

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
File No. ER-2013-0433, Tariff Tracking YE-2013-0408  
Union Electric Company d/b/a Ameren Missouri

FROM: Matthew J. Barnes, Utility Regulatory Auditor IV  
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/s/ John A. Rogers 04/19/13

Energy Resource Analysis Unit/Date

/s/ John D. Borgmeyer 04/19/13

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 Pursuant to the Commission's Report and Order from File No. ER-2012-0166.

DATE: April 19, 2013

On March 22, 2013, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, 1st Revised Sheet No. 98.31 bearing a proposed effective date of May 24, 2013, canceling Original Sheet No. 98.31. The filed tariff sheet, 1st Revised Sheet No. 98.31, revises Ameren Missouri's Fuel Adjustment Rates ("FARs") of its Fuel Adjustment Clause ("FAC"). Staff recommends the Missouri Public Service Commission ("Commission") approve 1st Revised Sheet No. 98.31.

Ameren Missouri's March 22, 2013 filing includes the testimony of Ameren Missouri witness Jesse Francis and associated Ameren Missouri work papers. The testimony and work papers include information that supports Ameren Missouri's calculation of the dollar amount it used to calculate Fuel and Purchased Power Adjustment ("FPA"). That dollar amount ("FPA Amount") is \$51,392,369 and is recorded on line 5 of 1<sup>st</sup> Revised Sheet No. 98.31. This FPA Amount results in a FAR<sub>12</sub><sup>1</sup> of \$0.00194 per kWh and a proposed FAR<sup>2</sup> of \$0.00522 per kWh, which is \$0.00082 per kWh greater than the current FAR<sup>3</sup> of \$0.00440 per kWh.

### Calculation of Total Company Fuel and Purchased Power Difference

Ameren Missouri's work papers for Accumulation Period 12 ("AP12"), which includes October 1, 2012 through January 31, 2013, contain data and calculations for Actual Net Energy Cost ("ANEC") equal to \$215,139,881 (line 1 of 1st Revised Sheet No. 98.31) and Net Base

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<sup>1</sup> FAR<sub>RP</sub> is defined in Original Sheet No. 98.29 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 occurred after the end of Accumulation Period 12, FAR<sub>RP</sub> in this recommendation is referred to as FAR<sub>12</sub>.

<sup>2</sup> FAR is defined in Original Sheet No. 98.29 as "Fuel Adjustment Rate applied to retail customer usage on a per kWh basis starting with the applicable Recovery Period following the FAR filing." FAR = FAR<sub>RP</sub> + FAR<sub>RP-1</sub>.

<sup>3</sup> The \$0.00440 per kWh rate is found on line 11 of 4<sup>th</sup> Revised Sheet No. 98.21. The corresponding per kWh rate is found on line 9 of 1<sup>st</sup> Revised Sheet No. 98.31 and is referred to as the Fuel Adjustment Rate (FAR).

Energy (“B”) equal to \$159,767,211 (line 2 of 1st Revised Sheet No. 98.31). For this filing, B is equal to sales of 9,093,719,784 kWh for October 1, 2012 through January 1, 2013, times \$0.01213<sup>4</sup> per kWh plus sales of 3,401,677,415 kWh for January 2, 2013 through January 31, 2013, times \$0.01454<sup>5</sup> per kWh. The difference between ANEC and B is equal to \$55,372,670 and is the amount on line 3 of 1st Revised Sheet No. 98.31, the Total Company Fuel and Purchased Power Difference.

Staff notes that the Base Factor (“BF”) value of \$0.01279 on line 2.1 of 1st Revised Sheet No. 98.31 is a derived and rounded BF equal to B divided by Accumulation Period Sales (“SAP”) of 12,495,397,199 kWh (line 2.2 of 1st Revised Sheet No. 98.31) for AP12. Had there been only one BF for the entire AP12, the BF on line 2.1 of 1st Revised Sheet No. 98.31 would be equal to that BF. However, since the Commission-approved BF changed on January 2, 2013, as a result of the Commission’s Report and Order in Case No. ER-2012-0166, it is necessary to derive the BF for AP12.

#### Calculation of FPA Amount

Ameren Missouri’s work papers show the following components of the FPA Amount<sup>6</sup> of \$51,392,369 to be the sum of:

1. Customer Responsibility for AP12 equal to \$52,604,037<sup>7</sup> (Line 3 on 1<sup>st</sup> Revised Sheet No. 98.31);
2. Interest for AP12 equal to \$36,723;
3. True-Up for Recovery Period 9 (“RP9”) equal to (\$1,248,391) (This true-up amount is before the Commission for approval in pending File No. ER-2013-0434.)

#### Calculation of FAR<sub>12</sub>

FAR<sub>12</sub> of \$0.00194 per kWh is equal to the Customer Responsibility for AP12 with interest plus the True-Up Amounts for RP9 for a total of \$51,392,369 divided by the Recovery Period 12 (“RP12”) expected retail estimated usage in kWh of the Company’s load settled at its MISO CP node (AMMO.UE or successor node) of 26,469,255,257 kWh. FAR<sub>12</sub> will apply during RP12—Ameren Missouri’s billing months of June 2013 through January 2014.

#### Calculation of FAR Rates Without Voltage Level Adjustments

Ameren Missouri’s requested 1<sup>st</sup> Revised Sheet No. 98.31 canceling Original Sheet No. 98.31, when effective, will change the current FAR (without voltage level adjustment on line 9 of the

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<sup>4</sup> Winter NBFC Rate on 1<sup>st</sup> Revised sheet No. 98.19.

<sup>5</sup> Base Factor winter rate on Original Sheet No. 98.28.

<sup>6</sup> 1<sup>st</sup> Revised Sheet No. 98.31 lines 1 through 5 include the complete calculation of the FPA Amount of \$51,392,369.

<sup>7</sup> AP12 included the period of October 1, 2012 through January 31, 2012. The customer responsibility for AP12 is equal to ninety-five percent (95%) of the difference between Ameren Missouri’s Actual Net Energy Cost during AP12 and Ameren Missouri’s Net Base Energy Cost during AP12 - \$52,604,037.

Company's requested 1st Revised Sheet No. 98.31) to \$0.00522 per kWh which is the cumulative sum of: 1) FAR<sub>11</sub> of \$0.00328 per kWh, and 2) FAR<sub>12</sub> of \$0.00194 per kWh.

#### Calculation of FAR Rates With Voltage Level Adjustments

Because of a difference in line losses, there are different current FARs for service taken at Secondary, Primary, and Large Transmission voltage levels. Listed below are the proposed RP12 FARs, the current RP11 FARs and the difference between them for Secondary, Primary, and Large Transmission service:

	Proposed RP12 FAR	Current RP11 FAR	Difference
Secondary	\$0.00552/kWh	\$0.00465/kWh	\$0.00087/kWh
Primary	\$0.00535/kWh	\$0.00450/kWh	\$0.00085/kWh
Large Transmission	\$0.00518/kWh	\$0.00436/kWh	\$0.00082/kWh

Based on a monthly usage of 1,100 kWh, the proposed change to the Secondary FAR would increase the Fuel Adjustment Charge of an Ameren Missouri residential customer's bill from \$5.12 to \$6.07, an increase of \$0.96 per month.

Staff reviewed proposed 1st Revised Sheet No. 98.31, the direct testimony of Ameren Missouri witness Jesse Francis and work papers in this filing, as well as Ameren Missouri's monthly information submitted in compliance with 4 CSR 240-3.161(5) for AP12. Staff verified that the actual fuel and purchased power costs net of off-system sales revenues reflected therein match the fuel and purchased power costs and emission costs net of off-system sales revenues on line 1 of Ameren Missouri's requested 1st Revised Sheet No. 98.31 and the supporting schedules of witness Jesse Francis. Staff reviewed Ameren Missouri's monthly reports and verified that the kWh billed shown on the monthly reports match the accumulation period sales used to calculate the FAR rates. 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 interest rates and calculations of interest amounts are correct for AP12.

#### Landfill Gas Facility

In its December 12, 2012, Report and Order in Case No. ER-2012-0166, the Commission granted Ameren Missouri relief from Rule 4 CSR 240-20.100(6)(A)16 to allow the costs of landfill gas purchased for operation in the Company's Maryland Heights generating facility to flow through its FAC; therefore, Staff has continued to allow the costs of that landfill gas to flow through Ameren Missouri's fuel adjustment clause for AP12 and true-up of RP9. Staff is working with Ameren Missouri to reach a resolution concerning the future treatment of the costs of landfill gas purchased for the Company's Maryland Heights generating units.

Staff Recommendation

Ameren Missouri timely filed 1st Revised Sheet No. 98.31, and based on Staff's review is in compliance with Commission Rule 4 CSR 240-3.161 (Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements), and Ameren Missouri's FAC embodied in its tariff.

Commission Rule 4 CSR 240-20.090(4) provides in part:

[T]he commission shall either issue an interim rate adjustment order approving the tariff schedules and the FAC rate adjustments within sixty (60) days of the electric utility's filing or, if no such order is issued, the tariff schedules and the FAC rate adjustments shall take effect sixty (60) days after the tariff schedules were filed.

Ameren Missouri requested that 1st Revised Sheet No. 98.31, filed March 22, 2013, become effective on May 24, 2013, the beginning of the first billing cycle of Ameren Missouri's June 2013 billing month. Thus, the proposed tariff sheet was filed with 63 days' notice. Therefore, Staff recommends the Commission issue an order approving the following proposed tariff sheet, as filed on March 22, 2013, to become effective on May 24, 2013, as requested by Ameren Missouri:

MO.P.S.C. Schedule No. 5

1<sup>st</sup> Revised Sheet No. 98.31 Canceling Original Sheet No. 98.31.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2012 Annual Report. Ameren Missouri is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10) and its monthly reports as required by 4 CSR 240-3.161(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except File No. ER-2013-0434 as noted herein.



