

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 17th day of
February, 2010.

In the Matter of Union Electric Company, d/b/a)	<u>File No. ER-2010-0036</u>
AmerenUE's Tariffs to Increase Its Annual)	Tariff No. YE-2010-0054
Revenues for Electric Service)	

**ORDER DIRECTING THE PARTIES TO SUBMIT TESTIMONY
CONCERNING THE APPROPRIATENESS OF AMERENUE'S
CURRENT FUEL ADJUSTMENT CLAUSE**

Issue Date: February 17, 2010

Effective Date: February 17, 2010

The Commission approved the implementation of a fuel adjustment clause in AmerenUE's last rate case, ER-2008-0318.¹ The approved fuel adjustment clause included a 95 percent pass-through provision. That means only 95 percent of any over or under recovery balance, measured against a base level, can be passed to customers under the fuel adjustment clause. The other 5 percent must be absorbed by AmerenUE's shareholders.

AmerenUE has been operating under its current fuel adjustment clause for almost a year. The Commission had anticipated the parties to this case addressing the appropriateness of retaining the current 95 percent pass-through mechanism in testimony in this case. However, based upon a review of the rebuttal testimony filed in this case on February 11, 2010, the Commission found that no party fully addressed this issue.

The Commission wants to hear from the parties concerning the appropriateness of AmerenUE's current fuel adjustment. To that end, the Commission will establish a procedural schedule for the filing of additional testimony regarding this issue. The Commission would like the parties in their testimony to review AmerenUE's current fuel adjustment clause and advise the Commission whether the current 95 percent pass through mechanism: 1) affords AmerenUE a sufficient opportunity to earn its authorized return on equity, and/or 2) provides AmerenUE with a sufficient financial incentive to be prudent in and take reasonable efforts to minimize its fuel and purchased power costs? If any party believes the answer to either of these questions is no, then they are directed to substantiate that position and recommend an alternative pass through-plan.

THE COMMISSION ORDERS THAT:

1. The parties may file additional direct testimony addressing the appropriateness of AmerenUE's current fuel adjustment clause no later than February 22, 2010.
2. The parties may file rebuttal testimony addressing the appropriateness of AmerenUE's current fuel adjustment clause no later than February 26, 2010.
3. The parties may file surrebuttal testimony addressing the appropriateness of AmerenUE's current fuel adjustment clause no later than March 5, 2010.

¹ *Report and Order*, Case No. ER-2008-0318, Issued January 27, 2009, pages 57-76.

4. This order shall become effective immediately upon issuance.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Clayton, Chm., Gunn, and Kenney, CC., concur;
Davis, CC., dissents, with dissenting opinion to follow; and
Jarrett, CC., dissents.

Woodruff, Chief Regulatory Law Judge