

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

In the Matter of the Third True-Up Filing Under the Commission-Approved Fuel Adjustment Clause of Union Electric Company d/b/a Ameren Missouri.	) ) ) )	<b><u>File No. ER-2012-0029</u></b>
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**STAFF RECOMMENDATION**

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

1. This is the third fuel adjustment clause true-up filing by Union Electric Company d/b/a Ameren Missouri.

2. In File No. ER-2010-0274 the Commission resolved the issue of the NBFC rates to be used for the period March 1, 2009 through June 20, 2010. That resolution is reflected in Ameren Missouri’s true-up amount in its third fuel adjustment clause true-up filing.

3. In the attached Memorandum (Appendix A), based on its examination and analysis of information filed by Ameren Missouri, the Commission’s *Report and Order* in File No. ER-2010-0274 and the stipulation between Staff and Ameren Missouri in File No. ER-2010-0274, Staff recommends the Commission approve Ameren Missouri’s third true-up filing for the Recovery Period 3 (billing months June 2010 through May 2011) period during which Ameren Missouri under-collected \$1,018,872 from its customers.

4. Further, in Appendix A, because Ameren Missouri should be able to do so and its tariff provides for the contemporaneous filings of a true-up and a FPA rates adjustment, Staff recommends the Commission generally order Ameren Missouri to include the contemporaneously filed true-up amount into its contemporaneously filed FPA rates adjustment, and specifically order Ameren Missouri to include the true-up amount for its Recovery Period 4

(billing months of October 2010 through September 2011) in the Company's FPA rates adjustment filing for Recovery Period 8 (billing months of February 2012 through September 2012).

5. Staff has verified that Ameren Missouri has filed its 2010 annual report and verified that Ameren Missouri is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

**WHEREFORE**, Staff recommends the Commission approve Ameren Missouri's third true-up filing for Recovery Period 3 (billing months June 2010 through May 2011) during which Ameren Missouri under-collected \$1,018,872 from its customers, generally order Ameren Missouri to include the contemporaneously filed true-up amount into its contemporaneously filed FPA rates adjustment, and specifically order Ameren Missouri to include the true-up amount for its Recovery Period 4 (billing months of October 2010 through September 2011) in the Company's FPA rates adjustment filing for Recovery Period 8 (billing months of February 2012 through September 2012).

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams  
Deputy Staff Counsel  
Missouri Bar No. 35512

Attorney for the Staff of the  
Missouri Public Service Commission  
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Jefferson City, MO 65102  
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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 24<sup>th</sup> day of August, 2011.

**/s/ Nathan Williams**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File,  
File No. ER-2012-0029  
Union Electric Company d/b/a Ameren Missouri

FROM: David Roos, Regulatory Economist III  
Matthew Barnes, Utility Regulatory Auditor IV

DATE: /s/ John Rogers 8-24-2011                      /s/ Nathan Williams 8-24-2011  
Energy Department / Date                      Staff Counsel's Office / Date

SUBJECT: Staff's Analysis of and Recommendation Concerning Union Electric  
Company d/b/a Ameren Missouri's Third Fuel Adjustment Clause True-up  
Filing Under the Provisions in 4 CSR 240-3.161(8) and 4 CSR 240-  
20.090(5).

DATE: August 24, 2011

On July 25, 2011, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed with the Commission, in the form of direct testimony and supporting schedules by Jeff L. Dodd, its third true-up filing under the provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

The true-up amount of \$1,018,872 identified in this filing is the result of an under collection during Recovery Period 3 (billing months June 2010 through May 2011) based on Accumulation Period 3 (October 1, 2009 through January 31, 2010). The true-up amount of \$1,018,872 for Recovery Period 3 includes the impact of correcting the calculation of the summer and winter net base fuel cost per kWh rates ("NBFC rates") for the period March 1, 2009 through June 20, 2010 as the Commission ordered in its June 29, 2011 *Report and Order* in File No. ER-2010-0274<sup>1</sup>.

In his direct testimony Jeff L. Dodd indicates that the \$1,018,872 true-up amount for Recovery Period 3 will be included in the fuel and purchased power adjustment ("FPA") rates to be filed on or before December 1, 2011 (Recovery Period 8 FPA rates adjustment). The Company's plan to recover the true-up amount of \$1,018,872 and

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<sup>1</sup> "Union Electric Company, d/b/a Ameren Missouri shall correct the erroneous calculation of the summer and [w]inter NBFC rates as identified in this Report and Order in all remaining true-up filings in which that erroneous calculation will have an impact."

interest during Recovery Period 8 is consistent with how it recovered Recovery Period 1 and Recovery Period 2 true-up amounts in Recovery Period 6<sup>2</sup> and Recovery Period 7<sup>3</sup> FPA rates adjustments, respectively. Because Ameren Missouri made its Recovery Periods 1 and 2 true-up filings a week after it made its Recovery Period 5 and Recovery Period 6 FPA rates adjustments, respectively, it did not include the Recovery Period 1 and Recovery Period 2 true-up amounts in those FPA rates adjustments filings. Because of when Ameren Missouri filed its true-ups for Recovery Periods 1 and 2 a lag of 8 months resulted before it began to recover the true-up amounts. The lag caused additional interest to accrue which increased the true-up amounts recovered.

Ameren Missouri filed its true-up amount for Recovery Period 3 on the same day it filed its Recovery Period 7 FPA rates adjustment. Ameren Missouri's plan to include the true-up amount for Recovery Period 3 of \$1,018,872 plus interest as part of its Recovery Period 8 FPA rates adjustment complies with Ameren Missouri's FAC tariff provisions in effect for the true-up of Recovery Period 3<sup>4</sup>. However, because Ameren Missouri filed its true-up amount for Recovery Period 3 the same day it filed its Recovery Period 7 FPA rates adjustment, Ameren Missouri could have included the true-up amount for Recovery Period 3 in its Recovery Period 7 FPA rates adjustment, and doing so would have reduced both regulatory lag and interest accrual.<sup>5</sup>

Union Electric Company's Schedule No. 5, Original Sheet No. 98.20: TRUE-UP OF FAC that became effective July 31, 2011 states, "After completion of each Recovery Period, the Company will make a true-up filing in conjunction with an adjustment to its FAC. The true-up filing shall be made on the same day as the filing made to adjust its FAC." Therefore, the Company's Recovery Period 8 FPA rates adjustment filing should include the Recovery Period 3 true-up amount of \$1,018,872 plus interest and the as yet

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<sup>2</sup> File No. ER-2010-0274.

<sup>3</sup> File No. ER-2011-0321.

<sup>4</sup> Union Electric Company's Schedule No. 5, 1<sup>st</sup> Revised Sheet No. 98.13: "TRUE-UP OF FAC: After completion of each Recovery Period, the Company will make a true-up filing in conjunction with an adjustment to its FAC, where applicable. The true-up filings shall be made on the first Filing Date that occurs at least two (2) months after completion of each Recovery Period."

<sup>5</sup> Both the Empire District Electric Company and KCP&L Greater Missouri Operations Company applications to change to their fuel adjustment clause rates include the amount requested in an application for Commission approval of its true-up amount that is filed at the same time as the application for a change to its fuel adjustment clause rates.

undetermined true-up amount for Recovery Period 4 (billing months of October 2010 through September 2011). By doing so, the Company will transition to the practice specified for true-up filing in its currently effective FAC tariff sheet.

Staff examined the direct testimony of Jeff L. Dodd, the supporting schedules Ameren Missouri provided with its application in this case, and the monthly information Ameren Missouri has submitted to the Staff. Staff also reviewed Ameren Missouri's monthly interest calculations; Staff agrees with them.

Based on its examination and analysis of information Ameren Missouri filed and submitted, and the stipulation between Staff and Ameren Missouri in File No. ER-2010-0274, Staff recommends the Commission approve Ameren Missouri's Recovery Period 3 true-up filing for the billing months June 2010 through May 2011 during which Ameren Missouri under-collected \$1,018,872 from its customers. Ameren Missouri should include the under-collected amount of \$1,018,872 plus interest in the Company's Recovery Period 8 FPA rates adjustment filing (for billing months February 2012 through September 2012). Staff also recommends the Commission order Ameren Missouri to include its Recovery Period 4 true-up amount (for billing months of October 2010 through September 2011) in the Company's Recovery Period 8 FPA rates adjustment filing (billing months of February 2012 through September 2012).

Staff has verified that Ameren Missouri has filed its 2010 annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

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

In the Matter of the Third True-Up       )  
Filing Under the Commission-       )  
Approved Fuel Adjustment Clause of       )  
Union Electric Company d/b/a       )  
Ameren Missouri       )

Case No. ER-2012-0029

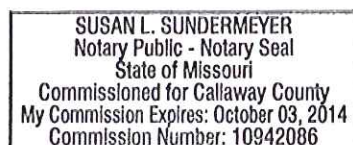
**AFFIDAVIT OF MATTHEW J. BARNES**

STATE OF MISSOURI       )  
                                              ) ss  
COUNTY OF COLE       )

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

  
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Matthew J. Barnes

Subscribed and sworn to before me this 24<sup>th</sup> day of August, 2011.



  
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Notary Public

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

In the Matter of the Third True-Up	)	
Filing Under the Commission-Approved	)	
Fuel Adjustment Clause of Union	)	Case No. ER-2012-0029
Electric Company d/b/a Ameren	)	
Missouri	)	

**AFFIDAVIT OF DAVID C. ROOS**

STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE     )

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

  
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David C. Roos

Subscribed and sworn to before me this 24<sup>th</sup> day of August, 2011.



  
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Notary Public