

**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-2019-0024</u>
Fuel Adjustment Clause for the 28 th)	Tariff Tracking No.YE-2019-0008
Accumulation Period)	

**STAFF RECOMMENDATION TO APPROVE TARIFF SHEET REGARDING
CHANGE TO THE FUEL ADJUSTMENT RATES FOR ACCUMULATION PERIOD 28**

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 July 26, 2018, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed a proposed tariff sheet, 4th Revised Sheet No. 74.13, bearing a proposed effective date of September 24, 2018, and cancelling 3rd 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 28 ("AP28").

2. Concurrently, on July 26, 2018, Ameren Missouri submitted a true-up filing in File No. ER-2019-0025 to identify the amount of over- or under-recovery during Recovery Period 25 ("RP25") prescribed by its FAC. The over- or under-recovered amount (or true-up amount) and interest amount for RP25 are used when calculating the new FARs in this case.

3. On July 27, 2018, the Commission ordered Staff to examine and analyze Ameren Missouri's filings in this case, and to file its recommendation no later than August 27, 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 August 9, 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 July 26, 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 September 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 \$4,631,425⁴ is the sum of: Fuel and purchased power amount to be recovered from customers for AP28 equal to \$4,812,741⁵ (Line 4 on 4th Revised Sheet No. 74.13); plus Interest of \$493,500 which includes \$26,996 for AP28 and \$466,504 for RP25; plus the True-Up amount, without interest, equal to \$(674,816) which is the True-Up amount pending Commission approval in File No. ER-2019-0025.

9. As explained in Staff's Memorandum, the FPA amount of \$4,631,425 results in a Current Period Fuel Adjustment Rate ("FAR28") of \$0.00022 per kWh which, when added to the Prior Period FAR (FAR27) of \$0.00164 per kWh, results in a proposed FAR of \$0.00186 per kWh. The AP28 FAR of \$0.00186 per kWh is \$0.00033 per kWh less than the AP27 FAR of \$0.00219 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 4th Revised Sheet No. 74.13. Listed below are the proposed

³ 4th Revised Sheet No. 74.13, lines 1 through 5 include the complete calculation of the FPA Amount of \$4,631,425.

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 \$5,066,043 (the difference between ANEC and Net Base Energy Cost ("B") during AP28).

⁶ \$0.00033 per kWh is on Line 9 of 3rd Revised Sheet No. 73.11

RP28 FARs, the current RP27 FARs and the difference between them for Secondary, Primary, and Transmission service:

Service	Proposed RP28 FAR	Current RP27 FAR	Difference
Secondary (Residential)	\$0.00196 / kWh	\$0.00231 / kWh	\$0.00035 / kWh Decrease
Primary	\$0.00190 / kWh	\$0.00225 / kWh	\$0.00035 / kWh Decrease
Transmission	\$0.00184 / kWh	\$0.00218 / kWh	\$0.00034 / kWh Decrease

Based on a monthly usage of 1,015 kWh, the proposed change to the Secondary FAR would decrease the Fuel Adjustment Charge of an Ameren Missouri residential customer's bill by \$0.35, from \$2.34 to \$1.99 per month.

11. According to Ameren Missouri witness Marci L. Althoff, "The 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 for load."⁷ Staff understands that the base (Factor B) increase is only one component of the proposed FAR which was not large enough to offset the overall decrease in the proposed FAR relative to the current FAR.⁸

12. Staff has determined that Ameren Missouri timely filed its 4th Revised Tariff Sheet No. 74.13, on July 26, 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, p3.

⁸ See attached Staff Memorandum, Calculation of FAR Without Voltage Level Adjustments, for further explanation.

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-2019-0025 as noted herein.

WHEREFORE, Staff recommends the Commission issue an Order approving the following proposed revised tariff sheet filed on July 26, 2018, to become effective on September 24, 2018, as requested by Ameren Missouri:

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

4th Revised Sheet No. 74.13, Cancelling 3rd 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 27th day of August, 2018, to all parties of record.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission
File No. ER-2019-0024, Tariff Tracking No. YE-2019-0008
Union Electric Company d/b/a Ameren Missouri

FROM: Catherine Lucia, Utility Regulatory Auditor IV
Lisa Wildhaber, Utility Regulatory Auditor III
Kory Boustead, Rate and Tariff Examiner II

/s/ John Rogers 08/27/2018
Energy Resources Department / Date

/s/ Bob Berlin 08/27/2018
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: August 27, 2018

On July 26, 2018, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, 4th Revised Sheet No. 74.13, bearing a proposed effective date of September 24, 2018, and cancelling 3rd Revised Sheet No. 74.13. The Missouri Public Service Commission ("Commission") assigned the tariff sheet to Tariff Tracking No. YE-2019-0008. The filed tariff sheet, 4th Revised Sheet No. 74.13, as filed July 26, 2018, revises Ameren Missouri's Fuel Adjustment Rates ("FAR") of its Fuel Adjustment Clause ("FAC") for Accumulation Period 28 ("AP28") which ended on May 31, 2018. Staff recommends the Commission approve 4th Revised Sheet No. 74.13.

Ameren Missouri's July 26, 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 \$4,631,425 and is reflected on line 5 of 4th Revised Sheet No. 74.13. This FPA Amount results in a FAR₂₈¹ of \$0.00022 per kWh, which when added to the FAR₂₇² 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 28, FAR_{RP} in this recommendation is referred to as FAR₂₈.

² 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 28, FAR_{RP} in this recommendation is referred to as FAR₂₈.

\$0.00164 per kWh, results in a proposed FAR³ of \$0.00186 per kWh. The AP28 FAR of \$0.00186 per kWh, reflected on line 9 of the 4th Revised Sheet No. 74.13, is \$0.00033 per kWh less than the AP27 FAR of \$0.00219 per kWh, reflected on line 9 of the 3rd Revised Sheet No. 74.13.

CALCULATION OF TOTAL COMPANY FUEL AND PURCHASED POWER DIFFERENCE

Ameren Missouri's work papers for AP28 contain data and calculations for ANEC⁴ equal to \$169,414,142 (line 1 of 4th Revised Sheet No. 74.13) and B⁵ equal to \$164,348,099 (line 2 of 4th Revised Sheet No. 74.13). For this filing, B is equal to sales of 10,699,746,095 kWh for February 2018 through May 2018 times \$0.01536⁶ per kWh. The difference between ANEC and B is equal to \$5,066,043 and is the amount on line 3 of 4th Revised Sheet No. 74.13, Total Company Fuel and Purchased Power Difference.

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

The 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 for load.⁷

CALCULATION OF FPA AMOUNT

Ameren Missouri's work papers and 4th Revised Sheet No. 74.13, show the FPA Amount⁸ of \$4,631,425 to be the sum of:

³ 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 28, FAR_{RP} in this recommendation is referred to as FAR₂₈.

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 4th 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 4th Revised Sheet No. 74.13.

⁶ Winter Base Factor (BF_{Winter}) rate on 4th Revised Sheet No. 74.13 of \$0.01536 per kWh was used to calculate B (line 2 of 4th Revised Sheet No. 74.13). BF_{Winter} is applicable for the October through May 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 3, lines 1 through 3.

⁸ 4th Revised Sheet No. 74.13, lines 1 through 5 include the complete calculation of the FPA Amount of \$4,631,425.

1. Fuel and purchased power amount to be recovered from customers for AP28 equal to \$4,812,741⁹ (Line 4 on 4th Revised Sheet No. 74.13); plus
2. Interest of \$493,500 which includes: \$26,996 for AP28, \$466,504 for Recovery Period 25 (“RP25”); plus
3. The true-up amount, without interest, equal to \$(674,816) which is pending Commission approval in File No. ER-2019-0025.

CALCULATION OF FAR₂₈

FAR₂₈ of \$0.00022 per kWh is equal to the FPA Amount of \$4,631,425 divided by the Estimated Recovery Period Sales in kWh settled at MISO CP node (AMMO.UE or successor node) of 21,412,773,640 kWh. FAR₂₈ will apply during Recovery Period 28 (“RP28”) Ameren Missouri’s billing months of October 2018 through May 2019.

CALCULATION OF FAR WITHOUT VOLTAGE LEVEL ADJUSTMENTS

Line 9 of Ameren Missouri’s proposed 4th Revised Sheet No. 74.13, reflects a FAR of \$0.00186 per kWh which is the sum of: 1) FAR₂₈ of \$0.00022 per kWh, and 2) FAR₂₇ of \$0.00164 per kWh. While the AP28 FPA is a positive amount, the AP28 FAR is lower than the AP27 FAR by \$0.00033 per kWh, because the AP28 FAR includes a FAR_{RP} of \$0.00022 per kWh which is \$0.00033 per kWh lower than the FAR_{RP-1} of \$0.00055 per kWh included in the AP27 FAR. The AP27 FAR_{RP} of \$0.00164/kWh is the AR28 FAR_{RP-1}.

	AP28 FAR 4 th Revised Sheet No. 74.13	AR27 FAR 3rd Revised Sheet No. 74.13
Line 7. Current Period Fuel Adjustment Rate (FAR _{RP})	\$0.00022 /kWh	\$0.00164/kWh
Line 8. Prior Period Fuel Adjustment Rate (FAR _{RP-1})	\$0.00164/kWh	\$0.00055/kWh
Line 9. Fuel Adjustment Rate (FAR)	\$0.00186/kWh	\$0.00219/kWh

⁹ Fuel and purchased power amount to be recovered from customers for AP28 is equal to ninety-five percent (95%) of \$5,066,043 (the difference between ANEC and B during AP28).

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 4th Revised Sheet No. 74.13. The RP28 FARs are in the table below:

Service	RP28 FAR	Line on 4th Revised Sheet No. 74.13
Secondary	\$0.00196 /kWh	11
Primary	\$0.00190 /kWh	13
Transmission	\$0.00184 /kWh	15

Listed below are the proposed RP28 FARs, the current RP27 FARs and the difference between them for Secondary, Primary, and Transmission service:

	Proposed RP28 FAR	Current RP27 FAR	Difference
Secondary	\$0.00196 /kWh	\$0.00231/kWh	\$0.00035/kWh Decrease
Primary	\$0.00190 /kWh	\$0.00225/kWh	\$0.00035/kWh Decrease
Transmission	\$0.00184 /kWh	\$0.00218/kWh	\$0.00034/kWh Decrease

Based on a monthly usage of 1,015 kWh, the proposed change to the Secondary FAR would decrease the Fuel Adjustment Charge of an Ameren Missouri residential customer's monthly bill by \$0.35, from \$2.34 to \$1.99 per month.

Staff reviewed the proposed 4th 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 AP28. 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

¹⁰ Secondary, Primary, and Transmission Voltage Adjustment Factors are shown on lines 10, 12, and 14, respectively, on Ameren Missouri's proposed 4th Revised Sheet No. 74.13.

emission costs net of off-system sales revenues on line 1 of Ameren Missouri's proposed 4th 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 AP28.

Attachment A

Attachment A includes three charts which provide a summary of Ameren Missouri's twenty-eight (28) FAC rate adjustment filings. Chart 1 illustrates Ameren Missouri's FAR for each of the twenty-eight (28) 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 4th Revised Sheet No. 74.13, on July 26, 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 4th Revised Sheet No. 74.13, filed July 26, 2018, become effective on September 24, 2018, the beginning of Ameren Missouri's October 2018 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

MO PSC File No. YE-2019-0008
Union Electric Company d/b/a Ameren Missouri
Official Case File Memorandum
August 27, 2018
Page 6 of 6

filed on July 26, 2018, to become effective on September 24, 2018, as requested by Ameren Missouri:

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

4th Revised Sheet No. 74.13, Cancelling 3rd 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-2019-0025 as noted herein.

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

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

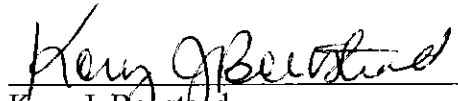
In the Matter of the Adjustment of Union)
Electric Company d/b/a Ameren Missouri's) **File No. ER-2019-0024**
Fuel Adjustment Clause for the 28th)
Accumulation Period)

AFFIDAVIT OF KORY J. BOUSTEAD

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

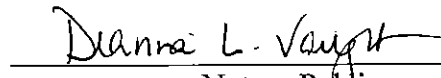
COMES NOW, Kory J. Boustead, and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Staff Recommendation* in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.



Kory J. Boustead

Subscribed and sworn to be this 24th day of August, 2018.



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 Adjustment of Union)
Electric Company d/b/a Ameren Missouri's) **File No. ER-2019-0024**
Fuel Adjustment Clause for the 28th)
Accumulation Period)

AFFIDAVIT OF CATHERINE F. LUCIA

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

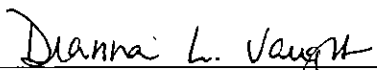
COMES NOW, Catherine F. Lucia, and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Staff Recommendation* in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.



Catherine F. Lucia

Subscribed and sworn to be this 24th day of August, 2018.



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 Adjustment of Union)
Electric Company d/b/a Ameren Missouri's) **File No. ER-2019-0024**
Fuel Adjustment Clause for the 28th)
Accumulation Period)

AFFIDAVIT OF LISA WILDHABER

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

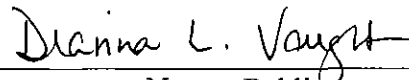
COMES NOW, Lisa Wildhaber, and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Staff Recommendation* in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.



Lisa Wildhaber

Subscribed and sworn to be this 24th day of August, 2018.



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

Chart 1 Ameren Missouri Fuel Adjustment Rate

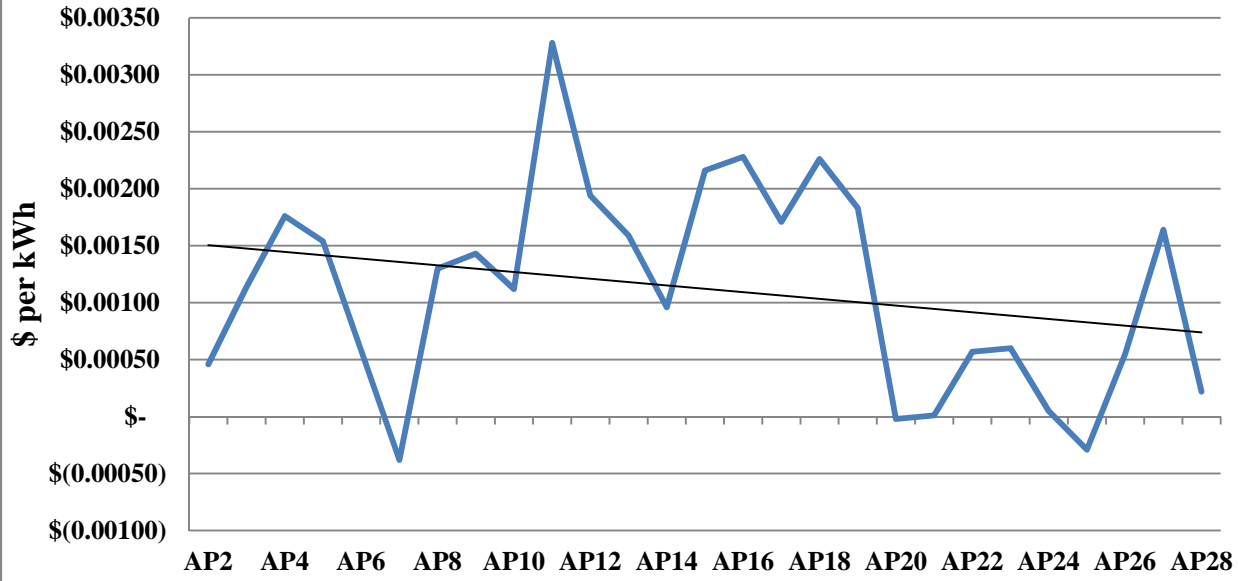


Chart 2 Ameren Missouri FAC Costs Summary

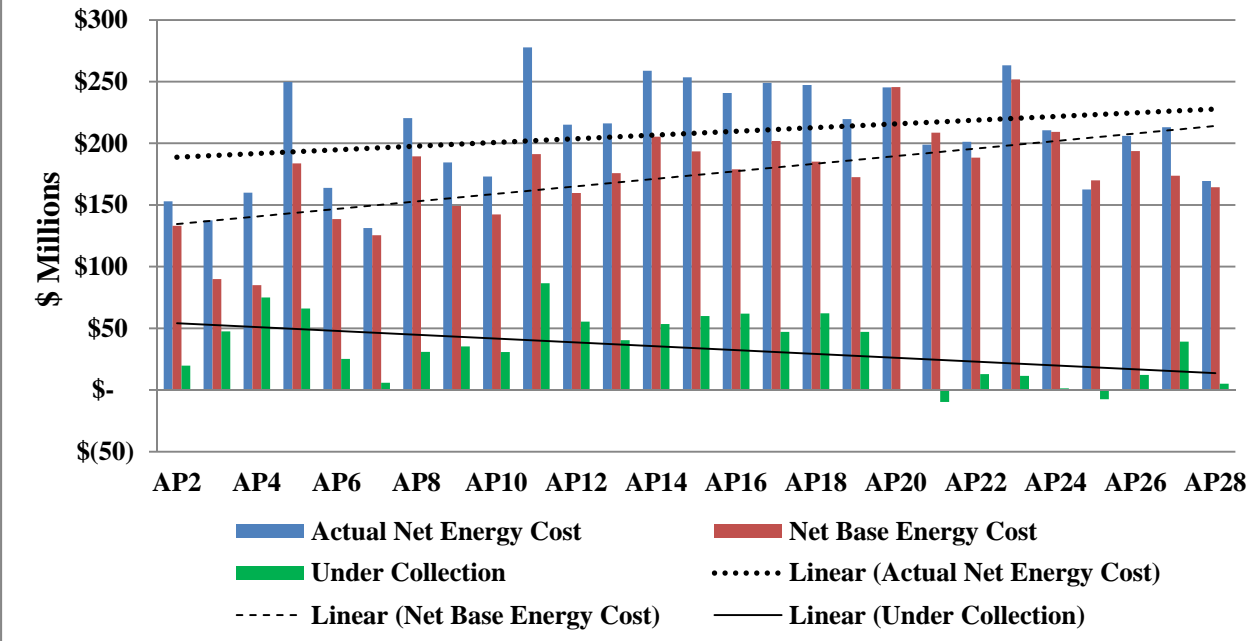


Chart 3 Ameren Missouri 12-month Rolling Fuel and Purchased Power Costs

