



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, 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, 1st Revision Sheet No. 71.15, Cancelling MO P.S.C. Schedule No. 6, Original Sheet No. 71.15, subject to true-up and prudence reviews.

6. For AP34, the fuel and purchased power adjustment (“FPA”) amount is \$(11,392,901), which divided by the forecasted net system input for AP34 of 21,469,427,921 kWh results in a current period FAR<sub>34</sub> of \$(0.00053) per kWh. When this is added to the prior period FAR<sub>33</sub> of \$(0.00126) per kWh, the result is a proposed AP34 FAR of \$(0.00179) per kWh. The proposed AP34 FAR of \$(0.00179) per kWh is \$0.00017 per kWh more than the AP33 FAR of \$(0.00196) per kWh.<sup>2</sup>

7. J. Neil Graser, Manager, Power and Fuels Accounting Ameren Services Company, explains the FAR’s increase in his filed testimony:

The primary factor driving this change in the FAR was higher fuel costs for load partially offset by higher net capacity sales revenue in Accumulation Period 34 as compared to Accumulation Period 32 and the net base energy costs applicable to each period. Increases in

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<sup>1</sup> 20 CSR § 4240-20.090(8)(F)

<sup>2</sup> The AP33 FAR of \$(0.00196) per kWh can be found on Line 9 of proposed 9th Revised Sheet No. 74.13.

the fuel costs for load during Accumulation Period 34 as compared to Accumulation Period 32 and the net base energy costs applicable to each period primarily were the result of reduced Ameren Missouri generating resource availability due to flooding during Accumulation Period 32 as well as lower net base energy costs effective April 2020. The reduced Ameren Missouri generating resource availability caused fuel costs for load to decrease in Accumulation Period 32 as less power was generated. The increase in net capacity sales revenue during Accumulation Period 34 as compared to Accumulation Period 32 and the net base energy costs applicable to each period primarily were the result of lower net base energy costs effective April 2020.<sup>3</sup>

8. Because of a difference in line losses, there are different FARs for service taken at secondary and primary voltages levels, reflected on lines 22 and 23 of the proposed 1st Revision Sheet No. 71.15. The resulting FARs are in the column marked “Proposed” in the following table:<sup>4</sup>

Fuel Adjustment Rates (\$ Per kWh)			
Service Voltage Level	Present	Proposed	Difference
Secondary (Residential)	\$(0.00207)	\$(0.00189)	\$0.00018 Increase
Primary	\$(0.00201)	\$(0.00183)	\$0.00018 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 \$(2.07) to \$(1.89), an increase of \$.18 per month.

10. Except for Ameren Missouri’s RP31 true-up filing in File No. ER-2021-0024, also filed July 31, 2020, Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

<sup>3</sup> Ameren Missouri, *Direct Testimony of J. Neil Graser*, ER-2021-0022, P. 4:15 – 5:6 (Jul 31, 2020).

<sup>4</sup> The voltage adjustment factor for transmission service was eliminated in Ameren Missouri’s rate case, ER-2019-0335.

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 2019 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, 1st Revision Sheet No. 71.15, Cancelling MO P.S.C. Schedule No. 6, Original Sheet No. 71.15, to become effective October 1, 2020, 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  
P.O. Box 360  
Jefferson City, MO 65102  
573-751-5472 (Voice)  
573-751-9285 (Fax)  
[Karen.Bretz@psc.mo.gov](mailto:Karen.Bretz@psc.mo.gov)

**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 31st day of August, 2020.

**/s/ Karen Bretz**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
File No. ER-2021-0022, Tariff Tracking No. YE-2021-0014  
Union Electric Company d/b/a Ameren Missouri

FROM: Lisa Wildhaber, Senior Utility Regulatory Auditor  
Cynthia M. Tandy, Utility Regulatory Auditor

DATE: /s/ Brad J. Fortson 08/31/2020      /s/ Karen Bretz 08/31/2020  
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 34<sup>th</sup> Accumulation Period

DATE: August 31, 2020

On July 31, 2020, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, 1st Revised Sheet No. 71.15, bearing a proposed effective date of October 1, 2020 and cancelling Original Sheet No. 71.15. The Commission assigned the new tariff sheet Tariff Tracking No. YE-2021-0014. The 1st Revised Sheet No. 71.15 revises Ameren Missouri's Fuel Adjustment Rates ("FARs") of its Fuel Adjustment Clause ("FAC") for Accumulation Period 34 ("AP34"), which ended on May 31, 2020. Staff recommends that the Missouri Public Service Commission ("Commission") approve 1<sup>st</sup> Revised Sheet No. 71.15.

Ameren Missouri's July 31, 2020 filing includes the testimony of J. Neil Graser, Manager of Power and Fuels Accounting 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 \$(11,392,901) and is reflected on line 5 of 1st Revised Sheet No. 71.15. This FPA Amount results in a FAR<sub>34</sub><sup>1</sup> of \$(0.00053) per kWh, which when added to the FAR<sub>33</sub><sup>2</sup> of \$(0.00126) per kWh, results in a proposed FAR<sup>3</sup> of \$(0.00179) per kWh. The proposed AP34 FAR of \$(0.00179) per kWh on line 9 of 1st Revised Sheet No. 71.15 is \$0.00017 per kWh more than the AP33 FAR of \$(0.00196) per kWh on line 9 of the 9th Revised Sheet No. 74.13.

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<sup>1</sup> FAR<sub>RP</sub> is defined in Original Sheet No. 71.7 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 34, FAR<sub>RP</sub> in this recommendation is referred to as FAR<sub>34</sub>.

<sup>2</sup> FAR<sub>(RP-1)</sub> is defined in Original Sheet No. 71.7 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 33, FAR<sub>(RP-1)</sub> in this recommendation is referred to as FAR<sub>33</sub>.

<sup>3</sup> FAR is defined in Original Sheet No. 71.7 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<sub>(RP)</sub> + FAR<sub>(RP-1)</sub>.

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

Ameren Missouri's work papers for AP34 contain data and calculations for Actual Net Energy Costs ("ANEC")<sup>4</sup> of \$119,035,969 (line 1 of proposed 1st Revised Sheet No. 71.15) and Net Base Energy Costs ("B")<sup>5</sup> of \$131,337,458 (line 2 of proposed 1<sup>st</sup> Revised Sheet No. 71.15). For this filing, B equals sales of 9,600,897,103 kWh for February 2020 through May 2020 multiplied by the Base Factor ("BF") of \$0.01368<sup>6</sup> per kWh. The difference between ANEC and B is \$(12,301,489) and is the amount on line 3 of 1st Revised Sheet No. 71.15, Total Company Fuel and Purchased Power Difference.

### **Calculation of FPA Amount**

Ameren Missouri's work papers and 1st Revised Sheet No. 71.15 show the FPA Amount<sup>7</sup> of \$(11,392,901) to be the sum of:

1. Fuel and purchased power amount to be recovered from customers for AP34 of \$(11,686,415)<sup>8</sup> (line 4 on proposed 1st Revised Sheet No. 71.15); plus
2. Interest of \$526,542, which is \$(21,493) for AP34 plus \$548,035 for Recovery Period 31 ("RP31") (line 4.1 of proposed 1st Revised Sheet No. 71.15); plus
3. The true-up amount, without interest, of \$(233,028) (line 4.2 of proposed 1st Revised Sheet No. 71.15). This amount is pending Commission approval in File No. ER-2021-0024.

### **Calculation of FAR<sub>34</sub>**

FAR<sub>34</sub> of \$(0.00053) per kWh is equal to the FPA Amount of \$(11,392,901) divided by the Estimated Recovery Period Sales in kWh of 21,469,427,921 kWh, according to Ameren Missouri's commercial pricing node.<sup>9</sup> FAR<sub>34</sub> will apply during Recovery Period 34 ("RP34"),

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<sup>4</sup> 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 1st Revised Sheet No. 71.15.

<sup>5</sup> B = Base Factor multiplied by the accumulation period sales as reflected on lines 2, 2.1 and 2.2 of 1st Revised Sheet No. 71.15.

<sup>6</sup> Winter Base Factor ("BF<sub>winter</sub>") rate on 1st Revised Sheet No. 71.15 of \$0.01536 per kWh was used for the months of February and March 2020 to calculate B (line 2 of 1st Revised Sheet No. 71.15). Winter Base Factor ("BF<sub>winter</sub>") rate on 1st Revised Sheet No. 71.15 of \$0.01167 per kWh was used for the months of April and May 2020 to calculate B (line 2 of 1<sup>st</sup> Revised Sheet No. 71.15). BF<sub>winter</sub> is applicable for the October through May calendar months, as indicated in Tab 8.2(A).VII of the Schedule jg-far 34 submitted by Ameren and based on ER-2016-0179 for February and March 2020, and based on ER-2019-0335 for April and May 2020.

<sup>7</sup> 1st Revised Sheet No. 71.15, lines 1 through 5 include the complete calculation of the FPA Amount of \$(11,392,901).

<sup>8</sup> Fuel and purchased power amount to be recovered from customers for AP34 is equal to ninety-five percent (95%) of \$(12,301,489) (the difference between ANEC and B during AP34).

<sup>9</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

which is Ameren Missouri's billing months of October 2020 through May 2021.

**Calculation of FAR Without Voltage Level Adjustments**

Line 9 of Ameren Missouri's proposed 1st Revised Sheet No. 71.15 reflects a FAR of \$(0.00179) per kWh which is the sum of: (1) FAR<sub>34</sub> of \$(0.00053) per kWh and (2) FAR<sub>33</sub> of \$(0.00126) per kWh.

	Proposed AP34 FAR 1st Revised Sheet No. 71.15	AP33 FAR 9th Revised Sheet No. 74.13
Line 7. Current Period Fuel Adjustment Rate (FAR <sub>RP</sub> )	\$(0.00053) /kWh	\$(0.00126)/kWh
Line 8. Prior Period Fuel Adjustment Rate (FAR <sub>RP-1</sub> )	\$(0.00126)/kWh	\$(0.00070)/kWh
Line 9. Fuel Adjustment Rate (FAR)	\$(0.00179)/kWh	\$(0.00196)/kWh

**Voltage Level FARs**

Because of a difference in line losses,<sup>10</sup> there are different FARs for service taken at the Secondary and Primary voltage levels, reflected on lines 13 and 15 of proposed 1st Revised Sheet No. 71.15. The AP34 FARs are in the table below:

Service	Proposed AP34 FAR	Line on 1st Revised Sheet No. 71.15
Secondary	\$(0.00189) /kWh	22
Primary	\$(0.00183) /kWh	23

Listed below are the proposed AP34 FARs, the current AP33 FARs, and the difference between them for Secondary, Primary, and Transmission service:

Service	Proposed AP34 FAR	Current AP33 FAR	Difference
Secondary	\$(0.00189) /kWh	\$(0.00207)/kWh	\$0.00018/kWh Increase
Primary	\$(0.00183) /kWh	\$(0.00201)/kWh	\$0.00018/kWh Increase
Transmission <sup>11</sup>	Not applicable	\$(0.00195)/kWh	Not applicable

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.

<sup>10</sup> Secondary and Primary Voltage Adjustment Factors are shown on lines 12 and 14, respectively, on Ameren Missouri's proposed 1st Revised Sheet No. 71.15.

<sup>11</sup> As a result of Ameren Missouri rate case ER-2019-0335, the FAC tariff no longer reflects a Voltage Adjustment Factor for Transmission level of service.

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 \$0.18, from \$(2.07) to \$(1.89) per month.

In his filed testimony, Company witness J. Neil Graser explains the FAR's increase:

The primary factor driving this change in the FAR was higher fuel costs for load partially offset by higher net capacity sales revenue in Accumulation Period 34 as compared to Accumulation Period 32 and the net base energy costs applicable to each period. Increases in the fuel costs for load during Accumulation Period 34 as compared to Accumulation Period 32 and the net base energy costs applicable to each period primarily were the result of the reduced Ameren Missouri generating resource availability due to flooding during Accumulation Period 32 as well as lower net base energy costs effective April 2020. The reduced Ameren Missouri generating resource availability caused fuel costs for load to decrease in Accumulation Period 32 as less power was generated. The increase in net capacity sales revenue during Accumulation Period 34 as compared to Accumulation Period 32 and the net base energy costs applicable to each period primarily were the result of lower net base energy costs effective April 2020.<sup>12</sup>

Staff reviewed the proposed 1st Revised Sheet No. 71.15, Mr. Graser's direct testimony, and the work papers in this filing, as well as Ameren Missouri's monthly information submitted in compliance with 20 CSR 4240-20.090(5) for AP34. 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 1st Revised Sheet No. 71.15 and Mr. Graser'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 AP34.

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.

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<sup>12</sup> Ameren Missouri, *Direct Testimony of J. Neil Graser*, ER-2021-0022, page 4, line 15 through page 5, line 6.



**Attachment A**

Attachment A includes three charts, which provide a summary of Ameren's thirty-four (34) FAC rate adjustment filings. Chart 1 illustrates Ameren's FAR for each of the thirty-four (34) 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-four (34) accumulation periods.

**Staff Recommendation**

Ameren Missouri timely filed its proposed 1st Revised Sheet No. 71.15, on July 31, 2020, 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 1st Revised Sheet No. 71.15, filed July 31, 2020, become effective on October 1, 2020. 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 July 31, 2020, to become effective on October 1, 2020:

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

1st Revised Sheet No. 71.15, Cancelling Original Sheet No. 71.15.

MO PSC File No. ER-2021-0022,  
Tariff Tracking No. YE-2021-0014  
August 31, 2020  
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Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2019 Annual Report. 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-2021-0024, as noted herein.

**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 34th )  
Accumulation Period )

**Case No. ER-2021-0022**

**AFFIDAVIT OF LISA WILDHABER  
AND CYNTHIA M. TANDY**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COME NOW** Lisa Wildhaber and Cynthia M. Tandy, on their oath declare that they are of sound mind and lawful age; that they contributed to the foregoing *Staff Memorandum*; and that the same is true and correct according to their best knowledge and belief, under penalty of perjury.

Further your Affiants sayeth not.

/s/ Lisa Wildhaber  
Lisa Wildhaber

/s/ Cynthia M. Tandy  
Cynthia M. Tandy