

**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-2018-0142</u>
Fuel Adjustment Clause for the 26 th)	Tariff Tracking No.YE-2018-0062
Accumulation Period)	

**STAFF RECOMMENDATION TO APPROVE TARIFF SHEET REGARDING
CHANGE TO THE FUEL ADJUSTMENT RATES FOR ACCUMULATION PERIOD 26**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its recommendation to approve tariff sheet, states as follows:

1. On November 21, 2017, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed a proposed tariff sheet, 2nd Revised Sheet No. 74.13, bearing a proposed effective date of January 25, 2018, and cancelling 1st Revised Sheet No. 74.13. The Company's tariff sheet filing with supporting direct testimony pursuant to Commission Rules 4 CSR 240-20.090(4) and 4 CSR 240-3.161(7), seeks approval to adjust the Company's Fuel Adjustment Rates ("FARs") used to calculate its Fuel Adjustment Clause ("FAC") charge billed to its customers for Accumulation Period 26 ("AP26").

2. Concurrently, on November 21, 2017, Ameren Missouri submitted a true-up filing in File No. ER-2018-0143 to identify the amount of over- or under-recovery during Recovery Period 23 ("RP23") prescribed by its FAC. The over- or under-recovered amount (or true-up amount) and interest amount for RP23 are used when calculating the new FARs in this case.

3. On November 22, 2017, the Commission ordered Staff to examine and analyze Ameren Missouri's filings in this case, and to file its recommendation no later than December 22, 2017, as required by Rule 4 CSR 240-20.090(4). The Commission

also directed that all parties to Case No. ER-2016-0179 (the general rate proceeding in which continuation of Ameren Missouri's FAC was most recently approved) be added to the service list for this case, and set an intervention date of December 4, 2017.

4. Staff's Memorandum, attached hereto as *Appendix A* and incorporated herein, recommends the Commission issue an order approving the proposed revised tariff sheet Ameren Missouri filed on November 21, 2017.

5. Commission Rule 4 CSR 240-20.090(4) states in pertinent part: (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..."¹ The rule requires Staff "to determine if the proposed adjustment to the FAC 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." If so, "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... the tariff schedules and the FAC rate adjustments shall take effect sixty (60) days after the tariff schedules were filed."

6. In addition, Ameren Missouri's FAC tariff requires "After completion of each RP, the Company shall make a true-up filing on the same day as its FAR filing....The true-up adjustments shall be the difference between the revenues billed and the revenues authorized for collection during the RP."²

¹ An electric utility may also file up to three (3) additional adjustments to its FAC within a true-up year with the timing and number of such filings to be determined in a general rate proceeding.

² Ameren Missouri Original Sheet No. 74.9.

7. Ameren Missouri's filing in this case requests Commission approval of one tariff sheet bearing an effective date of January 25, 2018, that revises the current FARs in its FAC. The filing includes testimony and work papers of Ameren Missouri witness Erik C. Wenberg supporting the Company's calculation of the Fuel and Purchased Power Adjustment ("FPA").

8. The FPA amount³ of \$12,038,334⁴ is the sum of: Fuel and purchased power amount to be recovered from customers for AP26 equal to \$11,663,630⁵ (Line 4 on 2nd Revised Sheet No. 74.13); plus Interest of \$(597,521) which includes \$19,485 for AP26 and \$(617,006) for Recovery Period 23 ("RP23"); plus the True-Up amount, without interest, equal to \$972,225 which is the True-Up amount pending Commission approval in File No. ER-2018-0143.

9. As explained in Staff's Memorandum, the FPA amount of \$12,038,334 results in a Current Period Fuel Adjustment Rate ("FAR26") of \$0.00055 per kWh which, when added to the Prior Period FAR (FAR25) of \$(0.00029) per kWh, results in a proposed FAR of \$0.00026 per kWh. The AP26 FAR of \$0.00026 per kWh is \$0.00050 per kWh greater than the AP25 FAR of \$(0.00024) per kWh.⁶

10. Because of a difference in line losses, there are different FARs for service taken at the Secondary, Primary and Transmission voltage levels reflected on lines 11, 13, and 15 of the 2nd Revised Sheet No. 74.13. Listed below are the proposed

³ 2nd Revised Sheet No. 74.13, lines 1 through 5 include the complete calculation of the FPA Amount of \$12,038,334.

⁴ An amount that is bracketed in parentheses represents an amount owed to customers. An amount not bracketed in parentheses is an amount due the company.

⁵ Fuel and purchased power amount to be recovered from customers for AP26 is equal to ninety-five percent (95 %) of \$12,277,505 (the difference between ANEC and Net Base Energy Cost ("B") during AP26).

⁶ \$(0.00024) per kWh is on Line 9 of 1st Revised Sheet No. 73.11

RP26 FARs, the current RP25 FARs and the difference between them for Secondary, Primary, and Transmission service:

Service	Proposed RP26 FAR	Current RP25 FAR	Difference
Secondary	\$0.00027 / kWh	\$(0.00026) / kWh	\$0.00053 / kWh Increase
Primary	\$0.00027 / kWh	\$(0.00025) / kWh	\$0.00052 / kWh Increase
Transmission	\$0.00026 / kWh	\$(0.00024) / kWh	\$0.00050 / kWh Increase

Based on a monthly usage of 1,015 kWh, the proposed change to the Secondary FAR would increase the Fuel Adjustment Charge of an Ameren Missouri residential customer's bill by \$0.53, from \$(0.26) to \$0.27 per month.

11. According to Ameren Missouri witness Erik C. Wenberg, "The primary factors driving this increase above the base (Factor "B") were lower net capacity revenues and off-system sales margins partially offset by lower fuel costs."⁷

12. Staff has determined that Ameren Missouri timely filed its 2nd Revised Tariff Sheet No. 74.13, on November 21, 2017, and that it complies with Commission Rule 4 CSR 240-3.161 and Ameren Missouri's FAC as defined in its FAC tariff sheets.

13. Staff has verified that Ameren Missouri is not delinquent on any assessment, and has filed its 2016 annual report. Ameren Missouri is current on the filing of its Surveillance Monitoring reports as required by 4 CSR 240-20.090(10) and its monthly reports required by 4 CSR 240-3.161(5). Staff is not aware of any other matter

⁷ Direct testimony of Erik C. Wenberg, page 2, lines 21-22.

before the Commission that affects or is affected by this filing, except File No. ER-2018-0143 as noted herein.

WHEREFORE, Staff recommends the Commission issue an order approving the following proposed revised tariff sheet filed on November 21, 2017, to become effective on January 25, 2018, as requested by Ameren Missouri:

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

2nd Revised Sheet No. 74.13, Cancelling 1st Revised Sheet No. 74.13.

Respectfully Submitted,

/s/ Robert S. Berlin

Robert S. Berlin
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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 22nd day of December, 2017, to all parties of record.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2018-0142, Tariff Tracking No. YE-2018-0062
Union Electric Company d/b/a Ameren Missouri

FROM: Catherine F. Lucia, Utility Regulatory Auditor IV
Brooke Richter, Utility Regulatory Auditor IV

DATE: /s/ John A. Rogers 12/22/2017 /s/ Robert S. Berlin 12/22/17
Energy Resources Department / Date Staff Counsel's Office / Date

SUBJECT: Staff 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: December 22, 2017

On November 21, 2017, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, 2nd Revised Sheet No. 74.13, bearing a proposed effective date of January 25, 2018, and cancelling 1st Revised Sheet No. 74.13. The Commission assigned the tariff sheet to Tariff Tracking No. YE-2018-0062. The filed tariff sheet, 2nd Revised Sheet No. 74.13, as filed November 21, 2017, revises Ameren Missouri's Fuel Adjustment Rates ("FARs") of its Fuel Adjustment Clause ("FAC") for Accumulation Period 26 ("AP26") which ended on September 30, 2017. Staff recommends the Missouri Public Service Commission ("Commission") approve 2nd Revised Sheet No. 74.13.

Ameren Missouri's November 21, 2017 filing includes the testimony of Ameren Missouri witness Erik C. Wenberg and associated Ameren Missouri work papers. The testimony and work papers include information and data that supports Ameren Missouri's calculation of the dollar amount of its Fuel and Purchased Power Adjustment ("FPA"). That dollar amount ("FPA Amount") is \$12,038,334 and is reflected on line 5 of 2nd Revised Sheet No. 74.13. This FPA Amount results in a FAR₂₆¹ of \$0.00055 per kWh, which when added to

¹ FAR_{RP} is defined in Original Sheet No. 74.8 as "FAR Recovery Period rate component calculated to recover under- or over-collection during the Accumulation Period that ended immediately prior to the applicable filing." Since this filing occurred after the end of Accumulation Period 26, FAR_{RP} in this recommendation is referred to as FAR₂₆.

the FAR₂₅² of \$(0.00029) per kWh, results in a proposed FAR³ of \$0.00026 per kWh. The AP26 FAR of \$0.00026 per kWh, reflected on line 9 of the 2nd Revised Sheet No. 74.13, is \$0.00050 per kWh greater than the AP25 FAR of \$(0.00024) per kWh, reflected on line 9 of the 1st Revised Sheet No. 74.13.

Calculation of Total Company Fuel and Purchased Power Difference

Ameren Missouri's work papers for AP26 contain data and calculations for ANEC⁴ equal to \$206,020,072 (line 1 of 2nd Revised Sheet No. 74.13) and B⁵ equal to \$193,742,567 (line 2 of 2nd Revised Sheet No. 74.13). For this filing, B is equal to sales of 12,379,716,760 kWh for June 2017 through September 2017 times \$0.01565⁶ per kWh. The difference between ANEC and B is equal to \$12,277,505 and is the amount on line 3 of 2nd Revised Sheet No. 74.13, Total Company Fuel and Purchased Power Difference.

In his filed testimony, Company witness Erik C. Wenberg states:

The primary factors driving this increase above the base (Factor "B") were lower net capacity revenues and off-system sales margins partially offset by lower fuel costs.⁷

Calculation of FPA Amount

Ameren Missouri's work papers and 2nd Revised Sheet No. 74.13, show the FPA Amount⁸ of \$12,038,334 to be the sum of:

² FAR_(RP-1) is defined in Original Sheet No. 74.8 as "FAR Recovery Period rate component for the under- or over-collection during the Accumulation Period immediately preceding the Accumulation Period that ended immediately prior to the application filing for FAR_{RP}." Since this filing occurred after the end of Accumulation Period 26, FAR_(RP-1) in this recommendation is referred to as FAR₂₅.

³ FAR is defined in Original Sheet No. 74.8 as "Fuel Adjustment Rate applied to retail customer usage on a per kWh basis starting with the applicable Recovery Period following the FAR filing." $FAR = FAR_{RP} + FAR_{RP-1}$.

⁴ 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 2nd Revised Sheet No. 74.13.

⁵ B = Base Factor times the accumulation period sales as reflected on lines 2, 2.1 and 2.2 of 2nd Revised Sheet No. 74.13.

⁶ Summer Base Factor (BF_{Summer}) rate on Original Sheet No. 74.7 of \$0.01565 per kWh was used to calculate B (line 2 of 2nd Revised Sheet No. 74.13). BF_{Summer} is applicable for the June through September calendar months.

⁷ Company witness Erik C. Wenberg's direct testimony page 2, lines 21 and 22.

⁸ 2nd Revised Sheet No. 74.13, lines 1 through 5 include the complete calculation of the FPA Amount of \$12,038,334.

1. Fuel and purchased power amount to be recovered from customers for AP26 equal to \$11,663,630⁹ (Line 4 on 2nd Revised Sheet No. 74.13); plus
2. Interest of \$(597,521) which includes: \$19,485 for AP26, \$(617,006) for Recovery Period 23 (“RP23”); plus
3. The true-up amount, without interest, equal to \$972,225 which is pending Commission approval in File No. ER-2018-0143.

Calculation of FAR₂₆

FAR₂₆ of \$0.00055 per kWh is equal to the FPA Amount of \$12,038,334 divided by the Estimated Recovery Period Sales in kWh settled at MISO CP node (AMMO.UE or successor node) of 21,898,769,560 kWh. FAR₂₆ will apply during Recovery Period 26 (“RP26”) Ameren Missouri’s billing months of February 2018 through September 2018.

Calculation of FAR Without Voltage Level Adjustments

Line 9 of Ameren Missouri’s proposed 2nd Revised Sheet No. 74.13, reflects a FAR of \$0.00026 per kWh which is the sum of: 1) FAR₂₆ of \$0.00055 per kWh, and 2) FAR₂₅ of \$(0.00029) per kWh.

Voltage Level FARs

Because of a difference in line losses¹⁰ there are different FARs for service taken at the Secondary, Primary, and Transmission voltage levels reflected on lines 11, 13 and 15 of 2nd Revised Sheet No. 74.13. The RP26 FARs are in the table below:

Service	RP26 FAR	Line on 2nd Revised Sheet No. 74.13
Secondary	\$0.00027 /kWh	11
Primary	\$0.00027 /kWh	13
Transmission	\$0.00026 /kWh	15

⁹ Fuel and purchased power amount to be recovered from customers for AP26 is equal to ninety-five percent (95%) of \$12,277,505 (the difference between ANEC and B during AP26).

¹⁰ Secondary, Primary, and Transmission Voltage Adjustment Factors are shown on lines 10, 12, and 14, respectively, on Ameren Missouri’s proposed 2nd Revised Sheet No. 74.13.

Listed below are the proposed RP26 FARs, the current RP25 FARs and the difference between them for Secondary, Primary, and Transmission service:

	Proposed RP26 FAR	Current RP25 FAR	Difference
Secondary	\$0.00027 /kWh	\$(0.00026)/kWh	\$0.00053/kWh Increase
Primary	\$0.00027 /kWh	\$(0.00025)/kWh	\$0.00052/kWh Increase
Transmission	\$0.00026 /kWh	\$(0.00024)/kWh	\$0.00050/kWh Increase

Based on a monthly usage of 1,015 kWh, the proposed change to the Secondary FAR would increase the Fuel Adjustment Charge of an Ameren Missouri residential customer's monthly bill by \$0.53, from \$(0.26) to \$0.27 per month.

Staff reviewed the proposed 2nd Revised Sheet No. 74.13, the direct testimony of Ameren Missouri witness Erik C. Wenberg and the work papers in this filing, as well as Ameren Missouri's monthly information submitted in compliance with 4 CSR 240-3.161(5) for AP26. Staff verified that the actual fuel and purchased power costs and emissions costs net of off-system sales revenues reflected therein match the fuel and purchased power costs and emission costs net of off-system sales revenues on line 1 of Ameren Missouri's proposed 2nd Revised Sheet No. 74.13, and the supporting schedules of witness Erik C. Wenberg. Staff reviewed Ameren Missouri's monthly reports and verified that the kWh billed as shown on the monthly reports match the accumulation period sales used to calculate B. Staff reviewed Ameren Missouri's monthly interest rates that are applied to 95% of the over/under Net Base Energy Cost amount and verified that the monthly interest rates and calculations of monthly interest amounts are correct for AP26.

Attachment A

Attachment A includes three charts which provide a summary of Ameren's twenty-six FAC rate adjustment filings. Chart 1 illustrates Ameren's FAR for each of the twenty-six accumulation periods. Chart 2 illustrates Ameren's FAC cost summary for Actual Net Energy

Cost and Net Base Energy Cost. Chart 3 illustrates Ameren's 12-month Rolling fuel and Purchased Power Costs.

FERC ROE Impact for Complaint Case 1(FERC case EL14-12-002)

On December 4, 2017, Staff was notified by the Office of the Public Council ("OPC") that OPC had sent two data requests to Ameren Missouri concerning File No. ER-2018-0142. In its December 4, 2017 email to Staff, OPC provided its Data Request No. 8001 related to the Department of Energy (DOE) reimbursement and its Data Request No. 8002 related to the FERC ROE refund. On October 26, 2017 and December 5, 2017 Staff filed in File No. EO-2018-0067, its sixth fuel adjustment clause prudence review, Staff's Data Request No. 0082 and Data Request No. 0082.1, respectively, requesting additional information from Ameren Missouri related to the DOE reimbursement and the FERC ROE refund. At this time, staff does not have enough information to make a recommendation in this case, ER-2018-0142, related to the DOE reimbursement and the FERC ROE refund. Staff will address this matter in its sixth fuel adjustment clause prudence review, File No. EO-2018-0067.

Staff Recommendation

Ameren Missouri timely filed 2nd Revised Sheet No. 74.13, on November 21, 2017, and based on Staff's review, 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 2nd Revised Sheet No. 74.13, filed November 21, 2017, become effective on January 25, 2018, the beginning of the first billing cycle of Ameren

Missouri's February 2018 billing month. Thus, the proposed tariff sheet was filed with 64 days' notice. Therefore, Staff recommends the Commission issue an order approving the following proposed tariff sheet, as filed on November 21, 2017, to become effective on January 25, 2018, as requested by Ameren Missouri:

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

2nd Revised Sheet No. 74.13, Cancelling 1st Revised Sheet No. 74.13.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2016 Annual Report.¹¹ Ameren Missouri 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). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except File No. ER-2018-0143 as noted herein.

¹¹ Ameren Missouri filed its 2016 Annual Report on April 14, 2017.

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) File No. ER-2018-0142
Fuel Adjustment Clause for the 26th)
Accumulation Period)

AFFIDAVIT OF CATHERINE F. LUCIA

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW CATHERINE F. LUCIA and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Staff Recommendation in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

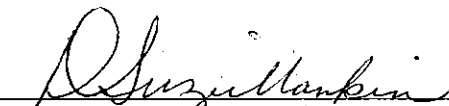


CATHERINE F. LUCIA

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 21st day of December 2017.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070



Notary Public

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) File No. ER-2018-0142
Fuel Adjustment Clause for the 26th)
Accumulation Period)

AFFIDAVIT OF BROOKE RICHTER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW BROOKE RICHTER and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Staff Recommendation in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

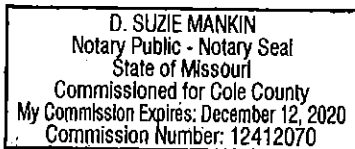
Further the Affiant sayeth not.

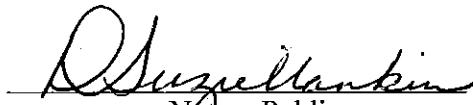


BROOKE RICHTER

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 21st day of December 2017.





Notary Public

Chart 1 Ameren Missouri Fuel Adjustment Rate

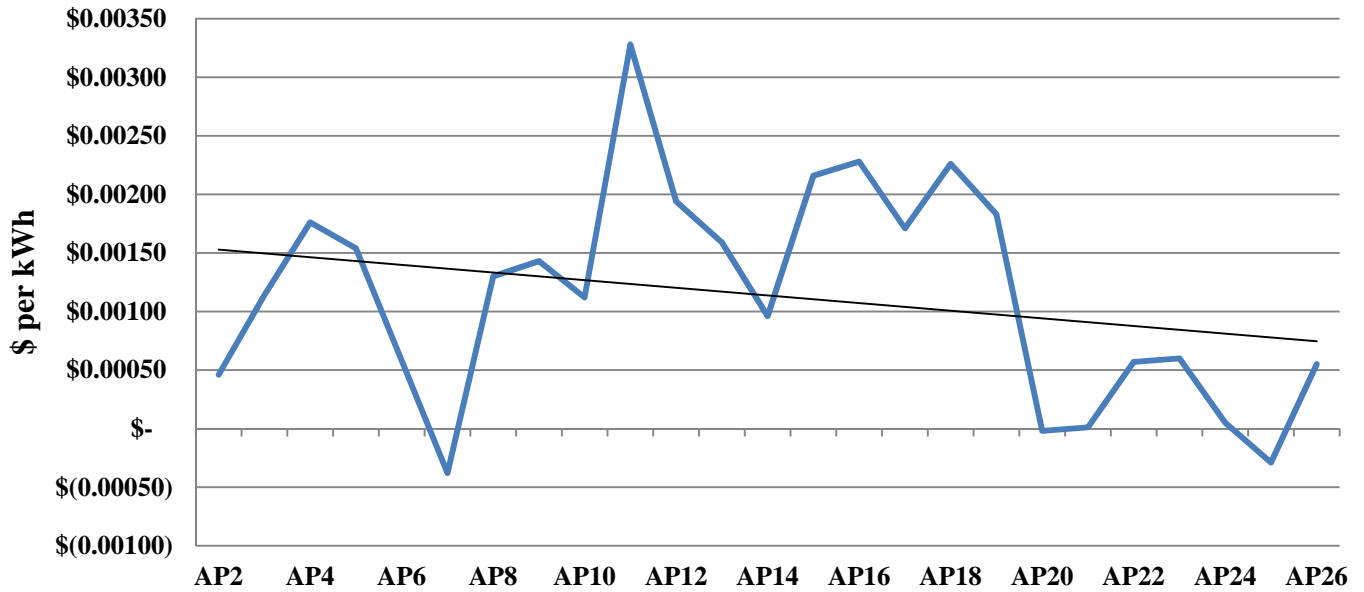


Chart 2 Ameren Missouri FAC Costs Summary

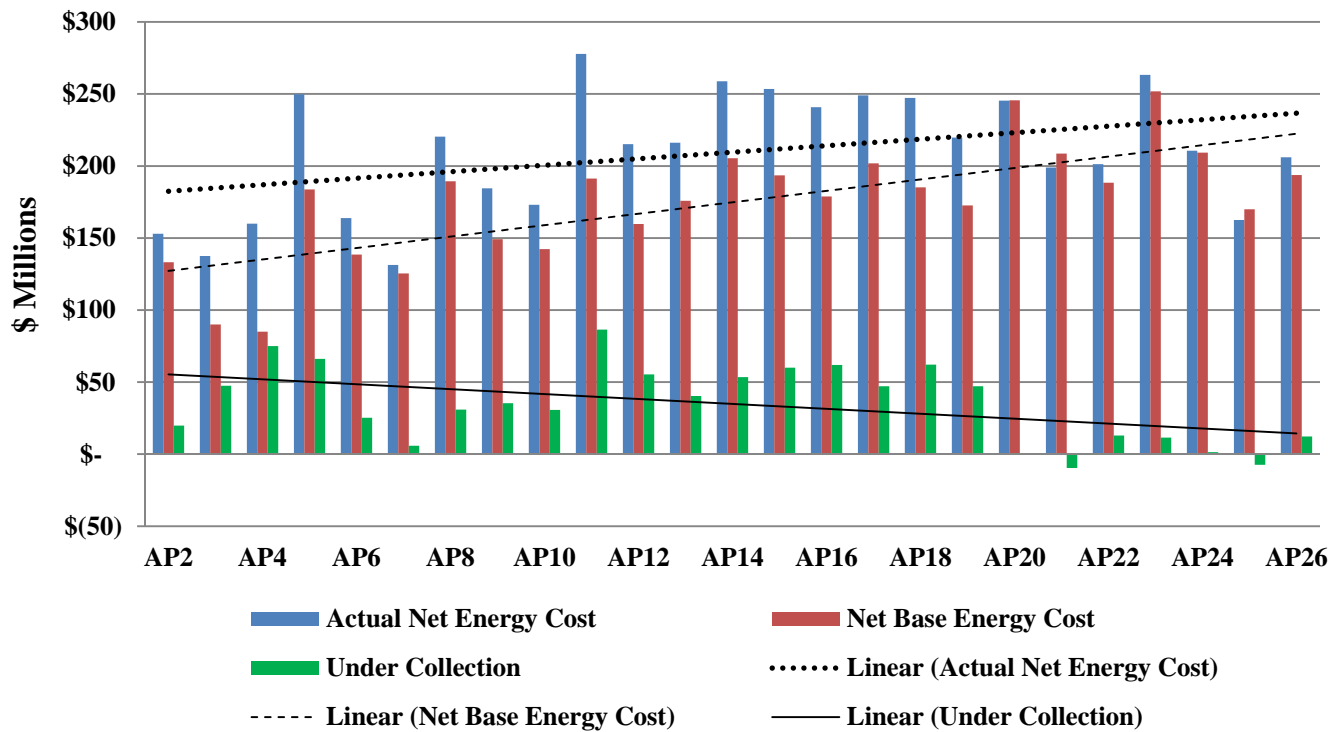


Chart 3 Ameren Missouri 12-month Rolling Fuel and Purchased Power Costs

