

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

In the Matter of Union Electric Company, d/b/a )  
Ameren Missouri Filing to Adjust Rates Under ) **File No. ER-2011-0153**  
Its Approved Fuel and Purchased Power Cost ) Tariff No. YE-2011-0266  
Recovery Mechanism Pursuant to 4 CSR 240- )  
20.090(4). )

**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*, respectfully states the following:

1. On November 24, 2010, Union Electric Company, d/b/a Ameren Missouri (Ameren Missouri or Company) filed a tariff sheet to change its Fuel and Purchase Power Adjustment (FPA) rates under its Fuel and Purchase Power Adjustment Clause (FAC). This is Ameren Missouri's fifth FPA filing. The Commission most recently approved Ameren Missouri's FAC in File No. ER-2010-0036.

2. Commission Rule 4 CSR 240-20.090(4) provides that 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 must determine if Ameren Missouri's proposed adjustment to its FAC is in accordance with 4 CSR 240-20.090, §386.266 RSMo. (Supp. 2009), and the "FAC mechanism established in the most recent general rate proceeding." *Id.* On December 3, 2010, the Commission issued an order in which it directed Staff to "file a recommendation regarding its examination and analysis of Ameren Missouri's tariff filing" by "no later than December 23, 2010."

3. Commission Rule 4 CSR 240-20.090(4) provides 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.”

4. Ameren Missouri’s requested adjustment is based on an accumulation period (of eligible costs subject to subsequent recovery from, or refund to, customers) from June 1, 2010 through September 30, 2011. Ameren Missouri’s requested recovery period includes Ameren Missouri’s billing months of February 2011 through January 2012.

5. In the attached Memorandum (Appendix A), Staff presents its examination, analysis and recommendation that the Commission issue an *Order* approving Ameren Missouri’s Tariff Sheet, P.S.C. Mo. No. 1, 2<sup>nd</sup> Revised Sheet 98.14 Cancelling 1<sup>st</sup> Revised Sheet No. 98.14, as filed on November 24, 2010 to be effective on January 26, 2011, subject to true-up and prudence reviews.

6. Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2009 Annual Report. Ameren Missouri is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10) and its monthly reports as required by 4 CSR 240-3.161(5).

7. Ameren Missouri has not raised by this tariff sheet the issue it raised in its first FAC true-up filing on December 1, 2010 in File No. ER-2010-0274, that the Summer and Winter Net Base Fuel Cost Rates the Commission approved in Case No. ER-2008-0318 are in error. The accumulation period for with this FPA rate change is being made is the last accumulation period for which this issue could be raised in a FPA rate change, true-up or prudence review proceeding.

**WHEREFORE**, the Staff recommends that the Commission issue an interim rate adjustment Order approving, subject to true-up and prudence reviews, Ameren Missouri's proposed tariff sheet, P.S.C. Mo. No. 1, 2<sup>nd</sup> Revised Sheet 98.14 Cancelling 1<sup>st</sup> Revised Sheet No. 98.14, as filed on November 24, 2010, to become effective on January 26, 2011, as requested by Ameren Missouri.

Respectfully submitted,

/s/ Jaime N. Ott\_\_\_\_\_

Jaime N. Ott  
Assistant General Counsel  
Missouri Bar No. 60949

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### **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 22<sup>nd</sup> day of December 2010.

/s/ Jaime N. Ott\_\_\_\_\_

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
File No. ER-2011-0153, Tariff Tracking No. YE-2011-0266  
Union Electric Company d/b/a Ameren Missouri

FROM: Matthew Barnes, Utility Regulatory Auditor IV

DATE: /s/ John Rogers 12/22/2010                      /s/ Jaime Ott 12/22/2010  
Energy Department / Date                      Staff Counsel Division / Date

SUBJECT: Staff Recommendation For Approval Of Tariff Sheet Filed to Change Rates Related to Ameren Missouri's Fuel Adjustment Clause Pursuant to the Commission's Report and Order from File No. ER-2010-0036.

DATE: December 22, 2010

On November 24, 2010, Union Electric Company d/b/a Ameren Missouri (Ameren Missouri) filed one (1) tariff sheet bearing a proposed effective date of January 26, 2011 to revise its Fuel and Purchased Power Adjustment (FPA) (Item 14 on Sheet No. 98.14) of its Fuel Adjustment Clause (FAC) which changes the FPA per kWh rates used to determine the FPA charge on customer bills. Staff recommends the Missouri Public Service Commission (Commission) approve this tariff sheet.

Included in the November 24<sup>th</sup> filing are the proposed tariff sheet, the testimony of Ameren Missouri witness Jeff L. Dodd and Ameren Missouri's work papers. The testimony and work papers include information for Accumulation Period 5 (AP5) supporting Ameren Missouri's calculation of the FPA amount for Accumulation Period 5 (FPA5). AP5 ran from June 1, 2010 through September 30, 2010. The FPA5 amount is equal to ninety-five percent (95%) of the difference between Ameren Missouri's actual fuel- and purchased- power cost net of off-system sales and Ameren Missouri's Base Energy Cost during AP5, \$62,766,141, plus monthly interest on the difference accumulated through the end of AP5 of \$410,353 for a total FPA5 amount of \$63,176,494. The FPA5 per kWh rate will apply during Recovery Period 5 (RP5) which includes Ameren Missouri's billing months of February 2011 through January 2012.

The proposed current FPA per kWh rate of \$0.00444 per kWh will be effective January 26, 2011 (first day of Ameren Missouri’s February 2011 billing month). It is the cumulative sum of: 1) the FPA per kWh rate for Accumulation Period 3 (\$0.00114 per kWh), 2) the FPA per kWh rate for Accumulation Period 4 (\$0.00176 per kWh), and 3) the FPA per kWh rate for FPA5 (\$0.00154 per kWh). The proposed current FPA per kWh rate is on line 12 of the filed tariff sheet. *See* Timeline attached for information on the Accumulation Periods and Recovery Periods.

Because of a difference in line losses, there are different current FPA per kWh rates for service taken at Secondary, Primary, and Large Transmission voltages. The Accumulation Periods, Recovery Periods, and other specifications of Ameren Missouri’s FAC are set out in its tariff sheets designated Sheet Nos. 98.1 through 98.14<sup>1</sup>. Listed below are the proposed current FPA per kWh rates and the now current FPA per kWh rates together with the differences between them for Secondary, Primary, and Large Transmission service.

Fuel and Purchased Power Adjustment Rates – Ameren Missouri			
Service	Proposed Current FPA	Now Current FPA	Difference
Secondary	\$0.00479/kWh	\$0.00366/kWh	\$0.00113/kWh Increase
Primary	\$0.00464/kWh	\$0.00353/kWh	\$0.00111/kWh Increase
Large Transmission	\$0.00450/kWh	\$0.00341/kWh	\$0.00109/kWh Increase

Based on a monthly usage of 1,100 kWh, the proposed change to the FPA per kWh rates will increase the Fuel and Purchased Power Adjustment of an Ameren Missouri residential customer’s bill from \$4.03 to \$5.27, an increase of \$1.24 per month.

Staff reviewed Tariff Sheet No. 98.14, the direct testimony of Ameren Missouri witness Jeff L. Dodd and work papers in this filing, as well as, Ameren Missouri’s monthly information submitted in compliance with 4 CSR 240-3.161(5) for FPA5 and verified that the actual fuel and purchased power costs match the fuel and purchased power costs in Ameren Missouri’s proposed Tariff Sheet No. 98.14 and the supporting schedules of witness Jeff L. Dodd. Staff reviewed Ameren Missouri’s monthly reports and verified that the kWh billed shown on the monthly

<sup>1</sup> Tariff Sheet Nos. 98.1 through 98.7 is applicable to service provided prior to June 21, 2010. Tariff Sheet Nos. 98.8 through 98.13 is applicable to service June 21, 2010 and thereafter. Accumulation Period 5 is June 1, 2010 through September 30, 2010.

reports match the accumulation period sales used to calculate the FPA rates. Staff also reviewed Ameren Missouri's monthly interest rates that are applied to 95% of the over/under Base Energy Cost amount and verified that the interest rates and calculations of interest amounts are correct for FPA5.

The information filed with the revised tariff sheet and work papers as supplemented by Ameren Missouri includes sufficient data to calculate the FPA5 based on the actual fuel, purchased power, and emissions costs net of off-system sales and the Base Energy Cost provided by Ameren Missouri for FPA5.

#### Staff Recommendation

Ameren Missouri timely filed revised Tariff Sheet No. 98.14, and has complied with the Commission's *Report and Order* in Case No. ER-2010-0036 regarding the FAC, Commission Rule 4 CSR 240-3.161 (Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements), and Ameren Missouri's FAC embodied in its tariff.

Commission Rule 4 CSR 240-20.090(4) provides in part:

[T]he 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.

Ameren Missouri requested that Tariff Sheet No. 98.14, filed November 24, 2010, become effective on January 26, 2011, the beginning of the first billing cycle of Ameren Missouri's February 2011 billing month. Thus, the tariff sheet was filed with 63 days notice. Staff recommends the Commission issue an order approving the following proposed tariff sheet, as filed on November 24, 2010, to become effective on January 26, 2011, as requested by Ameren Missouri:

P.S.C. Mo. No. 1

2<sup>nd</sup> Revised Sheet No. 98.14 Canceling 1<sup>st</sup> Revised Sheet No. 98.14.

Staff verified that Ameren Missouri is not delinquent on any assessment and has filed its 2009 Annual Report. Ameren Missouri is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10) and its monthly reports as required by 4 CSR 240-3.161(5).

In its first FAC true-up filing on December 1, 2010 in File No. ER-2010-0274, Ameren Missouri has raised an issue that the calculations of the Summer and Winter Net Base Fuel Cost Rates the Commission approved in File No. ER-2008-0318 are in error. If the Commission agrees with Ameren Missouri, its decision will affect the true-up amounts for five Recovery Periods beginning with RP1 and ending with RP5, but the issue is not raised in the calculation of this FPA5 in this tariff sheet filing.

## AmerenUE Fuel and Purchased Power Adjustment Clause (FAC) Timeline

**Periods**

Accumulation  
ER-2008-0318  
Recovery  
True-Up  
Prudence Rev

**A1** (Mar09-May09)~**A2** (Jun09-Sep09)~**A3** (Oct09-Jan10)~**A4** (Feb10-May10)~**A5** (Jun10-Sep10)~**A6** (Oct10-Jan11)  
**A7** (Feb11-May11)~**A8** (Jun11-Sep11)~**A9** (Oct11-Jan12)~**A10** (Feb12-May12)~**A11** (Jun12-Sep12)~**A12**(Oct12-Jan13)  
**R1** (Oct09-Sep10) ER-2010-0044 ~ **R2** (Feb10-Jan11) ER-2010-0165 ~ **R3** (Jun10-May11) ER-2010-0264  
**R4** (Oct10-Sep11) ER-2011-0018 ~ **R5** (Feb11-Jan12) ER-2011-0153 ~ **R6** (Jun11-May12) ER-2011-0xxx  
**R7** (Oct11-Sep12) ER-2012-0xxx ~ **R8** (Feb12-Jan13) ER-2012-0xxx ~ **R9** (Jun12-May13) ER-2012-0xxx  
**R10** (Oct12-Sep13) ER-2013-0xxx ~ **R11** (Feb13-Jan14) ER-2013-0xxx ~ **R12** (Jun13-May14) ER-2013-0xxx  
**T1** ER-2010-0xxx  
**PR1&2** EO-2010-0255

Month #	1	2	3	4	5	6	7	8	9	10		
<b>2009</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug 1 file	Sep	Oct	Nov	Dec 1 file
Accumulation			A1	A1	A1	A2	A2	A2	A2	A3	A3	A3
Recovery										R1	R1	R1
Prudence Rev			PR1&2	PR1&2	PR1&2	PR1&2	PR1&2	PR1&2	PR1&2			
Month #	11	12	13	14	15	16	17	18	19	20	21	22
<b>2010</b>	Jan	Feb	Mar	Apr 1 file	May 1 file	Jun	Jul	Aug 1 file	Sep	Oct	Nov	Dec 1 file
Accumulation	A3	A4	A4	A4	A4	A5	A5	A5	A5	A6	A6	A6
Recovery	R1	R1	R1	R1	R1	R1	R1	R1	R1	R4	R4	R4
Recovery		R2	R2	R2	R2	R2	R2	R2	R2	R2	R2	R2
Recovery						R3	R3	R3	R3	R3	R3	R3
Month #	23	24	25	26	27	28	29	30	31	32	33	34
<b>2011</b>	Jan	Feb	Mar	Apr 1 file	May 1 file	Jun	Jul	Aug 1 file	Sep	Oct	Nov	Dec 1 file
Accumulation	A6	A7	A7	A7	A7	A8	A8	A8	A8	A9	A9	A9
Recovery	R4	R4	R4	R4	R4	R4	R4	R4	R4	R7	R7	R7
Recovery	R2	R5	R5	R5	R5	R5	R5	R5	R5	R5	R5	R5
Recovery	R3	R3	R3	R3	R3	R6	R6	R6	R6	R6	R6	R6
Month #	35	36	37	38	39	40	41	42	43	44	45	46
<b>2012</b>	Jan	Feb	Mar	Apr 1 file	May 1 file	Jun	Jul	Aug 1 file	Sep	Oct	Nov	Dec 1 file
Accumulation	A9	A10	A10	A10	A10	A11	A11	A11	A11	A12	A12	A12
Recovery	R7	R7	R7	R7	R7	R7	R7	R7	R7	R10	R10	R10
Recovery	R5	R8	R8	R8	R8	R8	R8	R8	R8	R8	R8	R8
Recovery	R6	R6	R6	R6	R6	R9	R9	R9	R9	R9	R9	R9



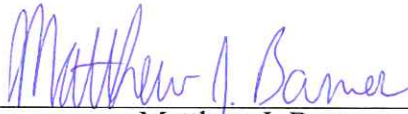
**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Union Electric            )  
Company d/b/a Ameren Missouri's        )  
Filing to Adjust Rates under its        )  
Approved Fuel and Purchased Power    )  
Cost Recovery Mechanism Pursuant to 4   )  
CSR 240-20.090(4).                    )            Case No. ER-2011-0153

**AFFIDAVIT OF MATTHEW J. BARNES**

STATE OF MISSOURI    )  
                                  ) ss  
COUNTY OF COLE     )

Matthew J. Barnes, 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.

  
\_\_\_\_\_  
Matthew J. Barnes

Subscribed and sworn to before me this 22<sup>nd</sup> day of December, 2010.

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