

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2010-0044, Tariff Tracking No. YE-2010-0065
Union Electric Company d/b/a AmerenUE

FROM: James Watkins, Manager, Economic Analysis, Project Coordinator
Mack McDuffey, Rate & Tariff Examiner II

/s/James Watkins 8/27/2009
Energy Department / Date

/s/Sarah Kliethermes 8/27/2009
General Counsel's Office / Date

SUBJECT: Staff Recommendation for **Approval** of Tariff Sheet Filed to Decrease Revenues Related to the Fuel and Purchased Power Adjustment Clause (FAC) Pursuant to the Commission's Report and Order from Case No. ER-2008-0318

DATE: August 27, 2009

On July 31, 2009, Union Electric Company d/b/a AmerenUE (AmerenUE) filed with the Commission one (1) tariff sheet bearing a proposed effective date of September 24, 2009 to revise the Fuel and Purchased Power Adjustment (FPA) (Item 14. on Sheet No. 98.7). On August 25, 2009, AmerenUE filed a substitute tariff sheet to make a change to the interest calculation. More specifically, the end of month interest rate value was changed to the monthly average interest rate value as agreed to by AmerenUE and the Staff. This change produced only a minor difference in Base Energy Cost from the Company's original filing and had no effect on the resulting FPA rates at the precision of the tariffed FPA rate.

This is AmerenUE's first filing changing the FPA. The original FPA for all voltage levels is zero. The change results in a Secondary (voltage) FPA of \$(0.00036), a Primary (voltage) FPA of \$(0.00035), and a Large Transmission (voltage) FPA of \$(0.00033). The recovery period 1, for accumulation period 1 (February 2009 through May 2009), will begin with the October 2009 billing month and end with the September 2010 billing month.

The accumulation periods, recovery periods and other specifications of AmerenUE's existing FAC are set out in its tariff sheets designated Original Sheet Nos. 98.1 through 98.6, approved on January 27, 2009, via the Commission's *Report and Order* effective February 6, 2009. Specifically, Original Sheet No. 98.1 sets out AmerenUE's three four-calendar-month accumulation periods as February through May, June through September and October through January. The twelve-billing-month recovery periods are set out as October through September, February through January and June through May. The October billing month actually begins on September 24, 2009. The Accumulation Periods and Recovery Periods are shown on the Timeline in Appendix A.

The information and workpapers filed with the revised tariff sheet in this case include sufficient data to calculate adjustments to the FPA based on the fuel and purchased power costs and other information provided by AmerenUE for the period of March 1, 2009 through May 31, 2009.

The Staff reviewed the substitute Tariff Sheet No. 98.7 based on the information filed initially, and additional information and workpapers provided to Staff on August 25, 2009. Staff also reviewed the monthly submission and surveillance monitoring reports provided by AmerenUE as described in the attached memorandum.

Staff is of the opinion that AmerenUE timely filed its proposed tariff sheet and that the proposed tariff sheet complies with the Commission's Order in Case No. ER-2008-0318 and Commission Rule 4 CSR 240-3.161 (Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements).

AmerenUE has requested that its proposed tariff Sheet No. 98.7 become effective on September 24th, the first day of the first billing month of AmerenUE's winter season. Commission Rule 4 CSR 240-20.090(4) provides in part:

... the 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.

September 24 is 55 days after AmerenUE filed for the adjustment. Therefore, a Commission order is necessary for the tariff sheet to become effective on September 24, 2009.

Staff, therefore, recommends the Commission issue an order approving the following proposed tariff sheet, as filed on July 31, 2009, and substituted on August 25, 2009, to become effective on September 24, 2009, as requested by AmerenUE, subject to both true-up and prudence reviews:

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

1st Revised Sheet No. 98.7 Cancelling Original Sheet No. 98.7

Staff has verified that AmerenUE is not delinquent on any assessment or the filing of its 2008 annual report. Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing. AmerenUE's current rate case will have no effect on this filing.

AmerenUE Fuel and Purchased Power Adjustment Clause (FAC)Timeline

Periods

Accumulation	A1 (Feb09-May09)~ A2 (Jun09-Sep09)~ A3 (Oct09-Jan10)~ A4 (Feb10-May10)~ A5 (Jun10-Sep10)~ A6 (Oct10-Jan11)
ER-2008-0318	A7 (Feb11-May11)~ A8 (Jun11-Sep11)~ A9 (Oct11-Jan12)~ A10 (Feb12-May12)~ A11 (Jun12-Sep12)~ A12 (Oct12-Jan13)
Recovery	R1 (Oct09-Sep10) ER-2010-0044 ~ R2 (Feb10-Jan11) ER-2010-0xxx ~ R3 (Jun10-May11) ER-2010-0xxx R4 (Oct10-Sep11) ER-2011-0xxx ~ R5 (Feb11-Jan12) ER-2011-0xxx ~ R6 (Jun11-May12) ER-2011-0xxx R7 (Oct11-Sep12) ER-2012-0xxx ~ R8 (Feb12-Jan13) ER-2012-0xxx ~ R9 (Jun12-May13) ER-2012-0xxx R10 (Oct12-Sep13) ER-2013-0xxx ~ R11 (Feb13-Jan14) ER-2013-0xxx ~ R12 (Jun13-May14) ER-2013-0xxx
True-Up	T1 ER-2010-0xxx

Month #		1	2	3	4	5	6	7	8	9	10	11
2009	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug 1 file	Sep	Oct	Nov	Dec 1 file
Accumulation		A1	A1	A1	A1	A2	A2	A2	A2	A3	A3	A3
										R1	R1	R1

Month #	12	13	14	15	16	17	18	19	20	21	22	23
2010	Jan	Feb	Mar	Apr 1 file	May 1 file	Jun	Jul	Aug 1 file	Sep	Oct	Nov	Dec 1 file
Accumulation	A3	A4	A4	A4	A4	A5	A5	A5	A5	A6	A6	A6
Recovery	R1	R1	R1	R1	R1	R1	R1	R1	R1	R4	R4	R4
Recovery		R2	R2	R2	R2	R2	R2	R2	R2	R2	R2	R2
Recovery						R3	R3	R3	R3	R3	R3	R3

Month #	24	25	26	27	28	29	30	31	32	33	34	35
2011	Jan	Feb	Mar	Apr 1 file	May 1 file	Jun	Jul	Aug 1 file	Sep	Oct	Nov	Dec 1 file
Accumulation	A6	A7	A7	A7	A7	A8	A8	A8	A8	A9	A9	A9
Recovery	R4	R4	R4	R4	R4	R4	R4	R4	R4	R7	R7	R7
Recovery	R2	R5	R5	R5	R5	R5	R5	R5	R5	R5	R5	R5
Recovery	R3	R3	R3	R3	R3	R6	R6	R6	R6	R6	R6	R6

Month #	36	37	38	39	40	41	42	43	44	45	46	47
2012	Jan	Feb	Mar	Apr 1 file	May 1 file	Jun	Jul	Aug 1 file	Sep	Oct	Nov	Dec 1 file
Accumulation	A9	A10	A10	A10	A10	A11	A11	A11	A11	A12	A12	A12
Recovery	R7	R7	R7	R7	R7	R7	R7	R7	R7	R10	R10	R10
Recovery	R5	R8	R8	R8	R8	R8	R8	R8	R8	R8	R8	R8
Recovery	R6	R6	R6	R6	R6	R9	R9	R9	R9	R9	R9	R9

MEMORANDUM

TO: Mack McDuffey, Rate and Tariff Examiner II
Energy Tariff/Rate Design

FROM: Matthew Barnes, Utility Regulatory Auditor IV
David Roos, Regulatory Economist III
Energy Resource Analysis Group

SUBJECT: Union Electric Company d/b/a AmerenUE, FAC Tariff Case No. ER-2010-0044, Tariff Filing No. YE-2010-0065

DATE August 26, 2009

On July 31, 2009, Union Electric Company d/b/a/ AmerenUE (AmerenUE) made a fuel and purchased power adjustment clause (FAC) tariff filing under Commission Rules 4 CSR 240-3.161 Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements, 4 CSR 240-20.090 Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms, §386.266 RSMo, and the *Report and Order* issued by this Commission in Case No. ER-2008-0318. Included in AmerenUE's filing was the proposed tariff sheet, the testimony of Kent Crnokrak including the supporting information used to determine the difference between AmerenUE's actual fuel and purchased power costs and Net Base Fuel Costs during Accumulation Period 1 – March 1, 2009 through May 31, 2009. The accumulation period, recovery period, and other specifications of AmerenUE's FAC are set out in its tariff sheets designated Original Sheet Nos. 98.1 through 98.7, which also describe the calculation of the Fuel and Purchased Power Adjustment for the Recovery Period -- the period of AmerenUE's billings for the months of October 2009 through September 2010.

Staff reviewed the information and mathematical calculations provided in the initial filing then had several discussions with AmerenUE regarding accumulation period fuel and purchased power costs, accumulation period sales, and interest applied to under- or over-recovery balance, as these items are defined by AmerenUE's FAC tariff. On August 25, 2009, AmerenUE submitted workpapers to Staff to support the fuel and purchased power adjustment rate and to reflect a correction in calculating interest during the accumulation period. AmerenUE also filed a substitute tariff sheet to reflect the correction. The workpapers supplied to Staff provides a sufficient level of detail to support the substitute tariff sheet.

Staff suggests that in future FAC tariff filings, 1) AmerenUE submit workpapers with the same level of detail as the final version of workpapers provided in this case, 2) that the workpapers be submitted electronically as Excel spreadsheets with all formulas, columns and rows intact and, 3) the workpapers be submitted to all parties soon after or at the same time direct testimony is filed.

AmerenUE 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).

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

In the Matter of AmerenUE's
Application to Modify FAC Rate.

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Case No. ER-2010-0044

AFFIDAVIT OF MATTHEW J. BARNES

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Matthew J. Barnes, 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 provided to 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.



Matthew J. Barnes

Subscribed and sworn to before me this 27th day of August, 2009.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086



Notary Public

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

In the Matter of AmerenUE's)
Application to Modify FAC Rate.)

Case No. ER-2010-0044

AFFIDAVIT OF DAVID C. ROOS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

David C. Roos, 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 provided to 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.




David C. Roos

Subscribed and sworn to before me this 27th day of August, 2009.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086



Notary Public