

**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 Adjustment) **File No. ER-2020-0143**
Clause for the 32nd Accumulation Period) **Tariff No. JE-2020-0088**

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 November 22, 2019, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) filed one proposed tariff sheet, bearing an effective date of January 27, 2020, to revise its current period Fuel Adjustment Rates (“FARs”) for the 32nd Accumulation Period (“AP32”) of its Fuel Adjustment Clause (“FAC”). This proposed tariff sheet is MO. P.S.C. Schedule No. 6, 8th Revised Sheet No. 74.13, Cancelling MO. P.S.C. Schedule No. 6, 7th Revised Sheet No. 74.13. The Commission assigned it Tariff No. JE-2020-0088.

2. Concurrently on November 22, 2019, Ameren Missouri submitted a FAC true-up filing in File No. ER-2020-0144 to identify the true-up amount of \$107,127 for the 29th Recovery Period (“RP29”) of its FAC. This amount and interest for RP29 are included in calculation of the FARs for AP32.

3. Commission Rule 20 CSR § 4240-20.090(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 20 CSR § 4240-20.090 (“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.”¹

4. If the proposed rate adjustments are in accordance with the rule, statute, and FAC mechanism referenced above, 20 CSR § 4240-20.090(8)(H)(1) and (2) provide:

- (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, 8th Revised Sheet No. 74.13, Cancelling MO P.S.C. Schedule No. 6, 7th Revised Sheet No. 74.13, subject to true-up and prudence reviews.

6. For AP32, the fuel and purchased power adjustment (“FPA”) amount is \$(15,719,513), which divided by the forecasted net system input for AP32 of 22,345,620,173 kWh results in a current period FAR₃₂ of \$(0.00070) per kWh. When this is added to the prior period FAR (FAR₃₁) of \$(0.00003) per kWh, the result is a proposed FAR of \$(0.00073) per kWh. The proposed AP32 FAR of \$(0.00073) per kWh is \$0.00056 per kWh more than the AP31 FAR of \$(0.00129) per kWh.²

7. Marci L. Althoff, Manager, Finance Transformation at Ameren Services Company, explains the FAR’s increase in her filed testimony:

The primary factors driving this change in the FAR were lower off-system sales margins partially offset by lower fuel costs for load in Accumulation Period 32 as compared to Accumulation Period 30 and the net base energy costs applicable to each period. Off-system sales margins decreased in Accumulation Period 32 versus

¹ 20 CSR § 4240-20.090(8)(F)

² The AP32 FAR of \$(0.00073) per kWh can be found on Line 9 of 8th Revised Sheet No. 74.13.

Accumulation Period 30 as a result of reduced Ameren Missouri generating resource availability due to flooding and an increase in load due to warmer than expected temperatures in September 2019. Market prices for off-system sales were also weaker in Accumulation Period 32 versus Accumulation Period 30. Additionally, while the load served was higher in Accumulation Period 32 versus Accumulation Period 30, we saw decreases in fuel costs for load during Accumulation Period 32 as compared to Accumulation Period 30 and the net base energy costs applicable to each period primarily as a result of the lower cost coal and freight contracts that became effective in early 2018.³

8. 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, and 15 of the proposed 8th 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)	\$(0.00136)	\$(0.00077)	\$0.00059 Increase
Primary	\$(0.00132)	\$(0.00075)	\$0.00057 Increase
Transmission	\$(0.00128)	\$(0.00073)	\$0.00055 Increase

9. Based on a monthly usage of 1,000 kWh, the proposed change to the FAR for secondary service will increase the FAC of an Ameren Missouri residential customer’s bill from \$(1.36) to \$(0.77), an increase of \$.59 per month.

10. Except for Ameren Missouri’s RP29 true-up filing in File No. ER-2020-0144, also filed November 22, 2019, Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

³ Ameren Missouri, *Direct Testimony of Marci L. Althoff*, ER-2020-0143, 4:10 – 5:2 (Nov. 22, 2019).

11. The Staff's review shows Ameren Missouri's filing is in compliance with Commission Rule 20 CSR § 4240-20.090, § 386.266 RSMo, and Ameren Missouri's FAC embodied in its tariff.

12. 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 20 CSR § 4240-20.090(5), and its surveillance monitoring reports, required by 20 CSR § 4240-20.090(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, 8th Revised Sheet No. 74.13, Cancelling MO P.S.C. Schedule No. 6, 7th Revised Sheet No. 74.13, to become effective January 27, 2020, subject to true-up and prudence reviews.

Respectfully submitted,

/s/ Karen E. Bretz

Karen E. Bretz
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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 20th day of December, 2019.

/s/ Karen Bretz

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2020-0143, Tariff Tracking No. JE-2020-0088
Union Electric Company d/b/a Ameren Missouri

FROM: Lisa Wildhaber, Utility Regulatory Auditor III
Brooke Mastrogiannis, Utility Regulatory Auditor IV
Cynthia Tandy, Utility Regulatory Auditor II

/s/ Brad Fortson 12/20/2019 /s/ Karen Bretz 12/20/2019
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 for the 32nd Accumulation Period

DATE: December 20, 2019

On November 22, 2019, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, 8th Revised Sheet No. 74.13, bearing a proposed effective date of January 27, 2020 and cancelling 7th Revised Sheet No. 74.13. The Commission assigned the new tariff sheet Tariff Tracking No. YE-2020-0088. The 8th Revised Sheet No. 74.13 revises Ameren Missouri's Fuel Adjustment Rates ("FARs") of its Fuel Adjustment Clause ("FAC") for Accumulation Period 32 ("AP32"), which ended on September 30, 2019. Staff recommends that the Missouri Public Service Commission ("Commission") approve 8th Revised Sheet No. 74.13.

Ameren Missouri's November 22, 2019 filing includes the testimony of Marci L. Althoff, Manager of Finance Transformation at Ameren Services Company, and associated work papers. The testimony and work papers include information and data that supports Ameren Missouri's calculation of its Fuel and Purchased Power Adjustment ("FPA"). That dollar amount ("FPA Amount") is \$(15,719,513) and is reflected on line 5 of 8th Revised Sheet No. 74.13. This FPA

Amount results in a FAR₃₂¹ of \$(0.00070) per kWh, which when added to the FAR₃₁² of \$(0.00003) per kWh, results in a proposed FAR³ of \$(0.00073) per kWh. The proposed AP32 FAR of \$(0.00073) per kWh on line 9 of 8th Revised Sheet No. 74.13 is \$0.00056 per kWh more than the AP31 FAR of \$(0.00129) per kWh on line 9 of the 7th Revised Sheet No. 74.13.

Calculation of Total Company Fuel and Purchased Power Difference

Ameren Missouri's work papers for AP32 contain data and calculations for Actual Net Energy Costs ("ANEC")⁴ of \$176,031,218 (line 1 of proposed 8th Revised Sheet No. 74.13) and Net Base Energy Costs ("B")⁵ of \$191,942,262 (line 2 of proposed 8th Revised Sheet No. 74.13). For this filing, B equals sales of 12,264,681,280 kWh for June 2019 through September 2019 multiplied by the Base Factor ("BF") of \$0.01565⁶ per kWh. The difference between ANEC and B is \$(15,911,044) and is the amount on line 3 of 8th Revised Sheet No. 74.13, Total Company Fuel and Purchased Power Difference.

Calculation of FPA Amount

Ameren Missouri's work papers and 8th Revised Sheet No. 74.13 show the FPA Amount⁷ of \$(15,719,513) to be the sum of:

1. Fuel and purchased power amount to be recovered from customers for AP32 of \$(15,115,492)⁸ (line 4 on proposed 8th Revised Sheet No. 74.13); plus
2. Interest of \$(711,148), which is \$(58,426) for AP32 plus \$(652,722) for Recovery Period 29 ("RP29") (line 4.1 of proposed 8th Revised Sheet No. 74.13); plus

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 32, FAR_{RP} in this recommendation is referred to as FAR₃₂.

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 32, FAR_(RP-1) in this recommendation is referred to as FAR₃₁.

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." Therefore, FAR = FAR_(RP) + FAR_(RP-1).

⁴ ANEC = fuel costs (FC), plus purchased power costs (PP), plus net emission allowances (E), plus or minus net insurance recoveries (R), minus off-system sales revenues (OSSR), as reflected on line 1 of 8th Revised Sheet No. 74.13.

⁵ B = Base Factor multiplied by the accumulation period sales as reflected on lines 2, 2.1 and 2.2 of 8th Revised Sheet No. 74.13.

⁶ Summer Base Factor ("BF_{Summer}") rate on 8th Revised Sheet No. 74.13 of \$0.01565 per kWh was used to calculate B (line 2 of 8th Revised Sheet No. 74.13). BF_{Summer} is applicable for the June through September calendar months, as indicated in Tab 8.2(A).VII of the MA-FAR submitted by Ameren and based on ER-2016-0179.

⁷ 8th Revised Sheet No. 74.13, lines 1 through 5 include the complete calculation of the FPA Amount of \$(15,719,513).

⁸ Fuel and purchased power amount to be recovered from customers for AP32 is equal to ninety-five percent (95%) of \$(15,911,044) (the difference between ANEC and B during AP32).

3. The true-up amount, without interest, of \$107,127 (line 4.2 of proposed 8th Revised Sheet No. 74.13). This amount is pending Commission approval in File No. ER-2020-0144.

Calculation of FAR₃₂

FAR₃₂ of \$(0.00070) per kWh is equal to the FPA Amount of \$(15,719,513) divided by the Estimated Recovery Period Sales in kWh of 22,345,620,173 kWh, according to Ameren Missouri’s commercial pricing node.⁹ FAR₃₂ will apply during Recovery Period 32 (“RP32”), which is Ameren Missouri’s billing months of February 2020 through September 2020.

Calculation of FAR Without Voltage Level Adjustments

Line 9 of Ameren Missouri’s proposed 8th Revised Sheet No. 74.13 reflects a FAR of \$(0.00073) per kWh which is the sum of: (1) FAR₃₂ of \$(0.00070) per kWh and (2) FAR₃₁ of \$(0.00003) per kWh.

	Proposed AP32 FAR 8th Revised Sheet No. 74.13	AP31 FAR 7th Revised Sheet No. 74.13
Line 7. Current Period Fuel Adjustment Rate (FAR _{RP})	\$(0.00070) /kWh	\$(0.00003)/kWh
Line 8. Prior Period Fuel Adjustment Rate (FAR _{RP-1})	\$(0.00003)/kWh	\$(0.00126)/kWh
Line 9. Fuel Adjustment Rate (FAR)	\$(0.00073)/kWh	\$(0.00129)/kWh

Voltage Level FARs

Because of a difference in line losses,¹⁰ there are different FARs for service taken at the Secondary, Primary, and Transmission voltage levels, reflected on lines 11, 13 and 15 of proposed 8th Revised Sheet No. 74.13. The AP32 FARs are in the table below:

Service	Proposed AP32 FAR	Line on 8th Revised Sheet No. 74.13
Secondary	\$(0.00077) /kWh	11
Primary	\$(0.00075) /kWh	13
Transmission	\$(0.00073) /kWh	15

⁹ 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.

¹⁰ Secondary, Primary, and Transmission Voltage Adjustment Factors are shown on lines 10, 12, and 14, respectively, on Ameren Missouri’s proposed 8th Revised Sheet No. 74.13.

Listed below are the proposed AP32 FARs, the current AP31 FARs, and the difference between them for Secondary, Primary, and Transmission service:

Service	Proposed AP32 FAR	Current AP31 FAR	Difference
Secondary	\$(0.00077) /kWh	\$(0.00136)/kWh	\$0.00059/kWh Increase
Primary	\$(0.00075) /kWh	\$(0.00132)/kWh	\$0.00057/kWh Increase
Transmission	\$(0.00073) /kWh	\$(0.00128)/kWh	\$0.00055/kWh Increase

Based on a monthly usage of 1,000 kWh, the proposed change to the Secondary FAR would increase the Fuel Adjustment Charge of an Ameren Missouri residential customer’s monthly bill by \$0.59, from \$(1.36) to \$(0.77) per month.

In her filed testimony, Company witness Marci L. Althoff explains the FAR’s increase:

The primary factors driving this change in the FAR were lower off-system sales margins partially offset by lower fuel costs for load in Accumulation Period 32 as compared to Accumulation Period 30 and the net base energy costs applicable to each period. Off-system sales margins decreased in Accumulation Period 32 versus Accumulation Period 30 as a result of reduced Ameren Missouri generating resource availability due to flooding and an increase in load due to warmer than expected temperatures in September 2019. Market prices for off-system sales were also weaker in Accumulation Period 32 versus Accumulation Period 30. Additionally, while the load served was higher in Accumulation Period 32 versus Accumulation Period 30, we saw decreases in the fuel costs for load during Accumulation Period 32 as compared to Accumulation Period 30 and the net base energy costs applicable to each period primarily as a result of the lower cost coal and freight contracts that became effective in early 2018.¹¹

Staff reviewed the proposed 8th Revised Sheet No. 74.13, Ms. Althoff’s direct testimony, and the work papers in this filing, as well as Ameren Missouri’s monthly information submitted

¹¹ Ameren Missouri, *Direct Testimony of Marci L. Althoff*, ER-2020-0143, 4:10 – 5:2 (Nov. 22, 2019).

in compliance with 20 CSR 4240-20.090(5) for AP32. Staff verified that the actual fuel and purchased power costs and emissions costs, net of off-system sales revenues, match the fuel and purchased power costs and emission costs, net of off-system sales revenues, on line 1 of Ameren Missouri's proposed 8th Revised Sheet No. 74.13 and Ms. Althoff's supporting schedules. Staff reviewed Ameren Missouri's monthly reports and verified that the kWh billed, as shown on the monthly reports, matches the accumulation period sales used to calculate the Net Base Energy Cost. 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 AP32.

The change in the FAC rate resulting from this application will not cause Ameren Missouri to exceed its allowable cumulative annual growth rate cap percentage of 2.85% it must comply with under state law due to its adoption of plant-in-service accounting.

Attachment A

Attachment A includes three charts which provide a summary of Ameren's thirty-two (32) FAC rate adjustment filings. Chart 1 illustrates Ameren's FAR for each of the thirty-two (32) accumulation periods. Chart 2 illustrates Ameren's FAC cost summary for Actual Net Base Energy costs and Net Base Energy costs. Chart 3 illustrates Ameren's FAC cumulative under-recovered amount at the end of each of the thirty-two (32) accumulation periods.

Staff Recommendation

Ameren Missouri timely filed its proposed 8th Revised Sheet No. 74.13, on November 22, 2019, and based on Staff's review, Staff determined that Ameren Missouri is in compliance with Commission Rule 20 CSR 4240-20.090 (Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements) and Ameren Missouri's FAC in its tariff.

Commission Rule 20 CSR 4240-20.090(8)(H) 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 8th Revised Sheet No. 74.13, filed November 22, 2019, become effective on January 27, 2020, the beginning of Ameren Missouri's February 2020 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 22, 2019, to become effective on January 27, 2020:

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

8th Revised Sheet No. 74.13, Cancelling 7th Revised Sheet No. 74.13.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2018 Annual Report.¹² Ameren Missouri is current on its submission of its Surveillance Monitoring reports, required in 20 CSR 4240-20.090(6), and its monthly reports, required by 20 CSR 4240-20.090(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except File No. ER-2020-0144, as noted herein.

¹² Ameren Missouri filed its 2018 Annual Report on April 15, 2019.

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)
Adjustment Clause for the 32nd Accumulation)
Period)
)

File No. ER-2020-0143

AFFIDAVIT OF BROOKE MASTROGIANNIS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

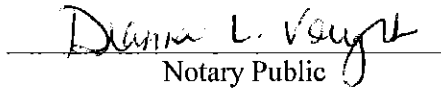
COMES NOW BROOKE MASTROGIANNIS and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.


BROOKE MASTROGIANNIS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20th day of December, 2019.


Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2023
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 Fuel) File No. ER-2020-0143
Adjustment Clause for the 32nd Accumulation)
Period)
)

AFFIDAVIT OF CYNTHIA M. TANDY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

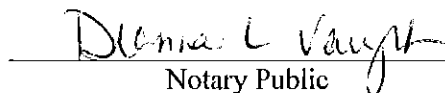
COMES NOW CYNTHIA M. TANDY and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.


CYNTHIA M. TANDY

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20th day of December, 2019.


Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2023
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 Fuel)
Adjustment Clause for the 32nd Accumulation)
Period)
)

File No. ER-2020-0143

AFFIDAVIT OF LISA WILDHABER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

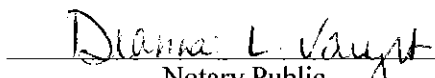
COMES NOW LISA WILDHABER and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.


LISA WILDHABER

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20th day of December, 2019.


Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2023
Commission Number: 15207377