

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

In the Matter of Union Electric Company, d/b/a)	<u>File No. ER-2010-0044</u>
AmerenUE's Application to Modify FAC Rate)	Tariff No. YE-2010-0065

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its *Recommendation to Approve Tariff Sheet* states the following to the Missouri Public Service Commission ("Commission"):

1. On July 31, 2009, Union Electric Company, d/b/a AmerenUE ("AmerenUE"), filed a tariff sheet to change its Fuel and Purchased Power Adjustment ("FPA") rates under its Fuel and Purchased Power Adjustment Clause ("FAC"). Currently the FPAs are zero; this is the first FPA filing. The Commission authorized AmerenUE's FAC with its *Report and Order* in Case No. ER-2009-0318.

2. Commission Rule 4 CSR 240-20.090(4) provides that the Staff "shall submit a recommendation regarding its examination and analysis to the Commission not later than thirty (30) days after the electric utility files its tariff schedules to adjust its FAC rates." Staff is to determine if AmerenUE's proposed adjustment to its FAC rates are in accordance with 4 CSR 240-20.090, §386.266 RSMo, and AmerenUE's FAC established in Case No. ER-2009-0318. *Id.*

3. In response to Staff queries of AmerenUE while the Staff was performing its review to make its determination and recommendation regarding AmerenUE's proposed adjustment to its FPAs, on August 25, 2009, AmerenUE filed a substitute tariff sheet to correctly reflect the calculation of interest during the accumulation period. The substitute tariff sheet did not change the FPAs in AmerenUE's July 31 filing.

4. Commission Rule 4 CSR 240-20.090(4) provides that the Staff is to make its recommendation within thirty days of the date a proposed adjustment to FAC rates is filed and that 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, 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.”

5. AmerenUE’s first billing cycle using the new FPAs starts on September 24, 2009; therefore, the Commission should issue an interim rate adjustment order approving AmerenUE’s tariff sheet to make it effective on September 24, 2009, otherwise, by operation of Rule 4 CSR 240-20.090(4), the proposed FPAs will not become effective until September 29, 2009.

6. In the attached Memorandum (Appendix A), the Staff recommends that the Commission issue an interim rate adjustment order approving AmerenUE’s FAC Tariff Sheet which specifies the FPAs, MO. P.S.C. SCHEDULE NO. 5 1st Revised Sheet No. 98.7 Cancelling Original Sheet No. 98.7, as filed on July 31, 2009, and substituted on August 25, 2009, to become effective on September 24, 2009, subject to true-up and prudence reviews.

7. AmerenUE’s requested adjustment is based on an accumulation period (of eligible costs subject to subsequent recovery from, or refund to, customers) ending May 31, 2009.

8. Commission Rule 4 CSR 240-3.161(6) requires each electric utility with a fuel adjustment clause to submit a Surveillance Monitoring Report. Commission Rule 4 CSR 240-20.090(10) states that a utility shall submit the Surveillance Monitoring Reports within 15 days of the utility’s submission of its 10-Q and 10-K reports to the U.S. Securities and Exchange Commission. The Staff Memorandum notes that these filings are to be made in accordance with the applicable rules.

9. The Staff's review shows AmerenUE's filing is in compliance with §386.266 RSMo, 4 CSR 240-20.090, and 4 CSR 240-3.161. The Staff recommends that the Commission issue an interim rate adjustment order approving AmerenUE's proposed tariff sheet to implement the FPAs, as substituted, to become effective September 24, 2009, subject to true-up and prudence reviews.

10. Commission Rule 4 CSR 240-20.090(4) provides, in pertinent part, as follows:

If the FAC rate adjustment 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, 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, 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.

WHEREFORE, the Staff recommends that the Commission issue an interim rate adjustment order approving AmerenUE's Tariff Sheet, MO. P.S.C. SCHEDULE NO. 5 ^{1st} Revised Sheet No. 98.7 Cancelling Original Sheet No. 98.7, as filed on July 31, 2009, and substituted on August 25, 2009, to become effective on September 24, 2009, subject to true-up and prudence reviews.

Respectfully submitted,

/s/ Sarah Kliethermes

Sarah L. Kliethermes
Legal Counsel
Missouri Bar No. 60024

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-6726 (Telephone)
(573) 751-9285 (Fax)
sarah.kliethermes@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 27th day of August 2009.

/s/ Sarah Kliethermes