

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

In the Matter of Union Electric Company, d/b/a AmerenUE's Fuel and Purchased Power Adjustment Clause True-Up.)))	File No. ER-2010-0274
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STAFF'S RESPONSE TO ORDER DIRECTING FILING

Comes Now the Staff of the Public Service Commission of Missouri and responds to the Commission's April 5, 2010 *Order Directing Filing* as follows:

1. In its *Order Directing Filing* the Commission ordered that parties wishing to respond to AmerenUE's motion for an extension of time to make its first true-up filing under its Fuel and Purchased Power Adjustment Clause do so by April 20, 2010.

2. Regarding Fuel and Purchased Power Adjustment Clause true-ups, AmerenUE's Fuel and Purchased Power Adjustment Clause (designated "Rider FAC" in its tariff; MO.P.S.C. Schedule No. 5, Tariff Sheets 98.1 to 98.7) provides:

After the completion of each true-up year, the Company will make a true-up filing by May 1 of each year (starting by May 1, 2010) with the Commission. Such filings shall be made by May 1 of every subsequent year until all fuel and purchased power costs accumulated during the effective period of the FAC have been recovered and trued-up. Any true-up adjustments or refunds shall be reflected in item R above, and shall include interest calculated as provided for in item I above.

The true-up adjustment shall be the difference between the revenues billed and the revenues authorized for collection during the true-up year.

3. As the Commission ordered in Case No. ER-2008-0318, AmerenUE's Fuel and Purchased Power Adjustment Clause became effective on March 1, 2009.

4. Commission Rule 4 CSR 240-20.090(4)(A) provides:

(A) An electric utility with a FAC shall file one (1) mandatory adjustment to its FAC in each true-up year coinciding with the true-up of its FAC. It may also file up to three (3) additional adjustments to its FAC within a true-up year with the timing and number of such additional filings to be

determined in the general rate proceeding establishing the FAC and in general rate proceedings thereafter.

True-up year is defined in 4 CSR 240-20.090(1)(I) as follows:

(I) True-up year means the twelve (12)-month period beginning on the first day of the first calendar month following the effective date of the commission order approving a RAM unless the effective date is on the first day of the calendar month. If the effective date of the commission order approving a rate mechanism is on the first day of a calendar month, then the true-up year begins on the effective date of the commission order. The first annual true-up period shall end on the last day of the twelfth calendar month following the effective date of the commission order establishing the RAM. Subsequent true-up years shall be the succeeding twelve (12)-month periods. If a general rate proceeding is concluded prior to the conclusion of a true-up year, the true-up year may be less than twelve (12) months.

5. As noted in AmerenUE's Tariff Sheet No. 98.1, the true-up years of AmerenUE's Fuel and Purchased Power Adjustment Clause are from March 1 through the last day of February of the following year. And, as noted in paragraph 1 above, AmerenUE's Fuel and Purchased Power Adjustment Clause prescribes that AmerenUE make a true-up filing with the Commission by May 1 of each year (starting by May 1, 2010).

6. AmerenUE's statements in paragraph 2 of its motion that follow are correct:

The purpose of the true-up is to compare the amount calculated for each accumulation period to the amounts actually reflected in customers' bills during the 12-month recovery period that is associated with the subject accumulation period. The amounts reflected in customers' bills will vary from the actual net fuel cost change occurring in a given accumulation period because the estimated customer usage during the subject recovery period will always vary to some extent from the actual customer usage experienced during that recovery period. Therefore, it is logical that the true-up period should follow the completion of each recovery period.

7. The accumulation and recovery periods of AmerenUE's Fuel and Purchased Power Clause are in AmerenUE's Tariff Sheet 98.1, and follow:

<u>Accumulation Period (AP)</u>	<u>Filing Date</u>	<u>Recovery Period (RP)</u>
February through May	By August 1	October through September
June through September	By December 1	February through January
October through January	By April 1	June through May

8. As AmerenUE points out in its motion, its first accumulation period is March to May, 2009 and the associated recovery period is October 2009 through September 2010; thus, the first recovery period to be trued-up has not ended before the end of the first true-up year—September 2010 is after February 28, 2010. Therefore, AmerenUE cannot make a true-up filing by May 1, 2010 for its first recovery period of October 2009 through September 2010.

9. Because of the foregoing timing issue, in AmerenUE's pending rate case, Case No. ER-2010-0036, as part of the First Nonunanimous Stipulation and Agreement filed March 19, 2010, which was unopposed and approved by the Commission on March 24, 2010, if the Commission authorizes AmerenUE to continue a Fuel and Purchased Power Adjustment Clause, the timing of AmerenUE's true-up filings will change so they will always be made concurrently with the first rate adjustment filing that occurs at least two months after the end of each recovery period.

10. For the same reasons it supported changing the timing of AmerenUE's filing of true-ups in the First Nonunanimous Stipulation and Agreement filed March 19, 2010, and because it will not cause undue discrimination to any customer or otherwise prejudice anyone, the Staff supports AmerenUE's motion here.

WHEREFORE, the Staff recommends the Commission grant AmerenUE's motion.

Respectfully submitted,

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 12th day of April 2010.

/s/ Nathan Williams