

**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-2019-0152</u>
Fuel Adjustment Clause for the 29 th)	Tariff Tracking No.YE-2019-0096
Accumulation Period)	

**STAFF RECOMMENDATION TO APPROVE TARIFF SHEET REGARDING
CHANGE TO THE FUEL ADJUSTMENT RATES FOR ACCUMULATION PERIOD 29**

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 20, 2018, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed a proposed tariff sheet, 5th Revised Sheet No. 74.13, bearing a proposed effective date of January 25, 2019, and cancelling 4th 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 29 ("AP29").

2. Concurrently, on November 20, 2018, Ameren Missouri submitted a true-up filing in File No. ER-2019-0153 to identify the amount of over- or under-recovery during Recovery Period 26 ("RP26") prescribed by its FAC. The over- or under-recovered amount (or true-up amount) and interest amount for RP26 are used when calculating the new FARs in this case.

3. On November 20, 2018, the Commission ordered Staff to examine and analyze Ameren Missouri's filings in this case, and to file its recommendation no later than December 20, 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) be added to the service list for this case, and set an intervention date of November 30, 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 November 20, 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

7. Ameren Missouri's filing in this case requests Commission approval of one tariff sheet bearing an effective date of January 25, 2019, that revises the current FARs

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.

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 \$(8,877,227)⁴ is the sum of: Fuel and purchased power amount to be recovered from customers for AP29 equal to \$(8,401,659)⁵ (Line 4 on 5th Revised Sheet No. 74.13); plus Interest of \$(490,628) which includes \$(41,314) for AP29 and \$(449,314) for RP26; plus the True-Up amount, without interest, equal to \$15,060 which is the True-Up amount pending Commission approval in File No. ER-2019-0153.

9. As explained in Staff's Memorandum, the FPA amount of \$(8,877,227) results in a Current Period Fuel Adjustment Rate ("FAR29") of \$(0.00040) per kWh which, when added to the Prior Period FAR (FAR28) of \$0.00022 per kWh, results in a proposed FAR of \$(0.00018) per kWh. The AP29 FAR of \$(0.00018) per kWh is \$0.00204 per kWh less than the AP28 FAR of \$0.00186 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 5th Revised Sheet No. 74.13. Listed below are the proposed RP29 FARs, the current RP28 FARs and the difference between them for Secondary, Primary, and Transmission service:

³ 5th Revised Sheet No. 74.13, lines 1 through 5 include the complete calculation of the FPA Amount of \$(8,877,227).

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 AP29 is equal to ninety-five percent (95 %) of \$(8,843,852) (the difference between ANEC and Net Base Energy Cost ("B") during AP29).

⁶ \$0.00186 per kWh is on Line 9 of 4th Revised Sheet No. 73.11.

Service	Proposed RP29 FAR	Current RP28 FAR	Difference
Secondary (Residential)	\$(0.00019) / kWh	\$0.00196 / kWh	\$0.00215 / kWh Decrease
Primary	\$(0.00018) / kWh	\$0.00190 / kWh	\$0.00208 / kWh Decrease
Transmission	\$(0.00018) / kWh	\$0.00184 / kWh	\$0.00202 / kWh Decrease

Based on a monthly usage of 1,000 kWh, the proposed change to the Secondary FAR would decrease the Fuel Adjustment Charge of an Ameren Missouri residential customer's bill by \$2.15, from \$1.96 to \$(0.19) per month.

11. According to Ameren Missouri witness Marci L. Althoff, "The primary factors driving this decrease in the FAR were lower fuel costs for load and higher off-system sales margins in Accumulation Period 29 as compared to Accumulation Period 27 and the net base energy costs applicable to each period. Fuel costs decreased due to the replacement of higher cost coal and freight contracts with lower cost contracts in early 2018 and the dispatch of lower cost resources during Accumulation Period 29 which were not available in Accumulation Period 27 as a result of the Callaway Energy Center refueling outage that took place from October 2017 to December 2017."⁷

12. Staff has determined that Ameren Missouri timely filed its 5th Revised Tariff Sheet No. 74.13, on November 20, 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, p 4.

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-2019-0153 as noted herein.

WHEREFORE, Staff recommends the Commission issue an order approving the following proposed revised tariff sheet filed on November 20, 2018, to become effective on January 25, 2019, as requested by Ameren Missouri:

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

5th Revised Sheet No. 74.13, Cancelling 4th Revised Sheet No. 74.13.

Respectfully Submitted,

/s/ Robert S. Berlin

Robert S. Berlin
Deputy Staff Counsel
Missouri Bar No. 51709
Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 526-7779 (Telephone)
(573) 751-9285 (Fax)
bob.berlin@psc.mo.gov

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 20th day of December, 2018, to all parties of record.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2019-0152, Tariff Tracking No. YE-2019-0096

FROM: Brooke Mastrogiannis, Utility Regulatory Auditor IV
Cynthia Tandy, Utility Regulatory Auditor I
Kory Boustead, Rate and Tariff Examiner II

/s/ John Rogers 12/20/2018 /s/ Bob Berlin 12/20/2018
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 20, 2018

On November 20, 2018, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, 5th Revised Sheet No. 74.13, bearing a proposed effective date of January 25, 2019, and cancelling 4th Revised Sheet No. 74.13. The Commission assigned the tariff sheet to Tariff Tracking No. YE-2019-0096. The filed tariff sheet, 5th Revised Sheet No. 74.13, as filed November 20, 2018, revises Ameren Missouri's Fuel Adjustment Rates (FARs) of its Fuel Adjustment Clause (FAC) for Accumulation Period 29 (AP29) which ended on September 30, 2018. Staff recommends the Missouri Public Service Commission ("Commission") approve 5th Revised Sheet No. 74.13.

Ameren Missouri's November 20, 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 \$(8,877,227) and is reflected on line 5 of 5th Revised Sheet No. 74.13. This FPA Amount results in a FAR₂₉¹ of \$(0.00040) per kWh, which when added to the FAR₂₈² of

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 followed Accumulation Period 29, FAR_{RP} in this recommendation is referred to as FAR₂₉.

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 followed Accumulation Period 29, FAR_(RP-1) in this recommendation is referred to as FAR₂₈.

\$0.00022 per kWh, results in a proposed FAR³ of \$(0.00018) per kWh. The AP29 FAR of \$(0.00018) per kWh, reflected on line 9 of the 5th Revised Sheet No. 74.13, is \$0.00204 per kWh less than the AP28 FAR of \$0.00186 per kWh, reflected on line 9 of the 4th Revised Sheet No. 74.13.

Calculation of Total Company Fuel and Purchased Power Difference

Ameren Missouri's work papers for AP29 contain data and calculations for Actual Net Energy Costs (ANEC)⁴ equal to \$192,602,706 (line 1 of 5th Revised Sheet No. 74.13) and Net Base Energy Costs (B)⁵ equal to \$201,446,558 (line 2 of 5th Revised Sheet No. 74.13). For this filing, B is equal to sales of 12,871,984,581 kWh for June 2018 through September 2018 times \$0.01565⁶ per kWh. The difference between ANEC and B is equal to \$(8,843,852) and is the amount on line 3 of 5th 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 decrease in the FAR were lower fuel costs for load and higher off-system sales margins in Accumulation Period 29 as compared to Accumulation Period 27 and the net base energy costs applicable to each period. Fuel costs decreased due to the replacement of higher cost coal and freight contracts with lower cost contracts in early 2018 and the dispatch of lower cost resources during Accumulation Period 29 which were not available in Accumulation Period 27 as a result of the Callaway Energy Center refueling outage that took place from October 2017 to December 2017.⁷

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 5th 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 5th Revised Sheet No. 74.13.

⁶ Summer Base Factor (BF_{Summer}) rate on 5th Revised Sheet No. 74.13 of \$0.01565 per kWh was used to calculate B (line 2 of 5th Revised Sheet No. 74.13). BF_{Summer} is applicable for the June through September calendar months, as indicated in Tab (A)1.G of the MA-FAR submitted by Ameren Missouri and based on ER-2016-0179.

⁷ Company witness Marci L. Althoff's Direct Testimony beginning page 4, lines 7 through 15.

Calculation of FPA Amount

Ameren Missouri’s work papers and 5th Revised Sheet No. 74.13, show the FPA Amount⁸ of \$(8,877,227) to be the sum of:

1. Fuel and purchased power amount to be recovered from customers for AP29 equal to \$(8,401,659)⁹ (Line 4 on 5th Revised Sheet No. 74.13); plus
2. Interest of \$(490,628) which includes: \$(41,314) for AP29, \$(449,314) for Recovery Period 26 (“RP26”); plus
3. The true-up amount, without interest, equal to \$15,060 which is pending Commission approval in File No. ER-2019-0153.

Calculation of FAR₂₉

FAR₂₉ of \$(0.00040) per kWh is equal to the FPA Amount of \$(8,877,227) divided by the Estimated Recovery Period Sales in kWh settled at MISO CP node (AMMO.UE or successor node) of 22,280,776,366 kWh. FAR₂₉ will apply during Recovery Period 29 (“RP29”) Ameren Missouri’s billing months of February 2019 through September 2019.

Calculation of FAR Without Voltage Level Adjustments

Line 9 of Ameren Missouri’s proposed 5th Revised Sheet No. 74.13, reflects a FAR of \$(0.00018) per kWh which is the sum of: 1) FAR₂₉ of \$(0.00040) per kWh, and 2) FAR₂₈ of \$0.00022 per kWh.

	AP29 FAR 5th Revised Sheet No. 74.13	AP28 FAR 4th Revised Sheet No. 74.13
Line 7. Current Period Fuel Adjustment Rate (FAR _{RP})	\$(0.00040) /kWh	\$0.00022/kWh
Line 8. Prior Period Fuel Adjustment Rate (FAR _{RP-1})	\$0.00022/kWh	\$0.00164/kWh
Line 9. Fuel Adjustment Rate (FAR)	\$(0.00018)/kWh	\$0.00186/kWh

⁸ 5th Revised Sheet No. 74.13, lines 1 through 5 include the complete calculation of the FPA Amount of \$(8,877,227).

⁹ Fuel and purchased power amount to be recovered from customers for AP29 is equal to ninety-five percent (95%) of \$(8,843,852) (the difference between ANEC and B during AP29).

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 5th Revised Sheet No. 74.13. The RP29 FARs are in the table below:

Service	RP29 FAR	Line on 5th Revised Sheet No. 74.13
Secondary	\$(0.00019) /kWh	11
Primary	\$(0.00018) /kWh	13
Transmission	\$(0.00018) /kWh	15

Listed below are the proposed RP29 FARs, the current RP28 FARs and the difference between them for Secondary, Primary, and Transmission service:

	Proposed RP29 FAR	Current RP28 FAR	Difference
Secondary	\$(0.00019) /kWh	\$0.00196/kWh	\$0.00215/kWh Decrease
Primary	\$(0.00018) /kWh	\$0.00190/kWh	\$0.00208/kWh Decrease
Transmission	\$(0.00018) /kWh	\$0.00184/kWh	\$0.00202/kWh Decrease

Based on a monthly usage of 1,000 kWh, the proposed change to the Secondary FAR would decrease the Fuel Adjustment Charge of an Ameren Missouri residential customer's monthly bill by \$2.15, from \$1.96 to \$(0.19) per month.

Staff reviewed the proposed 5th 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 AP29. 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 5th Revised Sheet No. 74.13, and the supporting schedules of witness Marci L. Althoff. Staff

¹⁰ Secondary, Primary, and Transmission Voltage Adjustment Factors are shown on lines 10, 12, and 14, respectively, on Ameren Missouri's proposed 5th Revised Sheet No. 74.13.

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 AP29.

Attachment A

Attachment A includes three charts which provide a summary of Ameren's 29 FAC rate adjustment filings. Chart 1 illustrates Ameren's FAR for each of the 29 accumulation periods. Chart 2 illustrates Ameren's FAC cost summary for ANEC and B. Chart 3 illustrates Ameren's 12-month Rolling Fuel and Purchased Power Costs.

Staff Recommendation

Ameren Missouri timely filed 5th Revised Sheet No. 74.13, on November 20, 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 5th Revised Sheet No. 74.13, filed November 20, 2018, become effective on January 25, 2019, the beginning of Ameren Missouri's February 2019 billing month. Thus, the proposed tariff sheet was filed with 60 days' notice. Therefore, Staff recommends the Commission issue an order approving the following proposed tariff sheet, as filed on November 20, 2018, to become effective on January 25, 2019, as requested by Ameren Missouri:

MO.P.S.C. Schedule No. 6
5th Revised Sheet No. 74.13, Cancelling 4th 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-2019-0153 as noted herein.

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

Chart 1 Ameren Missouri Fuel Adjustment Rate

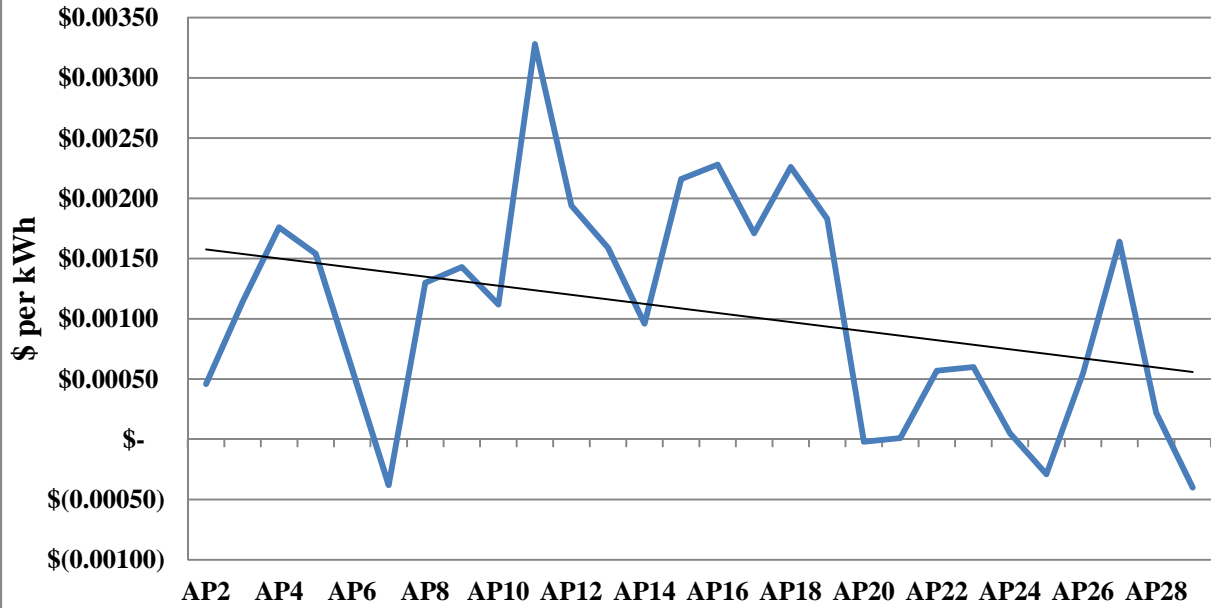


Chart 2 Ameren Missouri FAC Costs Summary

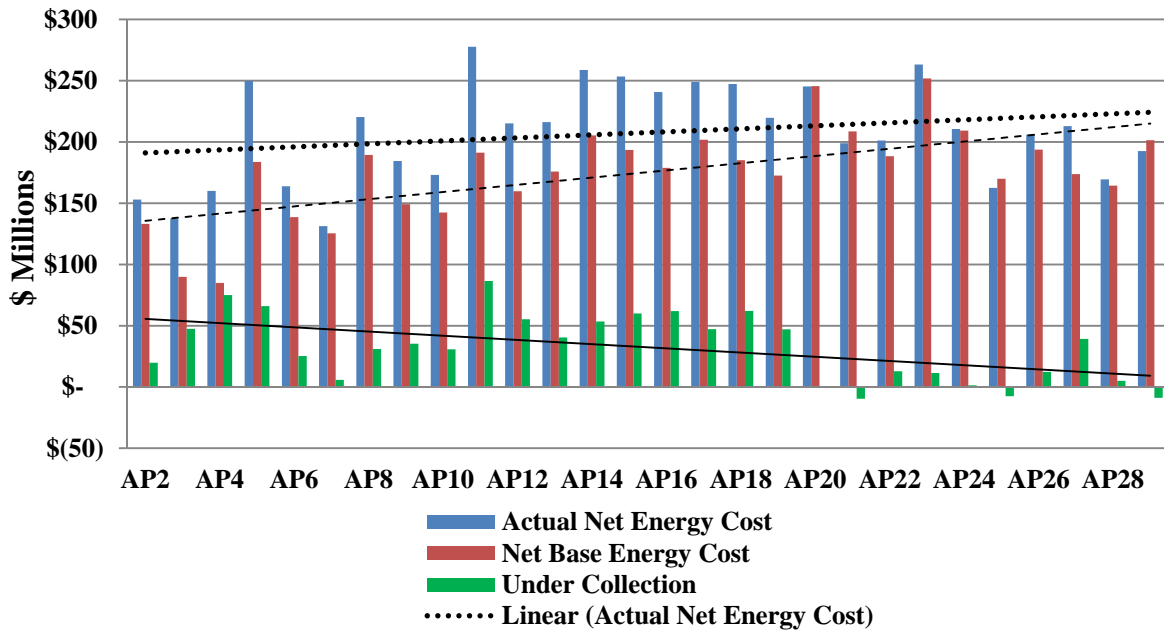
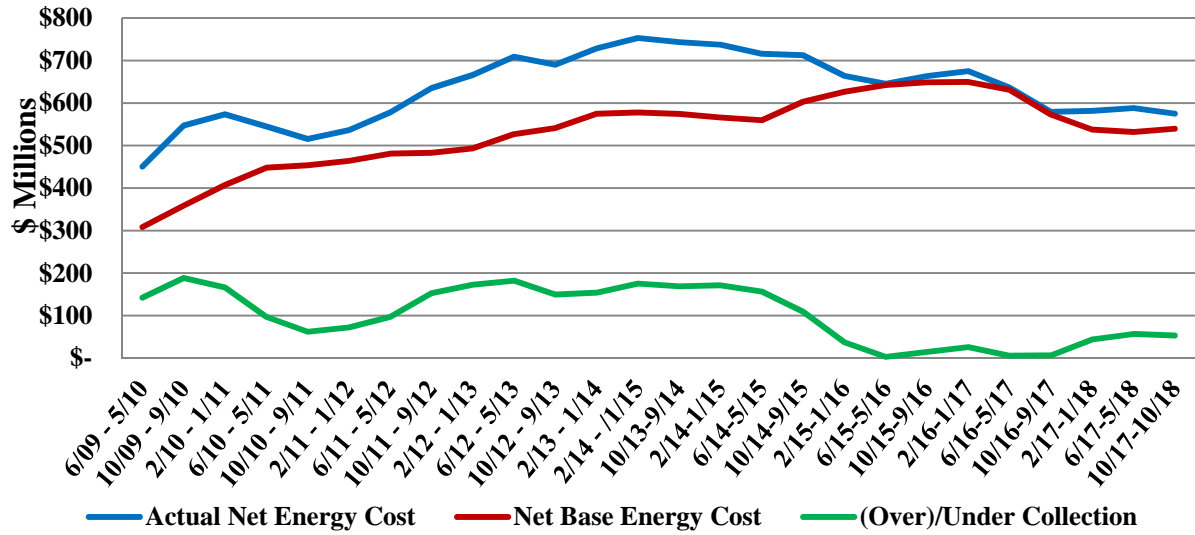


Chart 3 Ameren Missouri 12-month Rolling Fuel and Purchased Power Costs



BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

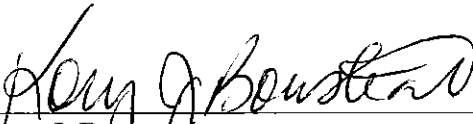
In the Matter of the Adjustment of Union)
Electric Company d/b/a Ameren Missouri's Fuel) **File No. ER-2019-0152**
Adjustment Clause for the 29th Accumulation)
Period)

AFFIDAVIT OF KORY J. BOUSTEAD

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

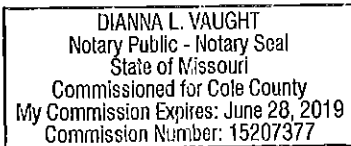
COMES NOW, Kory J. Boustead, and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

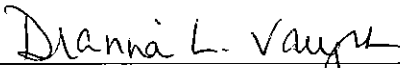
Further the Affiant sayeth not.



Kory J. Boustead

Subscribed and sworn to be this 20th day of December, 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 Fuel) File No. ER-2019-0152
Adjustment Clause for the 29th Accumulation)
Period)

AFFIDAVIT OF BROOKE MASTROGIANNIS

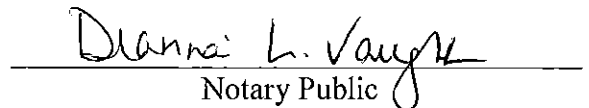
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

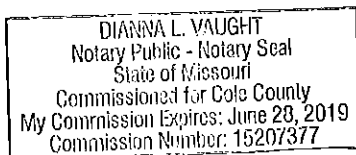
COMES NOW, Brooke Mastrogiannis, and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.


Brooke Mastrogiannis

Subscribed and sworn to be this 20th day of December, 2018.


Notary Public



BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

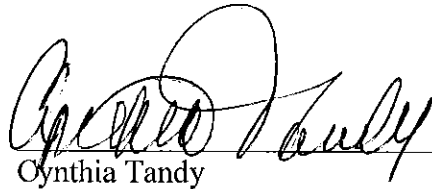
In the Matter of the Adjustment of Union)
Electric Company d/b/a Ameren Missouri's Fuel) **File No. ER-2019-0152**
Adjustment Clause for the 29th Accumulation)
Period)

AFFIDAVIT OF CYNTHIA TANDY

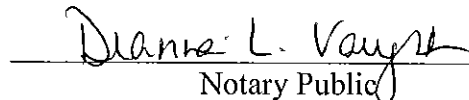
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW, Cynthia Tandy, 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.


Cynthia Tandy

Subscribed and sworn to be this 20th day of December, 2018.


Notary Public

