

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

In the Matter of the Union Electric Company)	
d/b/a Ameren Missouri’s Fuel Adjustment)	<u>File No. ER-2024-0183</u>
Clause for the 44 th Accumulation Period)	Tariff No. JE-2024-0084

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission, through counsel, and for its recommendation states:

1. On December 1, 2023, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) filed one proposed tariff sheet, bearing an effective date of February 1, 2024, to revise its current period Fuel Adjustment Rates (“FARs”) for the 44th Accumulation Period (“AP44”) of its Fuel Adjustment Clause (“FAC”). This proposed tariff sheet is MO.P.S.C. Schedule No. 6, 2nd Revised Sheet No. 71.32, bearing a proposed effective date of February 1, 2024 and cancelling the MO.P.S.C. Schedule No. 6, 1st Revised Sheet No. 71.32. The Commission assigned it Tariff No. JE-2024-0084.

2. Concurrently on December 1, 2023, Ameren Missouri submitted a FAC true-up filing in File No. EO-2023-0185 to identify the true-up amount of (\$620,571) for the 41st Recovery Period (“RP41”) of its FAC. This amount and interest for RP41 are included in calculation of the FARs for AP44.

4. 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

5. 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[.]

6. In the attached *Memorandum*, attached hereto and incorporated by reference herein as **Appendix A**, Staff recommends that the Commission issue an order approving Ameren Missouri’s proposed tariff sheet MO.P.S.C. Schedule No. 6, 2nd Revised Sheet No. 71.32, filed December 1, 2023, become effective on February 1, 2024, subject to true-up and prudence reviews.

7. For AP44, the fuel and purchased power adjustment (“FPA”) amount is \$33,076,298, which divided by the forecasted net system input for AP44 of 21,168,743,427 kWh results in a current period FAR₄₄ of \$0.00156 per kWh. When this is added to the prior period FAR₄₃ of \$0.00085 per kWh, the result is a proposed AP44 FAR of \$0.00242 per kWh. The proposed AP44 FAR of \$0.00242 per kWh is \$0.00052 per kWh less than the AP43 FAR of \$0.00294 per kWh.²

8. Raysene Logan, Manager, Power and Fuels Accounting, Ameren Services Company, explains the FAR’s decrease in her filed testimony, as follows:

The primary factors driving this change in the FAR were higher off-system sales margins, partially offset by lower net capacity sales

¹ 20 CSR 4240-20.090(8)(F).

² The proposed AP44 FAR of \$0.00242 per kWh can be found on Line 11⁶ of the proposed 2nd Revised Sheet No. 71.32.

revenue and higher fuel costs in Accumulation Period 44 as compared to Accumulation Period 42 and the net base energy costs applicable to each period. The higher off-system sales margins are primarily a result of decreased market prices from Accumulation Period 44 as compared to Accumulation Period 42. The decreased net capacity sales revenue are primarily due to decreased MISO auction clearing prices from Accumulation Period 44 as compared to Accumulation Period 42. The higher fuel costs is primarily due to an increase in load above net base and increased fuel prices.³

9. Because of a difference in line losses,⁴ there are different FARs for service taken at the Secondary, Primary, High Voltage, and Transmission voltage levels, reflected on lines 13, 15, 18, and 21 of proposed 2nd Revised Sheet No. 71.32. The AP44 FARs are in the table below:

Service	Proposed AP44 FAR	Line on 2nd Revised Sheet No. 71.32
Secondary	\$0.00255/kWh	30
Primary	\$0.00247/kWh	31
High Voltage	\$0.00243/kWh	32
Transmission	\$0.00240/kWh	33

10. Based on a monthly usage of 1,000 kWh, the proposed change to the Secondary FAR would decrease the FAC of an Ameren Missouri residential customer’s monthly bill by \$.54, from \$3.09 to \$2.55 per month.

³ Ameren Missouri, *Direct Testimony of Raysene Logan*, ER-2024-0183, page 4, line 12 through page 5, line 2.

⁴ Secondary, Primary, High Voltage, and Transmission Voltage Adjustment Factors are shown on lines 12, 14, 17, and 20 respectively, on Ameren Missouri’s proposed 2nd Revised Sheet No. 71.32.

11. Except for Ameren Missouri's RP41 true-up filing in File No. EO-2024-0185, also filed December 1, 2023, Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

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

13. Staff verified that Ameren Missouri is not delinquent on any assessment and Ameren Missouri filed its 2022 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 order approving Ameren Missouri's proposed tariff sheet MO.P.S.C. Schedule No. 6, 2nd Revised Sheet No. 71.32, filed December 1, 2023, become effective on February 1, 2024, cancelling MO.P.S.C. Schedule No. 6, 1st Revised Sheet No. 71.32, subject to true-up and prudence reviews.

Respectfully submitted,

/s/ Carolyn H. Kerr

Carolyn H. Kerr

Senior Counsel

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Missouri Public Service Commission

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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 on this 28th day of December, 2023.

/s/ Carolyn H. Kerr

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2024-0183, Tariff Tracking No. JE-2024-0084
Union Electric Company, d/b/a Ameren Missouri

FROM: Cynthia M. Tandy, Lead Senior Utility Regulatory Auditor

DATE: /s/ Cynthia M. Tandy 12/28/2023
Energy Resources Department/Date

SUBJECT: Staff Recommendation for Approval of Tariff Sheet Filed to Change Rates Related to Ameren Missouri’s Fuel Adjustment Clause for the 44th Accumulation Period

DATE: December 28, 2023

On December 1, 2023, Union Electric Company, d/b/a Ameren Missouri (“Ameren Missouri” or “Company”) filed one tariff sheet, MO.P.S.C. Schedule No. 6, 2nd Revised Sheet No. 71.32, bearing a proposed effective date of February 1, 2024 and cancelling the MO.P.S.C. Schedule No. 6, 1st Revised Sheet No. 71.32. The 2nd Revised Sheet No. 71.32 revises Ameren Missouri’s Fuel Adjustment Rates (“FARs”) of its Fuel Adjustment Clause (“FAC”) for Accumulation Period 44 (“AP44”), which ended on September 30, 2023. Staff recommends that the Missouri Public Service Commission (“Commission”) approve MO.P.S.C. Schedule No. 6, 2nd Revised Sheet No. 71.32.

Ameren Missouri’s December 1, 2023 filing includes the testimony of Raysene Logan, Manager, 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 \$33,076,298 and is reflected on line 5 of 2nd Revised Sheet No. 71.32. This FPA Amount results in a FAR₄₄¹ of \$0.00156 per kWh, which, when added to the FAR₄₃² of

¹ FAR_{RP} is defined in 1st Revised Sheet No. 71.24 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 44, FAR_{RP} in this recommendation is referred to as FAR₄₄.

² FAR_(RP-1) is defined in 1st Revised Sheet No. 71.24 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 44, FAR_(RP-1) in this recommendation is referred to as FAR₄₃.

\$0.00085 per kWh, results in a proposed FAR³ of \$0.00242 per kWh. The proposed AP44 FAR of \$0.00242 per kWh on line 11⁴ of 2nd Revised Sheet No. 71.32, is \$0.00052 per kWh less than the AP43 FAR of \$0.00294 per kWh on line 11 of the 1st Revised Sheet No. 71.32.

Calculation of Total Company Fuel and Purchased Power Difference

Ameren Missouri’s work papers for AP44 show the following:

Actual Net Energy Costs (“ANEC”) ⁵	\$199,211,806
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The Net Base Energy Costs calculation is shown below as Sales multiplied by the Base Factor:

Sales in kWh	11,832,080,727
Base Factor (“BF”) per kWh	\$0.01403*
Net Base Energy Costs (“B”) ⁶	\$166,024,925

* Ameren Missouri has a summer Base Factor applicable to the months of June through September. The summer Base Factor of \$0.01323/kWh was used from June 1, 2023, through July 8, 2023, and the summer Base Factor of \$0.01439/kWh was used from July 9, 2023, through September 30, 2023. On June 14, 2023, the Commission issued its *Report and Order* in Case No. ER-2022-0337 approving the new summer Base Factor of \$0.01439 to become effective on July 9, 2023. Therefore, a weighted average summer Base Factor was used for July. The summer Base Factor of \$0.01403 used to calculate the Net Base Energy Costs above was determined by taking the average summer Base Factors of June through September.

³ FAR is defined in 1st Revised Sheet No. 71.24 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 Since the Preliminary Fuel Adjustment Rate (“PFAR”) on line 9 did not change after the PISA calculations Rate Adjustment Cap (“RAC”) on Line 10, line 9 is carried to line 11.

⁵ 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 2nd Revised Sheet No. 71.32.

⁶ B = Base Factor multiplied by the accumulation period sales as reflected on lines 2, 2.1 and 2.2 of 2nd Revised Sheet No. 71.32.

The total Company Fuel and Purchased Power Difference calculation is shown below as B subtracted from ANEC:

ANEC	\$199,211,806
B	\$166,024,925
Fuel and Purchased Power Difference	\$33,186,881

Calculation of FPA Amount

Ameren Missouri's work papers and 2nd Revised Sheet No. 71.32, show the FPA Amount⁷ of \$33,076,298 to be the sum of:

1. Fuel and purchased power amount to be recovered from customers for AP44 of \$31,527,537⁸ (line 4 on proposed 2nd Revised Sheet No. 71.32); plus,
2. Interest of \$2,169,332, which is \$420,695 for AP44 plus \$1,748,637 for Recovery Period 41 ("RP41") (line 4.1 of proposed 2nd Revised Sheet No. 71.32); plus,
3. The true-up amount, without interest, of \$(620,571) (line 4.2 of proposed 2nd Revised Sheet No. 71.32). This amount is pending Commission approval in File No. EO-2024-0185.

Calculation of FAR₄₄

FAR₄₄ of \$0.00156 per kWh is equal to the FPA Amount of \$33,076,298, divided by the Estimated Recovery Period Sales of 21,168,743,427 kWh, according to Ameren Missouri's commercial pricing node.⁹ FAR₄₄ will apply during Recovery Period 44 ("RP44"), which is Ameren Missouri's billing months of February 2024 through September 2024.

⁷ 2nd Revised Sheet No. 71.32, lines 1 through 5 include the complete calculation of the FPA Amount of \$33,076,298.

⁸ Fuel and purchased power amount to be recovered from customers for AP44 is equal to 95% of \$33,186,881 (the difference between ANEC and B during AP44).

⁹ Midcontinent Independent System Operator, Inc., ("MISO's") Market Settlements Business Settlements Practice Manual, BPM-005 Effective Date: September 16, 2023. 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.

Calculation of FAR Without Voltage Level Adjustments

Line 9 of Ameren Missouri’s proposed 2nd Revised Sheet No. 71.32, reflects a FAR of \$0.00242 per kWh which is the sum of: (1) FAR₄₄ of \$0.00156 per kWh and (2) FAR₄₃ of \$0.00085 per kWh.

	Proposed AP44 FAR 2nd Revised Sheet No. 71.32	Current AP43 FAR 1st Revised Sheet No. 71.32
Line 7. Current Period Fuel Adjustment Rate (FAR _{RP})	\$0.00156/kWh	\$0.00085/kWh
Line 8. Prior Period Fuel Adjustment Rate (FAR _{RP-1})	\$0.00085/kWh	\$0.00208/kWh
Line 9. Fuel Adjustment Rate (FAR)	\$0.00242/kWh	\$0.00294/kWh

Voltage Level FARs

Because of a difference in line losses,¹⁰ there are different FARs for service taken at the Secondary, Primary, High Voltage, and Transmission voltage levels, reflected on lines 13, 15, 18, and 21 of proposed 2nd Revised Sheet No. 71.32. Rate adjustment caps shall only apply provided for by Section 393.1655, RSMo, if the class average overall rate of 2.00% compound annual growth rate (“CAGR”) is in effect. Once the rate adjustment cap has exceeded the 2.00% CAGR, then the weighting factors are applied, to calculate a rate for all Non-LPS and LPS customers by voltage level.

The AP44 FARs are in the table below:

Service	Proposed AP44 FAR	Line on 2nd Revised Sheet No. 71.32
Secondary	\$0.00255/kWh	30
Primary	\$0.00247/kWh	31
High Voltage	\$0.00243/kWh	32
Transmission	\$0.00240/kWh	33

¹⁰ Secondary, Primary, High Voltage, and Transmission Voltage Adjustment Factors are shown on lines 12, 14, 17, and 20 respectively, on Ameren Missouri’s proposed 2nd Revised Sheet No. 71.32.

Listed below are the proposed AP44 FARs, the current AP43 FARs, and the difference between them for each service level:

Service	Proposed AP44 FAR	Current AP43 FAR	Difference
Secondary	\$0.00255	\$0.00309	\$0.00054 Decrease
Primary	\$0.00247	\$0.00300	\$0.00053 Decrease
High Voltage	\$0.00243	\$0.00295	\$0.00052 Decrease
Transmission	\$0.00240	\$0.00291	\$0.00051 Decrease

Based on a monthly usage of 1,000 kWh, the proposed change to the Secondary FAR would decrease the FAC of an Ameren Missouri residential customer's monthly bill by \$.54, from \$3.09 to \$2.55 per month.

In her filed testimony, Company witness Raysene Logan explains the FAR's decrease:

The primary factors driving this change in the FAR were higher off-system sales margins, partially offset by lower net capacity sales revenue and higher fuel costs in Accumulation Period 44 as compared to Accumulation Period 42 and the net base energy costs applicable to each period. The higher off-system sales margins are primarily a result of decreased market prices from Accumulation Period 44 as compared to Accumulation Period 42. The decreased net capacity sales revenue are primarily due to decreased MISO auction clearing prices from Accumulation Period 44 as compared to Accumulation Period 42. The higher fuel costs is primarily due to an increase in load above net base and increased fuel prices.¹¹

Staff reviewed the proposed 2nd Revised Sheet No. 71.32, Ms. Logan'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 AP44. 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 2nd Revised Sheet No. 71.32, and Ms. Logan's supporting schedules (along with revised work papers). 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

¹¹ Ameren Missouri, *Direct Testimony of Raysene Logan*, ER-2024-0183, page 4, line 12 through page 5, line 2.

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 AP44.

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% that 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 Missouri's 44 FAC rate adjustment filings. Chart 1 illustrates Ameren Missouri's FAR for each of the 44 accumulation periods. Chart 2 illustrates Ameren Missouri's FAC cost summary for Actual Net Energy Costs and Net Base Energy Costs. Chart 3 illustrates Ameren Missouri's FAC cumulative under-recovered amount at the end of each of the 44 accumulation periods.

Staff Recommendation

Ameren Missouri timely filed its proposed MO.P.S.C. Schedule No. 6, 2nd Revised Sheet No. 71.32, on December 1, 2023, 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 MO.P.S.C. Schedule No. 6, 2nd Revised Sheet No. 71.32, filed December 1, 2023, become effective on February 1, 2024. 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 December 1, 2023, to become effective on February 1, 2024, subject to true-up and prudence reviews:

MO.P.S.C. Schedule No. 6
2nd Revised Sheet No. 71.32, Cancelling 1st Revised Sheet No. 71.32.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2022 Annual Report. Ameren Missouri is current on its submission of its Surveillance Monitoring reports, required by 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. EO-2024-0185, as noted herein.

Chart 1: Ameren Missouri Fuel Adjustment Rate

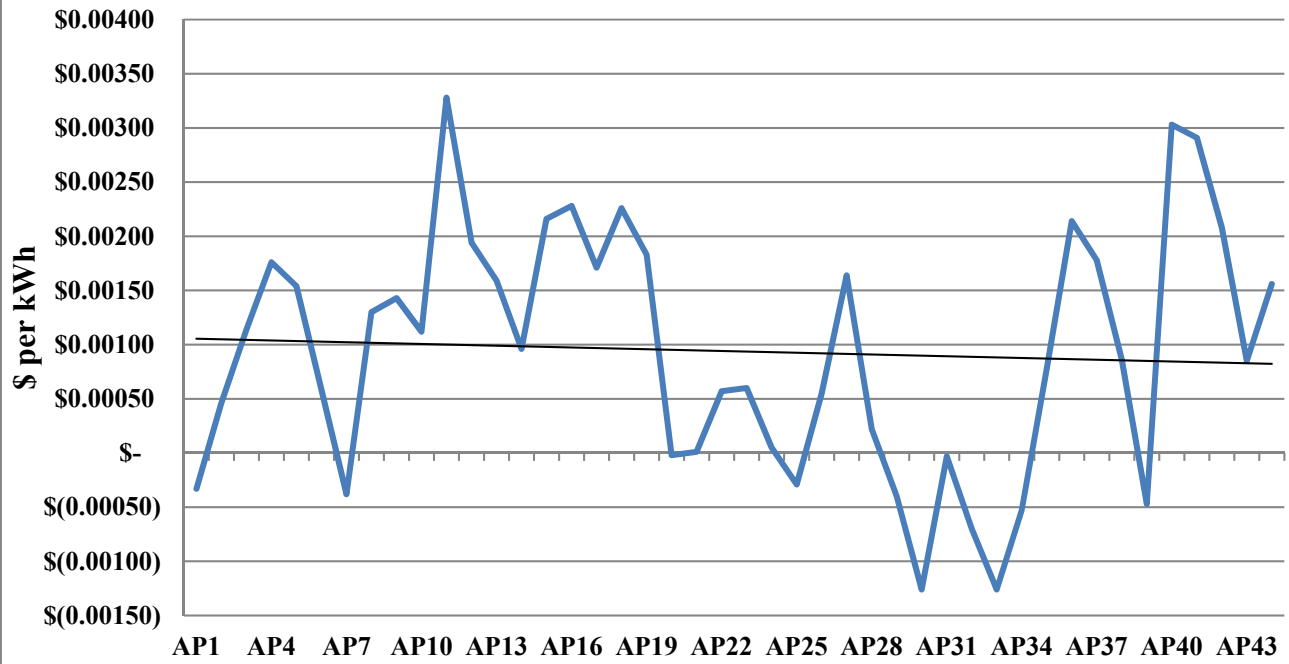
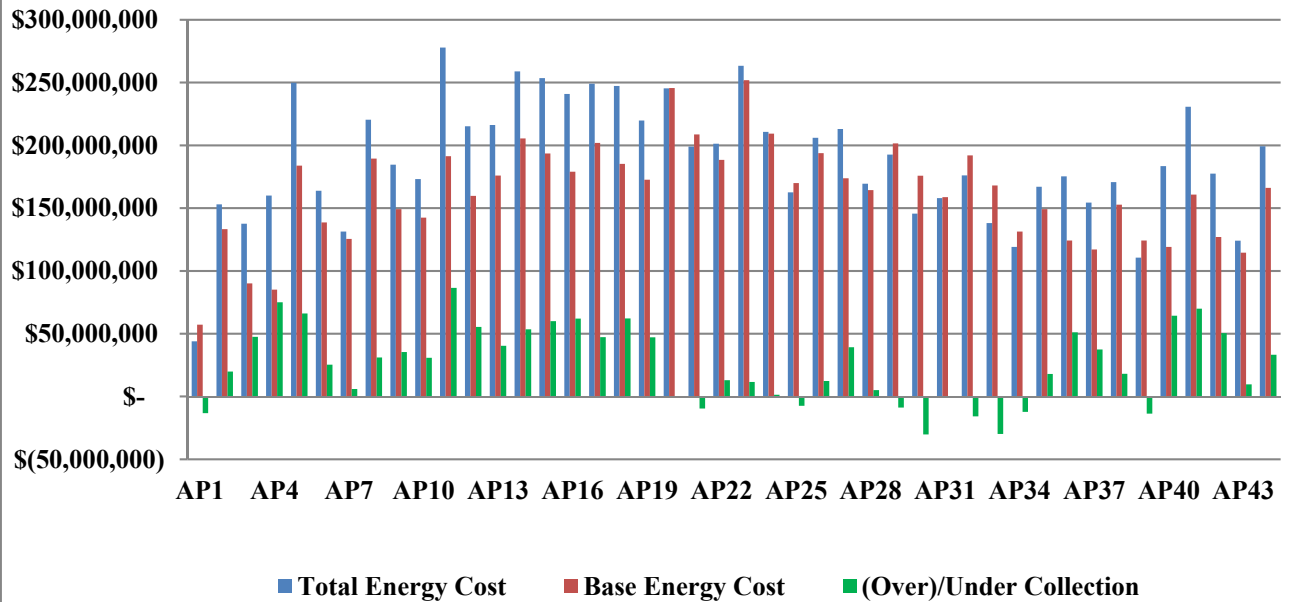
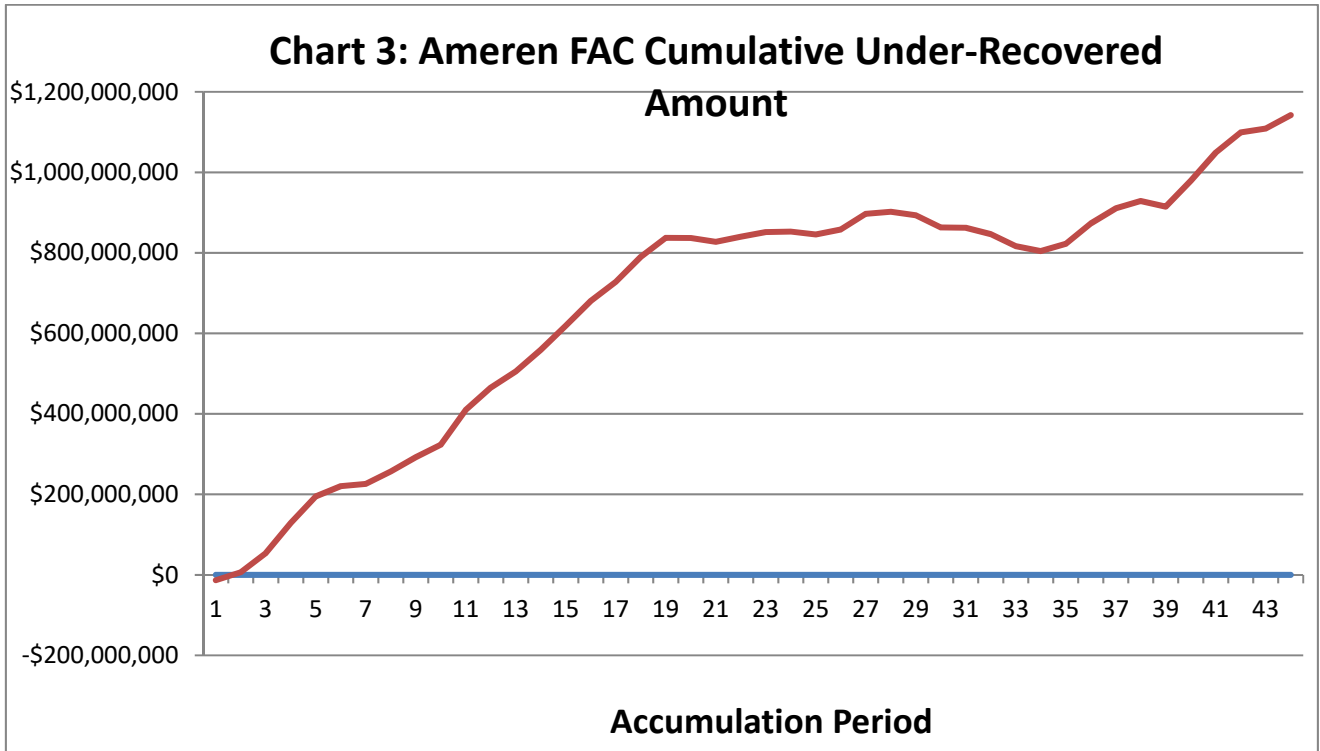


Chart 2: Ameren Missouri FAC Costs Summary





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-2024-0183
Fuel Adjustment Clause for the 44th)
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.

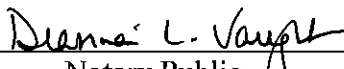
Further the Affiant sayeth not.


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 26th day of December 2023.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377


Notary Public