

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

In the Matter of the Adjustment of Union )  
Electric Company d/b/a Ameren Missouri's )  
Fuel Adjustment Clause for the Twenty-Third )  
Accumulation Period )

**Case No. ER-2017-0147**

**STAFF RESPONSE TO ORDER DIRECTING FILING**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and for its response to the Commission's January 4, 2017 Order Directing Filing ("Order") states as follows:

1. On November 22, 2016, Union Electric Company d/b/a Ameren Missouri ("Ameren" or "Company") filed a proposed tariff sheet, 5<sup>th</sup> Revised Sheet No. 73.11, with supporting direct testimony pursuant to Commission Rules 4 CSR 240-20.090(4) and 4 CSR 240-3.161(7), seeking approval to adjust the Company's Fuel Adjustment Rates ("FARs") used to calculate its Fuel Adjustment Clause ("FAC") charge billed to its customers. The proposed tariff sheet bears a January 26, 2017 effective date.

2. On December 22, 2016, Staff filed its recommendation to approve Ameren's tariff sheet regarding change to the fuel adjustment rate for accumulation period 23.

3. On January 3, 2017, Office of Public Counsel ("OPC") filed *Public Counsel's Reply to Staff's Response* ("OPC's Reply") in which OPC "...asks the Public Service Commission to reject the proposed tariff sheet and require the company to address the information presented above before any tariff change is permitted." Notably, OPC's Reply does not dispute the proposed fuel adjustment rate for accumulation period 23.

4. In accordance with the Commission's Order, the Staff has reviewed certain allegations in OPC's Reply and responded to them in its verified Memorandum attached as Appendix A.

5. For reasons more fully explained in its Memorandum, the Staff remains of the opinion that Ameren 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's FAC embodied in its tariff sheet.

6. Accordingly the Staff renews its December 22<sup>nd</sup> recommendation to the Commission that it issue an order approving the following proposed revised tariff sheet filed on November 22, 2016, to become effective on January 26, 2017, as requested by Ameren:

**WHEREFORE**, for reasons set out in its attached verified Memorandum, Staff recommends the Commission issue an order approving the following proposed revised tariff sheet filed on November 22, 2016, to become effective on January 26, 2017, as requested by Ameren Missouri:

MO.P.S.C. Schedule No. 6

5<sup>th</sup> Revised Sheet No. 73.11 Cancelling 4<sup>th</sup> Revised Sheet No. 73.11.

Respectfully submitted,

**/s/ Robert S. Berlin**

Robert S. Berlin

Deputy Staff Counsel

Missouri Bar No. 51709

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Missouri Public Service Commission

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### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 10th day of January, 2017, to all counsel of record.

**/s/ Robert S. Berlin**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
File No. ER-2017-0147, Tariff Tracking No. YE-2017-0078  
Union Electric Company d/b/a Ameren Missouri

FROM: David Roos, Regulatory Economist III

/s/ John Rogers 1/10/2017                      /s/ Bob Berlin 1/10/2017  
Energy Resources Department / Date              Staff Counsel's Office / Date

SUBJECT: Staff's Response to the Office of the Public Council's Reply to Staff's 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 in File Nos. ER-2014-0258 and ER-2016-0130.

DATE: January 10, 2017

On November 22, 2016, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, 5<sup>th</sup> Revised Sheet No. 73.11, bearing a proposed effective date of January 26, 2017, and cancelling 4<sup>th</sup> Revised Sheet No. 73.11. The filed tariff sheet, 5<sup>th</sup> Revised Sheet No. 73.11, revises Ameren Missouri's Fuel Adjustment Rates ("FARs") of its Fuel Adjustment Clause ("FAC") for Accumulation Period 23 ("AP23") which ended on September 30, 2016. The Commission assigned the tariff sheet to Tariff Tracking No. YE-2017-0078.

On December 22, 2016, Staff filed its recommendation that the Missouri Public Service Commission ("Commission") approve 5<sup>th</sup> Revised Sheet No. 73.11.

On January 3, 2017, the Office of the Public Council ("OPC") filed an objection to Staff's recommendation and asked the Commission to reject the proposed tariff sheet and require Ameren Missouri to provide information OPC alleges is crucial to understanding the primary factors which are causing the increase in the FARs for AP23.

Staff has reviewed OPC's objection and has reexamined the direct testimony of Ameren Missouri witness Erik Wenberg and Staff's December 22, 2016 recommendation. As a result of its most recent review, Staff reaffirms its recommendation that the Commission approve 5<sup>th</sup> Revised Sheet No. 73.11 because:

1. The calculations of the FARs on the 5<sup>th</sup> Revised Sheet No. 73.11 are correct;

2. OPC has voiced no concerns regarding the accuracy of the FARs on the 5<sup>th</sup> Revised Sheet No. 73.11;
3. Erik Wenberg's testimony<sup>1</sup> includes correct statements concerning the primary factors which cause Ameren Missouri's actual net energy costs for AP23 to increase by \$11,474,852 when compared to the net base energy cost for AP23; and
4. Ameren Missouri's filing in this case is sufficient and accurate.

In his direct testimony Mr. Wenberg states on page 2 line 19 through page 3 line 4:

“Ameren Missouri's ANEC during the June 1, 2016 to September 30, 2016 Accumulation Period increased by \$11,474,852 as compared to the Factor “B” applicable to that same period. The primary factors driving this increase above the base (Factor "B") were the Adjustment for Reduction of Service Classification 12(M) or 13(M) Billing Determinants provided for in Rider FAC (referred to as the “N Factor” and calculated in accordance with the Commission's *Order Approving Second Stipulation and Agreement* in Case No. ER-2016-0130) and lower off-system sales margins, partially offset by higher net capacity revenues.”

Mr. Wenberg is clearly comparing the Actual Net Energy Cost (“ANEC”)<sup>2</sup> for AP23 to Factor “B”<sup>3</sup> for AP23. Mr. Wenberg's comparison is appropriate because it is the ANEC for AP23 minus B for AP23 which equals the Total Company Fuel and Purchased Power Difference of \$11,474,852 for AP23.<sup>4</sup> 95% of the Total Company Fuel and Purchased Power Difference is collected from customers through the FAC.

While OPC argues that Mr. Wenberg's explanation of the primary factors causing an increase in the FARs for AP23 should include an analysis of the ANEC for AP23 compared to the ANECs for prior accumulation periods,<sup>5</sup> there is no requirement in the FAC to do so. Staff is of the opinion that Ameren Missouri's filing in this case is sufficient and accurate.

### **Staff Recommendation**

Ameren Missouri timely filed 5<sup>th</sup> Revised Sheet No. 73.11, and based on Staff's review,

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<sup>1</sup> Erik Wenberg direct testimony at page 2 line 19 through page 3 line 4.

<sup>2</sup> ANEC = fuel costs (FC) plus purchased power costs (PP) plus net emission allowances (E) minus off-system sales revenues (OSSR) as reflected on line 1 of 5<sup>th</sup> Revised Sheet No. 73.11.

<sup>3</sup> B = Base Factor times the accumulation period sales as reflected on lines 2, 2.1 and 2.2 of 5<sup>th</sup> Revised Sheet No. 73.11.

<sup>4</sup> As reflected on line 3 of 5<sup>th</sup> Revised Sheet No. 73.11

<sup>5</sup> Paragraphs 5 through 12 of Public Counsel's Reply to Staff's Recommendation.

Staff has determined that Ameren Missouri 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 5<sup>th</sup> Revised Sheet No. 73.11, filed November 22, 2016, become effective on January 26, 2017, the beginning of the first billing cycle of Ameren Missouri's February 2017 billing month. Thus, the proposed tariff sheet was filed with 65 days' notice. Therefore, Staff recommends the Commission issue an order approving the following proposed tariff sheet, as filed on November 22, 2016, to become effective on January 26, 2017, as requested by Ameren Missouri:

MO.P.S.C. Schedule No. 6

5 Revised Sheet No. 73.11 Cancelling 4<sup>th</sup> Revised Sheet No. 73.11.

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Third Accumulation Period )  
)

**AFFIDAVIT OF DAVID ROOS**

STATE OF MISSOURI )  
) ss.  
COUNTY OF COLE )

**COMES NOW** David Roos and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Staff Memorandum; and that the same is true and correct according to his best knowledge and belief.

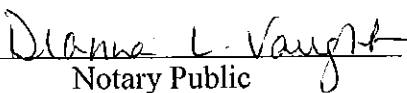
Further the Affiant sayeth not.

  
\_\_\_\_\_  
David Roos

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 10<sup>th</sup> day of January, 2017.

DIANNA L. VAUGHT Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: June 28, 2019 Commission Number: 15207377
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Notary Public