts through periodic changes to the fuel adjustment rates made outside a general rate proceeding;

~~(HK)~~ Fuel adjustment rate (FAR) means the dollar per kilo watt hour (kWh) rate used to determine the FAC charge on each utility customer's bill during a recovery period of a FAC. The FAR shall be designed to recover from or return to customers the recovery period FPA. The FAR may be positive or negative;

Comment [A1]: OPC suggest strike. Ameren not opposed

~~(IL)~~ Fuel and purchased power adjustment (FPA) means the dollar amount intended to be recovered from or returned to customers during a given recovery period of a FAC. The FPA may be positive or negative. It includes:

1. The difference between the net base energy cost and the fuel and purchased power costs minus fuel-related revenues actually incurred during the corresponding accumulation period taking into account any incentive ordered by the commission;

2. True-up amount(s) ordered by the commission prior to or on the same day as commission approval of the FAR adjustment;

3. Interest;

4. Prudence adjustment(s) ordered by the commission since the last FAR adjustment; and

5. Any other adjustment ordered by the commission.

~~(M)~~ Fuel and purchased power costs means prudently incurred and used fuel and purchased power costs, including transportation costs. Prudently incurred costs do not include any increased costs resulting from negligent or wrongful acts or omissions by the utility. ~~If not inconsistent with a commission approved incentive plan, fuel~~ Fuel and purchased power costs ~~also may~~ include prudently incurred actual costs of net cash payments or receipts associated with hedging instruments tied to specific volumes of fuel and associated transportation costs.

1. If off-system sales revenues are not reflected in the rate adjustment mechanism (RAM), fuel and purchased power costs shall only reflect the prudently incurred fuel and purchased power costs necessary to serve the electric utility's Missouri retail customers.

2. ~~If off-system sales revenues are reflected in the RAM, fuel~~ Fuel and purchased power costs ~~reflect both:~~

A. ~~The prudently incurred fuel and purchased power costs necessary to serve the electric utility's Missouri retail customers; and~~

B. ~~The prudently incurred fuel and purchased power costs associated with the electric utility's off-system sales;~~

~~(C)~~ Fuel adjustment clause (FAC) means a mechanism established in a general rate proceeding that allows periodic rate adjustments, outside a general rate proceeding, to reflect increases and decreases in an electric utility's prudently incurred fuel and purchased power costs. The FAC may or may not include off-system sales revenues and associated costs. The commission shall determine whether or not to reflect off-system sales revenues and associated costs in a FAC in the general rate proceeding that establishes, continues or modifies the FAC; environmental costs as defined in 4 CSR 240-20.091(1) or renewable energy standard compliance costs as defined in 4 CSR 240-20.100(1);

~~(D)(KN)~~ Fuel-related revenues means those revenues related to the generation or purchase of energy. Fuel-related revenues may include, but are not limited to, off-system sales, emission allowance sales, and renewable energy credits or certificates whenever such renewable energy credits or certificates are not included in a RESRAM in compliance with 4 CSR 240-20.100;

~~(OL)~~ General rate proceeding means a general rate increase proceeding or complaint proceeding before the commission in which all relevant factors that may affect the costs, or rates and charges of the electric utility are considered by the commission;

~~(E)~~ Initial RAM rules means the rules first adopted by the commission to implement Senate Bill 179 of the Laws of Missouri 2005;

~~(F)~~ (M) Interest means monthly interest at the utility's short term borrowing rate to accurately and appropriately remedy any over- or under-collections during a recovery period or any commission ordered refund of imprudently incurred costs;

~~(PN)~~ Interim energy charge (IEC) means a mechanism that includes a refundable fixed charge, amount billed through an interim energy rate (IER) established in a general rate proceeding; that permits an electric utility to recover some or all of its fuel and purchased power costs separate from the fuel and purchased power costs included in its base rates. Base energy cost in the permanent base rates is the floor of the IEC. The base energy cost plus the fuel and purchased power costs to be billed through the IER is the ceiling of the IEC. An IEC may or may not include off-system sales and revenues and associated costs. The commission shall determine whether or not to reflect off-system sales, fuel-related revenues and associated costs in an IEC in the general rate proceeding that establishes, continues or modifies the IEC; costs related to those revenues.;

~~(GOO)~~ Net base energy costs means the product of the utility's base factor (BF) times the utility's actual net system input in kWh at the regional transmission organization's price node for the electric utility's load or, if the electric utility is not a participant in a regional transmission organization at the generator for the accumulation period. Net system input is that amount of energy, measured at a specified point on the system, needed to serve the utility's retail load obligation, including any applicable transmission or distribution losses from that specified point to the end use customer meter, and shall include appropriate adjustments for any behind the meter generation need to go through rule to make sure net base energy cost and base energy cost are used correctly (OPC);

~~(RP)~~ PermanentBase rates mean the tariffed rates that do not change between general rate proceedings;

~~(SQ)~~ Rate adjustment mechanism (RAM) refers to either a commission-approved fuel adjustment clause or a commission-approved interim energy charge;

~~(H)(TR)~~ Rebase base energy costs means the resetting of the base energy cost in the FAC equal to the base energy cost in the base energy cost established as part of the total revenue requirement test year total revenue requirement in each general rate proceeding in which the FAC is continued or modified;

~~(US)~~ Recovery period means the period over which the FAR is applied to retail customer usage on a per kilowatt-hour (kWh) basis in an effort to recover the FPA. A recovery period is determined in the general rate case and shall not be longer than twelve (12) billing months;

~~(VT)~~ Staff means the staff of the Public Service Commission; and

~~(I)~~ True up year means the twelve (12) month period beginning on the first day of the first calendar month following the effective date of the commission order approving a RAM unless the effective date is on the first day of the calendar month. If the effective date of the

Comment [A2]: Consider an escape clause if tariff deviates from this red definition.

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Comment [A3]: OPC and Ameren will review language.

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Comment [A4]: ameren

Comment [A5]: See Ameren Version

~~commission order approving a rate mechanism is on the first day of a calendar month, then the true up year begins on the effective date of the commission order. The first annual true up period shall _____ end _____ on _____ the last day of the twelfth calendar month following the effective date of the commission order establishing the RAM. Subsequent true up years shall be the succeeding twelve (12) month periods. If a general rate proceeding is concluded prior to the conclusion of a true up year, the true up year may be less than twelve (12) months.~~

(WU) True-up amount means:

1. For a FAC, the true-up amount shall be the difference between the FPA and the utility's aggregate FAC charges ~~billed~~ for a recovery period. If the aggregate FAC charges ~~billed~~ for recovery period are more than the FPA, true-up amount will be negative. If the aggregate FAC charges billed during recovery period are less than the FPA, the true-up amount will be positive;

Comment [A6]: Ameren and OPC

Comment [A7]: Ameren and OPC

2. For an IEC, the true-up amount shall be determined as follows for each consecutive twelve-(12) month period:

A. If the actual fuel and purchased power cost is greater than the IEC ceiling, the true-up amount shall be zero;

B. If the actual fuel and purchased power cost is less than the IEC ceiling and greater than the IEC floor, the true-up amount shall be the difference between the actual fuel and purchased power cost and the combined IEC billed and the base energy cost. The customers will be credited/refunded this amount; or

C. If the actual fuel and purchased power cost is less than the IEC floor, the true-up amount shall be the aggregate IEC billed. The customers will be credited/refunded this amount.

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(2) ~~Applications to~~ Establish ment, Continuance or Modificationy a RAM. ~~Pursuant to the provisions of this rule, 4 CSR 240 2.060 and section 386.266, RSMo, only an An~~ electric utility in a general rate proceeding ~~may may only~~ file an application with the commission to establish, continue or modify a RAM ~~by filing tariff schedules in a general rate proceeding.~~ Any party in ~~athe~~ general rate proceeding ~~in which a RAM is effective or proposed~~ may seek to continue, modify or oppose the RAM. The commission shall approve, modify or reject such ~~applications to establish a RAM~~ application request only after providing the opportunity for a full hearing in ~~athe~~ general rate proceeding. The commission shall consider all relevant factors that may affect the costs or overall rates and charges of the petitioning electric utility.

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(A) The electric utility shall file the following supporting information, in electronic format where available (with formulas intact), as part of, or in addition to, its direct testimony:

1. An example of the notice to be provided to customers as required by 4 CSR 240-20.090(2)(D)~~E~~;

Comment [A8]: Bring language from Chap 3 to this spot. OPC

2. An example customer bill showing how the proposed RAM shall be separately identified on affected customers' bills in accordance with 4 CSR 240-20.090(129);

3. Proposed RAM tariff sheets ~~including rate schedules~~;

4. A detailed description of the design and intended operation of the proposed RAM;

5. A detailed explanation of how the proposed RAM is reasonably designed to provide the electric utility a sufficient opportunity to earn a fair return on equity;

6. A detailed explanation of how the proposed FAC shall be trued-up for over-and under-collections, or how and when the refundable portion of the proposed IEC shall be trued-up;

7. A detailed description of how the electric utility's monthly short-term interest rate will be defined and how it will be applied, during the accumulation period and the recovery period, to true-up amounts and prudence disallowances;

8. A detailed description of how the proposed RAM is compatible with the requirement for prudence reviews in 4 CSR 240-20.090(8);

9. A detailed explanation of ~~each-fuel and purchased power costs~~ that ~~is~~are to be recovered under the proposed RAM with identification of the specific account and sub-account where that cost will be recorded on the electric utility's books and records;

10. A detailed explanation of ~~each-the fuel related revenues~~ that ~~is~~are to be considered in determining the amount to be recovered under the proposed RAM with identification of the specific account and sub-account where that revenue will be recorded on the electric utility's books and records;

11. A detailed explanation of ~~each-any~~ incentive feature in the proposed RAM with the expected benefit and cost each feature is intended to produce for both the electric utility and its Missouri retail customers;

12. A detailed explanation of ~~each-any~~ rate volatility mitigation feature in the proposed RAM;

13. A detailed explanation of ~~each-any~~ feature of the proposed RAM and ~~each-any~~ existing electric utility policy, procedure, or practice that ensures only prudent fuel and purchased power costs and fuel-related revenue shall be recovered through the proposed RAM, including, but not limited to, competitive bidding practices;

14. If the proposed RAM includes incorporating fuel and purchased power costs and fuel-related revenue in the electric utility's ~~permanent-base~~ rates, a detailed explanation of the methodology used to allocate fuel and purchased power costs and fuel-related revenue to specific customer classes in the ~~base~~permanent rates or FAR and in any subsequent rate adjustments during the term of the proposed RAM;

15. A detailed explanation of the rate design of the RAM for each customer class, including at a minimum the electric utility's justification for the methodology chosen for determining the rate design and how that methodology is consistent with the methodology used to allocate fuel costs, purchased power costs and fuel-related revenue in ~~permanent-base~~ rates;

16. A detailed explanation of ~~any~~the change to the electric utility's business risk resulting from implementation of the proposed RAM, in addition to any other changes in business risk the electric utility may experience;

17. A detailed explanation of ~~each-any~~ risk to each of the electric utility's Missouri retail customers' classes resulting from implementation of the proposed RAM, including the electric utility's estimated quantification of that risk and how the electric utility will ~~reduce-manage~~ that risk;

18. The supply-side and demand-side resources, based on the resources it includes in its general rate proceeding, that the electric utility expects to use to meet its loads in the four (4) years following commission establishment of a RAM, the expected dispatch of those resources, the reasons why those resources are appropriate for dispatch and the heat rates and fuel types for each supply-side resource. In filing this information, it is recognized that supply- and demand-side resources and dispatch may change during the four (4) years following commission establishment of a RAM based upon changing circumstances, and that parties will have the opportunity to comment on this information after it is filed by the electric utility;

Comment [A9]: Ameren what does 4 year period mean? No use for this language – suggest strike.

19. A ~~base~~ level of efficiency for each of the electric utility's generating units determined by the results of heat rate tests and/or efficiency tests that were conducted on each of the electric utility's steam generators, including nuclear steam generators, heat recovery steam generators, steam turbines and combustion turbines within the twenty-four (24) months preceding the establishment of the electric utility's ~~proposed submittal of the~~ RAM. The electric utility may, in lieu of filing the foregoing results with the commission, provide them to the staff and to other parties granted intervention in the general rate proceeding as part of the workpapers it provides in connection with its direct case filing. If the electric utility submits the heat rate tests and/or efficiency tests in workpapers, it will provide a statement in its testimony as to where the results can be found in workpapers;

Comment [A10]: Remove base - OPC

20. The status and commission file number of the electric utility's Chapter 22 triennial compliance filings.

A. If the commission found the electric utility's most recent Chapter 22 filings ~~triennial compliance~~ intended resource plan to be less than fully compliant with Chapter 22, the electric utility shall provide:

Comment [A11]: Chap 22 should not have anything to do with FAC. Ameren

Rules should be neutral for all stakeholders.

Comment [A12]: OPC Chap 22 is a good planning process to manage fuel cost.

- i. A detailed explanation of why its proposed RAM should be established, continued, or modified, despite the electric utility's non-compliance with the commission's Chapter 22 Electric Utility Resource Planning requirements; and
- ii. A detailed description of each resource planning deficiency and concern that was not resolved and how that deficiency or concern will or will not impact fuel costs, purchased power costs or fuel-related revenue in the time period until the electric utility ~~must file~~ its next general rate proceeding ~~and over the twenty (20) year planning horizon required by Chapter 22~~; and

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B. If a commission decision on the electric utility's Chapter 22 filing is pending the electric utility shall provide:

- i. A detailed explanation of why its proposed RAM should be established, continued, or modified, if the parties in that case have alleged deficiencies or concerns with the electric utility's resource planning; and
- ii. A detailed description of how each alleged resource planning deficiency or concern, if any, will or will not impact fuel costs, purchased power costs and fuel-related revenue in the time period until the electric utility ~~must file~~ its next general rate proceeding ~~and over the twenty (20) year planning horizon required by Chapter 22~~;

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Comment [DN13]: Proposal to delete this section. To be further discussed at the next workshop.

21. If the electric utility proposes to include emissions allowances costs or sales revenue in the proposed FAC and not in an environmental cost recovery mechanism, a detailed explanation of its emissions management policy, and its forecasted environmental investments, emissions allowances purchases and emissions allowances sales;

22. For each power generating unit the electric utility owns (in whole or in part) or controls, the electric utility shall file graphs, accompanied by the data supporting the graphs, for each month over the immediately preceding five (5) years, showing the monthly equivalent availability factor, the monthly equivalent forced outage rate, and the length and timing of each planned outage of that unit; and

23. Authorization for the staff to release to all parties to the general rate proceeding in which the establishment of a RAM is requested, the previous five (5) years of historical surveillance monitoring reports the electric utility submitted ~~to the staff~~ in EFIS in compliance with 4 CSR 240-20.090 ~~(14)~~.

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Comment [A14]: Should be in Chap 3 and not in FAC rule - Ameren

(B) In lieu of providing copies of information, ~~a party~~ an electric utility filing for modification or continuance of a RAM in which the information required in 4 CSR 20.090(2)(A) has been previously filed with the commission as part of a general rate proceeding and has not changed, may certify that the information has not changed and provide to all parties the reference location in EFIS to find the information. An electric utility filing to continue or modify a RAM must also provide to all parties any additional information the commission ordered the electric utility to provide when seeking to continue or modify its RAM.

Comment [A15]: Add an electric utility filing-Dogwood

(AC) The commission may approve the establishment, continuation or modification of a RAM and associated ~~rate schedule~~tariff sheets provided that it finds that the RAM it approves is reasonably designed to provide the electric utility with a sufficient opportunity to earn a fair return on equity and so long as the ~~rate schedule~~tariff sheets that implement the RAM conform to the RAM approved by the commission.

~~During its determination of whether an electric utility should be allowed to establish, continue or modify a RAM, the commission shall may consider whether the fuel and purchased power costs and fuel related revenues that would flow through the RAM are:~~

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~~1. Substantial enough to have a material impact upon revenue requirements and the financial performance of the electric utility between rate cases;~~

~~2. Beyond the control of management, where utility management has little influence over experienced levels of fuel and purchased power costs and fuel related revenues; and~~

~~3. Volatile in amount, causing significant swings in income and cash flow if not tracked.~~

Comment [A16]: OPC doesn't agree with striking language.

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(DB) The commission may take into account any change in business risk ~~toof~~ the utility resulting from establishment, continuation or modification of the RAM in setting the electric utility's allowed return on equity in any general rate proceeding, in addition to any other changes in business risk experienced by the electric utility.

(EC) In determining which ~~cost components~~fuel and purchased power costs and fuel-related revenues to include in a RAM, the commission will consider, but is not limited to only considering, the magnitude of ~~the costs~~each cost or revenue, the ability of the utility to manage ~~the costs~~each cost or revenue, the volatility of ~~the each~~ cost ~~component or revenue~~ and the incentive provided to the utility as a result of the inclusion or exclusion of ~~the each~~ cost ~~component or revenue~~. The commission may, in its discretion, determine what portion of prudently incurred fuel and purchased power costs and fuel-related revenues may be recovered in a RAM and what portion shall be recovered in base rates.

Comment [A17]: Ameren may not be ok with the language.

(FD) The electric utility shall include in its initial notice to customers regarding the general rate case, a commission approved description ~~of how the costs passed through the proposed RAM requested shall be applied to monthly bills~~of how its proposed RAM shall be applied to monthly bills. This description shall include the electric utility's estimate of the amount of the proposed change in rates arising from changes in total requested rate change and the portion of the total requested rate change that is due to changes in fuel and purchased power costs and fuel related revenues of the proposed RAM. The initial notice to customers shall also include the amount of the proposed change to the base energy costs and the estimated impact on a typical customer's bills resulting from the proposed change to the base energy costs.

Comment [A18]: Consider moving up to the top. OPC

(GE) Any party to the general rate proceeding may oppose ~~the establishment, continuation or modification of any~~ RAM and/or may propose alternative RAMs for the commission's consideration ~~including but not limited to modifications to the electric utility's proposed RAM.~~

(HF) The RAM ~~and periodic adjustments thereto, including the fuel adjustment rates,~~ shall be based on historical fuel and purchased power costs and fuel-related revenues.

(IG) The electric utility shall ~~meet~~comply with the filing requirements in 4 CSR 240-3.161(2) in conjunction with an application to establish a RAM and 4 CSR 240-3.161(3) in conjunction with an application to continue or modify a RAM. In addition to other remedies provided by law, the commission may reject the utility's request for continuation or modification of a RAM if it finds that the utility has not complied with 4 CSR 240-20.020(2) in its filing to establish continue or modify a RAM.

~~(H)~~(H) For a FAC, the base energy costs will be the fuel and purchased power costs minus fuel-related revenues for the general rate proceeding as determined by the commission. The electric utility must rebase base energy costs whenever it makes an application to establish, continue or modify a RAM. The base energy costs shall also be used to set permanent base rates. However, non-FAC fuel-related costs and revenues may be included in the revenue requirement used in setting permanent base rates.

~~(K)~~(K) The electric utility must conduct heat rate tests and/or efficiency tests on each of the electric utility's nuclear and non-nuclear steam generators, heat recovery steam generators (HRSGs), steam turbines and combustion turbines within twenty-four (24) months preceding the filing of a ~~request~~application to establish, continue or modify a RAM.

1. The results of those tests shall be provided to the staff, Office of Public Counsel (OPC) and to intervenors in the general rate proceeding as part of the workpapers it provides in connection with the filing of its direct case filing and shall be presented in a table format by generating unit, unit type, rated megawatt (MW) output rating, the numerical value of the latest heat rate test and the date of the latest heat rate test; and

2. The electric utility shall provide a statement in its testimony where the heat rate test results, the actual heat rate test documentation, the heat rate testing schedule for all generating units and the heat rate test procedures can be found in its workpapers; ~~and;~~

~~3. The costs and revenues included in the ANEC shall not differ from the costs and revenues approved in the last general rate proceeding in which a RAM was approved for the utility.~~

~~(L)~~(L) True-ups. For an electric utility with a FAC, the utility shall include in its proposed tariff sheets ~~and application~~ provisions which shall accurately and appropriately remedy any true-up amount as part of the electric utility's determination of its FPA for a change to its FARs. The proposed tariff sheets shall include at a minimum:

1. When the electric utility will file for a true-up; ~~and~~

2. How the true-up amount will be determined including but not limited to any recalculation of the FPA; ~~and~~

3. How and when the true-up amount will be recovered.

For an electric utility with an IEC mechanism, a true-up must be filed within sixteen (16) months of the operation of law date of the IEC and be filed annually thereafter.

~~(M)~~(M) Any party to the general rate proceeding may propose a cap on the ~~change in the FAC,~~ reasonably designed periodic changes to the fuel adjustment rate (FAR), to mitigate volatility in rates, provided it proposes a method for the utility to recover all of the costs it would be entitled to recover in the FAC, together with interest thereon.

~~(L)~~(L) If the electric utility has a commission approved environmental cost recovery mechanism (ECRM) and revenue to be collected through the ECRM tariff sheets exceed two and one half percent (2.5%) of the electric utility's Missouri annual gross jurisdictional revenues, the electric utility cannot subsequently request that any cost the commission identified as an environmental cost be recovered through a RAM.

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Comment [A19]: Rule not necessary - Ameren

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Comment [A20]: Strike - opc

Comment [A21]: Definition needs restated.

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(3) ~~Application for Discontinuation of~~ Discontinuance of a RAM. The ~~commission shall allow or require the rate schedule~~ tariff sheets that define and implement a RAM ~~to~~ shall only be discontinued and withdrawn ~~only after providing~~ the opportunity for a full hearing in a general rate proceeding. The commission shall consider all relevant factors that affect ratepayers, the cost or overall rates, and charges of the petitioning electric utility.

(A) When an electric utility files a general rate proceeding in which it requests that its RAM be discontinued, the electric utility shall file with the commission, and serve on the parties, the following supporting information, in electronic format where available (with formulas intact), as part of, or in addition to, its direct testimony:

1. An example of the notice to be provided to customers as required by 4 CSR 240-20.090(3) ~~(CD)~~;

2. A detailed explanation of how the electric utility proposes to discontinue its RAM.

A. If requesting to discontinue its FAC, the electric utility shall include the following in its explanation:

- i. The ending date of the last FAC accumulation period;
- ii. The beginning and ending dates of the recovery period for that accumulation period; and
- ii. The procedure for the true-up associated with the recovery period for that accumulation period.

B. If requesting to discontinue its IEC, the electric utility shall include a detailed explanation of how any over-collections will be returned to the electric utility's retail customers;

3. A detailed explanation of why the RAM is no longer necessary to provide the electric utility a sufficient opportunity to earn a fair return on equity;

4. A detailed explanation of the any impact on setting the electric utility's allowed return on equity in any rate proceeding as a result of the change to the electric utility's business risk resulting from discontinuation of its RAM, in addition to any other changes in business risk experienced by the electric utility; and Ameren - review language on change in business risk.

5. Any additional information that, in the previous general rate proceeding, the commission ordered the electric utility to provide when seeking to discontinue its RAM.

(BA) Any party to the general rate proceeding may oppose the discontinuation of a RAM on the grounds that the utility is opportunistically discontinuing the RAM due to declining fuel or purchased power costs and/or increasing ~~off-system-sales~~ fuel-related revenues. If the commission finds that the utility is opportunistically seeking to discontinue the RAM for any of these reasons, the commission shall not allow the RAM to be discontinued, and shall order its continuation or modification. In addition to other remedies provided by law, the commission may reject the utility's request for discontinuance of a RAM if it finds that the utility has not complied with this rule in its application to establish, discontinue, continue, or modify a RAM. To continue or modify the RAM under such circumstances, the commission must find that it provides the electric utility with a sufficient opportunity to earn a fair rate of return on equity and the ~~rate schedule~~ tariff sheets filed to implement the RAM must conform to the RAM approved by the commission. Any RAM and periodic adjustments ~~thereto~~ to the FAR shall be based on historical fuel and purchased power costs and fuel-related revenues.

(CB) The commission may take into account any change in business risk ~~to~~ of the ~~corporation~~ electric utility resulting from discontinuance of the RAM in setting the electric

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utility's allowed return on equity in any general rate proceeding, in addition to any other changes in the electric utility's business risk ~~experienced by the electric utility.~~

(D) The electric utility shall include in its initial notice to customers, regarding the general rate case, a commission approved description of why it believes the RAM should be discontinued.

~~(D) Subsections (2)(A), (C), (F) through (C), (F) and (GH) shall apply to any proposal for continuation or modification.~~

~~(E) The electric utility shall meet the filing requirements in 4 CSR 240 3.161(4).~~

(4) Periodic Adjustments of FACs: Requirements for Electric Utilities That Have a RAM. If the commission grants, modifies or continues an electric utility's RAM, the electric utility files shall:

(A) Upon 30 days prior written notice to the electric utility, provide for ~~Maintain for review by staff at its corporate headquarters, or some other place mutually agreed upon by the electric utility and staff, a copy of each and every nuclear fuel, coal, natural gas and fuel transportation contract (to the extent related to generation of electricity), including every amendment and modification to each contract, that was in effect during a RAM for the electric utility; and~~

(B) Notify the Staff through EFIS ~~manager of the commission's energy resource analysis section of every new nuclear fuel, coal, natural gas and fuel transportation contract and every new amendment and every new modification to currently existing contracts within 630 days of the effective date of the contract, amendment or modification. The notification shall include where the contracts, amendments, and modifications, and related competitive bidding materials may be reviewed.~~

(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), and, 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:~~

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

(B) The billing month revenues billed through the electric utility's permanent base rates, by rate class and voltage level;

(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;

(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;

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(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;

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

(H) Calendar month megawatt-hours generated, fuel consumption, fuel expense and heat rate, by generating unit;

(I) Calendar month megawatt-hours purchased, stating firm and non-firm purchases separately;

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

(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~~ ~~and any other designation ordered by the commission~~;

2. Actual fuel costs included in the fuel and purchased power costs, by account and sub-account number;

3. Actual fuel handling labor costs;

(L) The following information for the calendar month, by generation unit, 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 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;

(M) A detailed description of each account ~~and~~ sub-account ~~and any other designation ordered by the commission~~ where each fuel and purchased power cost or fuel-related revenue is recorded;

(N) Total fuel cost;

(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 ~~and related competitive bidding materials~~;

(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;

(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;

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

(S) ~~Each revision to the electric utility's internal policy for participating in:~~

~~1. A Regional Transmission Organization (RTO) ancillary services market, if the RTO in which the electric utility participates has such a market;~~

~~2. RTO energy markets by RTO;~~

~~3. RTO capacity markets by RTO;~~

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~~4. Financial swaps or other financial-only transactions, if the commission allowed such financial transaction to be included in the electric utility's RAM. 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.~~

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

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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

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

(6) Surveillance Monitoring Reports. So long as it has a RAM in effect, each electric utility shall submit, either to the manager – Resource Analysis Section or in electronic format where available (with formulas intact) through EFIS and to OPC and other parties, a Surveillance Monitoring Report, within fifteen (15) days after each of the electric utility's United States Securities and Exchange Commission (SEC) 10-Q and 10-K filings are due. The Surveillance Monitoring 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 subsection~~. These Surveillance Monitoring Reports are highly confidential, as required by 4 CSR 240-20.090(10).

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(A) There are six (6) parts to the electric utility Surveillance Monitoring Report. Each part, except Part I—Rate Base Quantifications, shall contain information for the last twelve (12)-month period and the last quarter based on total company electric operations data and on Missouri jurisdictional operations data. Part I—Rate Base Quantifications, shall contain only information as of the ending date of the period being reported. The ~~form content~~ of the Surveillance Monitoring Report follows.

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1. Part I—Rate Base Quantifications. The quantification of rate base items in Part I shall be consistent with the methods and procedures used in the electric utility's most recent rate proceeding before the commission, unless otherwise specified. Part I shall consist of specific quantifications of the following rate base items:

- A. Plant in service;
- B. Reserve for depreciation;
- C. Materials and supplies;
- D. Cash working capital;
- E. Fuel inventory;
- F. Prepayments;
- G. Other regulatory assets;
- H. Customer advances;
- I. Customer deposits;
- J. Accumulated deferred income taxes; and
- K. All other items included in the electric utility's rate base from its most recent general rate proceeding before the commission;
- L. Net Operating Income from Part III; and

M. Calculation of the overall return on rate base.

2. Part II—Capitalization Quantifications. Part II shall consist of specific quantifications of the following capitalization-related items:

- A. Common stock equity (net);
- B. Preferred stock (par or stated value outstanding);
- C. Long-term debt (including current maturities);
- D. Short-term debt; and
- E. Weighted cost of capital including component costs.

3. Part III—Income Statement. Part III shall consist of an income statement containing specific quantification of:

- A. Operating revenues, including revenues from sales to industrial, commercial and residential customers, sales for resale and all other components of total operating revenues;
- B. Operating and maintenance expenses in fuel expense, production expense, purchased power energy, and purchased power capacity;
- C. Transmission expense;
- D. Distribution expense;
- E. Customer accounts expense;
- F. Customer service and information expense;
- G. Sales expense;
- H. Administrative and general expense;
- I. Depreciation, amortization and decommissioning expense;
- J. Taxes other than income taxes;
- K. Income taxes; and
- L. Quantification of heating degree and cooling degree days, both actual and normal.

4. Part IV—Jurisdictional Allocation Factors. Part IV shall consist of a list of the jurisdictional allocation factors used for determining the electric utility's rate base, capitalization quantification and income statement.

5. Part V—Financial Data Notes. Part V shall consist of notes to the reported financial data including, but not limited to:

- A. Out-of-period adjustments;
- B. Specific quantification of material variances between actual and budget financial performance;
- C. Specific identification and quantification of material variances between current twelve (12)-month period and prior twelve (12)-month period revenue;
- D. The expense levels of each item the commission has ordered be tracked in the RAM;
- E. Budgeted capital projects; and
- F. Events that materially affect debt or equity surveillance components.

6. Part VI – Missouri Energy Efficiency and Investment Act (MEEIA). An electric utility with approved MEEIA demand-side management programs and ~~for~~ an approved demand-side programs investment mechanism shall include all quarterly filing requirements of 4 CSR 240-20.093(9).

(B) Each Surveillance Monitoring Report shall include any additional information the commission has ordered be provided.

(7) Budget Report. Annually the electric utility shall submit ~~in EFIS to the manager of the energy resource analysis section of the commission, and provide to~~ OPC and other parties, its

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approved budget for the upcoming budget year, in electronic format (with formulas intact) -and in a layout similar to its Surveillance Monitoring Report. The budget submission shall provide a quarterly and annual quantification of the electric utility's income statement. The budget report shall be submitted within thirty (30) days of when the electric utility's budget is approved by the electric utility's management or within sixty (60) days of the beginning of the electric utility's fiscal year, whichever is earliest. The budget submission shall be designated "highly confidential" and treated accordingly.

(85) Applications for Periodic Changes to Fuel Adjustment Rates. An electric utility that has a FAC shall file proposed rate schedule tariff sheet(s) to adjust its FAC rates between FARs following each accumulation period. The FARs shall be designed to bill the electric utility's customers, in the aggregate, the FPA if the FPA is positive, or return the FPA to the utility's customers if the FPA is negative. When an electric utility files with the commission tariff schedule(s) to change its fuel adjustment rates and serves it upon parties, the filed tariff schedule(s) shall be accompanied by:

(A) Prefiled testimony that shall include:

1. The proposed FARs;

2. A discussion that details the factors which contributed to the FPA amount;

2-The change in the fuel adjustment rates FARs;

3. The impact of the proposed FAR fuel adjustment rate on the monthly bill of the electric utility's typical residential customer, together with the definition of typical residential customer used to determine that impact;

4. An explanation that details the factors which contributed to the FPA amount;

5. An explanation of each RAM cost that changed as compared to the prior accumulation period and the reason for the change;

6. An explanation of each RAM revenue that changed as compared to the prior accumulation period and the reason for the change;

4. If hedging costs are allowed in the RAM, eEither a statement that there have been no new, removal of, modification of, or clarification of a hedging policy of the electric utility, or, if there has been new, removal of, modification of or clarification of a hedging policy of the electric utility, a complete explanation of the change, including monetary impact for the review period and expected impact in future periods will be provided.

5. Either a statement that there has been no change in the electric utility's internal policy for participating in a ~~Regional Transmission Organization (RTO)~~ market, or if there has been a change in the electric utility's internal policy for participating in a ~~Regional Transmission Organization (RTO)~~ market, a complete explanation of the change, including monetary impact for the review period and expected impact in future periods will be provided.

6. A list of possible RTO charge types and RTO revenue types that are expected within the next twelve months; and

7. A separate list of every change in RTO charge types and revenue types with the effective date of each.

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

1. For the period of historical costs which are being used to propose the fuel adjustment rates:

A. The billing month and calendar month actual energy sales in kilowatt-hours, by rate class and voltage level;

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

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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;

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

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

(IV) The actual fuel transportation costs of the types of fuel costs designated in the FAC;

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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;

E. Revenues, expenses, and megawatt-hours of off-system sales;

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

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;

H. Net base energy costs collected in permanent 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;

I. Extraordinary costs 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.

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24. 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

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

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(C) Workpapers, in electronic format where available (with formulas intact), supporting all items in subsections (A) and (B) shall be submitted to the manager of the resource analysis section of the commission, the Office of the Public Counsel (OPC) and other parties. These workpapers may be submitted to the manager of the resource analysis section of the commission through EFIS.

(DA) Determinations of imprudence amounts, true-up amounts and any corrections shall be made in separate cases in EFIS, not in a FAR adjustment case.

(EB) The electric utility shall initiate a new case with an ER designation for each periodic adjustment of its FARs.

(FC) An electric utility with a FAC shall file an adjustment to its FARs within two (2) months of the end of each consecutive twelve (12) month period after the effective date of the FAC. It may also file up to three (3) additional adjustments to its FARs within each twelve (12) month

~~time period, with the timing and number of such additional filings to be determined in the general rate proceedings, proceeding establishing, continuing or modifying the staff FAC.~~

~~(GD) The electric utility must be current on its submission of its Surveillance Monitoring Reports required by section (144) and its monthly reporting requirements of 4 CSR 240-20.0903.161(5).~~

~~(HE) Staff shall review the information filed by the electric utility in accordance with this rule 4 CSR 240 3.161 and additional information obtained through discovery, if any, to determine if the proposed adjustment to the FARs 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. The staff shall submit a recommendation regarding its examination and analysis to the commission not later than thirty (30) days after the electric utility files its tariff schedules to adjust its FAC rates. If the FAC rate adjustment 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, 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, 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. If the FAC rate adjustment is not in accordance with the provisions of this rule, section 386.266, RSMo, or the FAC mechanism established in the most recent rate proceeding, the commission shall reject the proposed rate schedules within sixty (60) days of the electric utility's filing and may instead order implementation of an appropriate interim rate schedule(s). utility's most recent general rate proceeding. Within thirty (30) days after the electric utility files its application testimony and tariff sheets to adjust its FARs, the staff shall submit a recommendation regarding its examination and analysis to the commission.~~

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~~(A) 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. It may also file up to three (3) additional adjustments to its FAC within a true up year with the timing and number of such additional filings to be determined in the general rate proceeding establishing the FAC and in general rate proceedings thereafter.~~

~~(B) The electric utility must be current on its submission of its Surveillance Monitoring Reports as required in section (10) and its monthly reporting requirements as required by 4 CSR 240 3.161(5) in order for the commission to process the electric utility's requested FAC adjustment increasing rates.~~

~~(C)(F) OPC and intervenor/other parties may file a response to the electric utility's proposed FAR adjustment within forty (40) days after the electric utility files its application testimony and tariff sheet(s) to adjust its FARs.~~

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~~(JG) Within sixty (60) days after the electric utility files its application testimony and tariff sheet(s) to adjust its FARs, the commission shall determine if the adjustment to the FARs accord with the provisions of this rule, section 386.266, RSMo, and the FAC mechanism established in the electric utility's most recent general rate proceeding. The commission shall either:~~

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~~1. Issue an interim rate adjustment order approving the tariff sheets and the adjustments to the FARs;~~

~~2. Allow the tariff sheets and the adjustments to the FARs to take effect without commission order; or~~

~~3. Reject the proposed rate schedules, suspend the timeline of the FAR adjustment filing, set a prehearing date and order the parties to propose a procedural schedule. The commission~~

may order the electric utility to file tariff sheet(s) to implement interim adjusted FARs to reflect any part of the proposed adjustment that is not in question.

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(KH) If the staff, ~~Office of the Public Counsel (OPC)~~OPC or other party which receives, pursuant to ~~a protective order~~4 CSR 240-2.135, the information that the electric utility is required to submit ~~in 4 CSR 240-3.161~~ and as ordered by the commission in a previous proceeding, believes that the information required to be submitted pursuant to ~~4 CSR 240-3.161~~this rule and the commission order establishing the RAMFAC has not been submitted in compliance with that rule or order, it shall notify the electric utility within ten (10) business days of the electric utility's filing of an applicationtariff sheets or tariff schedules to adjust the FAC ratesFARs and identify the information required and not submitted in compliance with that rule or order. The electric utility shall supply the information identified by the party, or shall notify the party that it believes the information provided was in compliance with the requirements of this rule~~4 CSR 240-3.161~~ and the commission order establishing the FAC, within ten (10) business days of the request. If the electric utility does not timely supply the information, the party asserting the failure to provide the required information must timely file a motion to compel with the commission.

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1. While the commission is considering the motion to compel, the processing timeline for the adjustment to increase FAC ratesthe FARs shall be suspended. If the commission then issues an order requiring the information be provided, the time necessary for the information to be provided shall further extend the processing timeline for the adjustment to increase FAC ratesthe FARs. For good cause shown the commission may further suspend this timeline. Any delay in providing sufficient information in compliance with 4 CSR 240-3.161 in a request to decrease FAC rates shall not alter the processing timeline.

(5) True Ups of RAMs. ~~An electric utility that files for a RAM shall include~~2. Except as provided herein, Aan delay in its tariff schedules and application, if filedproviding sufficient information in addition to tariff schedules, provision for true ups on at least an annual basis which shallcompliance with ~~4 CSR 240-3.161~~this rule and the commission order establishing the FAC in a request to decrease the FARs shall not alter the processing timeline.

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(96) Applications for the True-Ups of RAMs. The purpose of a true-up case is to accurately and appropriately remedy any over-collection or under-collection through subsequent rate adjustments or refunds during a recovery period, including the interest accrued at the utility's short-term interest rate.

(A) When an electric utility files with the commission an application containingto true-up its RAM true-up the application filing shall be accompanied by :

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1. Pre-filed testimony that includes a discussion detailing the material factors which contributed to the true-up amount.

2. The following information in electronic format where available (with formulas intact)

A. Any revision to the calculation of the net base energy cost for the accumulation period.

B. The calculation of the monthly amount that was over-collected or under-collected through its RAM;

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

i. An explanation of how that rate was determined;

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

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

iv. 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~~

~~DC.~~ Any additional information that the commission has ordered the electric utility to include in its ~~application containing a~~ RAM true-up ~~filing.~~

4. Workpapers, in electronic format where available (with formulas intact), supporting all items in subsections (A) and (B) shall be submitted ~~in EFIS to the manager of the resource analysis section of the commission, and provided to~~ the Office of the Public Counsel (OPC) and other parties. ~~These workpapers may be submitted to the manager of the resource analysis section of the commission through EFIS.~~

~~(BA) The subsequent true-up rate~~ Determinations of imprudence, adjustments ~~or refunds shall include interest at the to FARs and any corrections shall be made in a true-up case separate cases, not in a true-up case.~~

~~(CB) The electric utility's short-term borrowing rate~~ utility shall initiate a new case with an EO designation for each true-up ~~application of its RAM.~~

~~(B) The true-up adjustment shall be the difference between the historical fuel and purchased power costs intended for collection during the true-up period and billed revenues associated with the RAM during the true-up period.~~

~~(C)~~

~~(D)~~ The electric utility must be current on its submission of its Surveillance Monitoring Reports as required in section ~~(1014)~~ and its monthly reporting requirements as required by 4 CSR 240-~~3.16~~20.090(5) at the time that it files its ~~application for a~~ true-up of its RAM in order for the commission to process the electric utility's requested ~~annual~~ true-up of any under-collection.

~~(DE)~~ The staff shall examine and analyze the information filed by the electric utility pursuant to ~~4 CSR 240-3.16~~ this rule and additional information obtained through discovery ~~and as ordered by the commission~~, to determine whether the true-up amount is in accordance with the provisions of this rule, section 386.266, RSMo and the RAM established in the electric utility's most recent general rate proceeding. The staff shall submit a recommendation regarding its examination and analysis to the commission not later than thirty (30) days after the electric utility files ~~its tariff schedules for a true-up. The commission shall either issue an order deciding the true-up within sixty (60) days of the electric utility's filing, suspend the timeline of the true-up in order to receive additional evidence and hold a hearing if needed or, if no such order is issued, the tariff schedules and the FAC rate adjustments shall take effect by operation of law sixty (60) days after the utility's filing for a true-up amount.~~

~~1.(F) OPC and intervenors may file a response to the proposed true-up amount within forty (40) days of the electric utility true-up filing.~~

~~(G) Within sixty (60) days of the electric utility's true-up filing the commission shall issue an order:~~

~~1. Allow the tariff sheet(s) reflecting the true-up amount to take effect without commission order; or~~

~~2. If it determines that the true-up amount reflected in the tariff sheet(s) is incorrect, reject the proposed tariff sheet(s) containing the true-up amount, suspend the timeline of the true-up filing, and set a prehearing date and order the parties to propose a procedural schedule. The commission shall allow the electric utility to file tariff sheet(s) to implement interim FARs.~~

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reflecting any part of the true-up amount that is not in question, and questions about the correctness of the true-up amount will not delay adjustments to FAR rates unrelated to the true-up.

1. ~~Deciding the true-up amount; or~~

2. ~~Suspending the timeline of the true-up filing. If the commission's order suspends the timeline,~~

A. ~~It may order an interim true-up amount; and~~

B. ~~It shall include in its order a date for a prehearing for the parties to propose a procedural schedule.~~

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(H) If the staff, OPC or other party which receives, pursuant to ~~a protective order~~^{4 CSR 240-2.135}, the information that the electric utility is required to submit ~~in 4 CSR 240 3.161~~ and as ordered by the commission in a previous proceeding, believes the information that is required to be submitted pursuant to ~~4 CSR 240 3.161~~^{this rule} and the commission order establishing the RAM has not been submitted or is insufficient to make a recommendation regarding the electric utility's true-up filing, it shall notify the electric utility within ten (10) days of the electric utility's filing and identify the information required. The electric utility shall supply the information identified by the party, or shall notify the party that it believes the information provided was responsive to the requirements, within ten (10) days of the request. If the electric utility does not timely supply the information, the party asserting the failure to provide the required information must timely file a motion to compel with the commission.

1. While the commission is considering the motion to compel, the processing timeline for the ~~adjustment to determination of the FAC rate~~^{true-up amount} shall be suspended. If the commission then issues an order requiring the information to be provided, the time necessary for the information to be provided shall further extend the processing timeline. For good cause shown the commission may further suspend this timeline.

2. If the party requesting the information can demonstrate to the commission that the ~~adjustment true-up amount~~ shall result in a reduction in the ~~FAC rates~~^{FAR}, the processing timeline shall continue with the best information available. When the electric utility provides the necessary information, the ~~RAM~~^{FAR} shall be adjusted again, if necessary, to reflect the additional information provided by the electric utility.

(~~6~~¹⁰) Duration of RAMs and Requirement for General Rate Case. Once a RAM is approved by the commission, it shall remain in effect for a term of not more than four (4) years unless the commission earlier authorizes the modification, extension, or discontinuance of the RAM in a general rate proceeding, although an electric utility may submit proposed rate schedules to implement periodic adjustments to its ~~FAC rates~~^{FARs} between general rate proceedings.

(A) If the commission approves a RAM for an electric utility, the electric utility must file a general rate case with the effective date of new rates to be no later than four (4) years after the effective date of the commission order implementing the RAM, assuming the maximum statutory suspension of the rates so filed.

1. The four (4)-year period shall not include any periods in which the electric utility is prohibited from collecting any charges under the ~~adjustment mechanism~~^{RAM}, or any period for which charges collected under the ~~adjustment mechanism~~^{RAM} must be fully refunded. In the event a court determines that the ~~adjustment mechanism~~^{RAM} is unlawful and all moneys collected are fully refunded as a result of such a decision, the electric utility shall be relieved of

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any obligation to file a general rate case. The term fully refunded as used in this section does not include amounts refunded as a result of reductions in fuel or purchased power costs minus fuel-related revenues or prudence adjustments.

(7811) Prudence Reviews Respecting RAMs. A prudence review of the fuel and purchased power costs and fuel-related revenues subject to the RAM shall be conducted by staff no less frequently than at eighteen (18)-month intervals.

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(A) All amounts ordered refunded by the commission shall include interest at the electric utility's short-term borrowing rate.

(B) The staff shall file notice within ten (10) days of starting its prudence review ~~and~~ shall submit a recommendation regarding its examination and analysis to the commission not later than one hundred eighty (180) days after ~~the staff initiates~~ initiating its prudence ~~audit~~. ~~The timing and frequency of review. Parties to the prudence audits for each RAM shall be established in the general rate review proceeding in which the RAM is established. The staff shall file notice within~~ shall have ten (10) days ~~of starting~~ after the staff files its ~~prudence audit recommendation to request a hearing~~. The commission shall issue an order not later than ~~two hundred ten (210)~~ thirty (30) days after the staff ~~commences~~ files its ~~prudence audit recommendation~~ if no party ~~to the proceeding in which the prudence audit is occurring files, within one hundred ninety (190) days of the staff's commencement of its prudence audit, a request for~~ requests a hearing.

1. If the staff, OPC or other party intervenor auditing the RAM believes that insufficient information has been supplied to make a recommendation regarding the prudence of the electric utility's RAM, it may utilize discovery to obtain the information it seeks. If the electric utility does not timely supply the information, the party asserting the failure to provide the required information must timely file a motion to compel with the commission. While the commission is considering the motion to compel the processing timeline shall be suspended. If the commission then issues an order requiring the information to be provided, the time necessary for the information to be provided shall further extend the processing timeline. For good cause shown the commission may further suspend this timeline.

2. If the timeline is extended due to an electric utility's failure to timely provide sufficient responses to discovery and a refund is due to the customers, the electric utility shall refund all imprudently incurred costs plus interest at the electric utility's short-term borrowing rate.

~~(8C) Alleged imprudence with respect to any aspect of a RAM may be filed at any time as a formal complaint consistent with the commission's rule regarding complaints 4 CSR 240.2-070 Complaints. Violation of the RAM tariff sheets may be considered imprudence.~~

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(912) Disclosure on Customers' Bills. Any amounts charged under a ~~RAM approved by the~~ commission-approved RAM shall be separately disclosed on each customer's bill. Proposed language regarding this disclosure shall be submitted to the commission for the commission's approval in the general rate proceeding establishing, modifying or continuing the RAM.

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(9139) Rate Design of the RAM. The design of the RAM rates shall reflect differences in losses incurred in the delivery of electricity at different voltage levels for the electric utility's different rate classes. Therefore, as determined through the periodic conduct of Missouri jurisdictional system loss studies. When the electric utility shall conduct a initially seeks authority to use a RAM, the end of the twelve (12)-month period of actual data collected that is used in its Missouri jurisdictional system loss study must be within the twenty-four (24) months prior to the general rate proceeding in which it requests its initial RAM. The electric immediately preceding the date the utility shall conduct a Missouri jurisdictional loss study no less often than every four (4) years thereafter, on a schedule that permits the study to be used in the general rate proceeding necessary files its application for the general rate case requesting a RAM. When the electric utility seeks to continue to utilize a RAM or modify its RAM, the end of the twelve (12)-month period of actual data collected that is used in its Missouri jurisdictional system loss study must be no earlier than four (4) years before the beginning end of the twelve (12)-month period the utility uses for developing the general rates it proposes the Commission approve in that general rate proceeding.

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(4014) Submission of Surveillance Monitoring Reports. Each electric utility with an approved RAM shall submit to staff, OPC and parties approved by the commission as defined in 4 CSR 240-20.090(20)3.161(11)(A) a Surveillance Monitoring Report in the form and having the content provided for by 4 CSR 240-3.161(6)-.

(A) The Surveillance Monitoring Report shall be submitted within fifteen (15) days of the electric utility's next scheduled United States Securities and Exchange Commission (SEC) 10-Q or 10-K filing with the initial submission within fifteen (15) days of the electric utility's next scheduled SEC 10-Q or 10-K filing following the effective date of the commission order establishing the RAM.

(B) If the electric utility also has any other approved environmental-cost recovery mechanism(s) which requires submission of surveillance monitoring reports, the electric utility must shall submit a single Surveillance Monitoring Report for both that incorporates the environmental requirements of the surveillance monitoring report requirements for all cost recovery mechanism and the RAM mechanisms.

(C) Upon a finding that a utility has knowingly or recklessly provided materially false or inaccurate information to the commission regarding the surveillance data prescribed in 4 CSR 240-3.161(6)-, after notice and an opportunity for a hearing, the commission may suspend a fuel adjustment mechanism or order other appropriate remedies as provided by law.

(4152) Incentive Mechanism or Performance-Based Program. During a general rate proceeding in which an electric utility has proposed establishment or modification of a RAM, or in which a RAM may be allowed to continue in effect, any party may propose for the commission's consideration incentive mechanisms or performance-based programs to improve the efficiency and cost effectiveness of the electric utility's fuel and purchased power procurement and/or off-system sales activities.

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(A) The incentive mechanisms or performance-based programs may or may not include some or all components of fuel and purchased power base energy costs, designed to provide the electric utility with incentives to improve the efficiency and cost-effectiveness of its fuel and purchased power procurement and/or off-system sales activities.

(B) Any incentive mechanism or performance-based program shall be structured to align the interests of the electric utility's customers and shareholders. The anticipated benefits to the electric utility's customers from the incentive or performance-based program shall equal or

exceed the anticipated costs of the mechanism or program to the electric utility's customers. ~~For this purpose, Customer rates shall include the cost of an incentive mechanism or performance-based program shall include any increase in expense or reduction in revenue credit that increases rates to customers~~ in any time period above what they would be without the incentive mechanism or performance-based program.

(C) If the commission approves an incentive mechanism or performance-based program, such incentive mechanism or performance-based program shall be binding on the commission for the entire term of the incentive mechanism or performance-based program. If the commission approves an incentive mechanism or performance-based program, such incentive mechanism or performance-based program shall be binding on the electric utility for the entire term of the incentive mechanism or performance-based program unless otherwise ordered or conditioned by the commission.

~~(121.63)~~ Pre-Existing Adjustment Mechanisms, Tariffs and Regulatory Plans. The provisions of this rule shall not affect:

(A) Any adjustment mechanism, ~~rate schedule~~, tariff, incentive plan, or other ratemaking mechanism that was approved by the commission and in effect prior to ~~the effective date of this rule~~ January 2015; and

(B) Any experimental regulatory plan that was approved by the commission and in effect prior to ~~the effective date of this rule~~ January 2015.

~~(131.74)~~ Nothing in this rule shall preclude a complaint case from being filed, as provided by law. ~~on the grounds that an electric utility is earning more than a fair return on equity, nor shall an electric utility be permitted to use the existence of its RAM as a defense to a complaint case based upon an allegation that it is earning more than a fair return on equity.~~ If a complaint is filed on the grounds that ~~an electric utility is~~ acting in violation of its approved RAM tariff sheets or on the grounds that its rates have become unjust and unreasonable ~~earning more than a fair return on equity~~, the commission shall issue a procedural schedule that includes a clear delineation of the case timeline no later than sixty (60) days from the date the complaint is filed.

~~(11.73) Information Provided to Other Parties.—Information in this rule the electric utility is required to file with the commission or submit to the manager of the resource analysis section of the commission and to OPC shall also be served, in the same format, on or respectively submitted to, each party to any of the proceedings listed below. If the electric utility designates any such information as highly confidential or proprietary the designated information shall be protected as provided by Rule 4 CSR 240.2-135, unless the commission has issued an order specifically providing for a different level of protection for that information in the pending or a prior proceeding.~~

~~(A) The most recent general rate proceeding in which the electric utility sought commission approval, modification or discontinuance of its RAM;~~

~~(B) The electric utility's last RAM rate adjustment proceeding;~~

~~(C) The electric utility's last RAM true-up proceeding; or~~

~~(D) The electric utility's last RAM prudence review proceeding. Answer questions frequently of monthly reporting, could it be quarterly;~~

~~(189)~~ Party status and party rights in RAM proceedings subsequent to the last general rate case where the commission establishes, continues or modifies the electric utility's RAM.

(A) Each party to the most recent general rate proceeding in which the commission established, continued or modified the electric utility's RAM shall be a party to each subsequent related RAM rate adjustment proceeding, RAM true-up proceeding and RAM prudence review

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proceeding, without applying to the commission for intervention, and shall be entitled to receive the monthly quarterly surveillance reports required by this rule during the period of time when they are entitled to be a party to such proceedings without applying for intervention. In any subsequent general rate proceeding, such person or entity must seek and be granted status as an intervenor to be a party to that case and to consequently be a party, without seeking and being granted status as an intervenor to RAM-related proceedings initiated after that case.

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~~(D) Affidavits, testimony, information, reports, and workpapers to be filed or submitted in connection with a subsequent related RAM rate adjustment proceeding, RAM true-up proceeding, RAM prudence review proceeding, or general rate proceeding where the electric utility is seeking to modify, continue or discontinue its RAM shall be concurrently served on, or submitted to, each party to one or more of the proceedings listed below. If the electric utility, or any other party, designates any such information as highly confidential or proprietary, the designated information shall be protected as provided by Rule 4 CSR 240-2.125, unless the commission has issued an order specifically providing for a different level of protection for that information in the pending or a prior proceeding.~~

~~1. The prior related general rate proceeding;~~

~~2. A RAM rate adjustment proceeding related to the prior general rate proceeding;~~

~~3. A RAM true-up proceeding related to the prior general rate proceeding; or~~

~~4. A RAM prudence review proceeding related to the prior general rate proceeding; and~~

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(C) Anyone may seek to intervene, pursuant to 4 CSR 240-2.075, in any RAM rate adjustment proceeding, RAM true-up proceeding, RAM prudence review proceeding, or general rate proceeding to modify, continue or discontinue a RAM. If no party objects to the intervention request within ten (10) days of when it is filed, then the applicant for intervention shall be deemed to have been granted intervention without a specific commission order, unless within the above-referenced ten (10)-day period the commission denies the application for intervention on its own motion. If an objection to the application for intervention is filed on or before the end of the above-referenced ten (10)-day period, the commission shall rule on the application and the objection within ten (10) days of the filing of the objection.

~~(4920)~~ Discovery. Each discovery response that a party obtains in general rate proceedings where the electric utility seeks for the commission to approve, modify, reject, continue or discontinue a RAM and in related subsequent RAM rate adjustment proceedings, RAM true-up proceedings and RAM prudence review proceedings may be offered as evidence in any subsequent RAM rate adjustment proceeding, RAM true-up proceeding, RAM prudence review proceeding or general rate proceeding to modify, continue or discontinue its RAM as if the response were made to a discovery request in that proceeding without requiring the party who made the request to resubmit the same discovery request (data request, interrogatory, request for production, request for admission, or deposition), subject to commission ruling on any evidentiary objection(s). Unless the commission orders otherwise, sua sponte or on a party's motion, the discovery response shall have the same protection it was last afforded, by rule or by commission order.

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(201) Supplementing and updating discovery responses in subsequent related proceedings. A party who provided a discovery response in a prior case as described in section (12) shall be under no obligation to supplement or update that response in a subsequent proceeding, unless the requesting party issues a discovery request in the subsequent case which clearly identifies the particular discovery requests to be supplemented or updated and the particular period to be covered by the updated response. A party responding to a request to supplement or update a prior proceeding discovery response shall supplement or update the discovery response where the responding party has learned or subsequently learns its response is in some material respect in detailed or incorrect.

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(224) The commission shall establish a new case for each general rate proceeding, RAM rate adjustment proceeding, RAM true-up proceeding and RAM prudence review proceeding.

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(232) Right to Discovery Unaffected. In addressing certain discovery matters and the provision of certain information by electric utilities, this rule is not intended to restrict the discovery rights of any party.

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~~(14) Rule Review. The commission shall review the effectiveness of this rule by no later than December 31, 2010, and may, if it deems necessary, initiate rulemaking proceedings to revise this rule.~~

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(245) Waiver of Provisions of this Rule. Provisions of this rule may be waived by the commission for good cause shown after an opportunity for a hearing.

AUTHORITY: sections 386.250 and 393.140, RSMo 2000 and 386.266, RSMo Supp. 2005. Original rule filed June 15, 2006, effective Jan. 30, 2007.*

**Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 386.266, RSMo 2005; and 393.140, RSMo 1939, amended 1949, 1967.*