

**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)	<u>Case No. ER-2016-0130</u>
Fuel Adjustment Clause for)	Tariff No. YE-2016-0129
The 20 th Accumulation Period)	

**STAFF'S RESPONSE TO THE OFFICE OF PUBLIC COUNSEL'S AND MISSOURI
INDUSTRIAL ENERGY CONSUMERS' MOTION TO REJECT TARIFF**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and, as ordered by the Missouri Public Service Commission ("Commission") on January 8, 2016, files its *Response to the Office of Public Counsel's and Missouri Industrial Energy Consumers' Motion to Reject Tariff* as follows:

Procedural Background

1. On November 25, 2015, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed a proposed tariff sheet, 2nd 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.

2. On December 22, 2015, Ameren Missouri filed its Substitute 2nd Revised Sheet No. 73.11, with modified work papers to Staff which corrected an error involving the loss factor used to calculate the FARs. The substitute tariff sheet bears an effective date of January 27, 2016.

3. On December 28, 2015, Staff recommended the Commission issue an order approving Ameren Missouri's Substitute 2nd Revised Sheet No. 73.11.

4. On January 7, 2016, the Office of Public Counsel (“OPC”) and Missouri Industrial Energy Consumers (“MIEC”) filed their *Motion to Reject Tariff* and Memorandum alleging that Company’s proposed Substitute 2nd Revised Sheet No. 73.11 does not comply with Ameren Missouri’s FAC tariff. The *Motion to Reject Tariff* includes:

The Commission should reject Ameren Missouri’s tariff filing YE-2016-0129. The adjustment calculated by Ameren Missouri to off-system sales revenue (“OSSR”) due to a reduction of service classification 13(M) billing determinants does not comply with the tariff language found on Ameren Missouri tariff sheet 73.4.

OPC is not contesting that this provision applies to Accumulation Period 20 (“AP20”) or the kilowatt hours (“kWhs”) used in calculating the adjustment. However, the adjustment is incorrect because the price used by Ameren Missouri to determine the amount of the adjustment is incorrect.¹

5. On January 8, 2016, the Commission issued its *Order Directing Filing* by which it directed Staff to respond to OPC’s and MIEC’s *Motion to Reject Tariff*.

Response to the Office of Public Counsel’s and Missouri Industrial Energy Consumers’ Motion

6. OPC and MIEC are wrong in their contention that their calculation of the price used is required by the tariff. Staff had discussions with Ameren Missouri, OPC and MIEC concerning the price Ameren Missouri used to determine the amount of the adjustment to OSSR. Tariff sheet 73.4 is silent as to how to specifically calculate the price of energy to be used when calculating all off-system sales revenues derived from all kWh of energy sold off-system due to the entire reduction. After review of Ameren Missouri’s work papers in conjunction with their Substitute 2nd Revised Tariff Sheet

¹ Attachment B, Page 1 in the Office of the Public Council (OPC) and the Missouri Industrial Energy Consumers (MIEC) *Motion to Reject Tariff*.

73.11, Staff has determined that the manner in which Ameren Missouri calculated the adjustment to OSSR complied with the language in the tariff.

7. Commission Rule 4 CSR 240-20.090(4) states in part, “[i]f the FAC rate adjustment is in accordance with the provisions of this rule, section 386.266, RSMo, and the FAC mechanism established in the most recent general rate proceeding, the commission shall either issue an interim rate adjustment order approving the tariff schedules and the FAC rate adjustments within sixty (60) days after 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.”

8. For the foregoing reasons, Staff opposes the OPC’s and MIEC’s motion to reject Ameren Missouri’s proposed tariff sheet and reaffirms its recommendation that the Commission approve and implement Ameren Missouri’s 2nd Revised Tariff Sheet 73.11, as filed November 25, 2015, and substituted on December 22, 2015, to become effective on January 27, 2016.

WHEREFORE, Staff submits this response for the Commission’s consideration and reaffirms its request that the Commission approve Ameren Missouri’s 2nd Revised Tariff Sheet 73.11 for the reasons stated in its Recommendation.

Respectfully Submitted,

/s/ Mark Johnson

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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 12th day of January, 2016, to all counsel of record.

/s/ Mark Johnson