

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

In the Matter of Union Electric Company,)	<u>File No. ER-2011-0028</u>
d/b/a Ameren Missouri's Tariff to Increase Its)	Tariff No. YE-2012-0021
Annual Revenues for Electric Service)	

STAFF RECOMMENDATION TO APPROVE TARIFF SHEETS

Comes now the Staff of the Missouri Public Service Commission, by counsel, and for its recommendation to approve tariff sheets, as filed on July 18, 2011, to become effective July 31, 2011, for good cause shown pursuant to §393.140(11) RSMo, and states:

1. On July 13, 2011, the Commission issued its *Report and Order* in which it rejected Ameren Missouri's tariff sheets filed September 3, 2010 designed to generally increase its electric revenues, and authorized Ameren Missouri to file by July 18, 2011, tariff sheets designed to permit Ameren Missouri to recover revenues as determined by the Commission in its *Report and Order*.

2. Ameren Missouri filed its compliance tariff sheets on July 18, 2011 bearing an effective date of August 17, 2011, with a motion to allow them to go into effect on July 31, 2011 for service rendered on and after July 31, 2011. On July 19, 2011, the Commission ordered Staff to file its "recommendation regarding Ameren Missouri's compliance tariff [sheets], Tariff No. YE-2012-0021, no later than July 25, 2011."

3. Staff has reviewed all of the foregoing filed tariff sheets to determine if they comport with the Commission's July 13, 2011 *Report and Order* and June 1, 2011 *Order Approving Stipulations and Agreements*. Staff concludes said tariff sheets do. In the attached Staff Memorandum marked "Appendix A," the Staff recommends the Commission issue an Order that approves the electric tariff sheets listed in that memorandum to become effective on

July 31, 2011, as requested by Ameren Missouri. Staff notes that, as stated on the tariff sheets themselves, approval of them cancels certain presently effective Ameren Missouri electric tariff sheets.

4. With regard to Ameren Missouri's revenue requirement the Commission stated in the Summary Section on page four of its *Report and Order*:

This order allows Ameren Missouri to increase the revenue it may collect from its Missouri customers by approximately \$172 million based on the data contained in the Revised True-up Reconciliation filed by the Missouri Public Service Commission Staff on May 16, 2011.

As related in Appendix A, based on Staff's revenue requirement calculation incorporating the Commission's decisions on each issue as set forth in its *Report and Order*, the revenue increase the Commission ordered is \$173,225,030, a 7.11% increase.

5. On page 4 of the Commission's *Report and Order* the stated amount of the revenue requirement is "approximately \$172 million." However, when the revenue requirement was calculated for purposes of developing tariff sheets based on the Commission's decisions on contested issues and the stipulation and agreements, the actual revenue requirement is approximately \$173 million. Due to the interrelationship of the cost of service items, the actual revenue requirement can vary from the amount which results when merely adding up the issue amounts that appear on the reconciliation. The primary difference relates to a tax deduction that is, in part, based on the level of the revenue requirement. The revenue requirement used to calculate this tax deduction in the reconciliation was higher than the approximately \$172 million amount. When the lower revenue requirement, \$172 million, was substituted for the one used in the reconciliation, the amount of the tax deduction was reduced and level of income taxes and the resulting revenue requirement were increased. This situation also occurred in the previous Union Electric Company rate case, ER-2010-0036. In that rate case the actual revenue

requirement increase generated by the combination of the Commission's decisions on the various issues and the stipulations and agreements was \$229.5 million, while the increase in revenue identified as authorized by the Commission is its *Report and Order* was \$226.3 million.

6. Section 393.140(11) RSMo 2000 requires proposed changes to tariffs not go into effect with less than thirty (30) days' notice, unless the Commission determines otherwise for "good cause shown." The Commission's *Report and Order* leads to the conclusion that the Commission has found Ameren Missouri's existing tariff does not generate sufficient revenues. The Commission has authorized Ameren Missouri to file tariff sheets designed to permit Ameren Missouri to recover revenues as determined by the Commission in its *Report and Order*. The purpose of the thirty (30) days' notice requirement of section 393.140(11) RSMo 2000 has been accomplished. The Staff recommends the Commission grant Ameren Missouri's motion for expedited treatment and order the tariff sheets to become effective July 31, 2011.

WHEREFORE, the Staff recommends that the Commission issue an order that grants Ameren Missouri's motion for expedited treatment for good cause shown and approves the electric tariff sheets listed in Appendix A, as filed on July 18, 2011, so that these tariff sheets will go into effect on July 31, 2011.

Respectfully submitted,

/s/ Steven Dottheim

Steven Dottheim
Chief Deputy Staff Counsel
Missouri Bar No. 29149

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Certificate of Service

I hereby certify that copies of the foregoing Staff Recommendation To Approve Tariff Sheets have been electronically mailed to all counsel of record this 25th day of July 2011.

/s/ Steven Dottheim

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2011-0028, Tariff Filing No. YE-2012-0021
Union Electric Company d/b/a Ameren Missouri

FROM: Lena Mantle, Utility Regulatory Manager
Curt Wells, Regulatory Economist III
Mack McDuffey, Rate & Tariff Examiner II

/s/ Lena M. Mantle 07/25/11

Co-Case Coordinator / Date

/s/ Steve Dottheim 07/25/11

Staff Counsel Division / Date

SUBJECT: Staff Recommendation For **Approval** Of Tariff Sheets Filed To Comply With
The Commission's July 13, 2011 Report And Order

DATE: July 25, 2011

On July 18, 2011, Union Electric Company d/b/a Ameren Missouri (Ameren Missouri) filed with the Commission thirty-four (34) rates tariff sheets including fourteen (14) fuel and purchased power adjustment clause tariff sheets with an issue date of July 18, 2011, and a proposed effective date of August 17, 2011. Ameren Missouri also filed Motion For Expedited Consideration And Approval Of Tariff Sheets Filed In Compliance With Commission Report And Order On Less Than Thirty Days' Notice (Motion) seeking for the tariff sheets to become effective July 31, 2011.

These tariff sheets are designed to comply with Ordered Paragraphs 1, 2, and 3 of the Commission's June 1, 2011 Order Approving Stipulations And Agreements. Ordered Paragraphs 1, 2 and 3 of the Order Approving Stipulations And Agreements state:

1. The First Nonunanimous Stipulation and Agreement – Miscellaneous Revenue Requirement Issues, filed on May 3, 2011, is approved as a resolution of the issues addressed in that stipulation and agreement.
2. The Nonunanimous Stipulation and Agreement Regarding Tax Issues, filed on May 5, 2011, is approved as a resolution of the issues addressed in that stipulation and agreement.
3. The Third Nonunanimous Stipulation and Agreement, filed on May 6, 2011, is approved as a resolution of the issues addressed in that stipulation and agreement.

These tariff sheets also are designed to comply with Ordered Paragraph 2 of the Commission's July 13, 2011 Report And Order. Ordered Paragraph 2 of the Report And Order states:

2. Union Electric Company, d/b/a Ameren Missouri is authorized to file a tariff sufficient to recover revenues as determined by the Commission in this order. Ameren Missouri shall file its compliance tariff no later than July 18, 2011.

Revenue Requirement and Rate Design

The revenue requirement increase for Ameren Missouri is \$173,225,030 or 7.11%. Rate Design tariff sheets filed by Ameren Missouri comply with the terms of the First Nonunanimous Stipulation and Agreement – Miscellaneous Revenue Requirement Issues, the Nonunanimous Stipulation and Agreement Regarding Tax Issues, the Third Nonunanimous Stipulation and Agreement, the Commission-accepted joint position of the signatory parties on class cost-of-service allocation issues, and the street lighting class as ordered by the Commission.

Staff Recommendation

The Commission’s Energy Department Staff (Staff) has reviewed the filed tariff sheets, and is of the opinion that they are in compliance with the June 1, 2011 Order Approving Stipulations And Agreements and the July 13, 2011 Report And Order. Staff therefore recommends that the Commission issue an order approving the following proposed tariff sheets, as filed on July 18, 2011, to become effective on July 31, 2011 as requested by Ameren Missouri’s Motion with less than 30 day’s notice for good cause shown pursuant to Section 393.140(11) RSMo 2000:

MO. P.S.C. SCHEDULE NO. 5

28 th Revised Sheet No. 27	Cancelling 27 th	Revised Sheet No. 27
39 th Revised Sheet No. 28	Cancelling 38 th	Revised Sheet No. 28
27 th Revised Sheet No. 32	Cancelling 26 th	Revised Sheet No. 32
30 th Revised Sheet No. 34	Cancelling 29 th	Revised Sheet No. 34
37 th Revised Sheet No. 37	Cancelling 36 th	Revised Sheet No. 37
28 th Revised Sheet No. 39	Cancelling 27 th	Revised Sheet No. 39
26 th Revised Sheet No. 40	Cancelling 25 th	Revised Sheet No. 40
32 nd Revised Sheet No. 41	Cancelling 31 st	Revised Sheet No. 41
17 th Revised Sheet No. 45	Cancelling 16 th	Revised Sheet No. 45
27 th Revised Sheet No. 50	Cancelling 26 th	Revised Sheet No. 50
20 th Revised Sheet No. 55	Cancelling 19 th	Revised Sheet No. 55
1 st Revised Sheet No. 55.1	Cancelling	Original Sheet No.55.1
8 th Revised Sheet No. 56	Cancelling Seventh	Revised Sheet No. 56
6 th Revised Sheet No. 57	Cancelling Fifth	Revised Sheet No. 57
20 th Revised Sheet No. 58	Cancelling Nineteenth	Revised Sheet No. 58
14 th Revised Sheet No. 67.1	Cancelling 13 th	Revised Sheet No. 67.1
9 th Revised Sheet No. 67.4	Cancelling 8 th	Revised Sheet No. 67.4
14 th Revised Sheet No. 68	Cancelling 13 th	Revised Sheet No. 68
4 th Revised Sheet No. 68.1	Cancelling 3 rd	Revised Sheet No. 68.1
1 st Revised Sheet No. 98.8	Cancelling	Original Sheet No. 98.8
1 st Revised Sheet No. 98.9	Cancelling	Original Sheet No. 98.9
1 st Revised Sheet No. 98.10	Cancelling	Original Sheet No. 98.10
1 st Revised Sheet No. 98.11	Cancelling	Original Sheet No. 98.11
1 st Revised Sheet No. 98.12	Cancelling	Original Sheet No. 98.12
1 st Revised Sheet No. 98.13	Cancelling	Original Sheet No. 98.13
4 th Revised Sheet No. 98.14	Cancelling 3 rd	Revised Sheet No. 98.14
Original Sheet No. 98.15		
Original Sheet No. 98.16		
Original Sheet No. 98.17		

Original Sheet No. 98.18

Original Sheet No. 98.19

Original Sheet No. 98.20

Original Sheet No. 98.21

21st Revised Sheet No. 99 Cancelling 20th Revised Sheet No. 99

The Staff has verified that Ameren Missouri has filed its 2010 annual report and is not delinquent on its assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

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Case No. ER-2011-0028
File Nos. YE-2012-0021

AFFIDAVIT OF LENA M. MANTLE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Lena M. Mantle, of lawful age, on oath states: that she participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was given by her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of her knowledge and belief.



Lena M. Mantle

Subscribed and sworn to before me this 25th day of July, 2011.





Notary Public

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Case No. ER-2011-0028
File Nos. YE-2012-0021

AFFIDAVIT OF WILLIAM L. MCDUFFEY

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

William L. McDuffey, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was given by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.


William L. McDuffey

Subscribed and sworn to before me this 25th day of July, 2011.




Notary Public

**BEFORE THE PUBLIC SERVICE COMMISSION
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Annual Revenues for Electric Service)

Case No. ER-2011-0028
File Nos. YE-2012-0021

AFFIDAVIT OF CURT WELLS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Curt Wells, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was given by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Curt Wells

Subscribed and sworn to before me this 25th day of July, 2011.

SUSAN L. SUNDERMEYER
Notary Public - Notary Seal
State of Missouri
Commissioned for Callaway County
My Commission Expires: October 03, 2014
Commission Number: 10942086



Notary Public