

FILED³
APR 16 2007
Missouri Public
Service Commission

UNION ELECTRIC COMPANY

ELECTRIC SERVICE

MO. P. S. C. SCHEDULE NO. 5

Original

SHEET NO. 98.1

CANCELLING MO. P. S. C. SCHEDULE NO. _____

SHEET NO. 104

MISSOURI SERVICE AREA

RIDER A

FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE

(Applicable to all rates)

Exhibit No. _____
Case No(s) ER-2007-0002
Date 3-13-07 Rptr RF

APPLICABILITY

This rider is applicable to kilowatt-hours (kWh) of energy supplied to customers served by the Company under all Service Classification Nos. 1(M), 2(M), 3(M), 4(M), 11(M), and 12(M).

Costs passed through this Fuel and Purchased Power Adjustment Clause (FAC) in a given Recovery Period, as defined below, reflect actual fuel and purchased power costs, including transportation, net of off-system sales revenues, calculated as provided for herein and incurred during the applicable Accumulation Period as defined below.

For purposes of this FAC, the true-up year shall be from July 1 through June 30. The "Accumulation Periods" and "Recovery Periods" are as set forth in the following table:

<u>Accumulation Period</u> (<u>"AP"</u>)	<u>Filing Date</u>	<u>Recovery Period</u>
July through October	By January 1	March through February
November through February	By May 1	July through June
March through June	By September 1	November through October

"Accumulation Period" means the historical period during which fuel and purchased power costs, including transportation, for all kWh of energy supplied to Missouri retail customers are determined.

"Recovery Period" means the billing months as set forth in the above table during which the fuel and purchased power adjustment rate (FPA_C), calculated as provided for below, is applied to retail customer billings on a per kilowatt-hour basis (kWh), as adjusted for service voltage level. In the event that the rate cap provision limits the rate level during a recovery period, the amounts deferred, including interest, will be collected in the 12 months following the recovery period in which the deferral was initiated.

FPA DETERMINATION

Fuel and purchased power costs, including transportation, net of off-system sales revenues, for all kWh of energy supplied to Missouri retail customers during the respective Accumulation Periods shall be reflected as an FPA_C credit or debit, stated as a separate line item on the customer's bill, during the corresponding respective Recovery Periods and will be calculated according to the following formulas.

The Recovery Period rate to recover under/over collection during the recently-completed Accumulation Period:

$$FPA_{(RP)} = [(CF + CPP + CSP - OSSR) - (NBFC \times S_{AP}) + I + R] / S_{RP}$$

P.S.C. Mo. Date of Issue XXXXXX XX, 2007

Date Effective XXXX X, 2007

Issued By T. R. Voss
Name of Officer

President & CEO
Title

St. Louis, Missouri
Address

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The FPA rate applicable on a class-specific basis for the following Accumulation Period is calculated as:

$$FPA_C = FPA_{(RP)} + FPA_{(RP-1)} + FPA_{(RP-2)} \pm FPA_{CRC}$$

where:

FPA_C = Current Fuel and Purchased Power Adjustment rate by Service Classification. The FPA_C shall be rounded to the nearest 0.001 cents, to be charged on a cents/kWh basis for each applicable kWh billed.

FPA_{RP} = FPA rate component to recover under/over collection during the most recently-completed Accumulation Period.

$FPA_{(RP-1)}$ = FPA rate component from prior FPA_{RP} calculation, if any.

$FPA_{(RP-2)}$ = FPA rate component from FPA_{RP} calculation prior to $FPA_{(RP-1)}$, if any

FPA_{CRC} = Adjustment for Fuel and Purchased Power Class Rate Cap Deferrals, if any.

Within a true-up year, each class' billing of the FPA_C shall be subject to a Rate Cap limiting the increase to 4% in each class' kWh realization (in cents per kWh, including FPA_C rates) applicable during any four month period in that true-up year relative to the average cents/kWh billed (including FPA_C adjustments) in the prior true-up year. During the first true-up year the 4% rate cap would be calculated by reference to the class' average rates determined in the rate case establishing the fuel adjustment clause. Additionally, any FPA_{CRC} amounts recovered in the FPA_C shall not be included in the determination of whether the 4% Rate Cap would be exceeded. All FPA costs which would have been recovered, but for the rate cap limitation, will be deferred with interest (as defined in item "I") and recovered, not subject to the limitation of such cap, during the twelve month period beginning immediately following the Recovery Period during which the Rate Cap became effective.

CF = Allowable fuel cost incurred to support sales to customers and off-system sales subject to this rider, including transportation, associated with the Company's generating plants. These costs consist of the following:

a) For fossil fuel or hydroelectric plants:

(i) the following costs reflected in Federal Energy Regulatory Commission (FERC) Account Number 501: coal commodity, applicable taxes, gas, alternative fuels, fuel additives other than those used to comply with environmental rules and regulations, SO2 and Btu adjustments assessed by coal suppliers, railroad

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transportation, switching and demurrage charges, railcar repair and inspection costs, railcar depreciation, railcar lease costs, similar costs associated with other applicable modes of transportation, fuel hedging costs (for purposes of factor CF, hedging is defined as realized losses and costs minus realized gains associated with mitigating volatility in the utility's cost of fuel and purchased power, including but not limited to, the utility's use of futures, options and over the counter derivatives including, without limitation, futures contracts, puts, calls, caps, floors, collars, and swaps), hedging costs associated with SO₂ and fuel oil adjustments included in commodity and transportation costs, broker commissions and fees associated with price hedges, oil costs, ash disposal revenues and expenses, and revenues and expenses resulting from fuel and transportation portfolio optimization activities; and

(ii) the following costs reflected in FERC Account Number 547: natural gas generation costs related to commodity, oil, transportation, storage, capacity reservation charges, fuel losses, hedging costs, and revenues and expenses resulting from fuel and transportation portfolio optimization activities;

b) Costs in FERC Account Number 518 (Nuclear Fuel Expense).

CPP = Costs of purchased power reflected in FERC Account -Numbers 555, 565, and 575, excluding MISO administrative fees arising under MISO Schedules 10, 16, 17, and 24, and excluding capacity charges for contracts with terms in excess of one (1) year incurred to support sales to customers and off-system sales subject to this rider.

OSSR = Off-System sales revenues from the jurisdictional portion of Off-System sales, if applicable.

R = Under/over recovery from prior Recovery Period, and modifications due to adjustments ordered as a result of required prudence reviews, with interest as defined in item "I".

I = Interest applicable to all under- or over-recovery balances created through operation of this FAC. Interest shall be calculated monthly at a rate equal to the weighted average interest rate paid on the Company's short-term debt, applied to the month-end balance of all under- or over-recovery balances.

S_{AP} Billed kWh during the applicable Accumulation Period, at the generation level.

S_{RP} = Applicable Recovery Period estimated kWh, at the generation level, subject to the FPA_{PR} to be billed.

NBFC = Average net base fuel cost less off-system sales revenue, in cents per kWh, included in the energy charges of the Company's rates.

CSP = Company Sharing Portion, if any, shall be applied where Company achieves twelve month net fuel costs below Base Fuel Costs of \$xxx,xxx,xxx (TBD by Rate Case Order). CSP amounts, if any, shall be applied based on the annual true-up for the applicable true-up year according to the following CSP sharing grid:

Range of Net Fuel Costs Relative to BFC Dollars	CSP
Column A	Column B
Zero to \$10 Million Below BFC\$	75% of Column A
\$10 Million to \$35 Million Below NBFC\$	10% of Column A
\$35 Million to \$60 Million Below NBFC\$	20% of Column A
\$60 Million to \$85 Million Below NBFC\$	30% of Column A
\$85 Million to \$110 Million Below NBFC\$	40% of Column A
\$110 Million to \$135 Million Below NBFC\$	50% of Column A
Greater Than \$135 Million Below NBFC\$	100 of Column A

The Company will make FPA_c filings on the Filing Dates as set forth in the table setting out the Accumulation Periods and Recovery Periods. All FPA_c filings shall be accompanied by detailed work papers supporting the filing in an electronic format.

Any amounts not recovered by the Company under this Rider A by the end of the fourth true-up year shall be recovered in the first twelve-months of customer billings subsequent to the effective date of either new base rate or fuel and purchased power adjustment tariffs approved by the Commission.

If a general rate proceeding is concluded prior to the end of the fourth true-up year, any amounts not recovered by the Company under this Rider A as of the time of the effective date of the final order in such a general rate proceeding shall be recovered in the first twelve-months of customer billings subsequent to the effective date of that final order.

Any increase or decrease in any component of an FPA_c , including the Reconciliation Factor (R), as defined above, resulting from the application of an FPA_c , shall be applied pro rata to customers' bills during the applicable Recovery Period for service rendered on and after the effective date of the adjustment. Customer bills that contain multiple rate adjustments occurring on account of multiple FPA_c s in effect during the billing period, including the Reconciliation Factor (R) of such rate adjustments, shall be pro rated between the old and new rates in proportion to the number of days in the customer's billing period that each such rate was in effect.

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Any FPA_c determined in accordance with the foregoing will be multiplied by the following voltage level adjustment factors:

Secondary Voltage Service	1.0888
Primary Voltage Service	1.0492
Large Transmission Voltage Service	1.0147

GENERAL RATE CASE/PRUDENCE REVIEWS

The following shall apply to this Fuel and Purchased Power Adjustment Clause, in accordance with Section 386.266.4, RSMo. and applicable Missouri Public Service Commission Rules governing rate adjustment mechanisms established under Section 386.266, RSMo:

The Company shall file a general rate case with the effective date of new rates to be established in such general rate case to be no later than four years after the effective date of a Missouri Public Service Commission order implementing or continuing this Fuel and Purchased Power Adjustment Clause. The four-year period referenced above shall not include any periods in which the utility is prohibited from collecting any charges under this Fuel and Purchased Power Adjustment Clause, or any period for which charges hereunder must be fully refunded. In the event a court determines that this Fuel and Purchased Power Adjustment Clause is unlawful and all moneys collected hereunder are fully refunded, the Company shall be relieved of the obligation under this Fuel and Purchased Power Adjustment Clause to file such a rate case.

Prudence reviews of the costs subject to this Fuel and Purchased Power Adjustment Clause shall occur no less frequently than every eighteen months, and any such costs which are determined by the Missouri Public Service Commission to have been imprudently incurred shall be returned to customers with interest at the Company's short-term borrowing rate.

P.S.C. Mo. Date of Issue XXXXXX XX, 2007Date Effective XXXX X, 2007Issued By T. R. VOSS

President & CEO

St. Louis, Missouri

Name of Officer

Title

Address