

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

In the Matter of the Second Prudence Review)
Of Costs Subject to the Commission-)
Approved Fuel Adjustment Clause of)
Union Electric Company d/b/a Ameren Missouri.) **Case No. EO-2012-0074**

STAFF'S POSITION STATEMENT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for its *Position Statement*, states as follows:

ISSUES

1. Are the revenues derived from the power sales agreements between Ameren Missouri and counter-parties Wabash Valley Power Association, Inc. ("Wabash") and American Electric Power Service Corporation as agent for the AEP Operating Companies ("AEP") excluded from the definition of "OSSR" found in the Original Tariff Sheets Nos. 98.2 and 98.3 of Ameren Missouri's Fuel and Purchase Power Adjustment Clause, which took effect March 1, 2009?

Staff's Position:

The revenues derived from the power sales agreements between Ameren Missouri and counter-parties Wabash and AEP are not excluded from the definition of "OSSR" found in the Original Tariffs Sheets Nos. 98.2 and 98.3 of Ameren Missouri's Fuel and Purchase Power Adjustment Clause, and this Commission determined as much in Case No. EO-2010-0255 in its Report & Order issued on April 27, 2011, because those power sales agreements are not short-term or long-term requirements sales.

2. Was it imprudent, improper and/or unlawful for Ameren Missouri to exclude the Company's power sale agreements with AEP and Wabash from off-system sales and not include the revenues collected under the Company's power sale agreements with AEP and Wabash in OSSR and therefore, not include those revenues in its calculation of the Fuel and Purchased Power Adjustment rates for the time period of October 1, 2009, to June 20, 2010?

Staff's Position:

Yes, it was imprudent, improper and/or unlawful for Ameren Missouri to exclude the revenues derived from the power sales agreements with AEP and Wabash from the OSSR component of Ameren Missouri's Fuel and Purchases Power Adjustment mechanism and, therefore, not include those revenues in its calculation of the Fuel and Purchased Power Adjustment rates for the time period of October 1, 2009, to June 20, 2010.

3. Did Ameren Missouri's conduct described in Paragraph 2, above, result in harm to its ratepayers?

Staff's Position:

Yes, Ameren Missouri's conduct described in Paragraph 2, above, resulted in harm to its ratepayers because they paid, in the aggregate, \$26,342,791 more for service than they would have paid had Ameren Missouri calculated its Fuel and Purchased Power Adjustment rates for the time period of October 1, 2009, to June 20, 2010, lawfully.

4. Should Ameren Missouri refund to its ratepayers through its FAC the amount improperly collected from them by virtue of the conduct described in Paragraph 2,

above?

Staff's Position:

Yes, Ameren Missouri should refund to its ratepayers through its FAC the amount improperly collected from them by virtue of the conduct described in Paragraph 2, above.

5. What is the amount that should be refunded, if any?

Staff's Position:

The amount that should be refunded is \$26,342,791 plus interest at Ameren Missouri's short-term borrowing rate.

WHEREFORE, Staff submits its *Position Statement* as directed by the Commission in its Order of May 24, 2012.

Respectfully submitted,

s/ Kevin A. Thompson
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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this **15th day of June, 2012**, on the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

s/ Kevin A. Thompson