

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

In the Matter of Union Electric Company d/b/a Ameren)
Missouri’s Fuel Adjustment Clause for) File No. ER-2015-0128
The 17th Accumulation Period.)

**AMEREN MISSOURI’S RESPONSE TO OFFICE OF THE
PUBLIC COUNSEL’S REQUEST TO EXCLUDE CHARGE**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”), and for its response to the *Request to Exclude Charge* (the “Request”) submitted by Office of the Public Counsel (“OPC”) on December 23, 2014, states as follows:

1. OPC’s Request challenges the inclusion of costs or revenues in this currently-pending fuel adjustment clause rate (“FAR”) docket arising from participation by Ameren Missouri in the Southwest Power Pool’s (“SPP”) integrated marketplace. OPC alleges that such charges or revenues were “included in violation of Ameren Missouri’s tariff.” Request, p. 4.

2. OPC is incorrect. As the attached affidavit of Jesse Francis states, there are no such SPP charges (or revenues) included in the sums used to determine the FAR filed in this docket. In fact, as Mr. Francis’ affidavit indicates, there have been no such charges included in Ameren Missouri’s FAC in any period.¹

3. Consequently, OPC’s Request reflects an assumption – a mistaken one – on OPC’s part.

4. OPC is correct in reciting the provisions of Ameren Missouri’s current fuel adjustment clause (“FAC”) tariff which would allow certain charges (or revenues) to be included in the FAC if the criteria in the tariff are met. Ameren Missouri has fully complied with these provisions with respect to five new Midcontinent Independent System Operator, Inc. (“MISO”) charge types (two of which actually involve revenues that have been included in the FAC to lower net energy costs) implemented by MISO since the Company’s last rate case.² If Ameren Missouri believes a new SPP charge (or revenue) type may in the future apply to it then Ameren

¹ Francis Affidavit, ¶ 3.

² Francis Affidavit, ¶ 4.

Missouri will provide the notice and the information required by the FAC tariff at least 60 days before including any such charges or revenues in its FAC. Such an inclusion will be subject to a party's right to challenge it, as provided for in the FAC tariff and, if the Commission were to uphold such a challenge, sums would have to be refunded, with interest.

5. OPC's mistaken assumption may have been based upon a notice included in the Company's monthly FAC reports starting with the report for the month of February 2014 (submitted in April 2014). That notice, which was included along with the notices of the five MISO charge (revenue) types noted above (the notices are attached to Mr. Francis' affidavit), simply alerted parties to the start of the SPP marketplace and of the intention, in the future, for Ameren Missouri to begin trading in the SPP market. It did not identify any charge or revenue types from SPP nor did it indicate that charges or revenues were to be included, as did the other five charge type notices contained in the reports. While the Company was not required to include a notice of the start of the SPP marketplace in its monthly reports but could have waited to provide all of the information required by the FAC tariff 60 days before any charges/or revenues were to be included in the FAC, the Company thought it made sense to notify the parties that the Company might, in the future, participate in the SPP market.³

6. As Mr. Francis' affidavit also indicates, no one from OPC contacted the Company to inquire as to whether any SPP charges or revenues had been included in the FAC before OPC filed its Request claiming that the Company had violated its FAC tariff.

7. In summary, there has been no notice of an additional charge type arising from the SPP marketplace, as contemplated by the FAC tariff, and neither the current FAR rate filed in this docket nor prior FAR rates that are or were in effect include any such SPP charges or revenues. OPC's Request is mistaken and moot.

8. As the Staff's recommendation in this docket indicates, the Company's current FAR (and true-up) filing complies with the FAC tariff and, accordingly, it must be approved or otherwise allowed to take effect. *Cf.* 4 CSR 240-20.090(4) (Providing that if the adjustment is in accordance with the tariff it must either be approved or allowed to take effect 60 days after the tariff adjusting the rate was filed).

³ *Id.*, ¶ 5.

WHEREFORE, for the foregoing reasons OPC's Request should be denied.

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Dated: January 5, 2015

Attorneys for Ameren Missouri

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was served on all parties of record via electronic mail (e-mail) on this 5th day of January, 2015.

/s/James B. Lowery

James B. Lowery

charges under them was included in Ameren Missouri's monthly FAC reports, as the FAC tariff requires. The notices included in the monthly reports are attached hereto as Exhibit A.

5. In addition to the notices for these five new charge/revenue types is the informational notice about the start of the SPP marketplace first included in the FAC monthly report for the month of February 2014 (submitted in April 2014). While this notice was not required, we thought it made sense to include it. If we believe Ameren Missouri will incur/receive SPP marketplace charges/revenues under charge/revenue types that are eligible for inclusion, we will provide the requisite notice and information required by the FAC tariff at least 60 days in advance of their inclusion in a FAR filing.

Further affiant sayeth not.



Jesse Francis

Subscribed and sworn before me this 2nd day of January, 2015.



Notary

BECKIE J. EAVES
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Louis City
My Commission Expires: February 21, 2018
Commission Number: 14938572

Ameren Missouri
Additional Information Ordered by the Commission
Market Settlement Charge Type Changes
February 2014

The Southwest Power Pool (SPP) integrated marketplace was launched on March 1, 2014. Ameren Missouri is registered as a Financial-Only Market Participant within this market, and plans to begin physical trading in the near future.

Beginning December 1, 2013 MISO instituted 3 new charge types to allow for settlement of Entergy Arkansas pricing zone transmission transactions. The new charge types are "Charge to Recover Costs of Entergy Storm Securitization" (Schedule 41), "Entergy Charge to Recover Interest" (Schedule 42-A) and "Entergy Credit associated with AFUDC" (Schedule 42-B).

In accordance with the provisions of Rider FAC, Ameren Missouri is providing notice of the establishment of this new charge type for use in future FAR filings.

- 1) These are transmission charges from MISO so the FERC Account affected by this change is FERC Acct. 565 and activity codes SC41, S42A and S42B.
- 2) These transmission charges possess the characteristic of, and are of the nature of, the transmission charges currently assessed to Ameren Missouri by Entergy to serve Ameren Missouri load using Entergy transmission.
- 3) These new charge types do not replace or supplement any of the existing market settlement charge type(s), but were billed to Ameren Missouri directly by Entergy and included previously in the Fuel Adjustment Clause.

As of June 1, 2013, MISO instituted a new charge type "Real-Time Resource Adequacy Auction Amount" to allow for settlement of transactions from the MISO Planning Resource Auction.

In accordance with the provisions of Rider FAC, Ameren Missouri is providing notice of the establishment of this new charge type for use in future FAR filings.

- 1) These are capacity revenues and charges so the FERC Account affected by this change is FERC Acct. 555.
- 2) These capacity revenues and charges possess the characteristics of, and are of the nature of, the capacity revenues and charges currently collected or assessed to Ameren Missouri pursuant to bilateral contracts and included in the FAC.
- 3) To the extent that these capacity revenues and charges are in excess of the self-scheduled amounts in the MISO auction, they would replace in part, capacity revenues and charges which would otherwise have been received pursuant to bilateral contracts.

On February 1, 2013, FERC conditionally accepted (FERC Docket No. ER13-841-000) a new Schedule (Schedule 45) to MISO's Energy Markets Tariff. Schedule 45 is entitled "Cost Recovery of NERC Recommendation or Essential Action." Transmission charges of this type were previously charged to Ameren Missouri under Schedules 7, 8 or 9.

In accordance with the provisions of Rider FAC, Ameren Missouri is providing notice of the establishment of a new charge type (MISO Schedule 45) for use in future FAR filings.

- 1) These are transmission charges from MISO so the FERC Account affected by this change is FERC Acct. 565.
- 2) These transmission charges possess the characteristics of, and are of the nature of, the transmission charges currently assessed to Ameren Missouri pursuant to Schedules 7, 8 and 9. Under the currently-effective version of Attachment FF to the MISO Tariff the charges associated with Network Upgrades that do not qualify as Baseline Reliability Projects, New Transmission Access Projects, Market Efficiency Projects, or Multi-Value Projects are recovered pursuant to each Transmission Owner's Attachment O rate formula. The new Schedule 45 and each Transmission Owners' related Attachment ZZ will allow Transmission Owners that are Registered Entities as transmission owners ("TO-RE"), as defined under the NERC Functional Model, the option of separately developing and recovering the costs of Network Upgrades and other transmission-related construction or incurred expenses in response to a NERC Recommendation or Essential Action under Attachment ZZ and Schedule 45, rather than under their Attachment O formula rate. If a TO-RE uses Attachment ZZ this means that transmission charges that would have been assessed under Schedules 7, 8 or 9 are now shifted to being assessed under Schedule 45. Only projects that qualify as an "other" project pursuant to Attachment FF, Tariff, section III.A.2.i, qualify as transmission charges under Schedule 45.
- 3) It should be noted that MISO Schedules 7, 8 and 9 have been modified to clarify that transmission charges recovered under Schedule 45 cannot also be assessed under Schedules 7, 8, and 9.

**Ameren Missouri
Additional Information Ordered by the Commission
Market Settlement Charge Type Changes
May 2014**

Beginning June 2014 MISO will implement a new charge type to distribute those revenues received as a result of Auction Revenue Rights (ARR) allocated to Multi-Value Projects (MVP) for planning year 2014-2015. The name of the new charge type is Real Time MVP Distribution and will act as an offset to reduce Schedule 26-A amounts. The distribution will occur on the last Operating Day of each month.

In accordance with the provisions of Rider FAC, Ameren Missouri is providing notice of the establishment of this new charge type for use in future FAR filings.

- 1) This charge type would result in a reduction to transmission charges from MISO so the FERC Account affected by this change is FERC Acct. 565 and activity code S26A.
- 2) This transmission charge reduction possesses the characteristic of, and is of the nature of, auction revenue rights.
- 3) This new charge type will supplement existing transmission settlement charge type Schedule 26-A.

On May 29, 2014, FERC issued an order in Docket Nos. ER14-1645-000, ER13-948-000 and EL14-19-000 accepting Schedule 47 effective June 1, 2014, subject to refund, and established a hearing and settlement judge procedures. Schedule 47 provides a mechanism for the Energy Operating Companies to recovery operation and maintenance (O&M) costs they incurred as part of their integration into MISO. All customers taking Network Integration Transmission Service (NITS) or point-to-point (PTP) service in one of the four Entergy pricing zones are subject to this charge.

In accordance with the provisions of Rider FAC, Ameren Missouri is providing notice of the establishment of this new charge type for use in future FAR filings.

- 1) This is a transmission charge from MISO so the FERC Account affected by this change is FERC Acct. 565 and activity code SC47.
- 2) This transmission charge possess the characteristic of, and is of the nature of, the transmission charges currently assessed to Ameren Missouri by Entergy to serve Ameren Missouri load using Entergy transmission.
- 3) This new charge type does not replace or supplement any of the existing market settlement charge type(s), but has been billed to Ameren Missouri directly by Entergy and included previously in the Fuel Adjustment Clause.

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Beginning December 1, 2013 MISO instituted 3 new charge types to allow for settlement of Entergy Arkansas pricing zone transmission transactions. The new charge types are "Charge to Recover Costs of Entergy Storm Securitization" (Schedule 41), "Entergy Charge to Recover Interest" (Schedule 42-A) and "Entergy Credit associated with AFUDC" (Schedule 42-B).

In accordance with the provisions of Rider FAC, Ameren Missouri is providing notice of the establishment of this new charge type for use in future FAR filings.

- 1) These are transmission charges from MISO so the FERC Account affected by this change is FERC Acct. 565 and activity codes SC41, S42A and S42B.
- 2) These transmission charges possess the characteristic of, and are of the nature of, the transmission charges currently assessed to Ameren Missouri by Entergy to serve Ameren Missouri load using Entergy transmission.
- 3) These new charge types do not replace or supplement any of the existing market settlement charge type(s), but were billed to Ameren Missouri directly by Entergy and included previously in the Fuel Adjustment Clause.

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In accordance with the provisions of Rider FAC, Ameren Missouri is providing notice of the establishment of this new charge type for use in future FAR filings.

- 1) These are capacity revenues and charges so the FERC Account affected by this change is FERC Acct. 555.
- 2) These capacity revenues and charges possess the characteristics of, and are of the nature of, the capacity revenues and charges currently collected or assessed to Ameren Missouri pursuant to bilateral contracts and included in the FAC.
- 3) To the extent that these capacity revenues and charges are in excess of the self-scheduled amounts in the MISO auction, they would replace in part, capacity revenues and charges which would otherwise have been received pursuant to bilateral contracts.

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- 3) It should be noted that MISO Schedules 7, 8 and 9 have been modified to clarify that transmission charges recovered under Schedule 45 cannot also be assessed under Schedules 7, 8, and 9.