

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

In the Matter of the Union Electric Company)	
d/b/a Ameren Missouri’s Fuel Adjustment)	File No. ER-2022-0262
Clause for the 39 th Accumulation Period)	Tariff No. YE-2022-0241

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

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

1. On March 30, 2022, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) filed one proposed tariff sheet, bearing an effective date of June 1, 2022, to revise its current period Fuel Adjustment Rates (“FARs”) for the 39th Accumulation Period (“AP39”) of its Fuel Adjustment Clause (“FAC”). This proposed tariff sheet is MO. P.S.C. Schedule No. 6, 6th Revised Sheet No. 71.15, Cancelling MO. P.S.C. Schedule No. 6, 5th Revised Sheet No. 71.15. The Commission assigned it Tariff No. YE-2022-0241.

2. Concurrently on March 30, 2022, Ameren Missouri submitted a FAC true-up filing in File No. EO-2022-0263 to identify the true-up amount of \$2,003,492 for the 36th Recovery Period (“RP36”) of its FAC. This amount and interest for RP36 are included in calculation of the FARs for AP39.

3. On April 11, 2022¹, Ameren Missouri filed a substitute tariff sheet to correct a typographical error on line 13; more specifically, there was a zero missing behind the

¹ Also on April 11, 2022, the Company filed a substituted corrected schedule to correct for a minor calculation error in one of the tabs of the original schedule. The error had no effect on the calculation of the applicable net energy costs or any component thereof, or on the requested FARs. Instead, it deals with the calculation of the sub-rate cap provided for by Section 393.1655.6, RSMo. (Cum. Supp. 2022). Both before and after correction of the calculation error, that sub-rate cap is not triggered.

decimal place on line 13. Therefore, the Company submitted a substitute tariff sheet that shows the correct figure on line 13 of \$0.00041.

4. 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, 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

5. 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[.]

6. In the attached *Memorandum*, attached as Appendix A, Staff recommends that the Commission issue an order approving Ameren Missouri’s proposed tariff sheet MO. P.S.C. Schedule No. 6, 6th Revised Sheet No. 71.15, as substituted on April 11, 2022, Cancelling MO. P.S.C. Schedule No. 6, 5th Revised Sheet No. 71.15, subject to true-up and prudence reviews.

7. For AP39, the fuel and purchased power adjustment (“FPA”) amount is \$(10,571,599), which divided by the forecasted net system input for AP39 of 22,321,962,796 kWh results in a current period FAR₃₉ of \$(0.00047) per kWh.

² 20 CSR 4240-20.090(8)(F).

When this is added to the prior period FAR₃₈ of \$0.00086 per kWh, the result is a proposed AP39 FAR of \$0.00039 per kWh. The proposed AP39 FAR of \$0.00039 per kWh is \$0.00225 per kWh less than the AP38 FAR of \$0.00264 per kWh.³

8. J. Neil Graser, Manager, Power and Fuels Accounting Ameren Services Company, explains the FAR's decrease in his filed testimony:

The primary factors driving this change in the FAR were lower fuel and purchased power costs for load and higher off-system sales margins in Accumulation Period 39 as compared to Accumulation Period 37 and the net base energy costs applicable to each period. Decreases in the fuel and purchased power costs for load during Accumulation Period 39 as compared to Accumulation Period 37 and the net base energy costs applicable to each period is primarily due to the increased energy costs during Accumulation Period 37 from the extreme cold snap in February 2021 amplified by the extended Callaway outage that occurred during all of Accumulation Period 37. Increases in the off-system sales margins is primarily due to increased volumes being available for sale during Accumulation Period 39 as compared to Accumulation Period 37 due to the extended Callaway outage during all of Accumulation Period 37.⁴

9. Because of a difference in line losses, there are different FARs for service taken at secondary and primary voltages levels, reflected on lines 13 and 15 of the proposed 6th Revised Sheet No. 71.15, as substituted on April 11, 2022. The resulting FARs are in the column marked "Proposed" in the following table:

Fuel Adjustment Rates (\$ Per kWh)			
Service Voltage Level	Current	Proposed	Difference
Secondary	\$0.00279	\$0.00041	\$0.00238 Decrease
Primary	\$0.00270	\$0.00040	\$0.00230 Decrease

³ The proposed AP39 FAR of \$0.00039 per kWh can be found on Line 11⁶ of the proposed 6th Revised Sheet No. 71.15 as substituted on April 11, 2022.

⁴ Ameren Missouri, *Direct Testimony of J. Neil Graser*, ER-2022-0262, P. 4:14 – 5:4 (March 30, 2022).

10. Based on a monthly usage of 1,000 kWh, the proposed change to the Secondary FAR will decrease the FAC of an Ameren Missouri residential customer's monthly bill from \$2.79 to \$0.41, a decrease of \$2.38 per month.

11. Except for Ameren Missouri's RP36 true-up filing in File No. EO-2022-0263, also filed March 30, 2022, Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

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

13. Staff verified that Ameren Missouri is not delinquent on any assessment and Ameren Missouri filed its 2021 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, for the above-stated reasons, Staff recommends that the Commission issue an order approving Ameren Missouri's proposed tariff sheet MO. P.S.C. Schedule No. 6, 6th Revised Sheet No. 71.15, as substituted on April 11, 2022, Cancelling MO. P.S.C. Schedule No. 6, 5th Revised Sheet No. 71.15, to become effective June 1, 2022, subject to true-up and prudence reviews.

Respectfully submitted,

/s/ Carolyn H. Kerr

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served via e-mail on counsel for the parties of record on this 25th day of April, 2022.

/s/ Carolyn H. Kerr

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2022-0262, Tariff Tracking No. YE-2022-0241
Union Electric Company, d/b/a Ameren Missouri

FROM: Cynthia M. Tandy, Senior Utility Regulatory Auditor

DATE: /s/ Cynthia M. Tandy 04/25/2022 /s/ Carolyn Kerr 04/25/2022
Energy Resources Department/Date Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for Approval of Tariff Sheet Filed to Change Rates Related to Ameren Missouri's Fuel Adjustment Clause for the 39th Accumulation Period

DATE: April 25, 2022

On March 30, 2022, Union Electric Company, d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, MO.P.S.C. Schedule No. 6, 6th Revised Sheet No. 71.15, bearing a proposed effective date of June 1, 2022 and cancelling the MO. P.S.C. Schedule No. 6, 5th Revised Sheet No. 71.15. On April 11, 2022¹, Ameren Missouri filed a substitute tariff sheet² to correct a typographical error on line 13; more specifically, there was a zero missing behind the decimal place on line 13. Therefore, the Company submitted a substitute tariff sheet that shows the correct figure on line 13 of \$0.00041. The 6th Revised Sheet No. 71.15, as substituted on April 11, 2022, revises Ameren Missouri's Fuel Adjustment Rates ("FARs") of its Fuel Adjustment Clause ("FAC") for Accumulation Period 39 ("AP39"), which ended on January 31, 2022. Staff recommends that the Missouri Public Service Commission ("Commission") approve MO.P.S.C. Schedule No. 6, 6th Revised Sheet No. 71.15, as substituted on April 11, 2022.

Ameren Missouri's March 30, 2022, filing includes the testimony of J. Neil Graser, Manager of 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 (\$10,571,599) and is reflected on line 5 of 6th Revised Sheet No. 71.15, as substituted on April 11, 2022. This FPA Amount results in a FAR₃₉³ of (\$0.00047) per kWh, which

¹ Also on April 11, 2022, the Company filed a substituted corrected schedule to correct for a minor calculation error in one of the tabs of the original schedule. The error had no effect on the calculation of the applicable net energy costs or any component thereof, or on the requested FARs. Instead, it deals with the calculation of the sub-rate cap provided for by Section 393.1655.6, RSMo. (Cum. Supp. 2022). Both before and after correction of the calculation error, that sub-rate cap is not triggered.

² Except as otherwise stated, all references herein to the tariff sheet in Tariff Tracking No. YE-2022-0241 shall be to the substitute proposed tariff sheet that Ameren Missouri filed on April 11, 2022.

³ FAR_{RP} is defined in Original Sheet No. 71.7 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 39, FAR_{RP} in this recommendation is referred to as FAR₃₉.

when added to the FAR₃₈⁴ of \$0.00086 per kWh, results in a proposed FAR⁵ of \$0.00039 per kWh. The proposed AP39 FAR of \$0.00039 per kWh on line 11⁶ of 6th Revised Sheet No. 71.15, as substituted on April 11, 2022, is \$0.00225 per kWh less than the AP38 FAR of \$0.00264 per kWh on line 11 of the 5th Revised Sheet No. 71.15.

Calculation of Total Company Fuel and Purchased Power Difference

Ameren Missouri’s work papers for AP39 show the following:

Actual Net Energy Costs (“ANEC”) ⁷	\$110,517,549
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The Net Base Energy Costs calculation is shown below as Sales multiplied by the Base Factor:

Sales in kWh	10,642,735,195
Base Factor (“BF”) per kWh	\$0.01167
Net Base Energy Costs (“B”) ⁸	\$124,200,719

The total Company Fuel and Purchased Power Difference calculation is shown below as Net Base Energy Costs subtracted from Actual Net Energy Costs:

ANEC	\$110,517,549
B	\$124,200,719
Fuel and Purchased Power Difference	(\$13,683,170)

⁴ FAR_(RP-1) is defined in Original Sheet No. 71.7 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 38, FAR_(RP-1) in this recommendation is referred to as FAR₃₈.

⁵ FAR is defined in Original Sheet No. 71.7 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).

⁶ 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.

⁷ 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 6th Revised Sheet No. 71.15, as substituted on April 11, 2022.

⁸ B = Base Factor multiplied by the accumulation period sales as reflected on lines 2, 2.1 and 2.2 of 6th Revised Sheet No. 71.15, as substituted on April 11, 2022.

Calculation of FPA Amount

Ameren Missouri’s work papers and 6th Revised Sheet No. 71.15, as substituted on April 11, 2022, show the FPA Amount⁹ of (\$10,571,599) to be the sum of:

1. Fuel and purchased power amount to be recovered from customers for AP39 of (\$12,999,011)¹⁰ (line 4 on proposed 6th Revised Sheet No. 71.15, as substituted on April 11, 2022); plus
2. Interest of \$423,920, which is (\$12,250) for AP39 plus \$436,170 for Recovery Period 36 (“RP36”) (line 4.1 of proposed 6th Revised Sheet No. 71.15, as substituted on April 11, 2022); plus,
3. The true-up amount, without interest, of \$2,003,492 (line 4.2 of proposed 6th Revised Sheet No. 71.15, as substituted on April 11, 2022). This amount is pending Commission approval in File No. EO-2022-0263.

Calculation of FAR₃₈

FAR₃₉ of (\$0.00047) per kWh is equal to the FPA Amount of (\$10,571,599), divided by the Estimated Recovery Period Sales of 22,321,962,796 kWh, according to Ameren Missouri’s commercial pricing node.¹¹ FAR₃₉ will apply during Recovery Period 39 (“RP39”), which is Ameren Missouri’s billing months of June 2022 through January 2023.

Calculation of FAR Without Voltage Level Adjustments

Line 9 of Ameren Missouri’s proposed 6th Revised Sheet No. 71.15, as substituted on April 11, 2022, reflects a FAR of \$0.00039 per kWh which is the sum of: (1) FAR₃₉ of (\$0.00047) per kWh and (2) FAR₃₈ of \$0.00086 per kWh.

	Proposed AP39 FAR 6th Revised Sheet No. 71.15, as substituted on April 11, 2022	Current AP38 FAR 5th Revised Sheet No. 71.15
Line 7. Current Period Fuel Adjustment Rate (FAR _{RP})	(\$ 0.00047)/kWh	\$ 0.00086/kWh
Line 8. Prior Period Fuel Adjustment Rate (FAR _{RP-1})	\$ 0.00086/kWh	\$ 0.00178/kWh
Line 9. Fuel Adjustment Rate (FAR)	\$ 0.00039/kWh	\$ 0.00264/kWh

⁹ 6th Revised Sheet No. 71.15, as substituted on April 11, 2022, lines 1 through 5 include the complete calculation of the FPA Amount of (\$10,571,599).

¹⁰ Fuel and purchased power amount to be recovered from customers for AP39 is equal to ninety-five percent (95%) of (\$13,683,170) (the difference between ANEC and B during AP39).

¹¹ MISO’s Market Settlements Business Settlements Practice Manual, BPM-005 Effective Date: December 07, 2021. 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.

Voltage Level FARs

Because of a difference in line losses,¹² there are different FARs for service taken at the Secondary and Primary voltage levels, reflected on lines 13 and 15 of proposed 6th Revised Sheet No. 71.15, as substituted on April 11, 2022. The AP39 FARs are in the table below:

Service	Proposed AP39 FAR	Line on 6th Revised Sheet No. 71.15
Secondary	\$ 0.00041 /kWh	22
Primary	\$ 0.00040 /kWh	23

Listed below are the proposed AP39 FARs, the current AP38 FARs, and the difference between them for Secondary and Primary service:

Service	Proposed AP39 FAR	Current AP38 FAR	Difference
Secondary	\$0.00041/kWh	\$0.00279/kWh	\$0.00238/kWh Decrease
Primary	\$0.00040/kWh	\$0.00270/kWh	\$0.00230/kWh Decrease

Based on a monthly usage of 1,000 kWh, the proposed change to the Secondary FAR would decrease the Fuel Adjustment Charge of an Ameren Missouri residential customer’s monthly bill by \$2.38, from \$2.79 to \$.41 per month.

In his filed testimony, Company witness J. Neil Graser explains the FAR’s decrease:

The primary factors driving this change in the FAR were lower fuel and purchased power costs for load and higher off-system sales margins in Accumulation Period 39 as compared to Accumulation Period 37 and the net base energy costs applicable to each period. Decreases in the fuel and purchased power costs for load during Accumulation Period 39 as compared to Accumulation Period 37 and the net base energy costs applicable to each period is primarily due to the increased energy costs during Accumulation Period 37 from the extreme cold snap in February 2021 amplified by the extended Callaway outage that occurred during all of the Accumulation Period 37. Increases in the off-system sales margins is primarily due to increased volumes being available for sale during Accumulation Period 39

¹² Secondary and Primary Voltage Adjustment Factors are shown on lines 12 and 14, respectively, on Ameren Missouri’s proposed 6th Revised Sheet No. 71.15, as substituted April 11, 2022.

as compared to Accumulation Period 37 due to the extended Callaway outage during all of Accumulation Period 37.¹³

Staff verified if there were additional amounts being refunded to customers during this accumulation period (AP39) for insurance recoveries related to recent unplanned Callaway outage. Ameren Missouri claimed approximately \$88.6 million¹⁴ in accidental outage insurance. Approximately \$30 million was included in this AP38. Approximately \$77.7 million has been included in AP37 and AP38. Although no additional accidental outage insurance proceeds were included in AP39, on April 4, 2022, Staff had a phone conversation with Ameren Missouri in which Ameren Missouri stated its final insurance proceeds of \$10.9 million were approved, and those refunds will be included in March of 2022, which will be reflected in the next FAR filing for AP40. Staff will continue to monitor the remaining proceeds in future FAR filings to ensure that all refunds have been returned.

Staff reviewed the proposed 6th Revised Sheet No. 71.15, as substituted on April 11, 2022, Mr. Graser'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 AP39. Staff verified that the actual fuel and 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 6th Revised Sheet No. 71.15, as substituted on April 11, 2022, and Mr. Graser's supporting schedules (along with revised work papers).¹⁵ 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 AP39.

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 thirty-nine (39) FAC rate adjustment filings. Chart 1 illustrates Ameren Missouri's FAR for each of the thirty-nine (39) accumulation periods. Chart 2 illustrates Ameren Missouri's FAC cost summary for Actual Net Base 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 thirty-nine (39) accumulation periods.

¹³ Ameren Missouri, *Direct Testimony of J. Neil Graser*, ER-2022-0262, page 4, line 14 through page 5, line 4.

¹⁴ Staff Data Request No. 0462.3 in case no. ER-2021-0240.

¹⁵ 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.

Staff Recommendation

Ameren Missouri timely filed its proposed MO.P.S.C. Schedule No. 6, 6th Revised Sheet No. 71.15, on March 30, 2022, as substituted on April 11, 2022, 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) 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, 6th Revised Sheet No. 71.15, filed March 30, 2022, as substituted on April 11, 2022, become effective on June 1, 2022. 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 March 30, 2022, as substituted on April 11, 2022, to become effective on June 1, 2022, subject to true-up and prudence reviews:

MO.P.S.C. Schedule No. 6
6th Revised Sheet No. 71.15, as substituted on April 11, 2022, Cancelling 5th Revised Sheet No. 71.15.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2021 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-2022-0263, as noted herein.

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-2022-0262
Fuel Adjustment Clause for the 39th) Tariff No. YE-2022-0241
Accumulation period.)

AFFIDAVIT OF CYNTHIA M. TANDY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW CYNTHIA M. TANDY and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.


CYNTHIA M. TANDY

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 22nd day of April, 2022.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2023
Commission Number: 15207377



Notary Public

Chart 1: Ameren Missouri Fuel Adjustment Rate

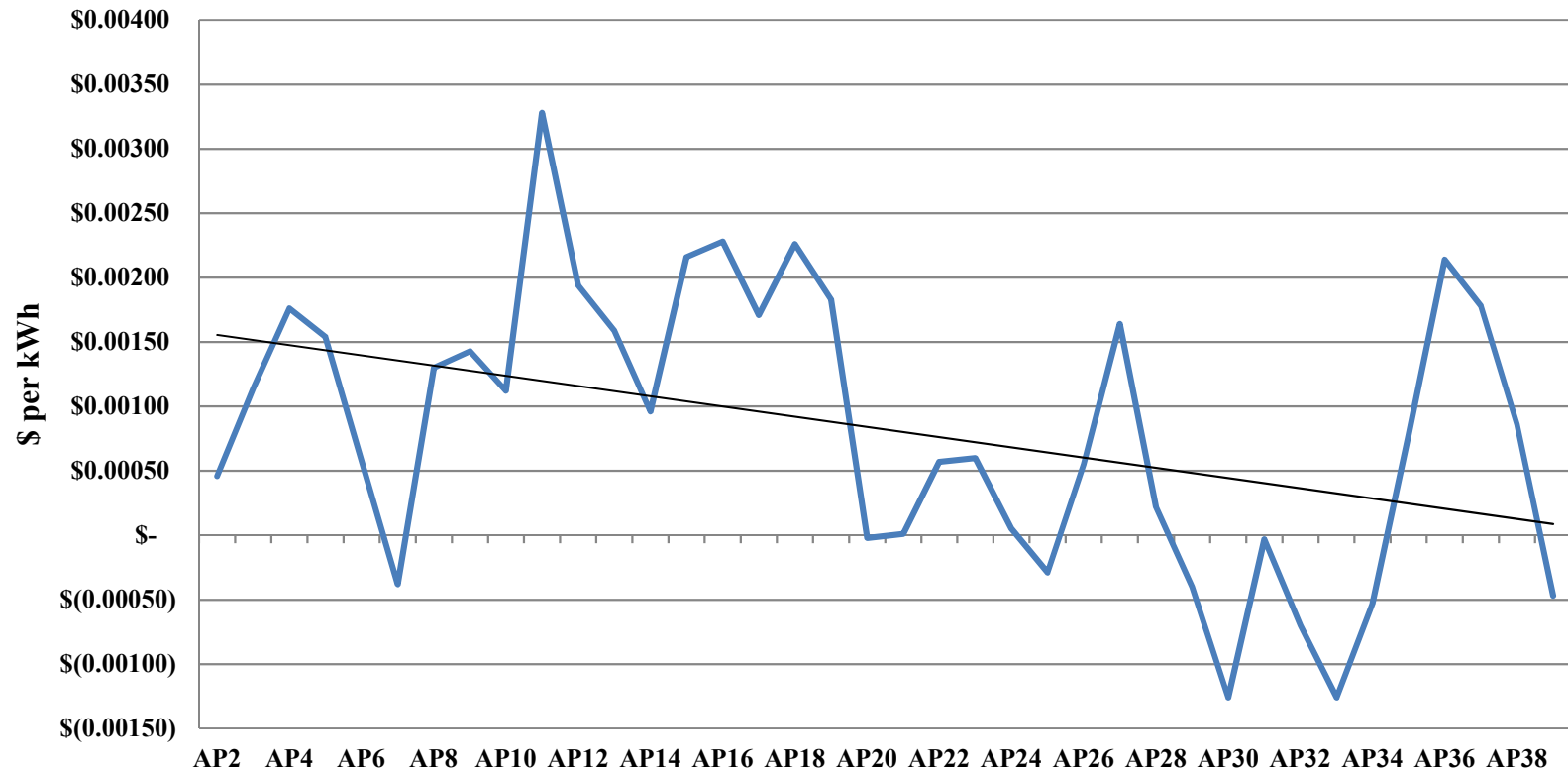


Chart 2: Ameren Missouri FAC Costs Summary

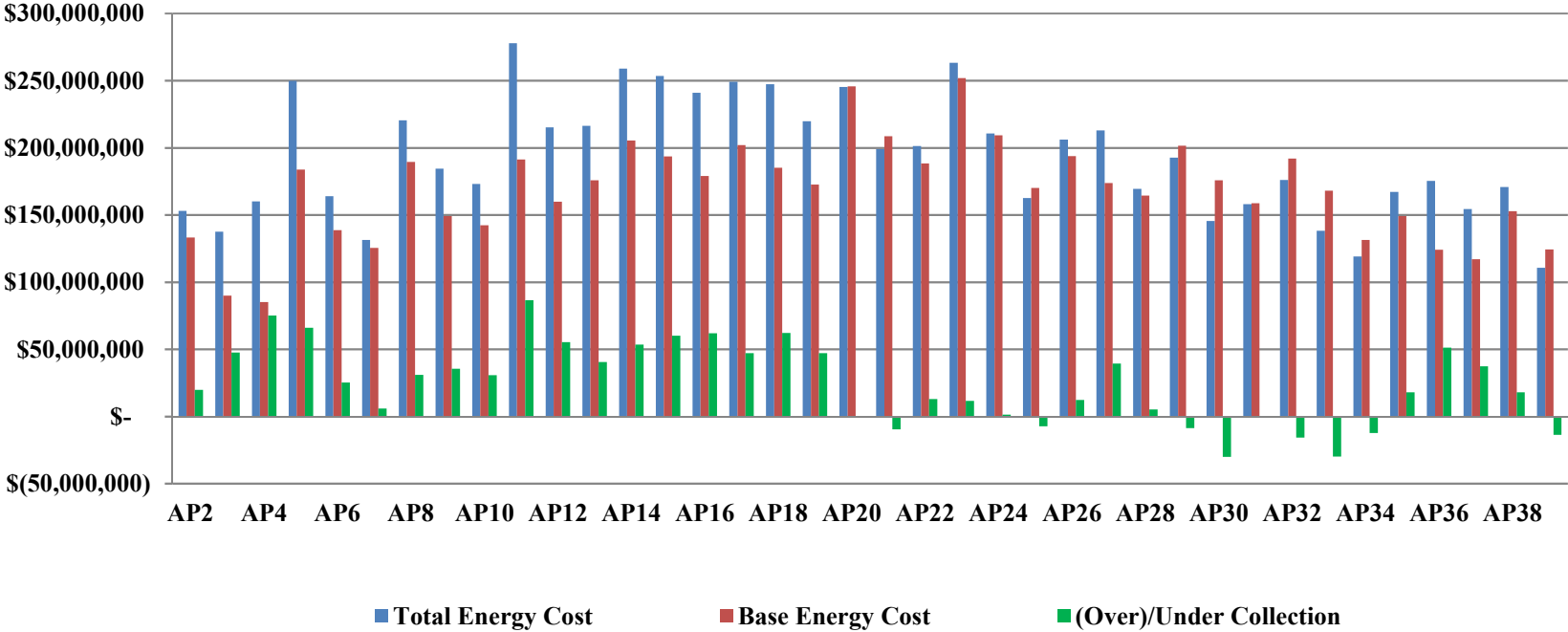


Chart 3: Ameren FAC Cumulative Under-Recovered Amount

