

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

In the Matter of the Union Electric Company                             )  
d/b/a Ameren Missouri's Fuel Adjustment Clause                     ) **File No. ER-2019-0287**  
for the 30th Accumulation Period                                     ) **Tariff No. YE-2019-0171**

**STAFF RECOMMENDATION TO APPROVE TARIFF SHEET**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and for its recommendation states:

1. On March 25, 2019, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") filed one proposed tariff sheet, bearing an effective date of May 24, 2019, to revise its current period Fuel Adjustment Rates ("FARs") for the 30th Accumulation Period ("AP30") of its Fuel Adjustment Clause ("FAC"). This proposed tariff sheet is MO. P.S.C. Schedule No. 6, 6th Revised Sheet No. 74.13, Cancelling MO. P.S.C. Schedule No. 6, 5th Revised Sheet No. 74.13. The Commission assigned it Tariff No. YE-2019-0171.

2. Concurrently on March 25, 2019, Ameren Missouri submitted a FAC true-up filing in File No. EO-2019-0289 to identify the true-up amount of \$(1,673,819) for the 27th Recovery Period ("RP27") of its FAC. This amount and interest for RP27 are included in calculation of the FARs for AP30.

3. Commission Rule 4 CSR 240-20.090(8)(F) provides that "[w]ithin thirty (30) days after the electric utility files its testimony and tariff sheet(s) to adjust its FARs, the staff shall submit a recommendation regarding its examination and analysis to the commission[.]" Staff must determine if Ameren Missouri's proposed adjustments to its FAC rates are in accordance with 4 CSR 240-20.090 ("Fuel and Purchased Power Rate

Adjustment Mechanisms”), §386.266 RSMo, and the “FAC mechanism established, continued, or modified in the utility’s most recent general rate proceeding.”<sup>1</sup>

4. If the proposed rate adjustments are in accordance with the rule, statute, and FAC mechanism referenced above, Commission Rule 4 CSR 240-20.090(8)(H)(1) and (2) provides:

- (H) Within sixty (60) days after the electric utility files its testimony and tariff sheet(s) to adjust its FARs, the commission shall either –
1. Issue an interim rate adjustment order approving the tariff sheet(s) and the adjustments to the FARs [or]
  2. Allow the tariff sheet(s) and the adjustments to the FARs to take effect without commission order[.]

5. In the attached Staff Memorandum, marked Appendix A, Staff recommends that the Commission issue an order approving Ameren Missouri’s proposed tariff sheet MO P.S.C. Schedule No. 6, 6th Revised Sheet No. 74.13, Cancelling MO P.S.C. Schedule No. 6, 5th Revised Sheet No. 74.13, subject to true-up and prudence reviews.

6. For AP30, the fuel and purchased power adjustment (“FPA”) amount is \$(29,373,701), which divided by the forecasted net system input for AP30 of 23,232,413,455 kWh results in a current period FAR<sub>30</sub> of \$(0.00126) per kWh. When this is added to the prior period FAR (FAR<sub>29</sub>) of \$(0.00040) per kWh, the result in a proposed FAR of \$(0.00166) per kWh. The AP30 FAR of \$(0.00166) per kWh is \$(0.00148) per kWh less than the AP29 FAR of \$(0.00018) per kWh.<sup>2</sup>

7. Because of a difference in line losses, there are different FARs for service taken at secondary, primary, and transmission voltages levels, reflected on lines 11, 13,

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<sup>1</sup> 4 CSR 240-20.090(8)(F)

<sup>2</sup> The AP29 FAR of \$(0.00018) per kWh can be found on Line 9 of 5th Revised Sheet No. 74.13.

and 15 of the proposed 6th revised sheet 74.13. The resulting FARs are in the column marked "Proposed" in the following table:

Fuel Adjustment Rates (\$ Per kWh)			
Service Voltage Level	Present	Proposed	Difference
Secondary (Residential)	\$(0.00019)	\$(0.00176)	\$0.00157 Decrease
Primary	\$(0.00018)	\$(0.00170)	\$0.00152 Decrease
Transmission	\$(0.00018)	\$(0.00165)	\$0.00147 Decrease

7. Based on a monthly usage of 1,000 kWh, the proposed change to the FAR for secondary service will decrease the FAC of an Ameren Missouri residential customer's bill from \$(0.19) to \$(1.76), a decrease of \$(1.57) per month. Ameren Missouri witness Marci L. Althoff testified on lines 9 through 15 on page 4 of her Direct Testimony regarding this decrease:

The primary factors driving this decrease in the FAR were lower fuel costs for load and higher off-system sales margins in Accumulation Period 30 as compared to Accumulation Period 28 and the bet base energy costs applicable to each period. Fuel costs for load decreased primarily as a result of the lower cost coal and freight contracts that became effective in early 2018. Additionally, off-system sales margins increased because of stronger market prices in Accumulation Period 30 versus Accumulation Period 28 and the lower coal and freight costs to generate sales.

8. Except for Ameren Missouri's RP27 true-up filing in File No. EO-2019-0289, also filed March 25, 2019, Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

9. The Staff's review shows Ameren Missouri's filing is in compliance with Commission Rule 4 CSR 240-20.090, §386.266 RSMo, and Ameren Missouri's FAC embodied in its tariff.

10. Staff verified that Ameren Missouri is not delinquent on any assessment and Ameren Missouri filed its 2018 annual report. Ameren Missouri is current on submission

of its monthly reports, required by 4 CSR 240-20.090(5), and its surveillance monitoring reports, required by 4 CSR 240-20.090(6).

**WHEREFORE**, for the above-stated reasons, Staff recommends that the Commission issue an interim rate adjustment order approving Ameren Missouri's proposed tariff sheet MO P.S.C. Schedule No. 6, 6th Revised Sheet No. 74.13, Cancelling MO P.S.C. Schedule No. 6, 5th Revised Sheet No. 74.13, to become effective May 24, 2019, subject to true-up and prudence reviews.

Respectfully submitted,

**/s/ Karen E. Bretz**

Karen E. Bretz  
Senior Counsel  
Missouri Bar No. 70632  
Attorney for the Staff of the  
Missouri Public Service Commission  
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**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing was served via e-mail on counsel for the parties of record to this case on this 25th day of April, 2019.

**/s/ Karen Bretz**

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File  
File No. ER-2019-0287, Tariff Tracking No. YE-2019-0171  
Union Electric Company, d/b/a Ameren Missouri

**FROM:** Brooke Mastrogiannis, Utility Regulatory Auditor IV  
Lisa Wildhaber, Utility Regulatory Auditor III  
Cynthia M. Tandy, Utility Regulatory Auditor I

/s/ Brad J. Fortson 4/25/2019  
Energy Resources Department / Date

/s/ Karen Bretz 4/25/2019  
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 Case Nos. ER-2014-0258 and ER-2016-0130.

**DATE:** April 25, 2019

On March 25, 2019, Union Electric Company, d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, 6th Revised Sheet No. 74.13, bearing a proposed effective date of May 24, 2019, and cancelling 5th Revised Sheet No. 74.13. The Commission assigned the tariff sheet to Tariff Tracking No. YE-2019-0171. The filed tariff sheet, 6th Revised Sheet No. 74.13, as filed March 25, 2019, revises Ameren Missouri's Fuel Adjustment Rates ("FARs") of its Fuel Adjustment Clause ("FAC") for Accumulation Period 30 ("AP30") which ended on January 31, 2019. Staff recommends the Missouri Public Service Commission ("Commission") approve 6th Revised Sheet No. 74.13.

Ameren Missouri's March 25, 2019 filing includes the testimony of Ameren Missouri witness Marci L. Althoff and associated 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 \$(29,373,701) and is reflected on line 5 of 6th Revised Sheet No. 74.13. This FPA Amount results in a FAR<sub>30</sub><sup>1</sup> of \$(0.00126) per kWh, which when added to the FAR<sub>29</sub><sup>2</sup> of \$(0.00040) per

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<sup>1</sup> FAR<sub>RP</sub> 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 30, FAR<sub>RP</sub> in this recommendation is referred to as FAR<sub>30</sub>.

<sup>2</sup> FAR<sub>(RP-1)</sub> 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<sub>(RP)</sub>." Since this filing followed Accumulation Period 30, FAR<sub>(RP-1)</sub> in this recommendation is referred to as FAR<sub>29</sub>.

kWh, results in a proposed FAR<sup>3</sup> of \$(0.00166) per kWh. The AP30 FAR of \$(0.00166) per kWh, reflected on line 9 of the 6th Revised Sheet No. 74.13, is \$(0.00148) per kWh less than the AP29 FAR of \$(0.00018) per kWh, reflected on line 9 of the 5th Revised Sheet No. 74.13.

### **Calculation of Total Company Fuel and Purchased Power Difference**

Ameren Missouri's work papers for AP30 contain data and calculations for Actual Net Energy Costs ("ANEC")<sup>4</sup> equal to \$145,529,140 (line 1 of 6th Revised Sheet No. 74.13) and Net Base Energy Costs ("B")<sup>5</sup> equal to \$175,752,698 (line 2 of 6th Revised Sheet No. 74.13). For this filing, B is equal to sales of 11,442,232,892 kWh for October 2018 through January 2019 times \$0.01536<sup>6</sup> per kWh. The difference between ANEC and B is equal to \$(30,223,558) and is the amount on line 3 of 6th 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 30 as compared to Accumulation Period 28 and the net base energy costs applicable to each period. Fuel costs for load decreased primarily as a result of the lower cost coal and freight contracts that became effective in early 2018. Additionally, off-system sales margins increased because of stronger market prices in Accumulation Period 30 versus Accumulation Period 28 and the lower coal and freight costs to generate sales.<sup>7</sup>

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<sup>3</sup> 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."  $FAR = FAR_{(RP)} + FAR_{(RP-1)}$ .

<sup>4</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 6th Revised Sheet No. 74.13.

<sup>5</sup> B = Base Factor times the accumulation period sales as reflected on lines 2, 2.1 and 2.2 of 6th Revised Sheet No. 74.13.

<sup>6</sup> Summer Base Factor ("BF<sub>winter</sub>") rate on 6th Revised Sheet No. 74.13 of \$0.01536 per kWh was used to calculate B (line 2 of 6th Revised Sheet No. 74.13). BF<sub>winter</sub> is applicable for the October through May calendar months, as indicated in Tab 8.2(A).VII of the MA-FAR submitted by Ameren and based on ER-2016-0179.

<sup>7</sup> Company witness Marci L. Althoff direct testimony beginning page 4, lines 9 through 15.

### **Calculation of FPA Amount**

Ameren Missouri's work papers and 6th Revised Sheet No. 74.13, show the FPA Amount<sup>8</sup> of \$(29,373,701) to be the sum of:

1. Fuel and purchased power amount to be recovered from customers for AP30 equal to \$(28,712,380)<sup>9</sup> (Line 4 on 6th Revised Sheet No. 74.13); plus
2. Interest of \$1,012,498 which includes: \$(186,768) for AP30, \$1,199,266 for Recovery Period 27 ("RP27"); plus
3. The true-up amount, without interest, equal to \$(1,673,819) which is pending Commission approval in File No. EO-2019-0289.

### **Calculation of FAR<sub>30</sub>**

FAR<sub>30</sub> of \$(0.00126) per kWh is equal to the FPA Amount of \$(29,373,701) divided by the Estimated Recovery Period Sales in kWh settled at Ameren Missouri's commercial pricing node<sup>10</sup> of 23,232,413,455 kWh. FAR<sub>30</sub> will apply during Recovery Period 30 ("RP30") Ameren Missouri's billing months of June 2019 through January 2020.

### **Calculation of FAR Without Voltage Level Adjustments**

Line 9 of Ameren Missouri's proposed 6th Revised Sheet No. 74.13, reflects a FAR of \$(0.00166) per kWh which is the sum of: 1) FAR<sub>30</sub> of \$(0.00126) per kWh, and 2) FAR<sub>29</sub> of \$(0.00040) per kWh.

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<sup>8</sup> 6th Revised Sheet No. 74.13, lines 1 through 5 include the complete calculation of the FPA Amount of \$(29,373,701).

<sup>9</sup> Fuel and purchased power amount to be recovered from customers for AP30 is equal to ninety-five percent (95%) of \$(30,223,558) (the difference between ANEC and B during AP30).

<sup>10</sup> MISO's Market Settlements Business Settlements Practice Manual, BPM-005-r15 Effective Date: JUN-30-2016 The CPNode represents the next hierarchical level in the Commercial Model and consists of one or more EPNodes. All energy transactions, both physical and financial, are financially settled at the CPNode level. Operating Reserve supply is financially settled at the Resource CPNode level based on the appropriate CPNode MCPs. All Market Settlement activity is performed at a CPNode and is the level where LMPs and MCPs are publicly available.

	AP30 FAR 6th Revised Sheet No. 74.13	AP29 FAR 5th Revised Sheet No. 74.13
Line 7. Current Period Fuel Adjustment Rate (FAR <sub>RP</sub> )	\$(0.00126) /kWh	\$(0.00040)/kWh
Line 8. Prior Period Fuel Adjustment Rate (FAR <sub>RP-1</sub> )	\$(0.00040)/kWh	\$0.00022/kWh
Line 9. Fuel Adjustment Rate (FAR)	\$(0.00166)/kWh	\$(0.00018)/kWh

**Voltage Level FARs**

Because of a difference in line losses<sup>11</sup> there are different FARs for service taken at the Secondary, Primary, and Transmission voltage levels reflected on lines 11, 13 and 15 of 6th Revised Sheet No. 74.13. The RP30 FARs are in the table below:

Service	RP30 FAR	Line on 6th Revised Sheet No. 74.13
Secondary	\$(0.00176) /kWh	11
Primary	\$(0.00170) /kWh	13
Transmission	\$(0.00165) /kWh	15

Listed below are the proposed RP30 FARs, the current RP29 FARs and the difference between them for Secondary, Primary, and Transmission service:

	Proposed RP30 FAR	Current RP29 FAR	Difference
Secondary	\$(0.00176) /kWh	\$(0.00019)/kWh	\$0.00157/kWh Decrease
Primary	\$(0.00170) /kWh	\$(0.00018)/kWh	\$0.00152/kWh Decrease
Transmission	\$(0.00165) /kWh	\$(0.00018)/kWh	\$0.00147/kWh Decrease

<sup>11</sup> Secondary, Primary, and Transmission Voltage Adjustment Factors are shown on lines 10, 12, and 14, respectively, on Ameren Missouri's proposed 6th Revised Sheet No. 74.13.



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 \$(1.57), from \$(0.19) to \$(1.76) per month.

Staff reviewed the proposed 6th 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 AP30. 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 6th 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 AP30.

### **Attachment A**

Attachment A includes three charts which provide a summary of Ameren's thirty FAC rate adjustment filings. Chart 1 illustrates Ameren's FAR for each of the thirty accumulation periods. Chart 2 illustrates Ameren's FAC cost summary for ANEC and B. Chart 3 illustrates Ameren's FAC cumulative under-recovered amount at the end of each of the thirty (30) accumulation periods.

### **Plant in Service Accounting (PISA) Deferrals Permitted Under Section 393.1400, RSMo, and Limitations on Rate Modifications Permitted Under Section 393.1655, RSMo.**

Provided in Case No. EO-2019-0044, Ameren provided notice of its election, effective September 1, 2018, to make the PISA deferrals permitted under section 393.1400 RSMo. Ameren's FAR filing demonstrated an over-recovery during this Accumulation Period, therefore the provisions of Section 393.1655 are not applicable at this time.

### **Staff Recommendation**

Ameren Missouri timely filed 6th Revised Sheet No. 74.13, on March 25, 2019, and based on Staff's review, Staff has determined that Ameren Missouri is in compliance with Commission Rule 4 CSR 240-20.090 (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(8)(H)<sup>12</sup> provides in part:

(H) Within sixty (60) days after the electric utility files its testimony and tariff sheet(s) to adjust its FARs, the commission shall either—

1. Issue an interim rate adjustment order approving the tariff sheet(s) and the adjustments to the FARs;
2. Allow the tariff sheet(s) and the adjustments to the FARs to take effect without commission order; or
3. If it determines the adjustment to the FARs is not in accordance with the provisions of this rule, section 386.266, RSMo, and the FAC mechanism established in the electric utility's most recent general rate proceeding, reject the proposed rate sheets, suspend the timeline of the FAR adjustment filing, set a prehearing date, and order the parties to propose a procedural schedule. The commission may order the electric utility to file tariff sheet(s) to implement interim adjusted FARs to reflect any part of the proposed adjustment that is not in question.

Ameren Missouri requested that 6th Revised Sheet No. 74.13, filed March 25, 2019, become effective on May 24, 2019, the beginning of Ameren Missouri's June 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 March 25, 2019, to become effective on May 24, 2019, as requested by Ameren Missouri:

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

6th Revised Sheet No. 74.13, Cancelling 5th Revised Sheet No. 74.13.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2018 Annual Report.<sup>13</sup> Ameren Missouri is current on its submission of its Surveillance

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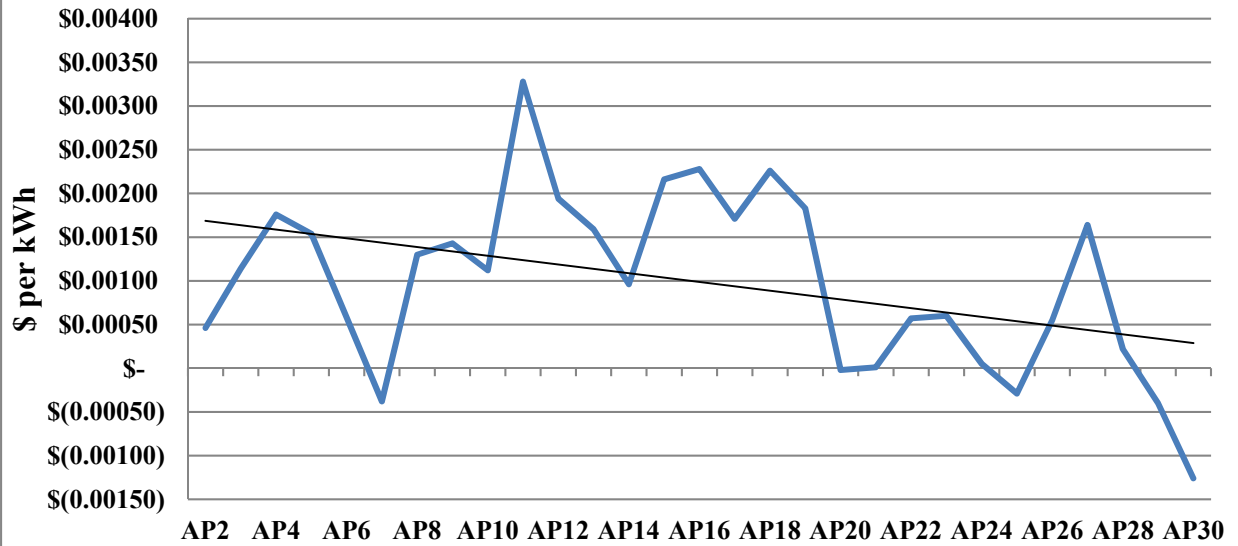
<sup>12</sup> Effective January 30, 2019.

<sup>13</sup> Ameren Missouri filed its 2018 Annual Report on April 15, 2019.

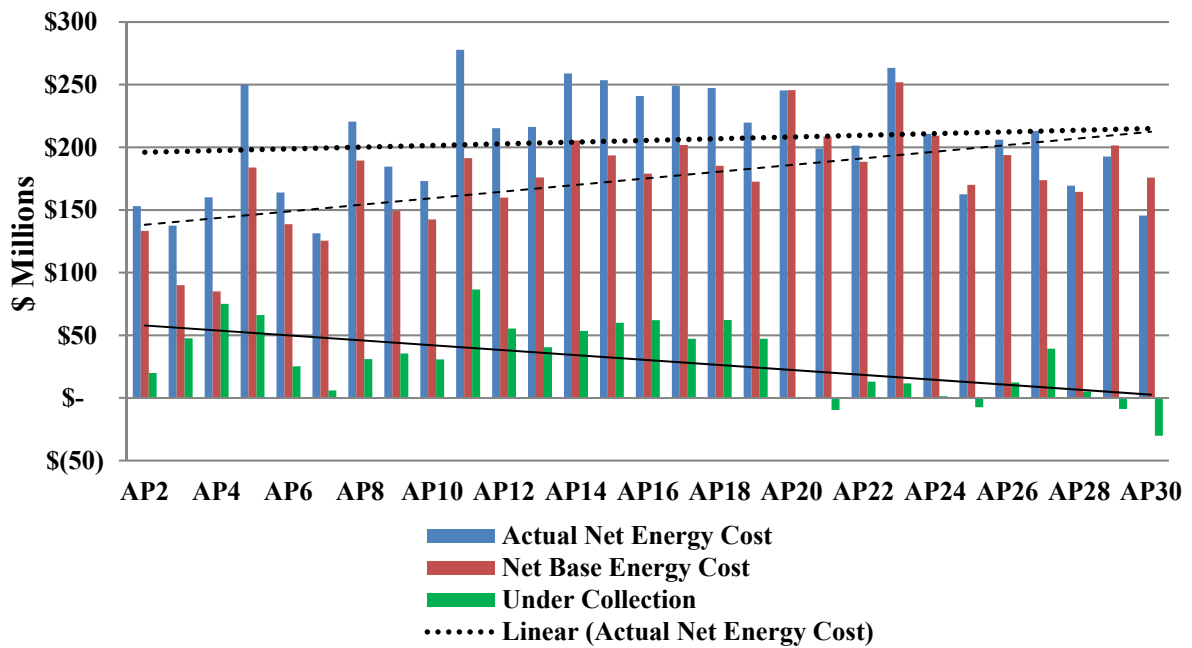
File No. ER-2019-0287  
Tariff Tracking No. YE-2019-0171  
Union Electric Company, d/b/a Ameren Missouri  
Page 7 of 7

Monitoring reports as required in 4 CSR 240-20.090(6) and its monthly reports as required by 4 CSR 240-20.090(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except File No. EO-2019-0289 as noted herein.

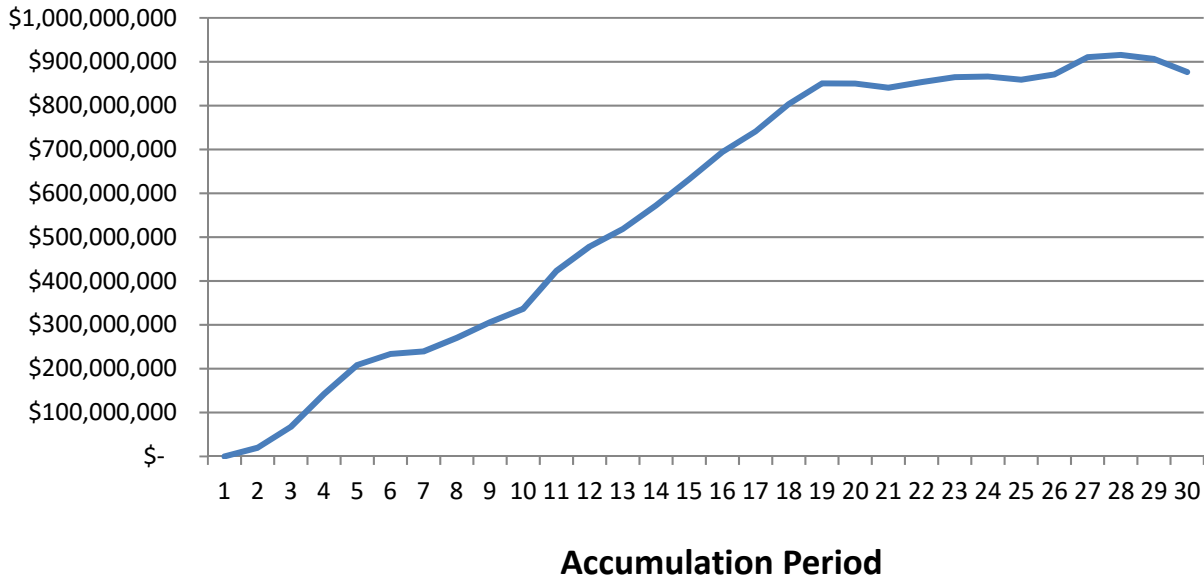
### Chart 1 Ameren Missouri Fuel Adjustment Rate



### Chart 2 Ameren Missouri FAC Costs Summary



**Chart 3: Ameren FAC Cumulative Under-Recovered Amount**



BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of the Union Electric Company ) **File No. ER-2019-0287**  
d/b/a Ameren Missouri's Fuel Adjustment ) Tracking No. YE-2019-0171  
Clause for the 30<sup>th</sup> 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  
Brooke Mastrogiannis

Subscribed and sworn to be this 25<sup>th</sup> day of April, 2019.

Dianna L. Vaughn  
Notary Public

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

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of the Union Electric Company            ) **File No. ER-2019-0287**  
d/b/a Ameren Missouri's Fuel Adjustment                ) Tracking No. YE-2019-0171  
Clause for the 30<sup>th</sup> Accumulation Period                )

**AFFIDAVIT OF LISA WILDHABER**

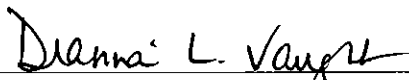
STATE OF MISSOURI        )  
  ) ss  
COUNTY OF COLE        )

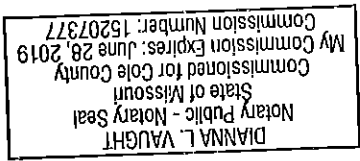
**COMES NOW**, Lisa Wildhaber, and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Staff Recommendation* in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
Lisa Wildhaber

Subscribed and sworn to be this 25<sup>th</sup> day of April, 2019.

  
\_\_\_\_\_  
Notary Public



BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

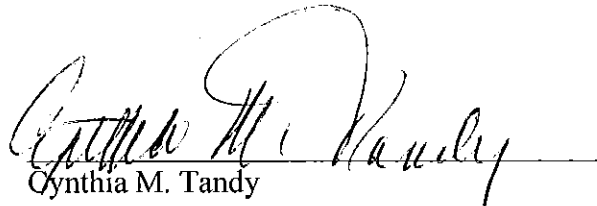
In the Matter of the Union Electric Company     )     File No. ER-2019-0287  
d/b/a Ameren Missouri's Fuel Adjustment         )     Tracking No. YE-2019-0171  
Clause for the 30<sup>th</sup> Accumulation Period         )

**AFFIDAVIT OF CYNTHIA M. TANDY**

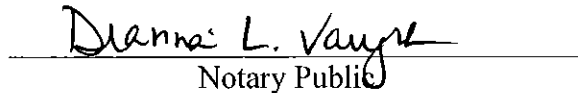
STATE OF MISSOURI     )  
  ) ss  
COUNTY OF COLE     )

**COMES NOW**, Cynthia M. 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 M. Tandy

Subscribed and sworn to be this 25<sup>th</sup> day of April, 2019.

  
Notary Public

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