

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

In the Matter of the Adjustment of Union)	
Electric Company d/b/a Ameren Missouri's)	<u>File No. ER-2024-0028</u>
Fuel Adjustment Clause for the)	Tracking No.: YE-2024-0014
43rd Accumulation Period)	

STAFF'S RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its recommendation states:

1. On August 1, 2023,¹ Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") filed one tariff sheet, bearing an effective date of October 1, 2023, to implement Ameren Missouri's Fuel and Purchased Power adjustment for the 43rd Accumulation Period ("AP") ending May 31, 2023, and to include the amounts to be trueed-up for the 40th Recovery Period ("RP") under the Company's Fuel Adjustment Clause ("FAC"). The tariff sheet is MO. P.S.C. Schedule No. 6, 1st Revised Sheet No. 71.32, Cancelling MO. P.S.C. Schedule No. 6, Original Sheet No. 71.32. The Commission assigned it Tracking No. YE-2024-0014.

2. Concurrently on August 1, 2023, Ameren Missouri submitted a FAC true-up authorization request filing in File No. EO-2024-0029, to identify the true-up amount of \$5,983,471 for the 40th Recovery Period ("RP40") of its FAC. This amount and interest for RP40 are included in calculation of the FAR rates filed in this ER-2024-0028 AP43 docket.

3. Commission Rule 20 CSR § 4240-20.090(8)(F) provides that "[w]ithin thirty (30) days after the electric utility files its testimony and tariff sheet(s) to adjust its FARs,

¹ All date references will be to 2023 unless otherwise indicated.

the staff shall submit a recommendation regarding its examination and analysis to the commission[.]” Staff must determine if Ameren Missouri’s proposed adjustments to its FAC rates are in accordance with 20 CSR § 4240-20.090 (“Fuel and Purchased Power Rate Adjustment Mechanisms”), § 386.266 RSMo, and the “FAC mechanism established, continued, or modified in the utility’s most recent general rate proceeding.”²

4. If the proposed rate adjustments are in accordance with the rule, statute, and FAC mechanism referenced above, 20 CSR § 4240-20.090(8)(H)(1) and (2) provide:

(H) Within sixty (60) days after the electric utility files its testimony and tariff sheet(s) to adjust its FARs, the commission shall either –

1. Issue an interim rate adjustment order approving the tariff sheet(s) and the adjustments to the FARs [or]
2. Allow the tariff sheet(s) and the adjustments to the FARs to take effect without commission order[.]

5. In the attached Staff Memorandum, marked Appendix A, Staff recommends that the Commission issue an order approving Ameren Missouri’s proposed tariff sheet MO P.S.C. Schedule No. 6, 1st Revised Sheet No. 71.32, Cancelling MO P.S.C. Schedule No. 6, Original Sheet No. 71.32, subject to true-up and prudence reviews. This sheet revises Ameren Missouri’s Fuel Adjustment Rates (“FARs”) of its Fuel Adjustment Clause (“FAC”) for Accumulation Period 43 (“AP43”), which ended May 31, 2023.

6. The fuel and purchased power adjustment (“FPA”) amount is \$17,522,145, which results in a FAR₄₃ of \$0.00085 per kWh, which, when added to the FAR₄₂ of \$0.00208 per kWh, results in a proposed FAR of \$0.00294 per kWh. This amount is \$0.00205 per kWh less than the AP42 FAR of \$0.00499 per kWh on line 11 of the 3rd Revised Sheet No. 71.31.

² 20 CSR § 4240-20.090(8)(F)

7. As stated, the FPA amount is \$17,522,145. This amount is the sum of \$9,088,697, the fuel and purchased power amount to be recovered from customers for AP43; plus interest of \$2,449,977 (which is \$133,275 for AP43 plus \$2,316,702 for RP40); plus \$5,983,471, the true-up amount without interest from EO-2024-0029.

8. The FAR₄₃ of \$0.00085 per kWh is equal to the FPA amount of \$17,522,145, divided by the Estimated Recovery Period Sales of 20,515,489,441, kWh. The FAR₄₃ will apply to RP43, which is Ameren Missouri's billing months of October 2023 through May 2024.

9. As explained in the accompanying Staff memorandum, because of a difference in line losses, there are different FARs for service taken at the Secondary, Primary, High Voltage and Transmission voltage levels, reflected on lines 13, 15, 18, and 21 of the 1st Revised Sheet No. 71.32.

10. The AP43 FARs are set out in the following table:

Service Level	Proposed AP43 FAR	Line on 1st Revised Sheet No. 71.32
Secondary	\$0.00309/kWh	30
Primary	\$0.00300/kWh	31
High Voltage	\$0.00295/kWh	32
Transmission	\$0.00291/kWh	33

11. Below are the proposed AP43 FARs, the current AP42 FARs and the difference for each service level:

Service Level	Proposed AP43 FAR	Current AP42 FAR	Difference
Secondary	\$0.00309	\$0.00526	\$0.00217 Decrease
Primary	\$0.00300	\$0.00511	\$0.00211 Decrease
High Voltage	\$0.00295	\$0.00502	\$0.00207 Decrease
Transmission	\$0.00291	\$0.00496	\$0.00205 Decrease

12. Based on a monthly usage of 1,000 kWh, the change to the Secondary FAR will decrease the FAC of an Ameren Missouri residential customer's monthly bill by \$2.17, from \$5.26 to \$3.09 per month.

13. Ameren Missouri witness explains the FAR's decrease:

The primary factors driving this change in the FAR were lower fuel and purchased power costs for load in Accumulation Period 43 as compared to Accumulation Period 41 and the net base energy costs applicable to each period. Decreases in the fuel and purchased power costs for load during Accumulation Period 43 as compared to Accumulation Period 41 and the net base energy costs applicable to each period is primarily due to decreased energy market prices during Accumulation Period 43 as compared to Accumulation Period 41.³

14. After full review, Staff has concluded that the change in the FAC rate resulting from Ameren Missouri's application will not cause Ameren Missouri to exceed its allowable cumulative annual growth rate cap percentage of 2.85% that it must comply with under Missouri law due to its adoption of plant-in-service accounting.

15. Except for Ameren Missouri's RP40 true-up filing in File No. EO-2024-0029 filed August 1, 2023, Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

³ Direct Testimony of Raysene Logan, ER-2024-0028 page 4, ln 12-18.

16. The Staff's review shows Ameren Missouri's filing is in compliance with Commission Rule 20 CSR § 4240-20.090, § 386.266, RSMo, and Ameren Missouri's FAC embodied in its tariff.

17. Staff verified that Ameren Missouri is not delinquent on any assessment and has filed its 2022 annual report. Ameren Missouri is current on submission of its monthly reports, required by 20 CSR § 4240-20.090(5), and its surveillance monitoring reports, required by 20 CSR § 4240-20.090(6).

WHEREFORE, Staff recommends that the Commission issue an order approving the following proposed tariff sheet, as filed on August 1, 2023, to become effective on October 1, 2023, subject to true-up and prudence review.

MO P.S.C. Schedule No. 6

1st Revised Sheet No. 71.32, Cancelling Original Sheet No. 71.32.

Respectfully submitted,

Paul T. Graham

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Attorney for the Staff of the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

The undersigned certifies by his signature below that on August 29, 2023, he filed the above captioned pleading in the EFIS file of the Missouri Public Service Commission.

Paul T. Graham

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2024-0028, Tariff Tracking No. YE-2024-0014
Union Electric Company, d/b/a Ameren Missouri

FROM: Teresa Denney, Senior Utility Regulatory Auditor

DATE: /s/ Teresa Denney 8/31/2023
Energy Resources Department/Date

SUBJECT: Staff Recommendation for Approval of Tariff Sheet Filed to Change Rates Related to Ameren Missouri’s Fuel Adjustment Clause for the 43rd Accumulation Period

DATE: August 29, 2023

On August 1, 2023, Union Electric Company, d/b/a Ameren Missouri (“Ameren Missouri” or “Company”) filed one (1) tariff sheet, MO.P.S.C. Schedule No. 6, 1st Revised Sheet No. 71.32, bearing a proposed effective date of October 1, 2023 and cancelling the MO.P.S.C. Schedule No. 6, Original Sheet No. 71.32. The 1st Revised Sheet No. 71.32 revises Ameren Missouri’s Fuel Adjustment Rates (“FARs”) of its Fuel Adjustment Clause (“FAC”) for Accumulation Period 43 (“AP43”), which ended on May 31, 2023. Staff recommends that the Missouri Public Service Commission (“Commission”) approve MO.P.S.C. Schedule No. 6, 1st Revised Sheet No. 71.32.

Ameren Missouri’s August 1, 2023 filing includes the testimony of Raysene Logan; Manager, Power and Fuels Accounting, at Ameren Services Company, and associated work papers. The testimony and work papers include information and data that supports Ameren Missouri’s calculation of its Fuel and Purchased Power Adjustment (“FPA”). That dollar amount (“FPA Amount”) is \$17,522,145 and is reflected on line 5 of 1st Revised Sheet No. 71.32. This FPA Amount results in a FAR₄₃¹ of \$0.00085 per kWh, which, when added to the FAR₄₂² of \$0.00208 per kWh, results in a proposed FAR³ of \$0.00294 per kWh. The proposed AP43 FAR of \$0.00294 per kWh on line 11⁴ of 1st Revised Sheet No. 71.32, is \$0.00205 per kWh less than the AP42 FAR of \$0.00499 per kWh on line 11 of the 3rd Revised Sheet No. 71.31.

¹ FAR_{RP} is defined in Original Sheet No. 71.23 as “FAR Recovery Period rate component calculated to recover under- or over-collection during the Accumulation Period that ended immediately prior to the applicable filing.” Since this filing followed Accumulation Period 43, FAR_{RP} in this recommendation is referred to as FAR₄₃.

² FAR_(RP-1) is defined in Original Sheet No. 71.23 as “FAR Recovery Period rate component for the under- or over-collection during the Accumulation Period immediately preceding the Accumulation Period that ended immediately prior to the application filing for FAR_(RP).” Since this filing followed Accumulation Period 43, FAR_(RP-1) in this recommendation is referred to as FAR₄₂.

³ FAR is defined in Original Sheet No. 71.23 as “Fuel Adjustment Rate applied to retail customer usage on a per kWh basis starting with the applicable Recovery Period following the FAR filing.” Therefore, FAR = FAR_(RP) + FAR_(RP-1).

⁴ Since the Preliminary Fuel Adjustment Rate (“PFAR”) on line 9 did not change after the PISA calculations Rate Adjustment Cap (“RAC”) on Line 10, line 9 is carried to line 11.

Calculation of Total Company Fuel and Purchased Power Difference

Ameren Missouri’s work papers for AP43 show the following:

Actual Net Energy Costs (“ANEC”) ⁵	\$124,037,926
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The Net Base Energy Costs calculation is shown below as Sales multiplied by the Base Factor:

Sales in kWh	9,603,261,466
Base Factor (“BF”) per kWh	\$0.01192
Net Base Energy Costs (“B”) ⁶	\$114,470,877

The total Company Fuel and Purchased Power Difference calculation is shown below as B subtracted from ANEC:

ANEC	\$124,037,926
B	\$114,470,877
Fuel and Purchased Power Difference	\$9,567,049

Calculation of FPA Amount

Ameren Missouri’s work papers and 1st Revised Sheet No. 71.32, show the FPA Amount⁷ of \$17,522,145 to be the sum of:

1. Fuel and purchased power amount to be recovered from customers for AP43 of \$9,088,697⁸ (line 4 on proposed 1st Revised Sheet No. 71.32; plus,
2. Interest of \$2,449,977, which is \$133,275 for AP43 plus \$2,316,702 for Recovery Period 40 (“RP40”) (line 4.1 of proposed 1st Revised Sheet No. 71.32); plus,

⁵ ANEC = fuel costs (FC), plus purchased power costs (PP), plus net emission allowances (E), plus or minus net insurance recoveries (R), minus off-system sales revenues (OSSR), as reflected on line 1 of 1st Revised Sheet No. 71.32.

⁶ B = Base Factor multiplied by the accumulation period sales as reflected on lines 2, 2.1 and 2.2 of 1st Revised Sheet No. 71.32.

⁷ 1st Revised Sheet No. 71.32, lines 1 through 5 include the complete calculation of the FPA Amount of \$17,522,145.

⁸ Fuel and purchased power amount to be recovered from customers for AP43 is equal to ninety-five percent (95%) of \$9,567,049 (the difference between ANEC and B during AP43).

3. The true-up amount, without interest, of \$5,983,471 (line 4.2 of proposed 1st Revised Sheet No. 71.32). This amount is pending Commission approval in File No. EO-2024-0029.

Calculation of FAR₄₂

FAR₄₃ of \$0.00085 per kWh is equal to the FPA Amount of \$17,522,145, divided by the Estimated Recovery Period Sales of 20,515,489,441 kWh, according to Ameren Missouri’s commercial pricing node.⁹ FAR₄₃ will apply during Recovery Period 43 (“RP43”), which is Ameren Missouri’s billing months of October 2023 through May 2024.

Calculation of FAR Without Voltage Level Adjustments

Line 9 of Ameren Missouri’s proposed 1st Revised Sheet No. 71.32, reflects a FAR of \$0.00294 per kWh which is the sum of: (1) FAR₄₃ of \$0.00085 per kWh and (2) FAR₄₂ of \$0.00208 per kWh.

	Proposed AP43 FAR 1st Revised Sheet No. 71.32	Current AP42 FAR 3rd Revised Sheet No. 71.31
Line 7. Current Period Fuel Adjustment Rate (FAR _{RP})	\$0.00085/kWh	\$0.00208/kWh
Line 8. Prior Period Fuel Adjustment Rate (FAR _{RP-1})	\$ 0.00208/kWh	\$ 0.00291/kWh
Line 9. Fuel Adjustment Rate (FAR)	\$ 0.00294/kWh	\$ 0.00499/kWh

Voltage Level FARs

Because of a difference in line losses,¹⁰ there are different FARs for service taken at the Secondary, Primary, High Voltage, and Transmission voltage levels, reflected on lines 13, 15, 18, and 21 of proposed 1st Revised Sheet No. 71.32. Rate adjustment caps shall only apply provided for by Section 393.1655, RSMo, if the class average overall rate of 2.00% compound annual growth rate (“CAGR”) is in effect. Once the rate adjustment cap has exceeded the 2.00% CAGR, then the weighting factors are applied, to calculate a rate for all Non-LPS and LPS customers by voltage level.

⁹ Midcontinent Independent System Operator, Inc., (“MISO’s”) Market Settlements Business Settlements Practice Manual, BPM-005 Effective Date: June 6, 2022. The CPNode represents the next hierarchical level in the Commercial Model and consists of one or more EPNodes. All energy transactions, both physical and financial, are financially settled at the CPNode level. Operating Reserve supply is financially settled at the Resource CPNode level based on the appropriate CPNode MCPs. All Market Settlement activity is performed at a CPNode and is the level where LMPs and MCPs are publicly available.

¹⁰ Secondary, Primary, High Voltage, and Transmission Voltage Adjustment Factors are shown on lines 12, 14, 17, and 20 respectively, on Ameren Missouri’s proposed 1st Revised Sheet No. 71.32.

The AP43 FARs are in the table below:

Service	Proposed AP43 FAR	Line on 1st Revised Sheet No. 71.32
Secondary	\$0.00309/kWh	30
Primary	\$0.00300/kWh	31
High Voltage	\$0.00295/kWh	32
Transmission	\$0.00291/kWh	33

Listed below are the proposed AP43 FARs, the current AP42 FARs, and the difference between them for each service level:

Service	Proposed AP43 FAR	Current AP42 FAR	Difference
Secondary	\$0.00309	\$0.00526	\$0.00217 Decrease
Primary	\$0.00300	\$0.00511	\$0.00211 Decrease
High Voltage	\$0.00295	\$0.00502	\$0.00207 Decrease
Transmission	\$0.00291	\$0.00496	\$0.00205 Decrease

Based on a monthly usage of 1,000 kWh, the proposed change to the Secondary FAR would decrease the FAC of an Ameren Missouri residential customer's monthly bill by \$2.17, from \$5.26 to \$3.09 per month.

In her filed testimony, Company witness Raysene Logan explains the FAR's decrease:

The primary factors driving this change in the FAR were lower fuel and purchased power costs for load in Accumulation Period 43 as compared to Accumulation Period 41 and the net base energy costs applicable to each period. Decreases in the fuel and purchased power costs for load during Accumulation Period 43 as compared to Accumulation Period 41 and the net base energy costs applicable to each period is primarily due to decreased energy market prices during Accumulation Period 43 as compared to Accumulation Period 41.¹¹

Staff reviewed the proposed 1st Revised Sheet No. 71.32, Ms. Logan's direct testimony, and the work papers in this filing, as well as Ameren Missouri's monthly information submitted in compliance with 20 CSR 4240-20.090(5) for AP43. Staff verified that the actual fuel and

¹¹ Ameren Missouri, *Direct Testimony of Raysene Logan*, ER-2024-0028, page 4, lines 12-18.

purchased power costs and emissions costs, net of off-system sales revenues, match the fuel and purchased power costs and emission costs, net of off-system sales revenues, on line 1 of Ameren Missouri's proposed 1st Revised Sheet No. 71.32, and Ms. Logan's supporting schedules (along with revised work papers).¹² Staff reviewed Ameren Missouri's monthly reports and verified that the kWh billed, as shown on the monthly reports, matches the accumulation period sales used to calculate the Net Base Energy Cost. Staff reviewed Ameren Missouri's monthly interest rates that are applied to 95% of the over/under Net Base Energy Cost amount and verified that the monthly interest rates and calculations of monthly interest amounts are correct for AP43.

The change in the FAC rate resulting from this application will not cause Ameren Missouri to exceed its allowable cumulative annual growth rate cap percentage of 2.85% that it must comply with under state law due to its adoption of plant-in-service accounting.

Attachment A

Attachment A includes three charts, which provide a summary of Ameren Missouri's 43 FAC rate adjustment filings. Chart 1 illustrates Ameren Missouri's FAR for each of the 43 accumulation periods. Chart 2 illustrates Ameren Missouri's FAC cost summary for Actual Net Energy Costs and Net Base Energy Costs. Chart 3 illustrates Ameren Missouri's FAC cumulative under-recovered amount at the end of each of the 43 accumulation periods.

Staff Recommendation

Ameren Missouri timely filed its proposed MO.P.S.C. Schedule No. 6, 1st Revised Sheet No. 71.32, on August 1, 2023, and based on Staff's review, Staff determined that Ameren Missouri is in compliance with Commission Rule 20 CSR 4240-20.090 (Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements) and Ameren Missouri's FAC in its tariff.

Commission Rule 20 CSR 4240-20.090(8)(H) provides, in part:

- (H) Within sixty (60) days after the electric utility files its testimony and tariff sheet(s) to adjust its FARs, the commission shall either—
1. Issue an interim rate adjustment order approving the tariff sheet(s) and the adjustments to the FARs;
 2. Allow the tariff sheet(s) and the adjustments to the FARs to take effect without commission order; or
 3. If it determines the adjustment to the FARs is not in accordance with the provisions of this rule, section 386.266, RSMo, and the FAC mechanism established in the electric utility's most recent general rate proceeding, reject the proposed rate sheets, suspend the timeline of the FAR adjustment filing, set a prehearing date, and order the parties to propose a procedural schedule. The commission may order the electric utility to file tariff sheet(s)

¹² Staff has also verified that the actual net energy costs and accumulation period sales kWh excludes the costs and kWh associated with digital currency mining.

to implement interim adjusted FARs to reflect any part of the proposed adjustment that is not in question.

Ameren Missouri requested that MO.P.S.C. Schedule No. 6, 1st Revised Sheet No. 71.32, filed August 1, 2023, become effective on October 1, 2023. Thus, the proposed tariff sheet was filed with 60 days' notice. Therefore, Staff recommends the Commission issue an order approving the following proposed tariff sheet, as filed on August 1, 2023, to become effective on October 1, 2023, subject to true-up and prudence reviews:

MO.P.S.C. Schedule No. 6

1st Revised Sheet No. 71.32, Cancelling Original Sheet No. 71.32.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2022 Annual Report. Ameren Missouri is current on its submission of its Surveillance Monitoring reports, required in 20 CSR 4240-20.090(6), and its monthly reports, required by 20 CSR 4240-20.090(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except File No. EO-2024-0029, as noted herein.

Chart 1: Ameren Missouri Fuel Adjustment Rate

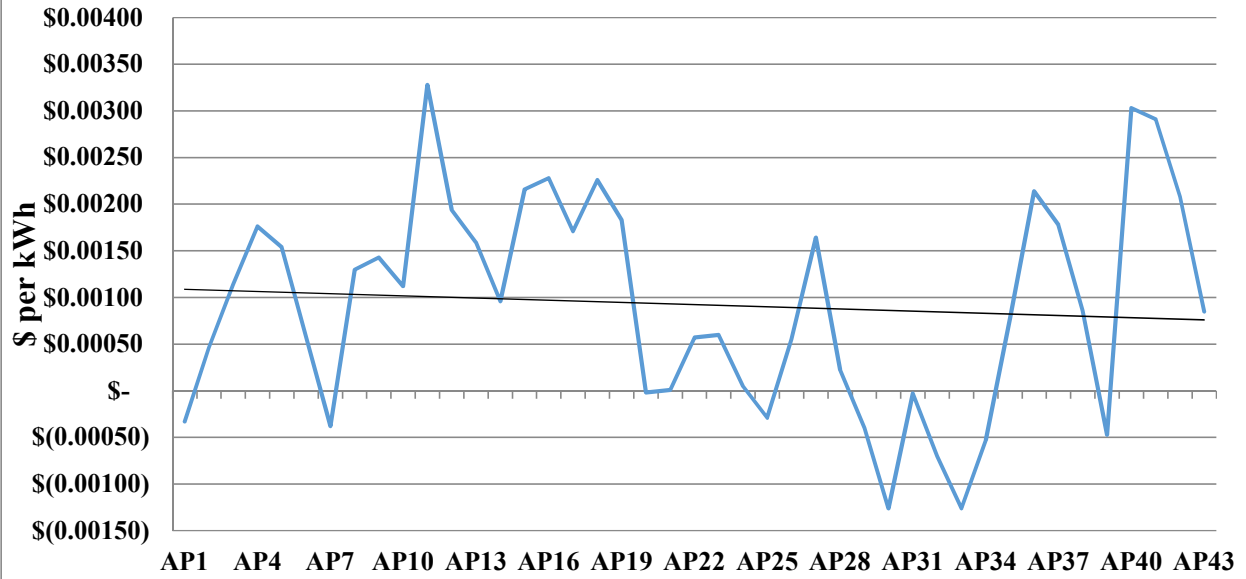
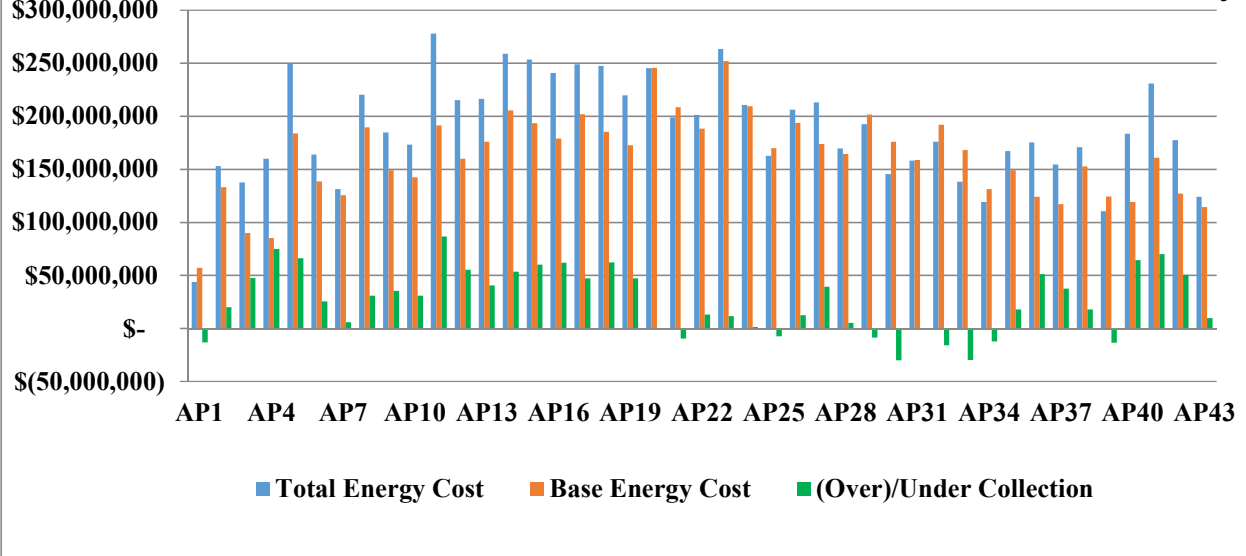
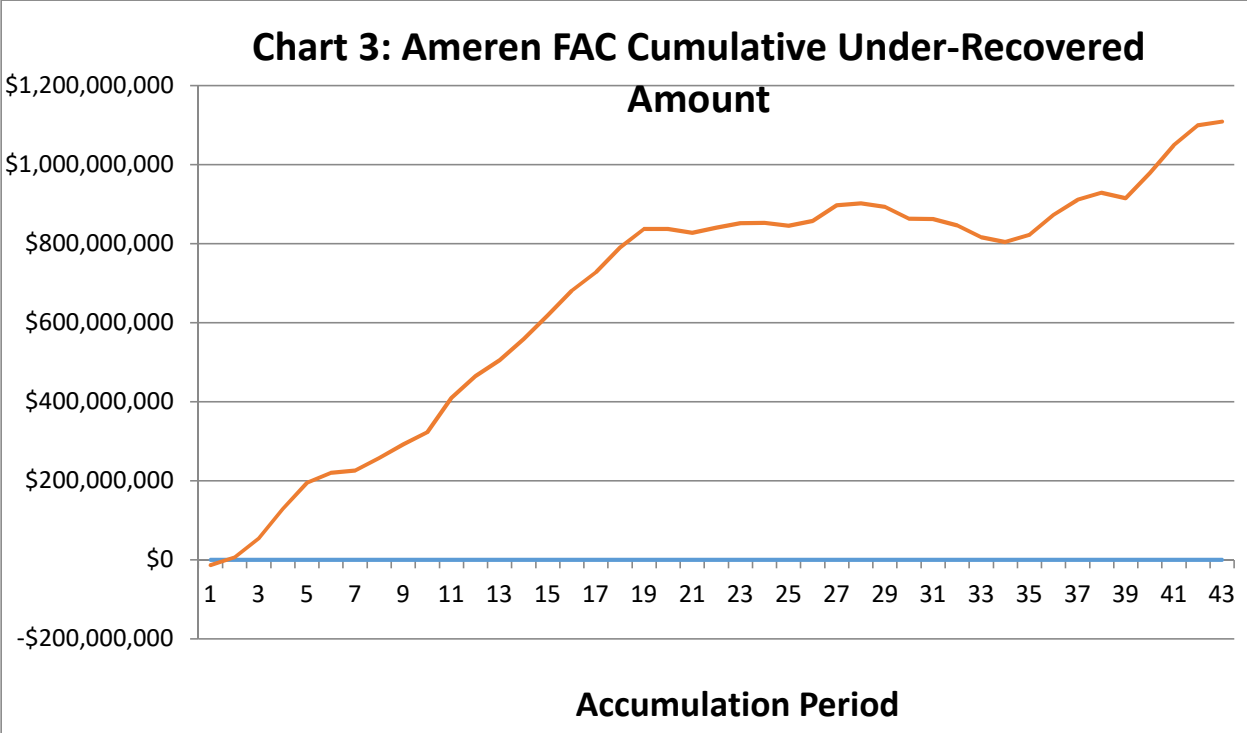


Chart 2: Ameren Missouri FAC Costs Summary





BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Adjustment of Union)
Electric Company d/b/a Ameren Missouri's) File No. ER-2024-0028
Fuel Adjustment Clause for the 43rd) Tariff No. YE-2024-0014
Accumulation Period)

AFFIDAVIT OF TERESA DENNEY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW TERESA DENNEY and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Report*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

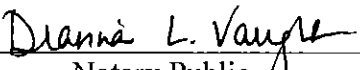


TERESA DENNEY

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 25th day of August, 2023.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377



Notary Public