

MEMORANDUM

TO: Missouri Public Service Commission Official Case File No. ET-2013-0351,
In the Matter of Union Electric Company d/b/a Ameren Missouri's Filing to Modify Its
Net Metering and Cogeneration Tariffs.

FROM: Daniel I. Beck, Engineering Analysis

/s/ Daniel I. Beck 01/22/13

Engineering Analysis / Date

/s/ Jennifer Hernandez 01/22/13

Staff Counsel's Department / Date

Subject: Staff Recommendation to Approve Tariff Sheets and Grant Requested
Expedited Treatment

Date: January 22, 2013

Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed its *Motion for Expedited Treatment* on January 9, 2013 and also filed tariff revisions, File No. YE-2013-0313, on that same day. The Commission's cogeneration rule, 4 CSR 240-3.155(2) and (3), requires the electric utilities to file updated and revised tariffs for standardized rates for under 100 kilowatt cogeneration facilities and to provide to Staff supporting data regarding avoided costs, capacity addition plans and estimated capacity costs biannually. The previous Ameren Missouri Cogeneration filing was made in File No. JE-2011-0362 on January 14, 2011. The Commission's Net Metering Rule, 4 CSR 240-20.065(8) also requires the electric utilities to file net metering rates biannually that are the same rate as the utility's cogeneration rate.

This filing would revise three tariff sheets. The first sheet would update the rates for Qualifying Facilities (the terms Cogeneration Facilities and Qualifying Facilities are often used interchangeably), the second would update rates for Net Metering, and the third would modify the Net Metering Interconnection Agreement in the tariff to change the word "Housing" to "Having" to correct a typographical error made in Tariff File No. YE-2013-0208 that has been in effect since November 29, 2012. Ameren Missouri requests expedited treatment of this filing so it can file new electric rate schedules consistent with the Commission-approved *Non-Unanimous Stipulation and Agreement Regarding Certain Revenue Requirement Issues* in Case No. ER-2012-0166. Ameren Missouri proposes to increase the cogeneration summer rates by 4.0% (from \$0.0198/kWh to \$0.0206/kWh), the winter rates by 8.6% (from \$0.0175/kWh to \$0.0190/kWh) and would also make similar changes to the time-differentiated energy rates.

Staff has reviewed the avoided cost data Ameren Missouri provided to it, and determined that this data is consistent with Ameren Missouri's previous cogeneration rate

change tariff filing made in 2011, but with updates to reflect current costs and plans. Staff notes that in this analysis Ameren Missouri estimates the value of energy for the next two years by including its estimated fuel costs, operation and maintenance costs, and emission allowance costs. However, Ameren Missouri determined that the avoided capacity costs for the next two years is zero since it needs no additional capacity for that two-year period. Other Commission rules also define avoided costs, but those costs are over a longer time period than two years and, therefore, the capacity costs are greater than zero for long-term avoided cost calculations. Since the cogeneration rate does not include any requirements or assumptions about the likelihood that the cogenerator will be producing power at the time of Ameren Missouri's system peak, Ameren Missouri assumes the capacity of the unit to be zero, which is the most conservative value.

Since Ameren Missouri's avoided costs calculations are consistent with the previous cogeneration filings and Staff has determined that the changes to the tariff sheets are appropriate, Staff recommends that the Commission approve the following tariff sheets, as filed on January 9, 2013, and grant the request for expedited treatment to allow them to go into effect on January 24, 2013.

P.S.C. MO. SCHEDULE NO. 1

6th Revised SHEET NO. 2 Cancelling 5th Revised SHEET NO. 2

5th Revised SHEET NO. 9 Cancelling 4th Revised SHEET NO. 9

2nd Revised SHEET NO. 19 Cancelling 1st Revised SHEET NO. 19

Staff has verified that Ameren Missouri has filed its required Annual Reports and is not delinquent on any assessment. Staff is not aware of any other pending matter that affects this filing or that is affected by this filing.

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

In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Filing to Modify)
Its Net Metering and Cogeneration Tariffs) Case No. ET-2013-0351

AFFIDAVIT OF DANIEL I. BECK

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Daniel I. Beck, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Daniel I. Beck

Subscribed and sworn to before me this 18th day of January, 2013.

SUSAN L. SUNDERMEYER Notary Public - Notary Seal State of Missouri Commissioned for Callaway County My Commission Expires: October 03, 2014 Commission Number: 10942086
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Notary Public

The Attachments

To This Memo

Are Deemed

Highly Confidential

In Their Entirety