

**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-2018-0255</u>
Fuel Adjustment Clause for the 27 th)	Tariff Tracking No.YE-2018-0120
Accumulation Period)	

**STAFF RECOMMENDATION TO APPROVE TARIFF SHEET REGARDING
CHANGE TO THE FUEL ADJUSTMENT RATES FOR ACCUMULATION PERIOD 27**

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 March 23, 2018, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed a proposed tariff sheet, 3rd Revised Sheet No. 74.13, bearing a proposed effective date of May 24, 2018, and cancelling 2nd 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 27 ("AP27").

2. Concurrently, on March 23, 2018, Ameren Missouri submitted a true-up filing in File No. ER-2018-0256 to identify the amount of over- or under-recovery during Recovery Period 24 ("RP24") prescribed by its FAC. The over- or under-recovered amount (or true-up amount) and interest amount for RP24 are used when calculating the new FARs in this case.

3. On March 26, 2018, the Commission ordered Staff to examine and analyze Ameren Missouri's filings in this case, and to file its recommendation no later than April 23, 2018, 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) and Case No. ER-2014-0258 be added to the service list for this case, and set an intervention date of April 6, 2018.

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 March 24, 2018.

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 May 24, 2018, that revises the current FARs in its FAC. The filing includes testimony and work papers of Ameren Missouri witness Marci L. Althoff supporting the Company's calculation of the Fuel and Purchased Power Adjustment ("FPA").

8. The FPA amount³ of \$37,812,059⁴ is the sum of: Fuel and purchased power amount to be recovered from customers for AP27 equal to \$37,271,870⁵ (Line 4 on 3rd Revised Sheet No. 74.13); plus Interest of \$662,248 which includes \$148,993 for AP27 and \$513,225 for RP24; plus the True-Up amount, without interest, equal to \$(122,059) which is the True-Up amount pending Commission approval in File No. ER-2018-0256.

9. As explained in Staff's Memorandum, the FPA amount of \$37,812,059 results in a Current Period Fuel Adjustment Rate ("FAR27") of \$0.00164 per kWh which, when added to the Prior Period FAR (FAR26) of \$0.00055 per kWh, results in a proposed FAR of \$0.00219 per kWh. The AP27 FAR of \$0.000219 per kWh is \$0.00193 per kWh greater than the AP26 FAR of \$0.00026 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 3rd Revised Sheet No. 74.13. Listed below are the proposed

³ 3rd Revised Sheet No. 74.13, lines 1 through 5 include the complete calculation of the FPA Amount of \$37,812,059.

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 AP27 is equal to ninety-five percent (95 %) of \$39,233,547 (the difference between ANEC and Net Base Energy Cost ("B") during AP27).

⁶ \$0.00026 per kWh is on Line 9 of 2nd Revised Sheet No. 73.11

RP27 FARs, the current RP26 FARs and the difference between them for Secondary, Primary, and Transmission service:

Service	Proposed RP27 FAR	Current RP26 FAR	Difference
Secondary (Residential)	\$0.00231 / kWh	\$0.00027 / kWh	\$0.00204 / kWh Increase
Primary	\$0.00225 / kWh	\$0.00027 / kWh	\$0.00198 / kWh Increase
Transmission	\$0.00218 / kWh	\$0.00026 / kWh	\$0.00192 / 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 \$2.07, from \$0.27 to \$2.34 per month.

11. According to Ameren Missouri witness Marci L. Althoff, "The primary factors driving this increase above the base (Factor "B") were higher fuel costs primarily due to greater dispatch of higher-costs resources during the Callaway Energy Center refueling outage during October to December 2017, lower off-system sales margins, and lower net capacity revenues due to lower capacity prices received in MISO's capacity market as compared to the prices used to establish the base."⁷

12. Staff has determined that Ameren Missouri timely filed its 3rd Revised Tariff Sheet No. 74.13, on March 23, 2018, and that it complies with Commission Rule 4 CSR 240-3.161 and Ameren Missouri's FAC as defined in its FAC tariff sheets.

⁷ Direct testimony of Marci L. Althoff, pages 2 -3.

13. Staff has verified that Ameren Missouri is not delinquent on any assessment, and has filed its 2017 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 before the Commission that affects or is affected by this filing, except File No. ER-2018-0256 as noted herein.

WHEREFORE, Staff recommends the Commission issue an order approving the following proposed revised tariff sheet filed on March 23, 2018, to become effective on May 24, 2018, as requested by Ameren Missouri:

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

3rd Revised Sheet No. 74.13, Cancelling 2nd Revised Sheet No. 74.13.

Respectfully Submitted,

/s/ Robert S. Berlin

Robert S. Berlin
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Missouri Bar No. 51709
Attorney for the Staff of the
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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 23rd day of April, 2018, to all parties of record.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2018-0255, Tariff Tracking No. YE-2018-0120
Union Electric Company d/b/a Ameren Missouri

FROM: Catherine Lucia, Utility Regulatory Auditor IV
Brooke Richter, Utility Regulatory Auditor IV
Curtis Gately, Utility Policy Analyst II
Kory Boustead, Rate and Tariff Examiner II

/s/ John Rogers 04/23/2018
Energy Resources Department / Date

/s/ Bob Berlin 04/23/2018
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: April 23, 2018

On March 23, 2018, Union Electric Company d/b/a Ameren Missouri (Ameren Missouri or "Company") filed one (1) tariff sheet, 3rd Revised Sheet No. 74.13, bearing a proposed effective date of May 24, 2018, and cancelling 2nd Revised Sheet No. 74.13. The Missouri Public Service Commission (Commission) assigned the tariff sheet to Tariff Tracking No. YE-2018-0120. The filed tariff sheet, 3rd Revised Sheet No. 74.13, as filed March 23, 2018, revises Ameren Missouri's Fuel Adjustment Rates (FARs) of its Fuel Adjustment Clause (FAC) for Accumulation Period 27 (AP27) which ended on January 31, 2018. Staff recommends the Commission approve 3rd Revised Sheet No. 74.13.

Ameren Missouri's March 23, 2018 filing includes the testimony of Ameren Missouri witness Marci L. Althoff 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 \$37,812,059 and is reflected on line 5 of 3rd Revised Sheet No. 74.13. This FPA Amount results in a FAR₂₇¹ of \$0.00164 per kWh, which when added to the FAR₂₆² of \$0.00055

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 27, FAR_{RP} in this recommendation is referred to as FAR₂₇.

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 27, FAR_(RP-1) in this recommendation is referred to as FAR₂₆.

per kWh, results in a proposed FAR³ of \$0.00219 per kWh. The AP27 FAR of \$0.000219 per kWh, reflected on line 9 of the 3rd Revised Sheet No. 74.13, is \$0.00193 per kWh greater than the AP26 FAR of \$0.00026 per kWh, reflected on line 9 of the 2nd Revised Sheet No. 74.13.

Calculation of Total Company Fuel and Purchased Power Difference

Ameren Missouri's work papers for AP27 contain data and calculations for ANEC4 equal to \$212,987,403 (line 1 of 3rd Revised Sheet No. 74.13), and B5 equal to \$173,753,856 (line 2 of 3rd Revised Sheet No. 74.13). For this filing, B is equal to sales of 11,312,100,005 kWh for October 2017 through January 2018 times \$0.015366 per kWh. The difference between ANEC and B is equal to \$39,233,547 and is the amount on line 3 of 3rd Revised Sheet No. 74.13, Total Company Fuel and Purchased Power Difference.

In her filed testimony, Company witness Marci L. Althoff states:

The primary factors driving this increase above the base (Factor "B") were higher fuel costs, primarily due to greater dispatch of higher-costs resources during the Callaway Energy Center refueling outage during October to December 2017, lower off-system sales margins, and lower net capacity revenues due to lower capacity prices received in MISO's capacity market as compare to the prices used to establish the base.⁷

Calculation of FPA Amount

Ameren Missouri's work papers and 3rd Revised Sheet No. 74.13, show the FPA Amount⁸ of \$37,812,059 to be the sum of:

1. Fuel and purchased power amount to be recovered from customers for AP27 equal to \$37,271,870⁹ (Line 4 on 3rd Revised Sheet No. 74.13); plus
2. Interest of \$662,248 which includes: \$148,993 for AP27, \$513,225 for Recovery Period 24 ("RP24"); plus

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 3rd 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 3rd Revised Sheet No. 74.13.

⁶ Winter Base Factor (BF_{winter}) rate on 3rd Revised Sheet No. 74.13 of \$0.01536 per kWh was used to calculate B (line 2 of 3rd Revised Sheet No. 74.13). BF_{winter} is applicable for the October through May calendar months.

⁷ Company witness Marci L. Althoff direct testimony beginning page 2, line 21 through page 3, line 2.

⁸ 3rd Revised Sheet No. 74.13, lines 1 through 5 include the complete calculation of the FPA Amount of \$37,812,059.

⁹ Fuel and purchased power amount to be recovered from customers for AP27 is equal to ninety-five percent (95 %) of \$39,233,547 (the difference between ANEC and B during AP27).

3. The true-up amount, without interest, equal to \$(122,059) which is pending Commission approval in File No. ER-2018-0256.

Calculation of FAR₂₇

FAR₂₇ of \$0.00164 per kWh is equal to the FPA Amount of \$37,812,059 divided by the Estimated Recovery Period Sales in kWh settled at MISO CP node (AMMO.UE or successor node) of 23,002,700,860 kWh. FAR₂₇ will apply during Recovery Period 27 (RP27) Ameren Missouri’s billing months of June 2018 through January 2019.

Calculation of FAR Without Voltage Level Adjustments

Line 9 of Ameren Missouri’s proposed 3rd Revised Sheet No. 74.13, reflects a FAR of \$0.00219 per kWh which is the sum of: 1) FAR₂₇ of \$0.00164 per kWh, and 2) FAR₂₆ of \$0.00055 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 3rd Revised Sheet No. 74.13. The RP27 FARs are in the table below:

Service	RP27 FAR	Line on 3rd Revised Sheet No. 74.13
Secondary	\$0.00231 /kWh	11
Primary	\$0.00225 /kWh	13
Transmission	\$0.00218 /kWh	15

Listed below are the proposed RP27 FARs, the current RP26 FARs and the difference between them for Secondary, Primary, and Transmission service:

	Proposed RP27 FAR	Current RP26 FAR	Difference
Secondary	\$0.00231 /kWh	\$0.00027/kWh	\$0.00204/kWh Increase
Primary	\$0.00225 /kWh	\$0.00027/kWh	\$0.00198/kWh Increase
Transmission	\$0.00218 /kWh	\$0.00026/kWh	\$0.00192/kWh Increase

¹⁰ Secondary, Primary, and Transmission Voltage Adjustment Factors are shown on lines 10, 12, and 14, respectively, on Ameren Missouri’s proposed 3rd Revised Sheet No. 74.13.

Based on a monthly usage of 1,015 kWh, the proposed change to the Secondary FAR would increase the FAC of an Ameren Missouri residential customer's monthly bill by \$2.07, from \$0.27 to \$2.34 per month.

Staff reviewed the proposed 3rd Revised Sheet No. 74.13, the direct testimony of Ameren Missouri witness Marci L. Althoff 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 AP27. 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 3rd Revised Sheet No. 74.13, and the supporting schedules of witness Marci L. Althoff. 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 AP27.

Attachment A

Attachment A includes three charts which provide a summary of Ameren Missouri's 27 FAC rate adjustment filings. Chart 1 illustrates Ameren Missouri's FAR for each of the 27 accumulation periods. Chart 2 illustrates Ameren Missouri's FAC cost summary for Actual Net Energy Cost and Net Base Energy Cost. Chart 3 illustrates Ameren Missouri's 12-month Rolling fuel and Purchased Power Costs.

Staff Recommendation

Ameren Missouri timely filed 3rd Revised Sheet No. 74.13, on March 23, 2018, 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.

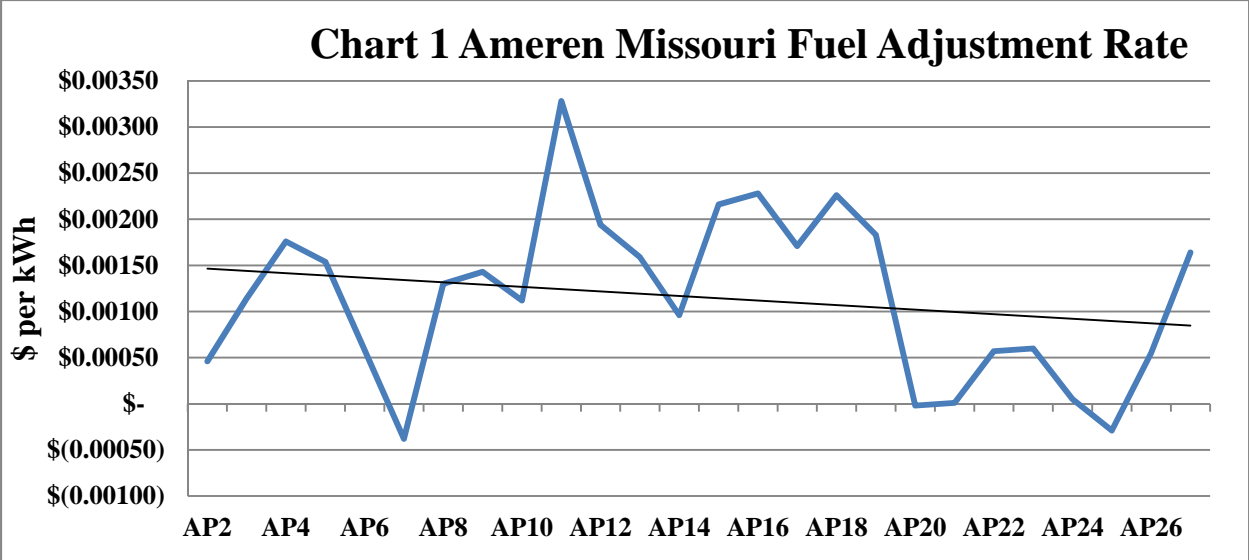
Ameren Missouri requested that 3rd Revised Sheet No. 74.13, filed March 23, 2018, become effective on May 24, 2018, the beginning of Ameren Missouri's June 2018 billing month. Thus, the proposed tariff sheet was filed with 61 days' notice. Therefore, Staff recommends the Commission issue an order approving the following proposed tariff sheet, as filed on March 23, 2018, to become effective on May 24, 2018, as requested by Ameren Missouri:

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

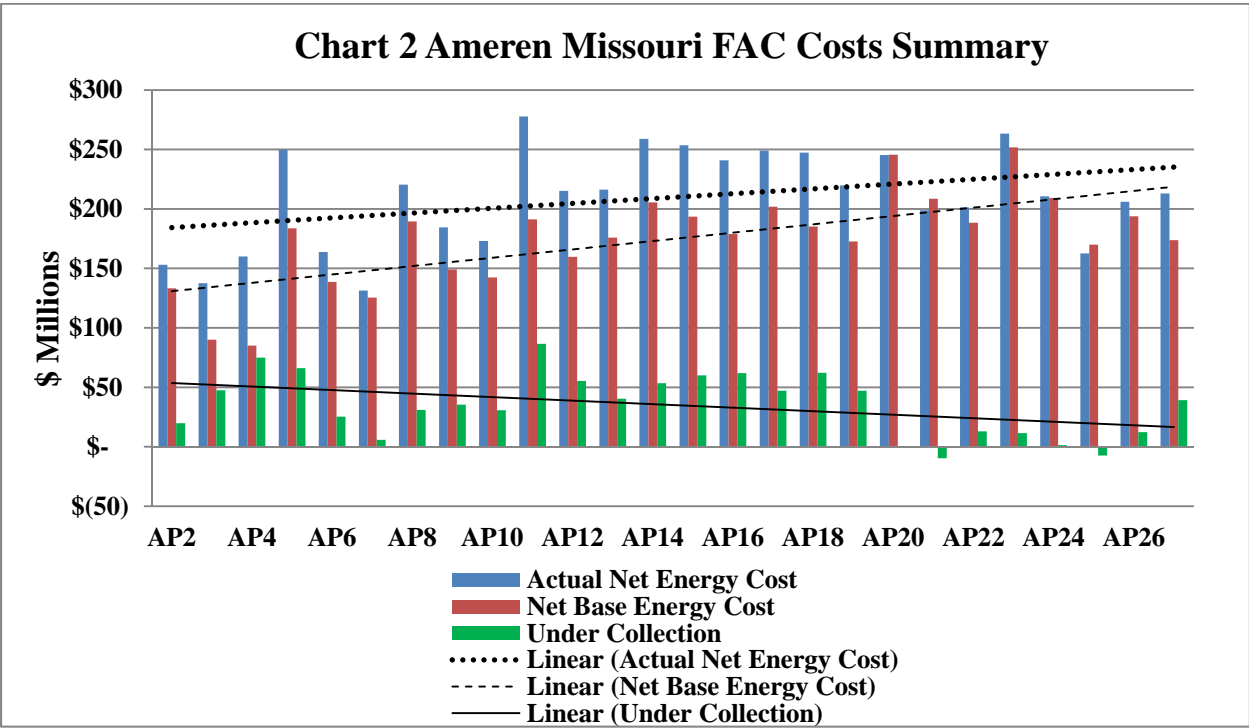
3rd Revised Sheet No. 74.13, Cancelling 2nd Revised Sheet No. 74.13.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2017 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-2018-0256 as noted herein.

¹¹ Ameren Missouri filed its 2017 Annual Report on April 13, 2018.

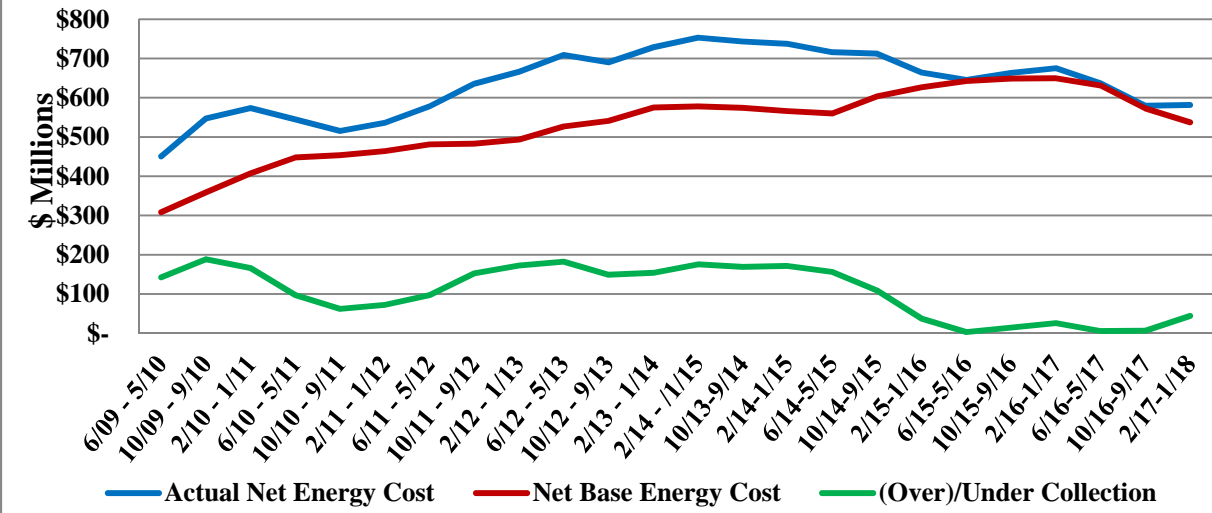


Note: Chart 1 - Horizontal Axis lists only even number APs.



Note: Chart 2 - Horizontal Axis lists only even number APs.

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



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-2018-0255
Fuel Adjustment Clause for the 27th)
Accumulation Period)

AFFIDAVIT OF KORY J. BOUSTEAD

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

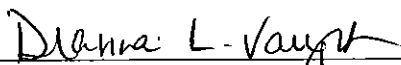
COMES NOW, Kory J. Boustead and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached Staff Recommendation in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

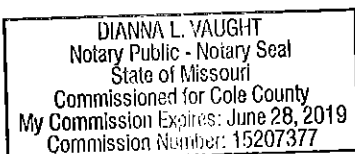


Kory J. Boustead

Subscribed and sworn to be this 23rd day of April, 2018.



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-2018-0255**
Fuel Adjustment Clause for the 27th)
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 attached 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.

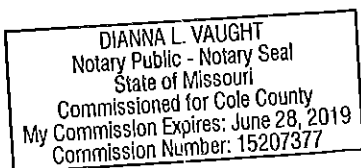


CATHERINE F. LUCIA

Subscribed and sworn to be this 23rd day of April, 2018.



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-2018-0255
Fuel Adjustment Clause for the 27th)
Accumulation Period)

AFFIDAVIT OF CURT B. GATELEY

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW, Curt B. Gateley and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

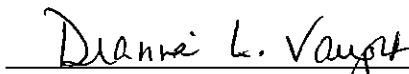
Further the Affiant sayeth not.



Curt B. Gateley

Subscribed and sworn to be this 23rd day of April, 2018.

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



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-2018-0255
Fuel Adjustment Clause for the 27th)
Accumulation Period)

AFFIDAVIT OF BROOKE RICHTER

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

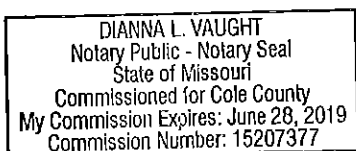
COMES NOW, Brooke Richter and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached Staff Recommendation in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

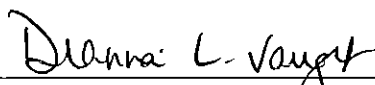
Further the Affiant sayeth not.



Brooke Richter

Subscribed and sworn to be this 23rd day of April, 2018.





Notary Public