

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 9th day of
January, 2013.

In the Matter of the Adjustment of Union Electric Company)	<u>File No. ER-2013-0310</u>
d/b/a Ameren Missouri's Fuel Adjustment Clause for the)	Tariff No. YE-2013-0240
11th Accumulation Period)	

ORDER REGARDING FUEL ADJUSTMENT CLAUSE TARIFF

Issue Date: January 9, 2013

Effective Date: January 25, 2013

Syllabus

This order approves Ameren Missouri's tariff to implement a FAC rate adjustment.

Background

On November 26, 2012, Union Electric Company, d/b/a Ameren Missouri ("Ameren Missouri"), submitted an application and tariff designed to implement an adjustment to its current Fuel and Purchased Power Adjustment (FPAC) per kWh rate of its Fuel Adjustment Clause (FAC) to \$0.00440 per kWh (without voltage level adjustment). The tariff bears an effective date of January 25, 2013.

Along with its tariff filing, Ameren Missouri filed the testimony of Eric C. Wenberg, Ameren Missouri's Manager of Wholesale Power and Fuel Accounting. Mr. Wenberg testified that the purpose of the tariff is "to adjust customer rates for changes in Ameren Missouri's fuel and purchased power costs net of off-system sales revenues (i.e., net fuel costs), which were experienced during the four-month period June 2012 through

September 2012.”¹

Mr. Wenberg further explained:

Ameren Missouri’s net fuel costs during the June 1, 2012 to September 30, 2012, Accumulation Period have increased as compared to the NBFC [net base fuel costs] applicable to that period. The factors driving this cost increase were lower off-system sales margins, and higher base load fuel costs. Specifically, for the subject Accumulation Period Ameren Missouri’s net fuel costs are more than the NBFC for that period by approximately \$86,493,018.² In accordance with the Commission’s rule and Ameren Missouri’s approved Rider FAC, Ameren Missouri is making this filing to set its FPAc rate so that customers will pay 95% of this cost increase. Also included in this FPAc rate is an amount reflected in the Company’s eighth true-up filing, which is being filed concurrently with the initiation of this docket (which increases net fuel costs by \$1,327,563). The new FPAc rate will appear as a separate line item on the customers’ bills starting with the February, 2013 billing month, when the Recovery Period applicable to the subject Accumulation Period begins.

The fuel costs, and the related kilowatt-hours generated, from the Maryland Heights Energy Center (“MHEC”), starting June 15, 2012, when it began providing service, have been included in Ameren Missouri’s calculations.³ The Recovery Period applicable to this filing will consist of the billing months of February 2013 through September 2013. The total increase, using estimated kWh sales for the February 2013 to September 2013 Recovery Period, as also provided for in Rider FAC, results in the following FPAc rates for the

¹ This four-month period is the eleventh overall Accumulation Period under Ameren Missouri’s Rider FAC, which was first approved by the Commission in File No. ER-2008-0318, and which has subsequently been re-authorized, with certain modifications, in File Nos. ER-2010-0036 and ER-2011-0028.

² This figure includes \$1.9 million (plus interest) of the refund Ameren Missouri received from Entergy as a result of FERC Opinion No. 505-A in Docket No. ER07-956-002, as agreed upon in the Nonunanimous Stipulation and Agreement as to Certain Revenue Requirement. These amounts were included in the Purchased Power for OSS line shown on the Actual Fuel Costs worksheet included in Schedule EW-FPA attached to this testimony.

³ The Commission granted Ameren Missouri a waiver from Commission Rule 4 CSR 240-20.100(6)(A)16 in its *Report and Order* in File Number ER-2012-0166 that allows the company to pass the costs of the landfill gas, purchased from the owner of a landfill, to operate the MHEC through the FAC even though some of those costs may be categorized as Renewable Energy Standard compliance costs. See EFIS Docket Entry 553, *Report and Order*, issued December 12, 2012 in File Number ER-2012-0166, *In the Matter of Union Electric Company d/b/a Ameren Missouri’s Tariffs to Increase Its Revenues for Electric Service*, pp.118-119. EFIS is the Commission’s Electronic Information and Filing System.

Company's customers during that Recovery Period, beginning with the billing month of February 2013:

Service	Proposed Recovery Period ("RP") RP 11 FPAc	Current RP10 FPAc	Difference
Secondary	\$0.00465/kWh	\$0.00269/kWh	\$0.00196/kWh
Primary	\$0.00450/kWh	\$0.00261/kWh	\$0.00189/kWh
Large Transmission	\$0.00436/kWh	\$0.00253/kWh	\$0.00183/kWh

Based on a monthly usage of 1,100 kWh, the proposed change to the Secondary FPAc per kWh rate will increase the Fuel Adjustment Charge of an Ameren Missouri residential customer's bill from \$2.96 to \$5.12, an increase of \$2.16 per month.

Staff's Recommendation

On December 26, 2012, the Commission's Staff filed its recommendation regarding Ameren Missouri's FAC tariff. Staff reviewed Ameren Missouri proposed tariff sheet, the direct testimony of Ameren Missouri witness Erik C. Wenberg and associated Ameren Missouri work papers, as well as, Ameren Missouri's monthly information submitted in compliance with 4 CSR 240-3.161(5). Staff verified that the actual fuel and purchased power costs match the fuel and purchased power costs in Ameren Missouri's proposed tariff. Staff reviewed Ameren Missouri's monthly reports and verified that the kWh billed shown on the monthly reports match the accumulation period sales used to calculate the FPA rates. Staff also reviewed Ameren Missouri's monthly interest rates that are applied to 95% of the over/under Base Energy Cost amount and verified that the interest rates and calculations of interest amounts are correct for Accumulation Period 11.

Additionally, Staff acknowledge that the Commission approved Ameren Missouri's request for a waiver from Commission Rule 4 CSR 240-20.100(6)(A)16, regarding passing the fuel costs from MHEC through the FAC. Staff states it will continue to work with the Company to reach a resolution concerning the treatment of the costs of landfill gas purchased for the Company's Maryland Heights generating units.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2011 Annual Report. Ameren Missouri is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10) and its monthly reports as required by 4 CSR 240-3.161(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except as noted herein. Consequently, Staff recommends the Commission issue an order approving the proposed tariff sheet, as filed on November 26, 2012, to become effective on January 25, 2013, as requested by Ameren Missouri.

Analysis and Decision

The Commission's rule regarding FACs requires the Commission to issue an order approving or rejecting the company's tariff within 60 days of its filing.⁴ And, if the FAC rate adjustment complies with the Commission's rule, Section 386.266, RSMo Supp. 2011, and the FAC mechanism established in the most recent general rate proceeding, the Commission is required to approve the rate adjustment or allow the proposed tariff implementing the adjustment go into effect by operation of law.⁵

⁴ Commission Rule CSR 240-20.090(4).

⁵ *Id.*

The Commission has reviewed Ameren Missouri's tariff filings, and Staff's verified recommendation and memorandum, and finds that the tariff sheet implementing the FAC rate adjustment is in compliance with the Commission's order establishing the FAC and with all applicable statutes and regulations. As such, 4 CSR 240-20.090(4) requires the Commission to approve Ameren Missouri's tariff or allow it to go into effect by operation of law.

THE COMMISSION ORDERS THAT:

1. Union Electric Company, d/b/a Ameren Missouri's revised tariff filing, assigned Tariff No. YE-2013-0240 is approved to be effective January 25, 2013, as an interim rate adjustment, subject to true-up and prudence reviews. The tariff approved is:

MO. P.S.C. No. 5

4th Revised Sheet No. 98.21, Canceling 3rd Revised Sheet No. 98.21

2. This order shall become effective on January 25, 2013.
3. This file shall be closed on January 26, 2013.

BY THE COMMISSION

(S E A L)



Shelley Brueggemann
Acting Secretary

Gunn, Chm., Jarrett, Kenney, and
Stoll, CC., concur.

Stearley, Deputy Chief Regulatory Law Judge