

**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	)	<b><u>File No. ER-2024-0275</u></b>
Clause for the 45 <sup>th</sup> Accumulation Period	)	Tariff No. JE-2024-0136

**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 April 1, 2024, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) filed one proposed tariff sheet,<sup>1</sup> bearing an effective date of June 1, 2024, with supporting direct testimony, to revise its current period Fuel Adjustment Rates (“FARs”) for the 45<sup>th</sup> Accumulation Period (“AP45”) of its Fuel Adjustment Clause (“FAC”). The Commission assigned it Tariff No. JE-2024-0136.

2. Concurrently on April 1, 2024, Ameren Missouri submitted a FAC true-up filing in File No. EO-2024-0277 to identify the true-up amount of \$(2,084,811) for the 42<sup>nd</sup> Recovery Period (“RP42”) of its FAC. This amount and interest for RP42 are included in calculation of the FARs for AP45.

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

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<sup>1</sup> MO.P.S.C. Schedule No. 6, 3rd Revised Sheet No. 71.32, Cancelling MO.P.S.C. Schedule No. 6 2nd Revised Sheet No. 71.32.

Rate Adjustment Mechanisms”); § 386.266, RSMo; and the “FAC mechanism established, continued, or modified in the utility’s most recent general rate proceeding.”<sup>2</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. Staff’s *Memorandum*, attached hereto and incorporated by reference herein as **Appendix A**, recommends that the Commission issue an order approving Ameren Missouri’s proposed tariff sheet MO.P.S.C. Schedule No. 6, 3rd Revised Sheet No. 71.32, filed April 1, 2024, to become effective on June 1, 2024, subject to true-up and prudence reviews.

6. For AP45, the fuel and purchased power adjustment (“FPA”) amount is \$49,474,085, which divided by the forecasted net system input for AP45 of 22,112,386,277 kWh results in a current period FAR<sub>45</sub> of \$0.00224 per kWh. When this is added to the prior period FAR<sub>44</sub> of \$0.00156 per kWh, the result is a proposed AP45 FAR of \$0.00380 per kWh. The proposed AP45 FAR of \$0.00380 per kWh is \$0.00138 per kWh more than the AP44 FAR of \$0.00242 per kWh.<sup>3</sup>

7. 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 lower off-system sales margins, higher fuel costs, and lower net capacity sales

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<sup>2</sup> 20 CSR 4240-20.090(8)(F).

<sup>3</sup> The proposed AP45 FAR of \$0.00380 per kWh can be found on Line 11 of the proposed 3rd Revised Sheet No. 71.32.

revenue in Accumulation Period 45 as compared to Accumulation Period 43 and the net base energy costs applicable to each period. The lower off-system sales margins are primarily a result of decreased market prices from what was forecasted from Accumulation Period 45 as compared to Accumulation Period 43. The higher fuel costs are primarily due to increased volumes in Accumulation Period 45 primarily due to the January cold stretch, which also resulted in increased coal volumes being used, amplified by the Callaway refuel outage during this same accumulation period, whereas in Accumulation Period 43 there were coal conservation efforts and lower LMPs. The decreased net capacity sales revenue is primarily due to decreased MISO auction clearing prices from Accumulation Period 45 as compared to Accumulation Period 43.

8. Because of a difference in line losses,<sup>4</sup> 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 3rd Revised Sheet No. 71.32. The AP45 FARs are in the table below:

Service	Proposed AP45 FAR	Line on 3rd Revised Sheet No. 71.32
Secondary	\$0.00400/kWh	30
Primary	\$0.00388/kWh	31
High Voltage	\$0.00382/kWh	32
Transmission	\$0.00377/kWh	33

9. Based on a monthly usage of 1,000 kWh, the proposed change to the Secondary FAR would increase the FAC of an Ameren Missouri residential customer's monthly bill by \$1.45, from \$2.55 to \$4.00 per month.

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<sup>4</sup> Secondary, Primary, High Voltage, and Transmission Voltage Adjustment Factors are shown on lines 12, 14, 17, and 20 respectively, on Ameren Missouri's proposed 3rd Revised Sheet No. 71.32.

10. 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.

11. Staff verified that Ameren Missouri is not delinquent on any assessment and Ameren Missouri filed its 2023 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). Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

**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, 3 Revised Sheet No. 71.32, filed April 1, 2024, become effective on June 1, 2024, cancelling MO.P.S.C. Schedule No. 6, 2nd Revised Sheet No. 71.32, subject to true-up and prudence reviews.

Respectfully submitted,

/s/ Mark Johnson

**MARK JOHNSON**

Missouri Bar No. 64940

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Attorney for the Staff of the  
Missouri Public Service Commission

**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 30<sup>th</sup> day of April, 2024.

**/s/ Mark Johnson**

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File  
File No. ER-2024-0275, Tariff Tracking No. JE-2024-0136  
Union Electric Company, d/b/a Ameren Missouri

**FROM:** Teresa Denney, Lead Senior Utility Regulatory Auditor

**DATE:** /s/ Teresa Denney 04-30-2024  
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 45<sup>th</sup> Accumulation Period

**DATE:** April 30, 2024

On April 1, 2024, Union Electric Company, d/b/a Ameren Missouri (“Ameren Missouri” or “Company”) filed one tariff sheet, MO.P.S.C. Schedule No. 6, 3rd Revised Sheet No. 71.32, bearing a proposed effective date June 1, 2024, and cancelling the MO.P.S.C. Schedule No. 6, 2nd Revised Sheet No. 71.32. The 3rd Revised Sheet No. 71.32 revises Ameren Missouri’s Fuel Adjustment Rates (“FARs”) of its Fuel Adjustment Clause (“FAC”) for Accumulation Period 45 (“AP45”), which ended on January 31, 2024. Staff recommends that the Missouri Public Service Commission (“Commission”) approve MO.P.S.C. Schedule No. 6, 3rd Revised Sheet No. 71.32.

Ameren Missouri’s April 1, 2024, 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 \$49,474,085 and is reflected on line 5 of 3rd Revised Sheet No. 71.32. This FPA Amount results in a FAR<sub>45</sub><sup>1</sup> of \$0.00224 per kWh, which, when added to the FAR<sub>44</sub><sup>2</sup> of

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<sup>1</sup> FAR<sub>RP</sub> 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 45, FAR<sub>RP</sub> in this recommendation is referred to as FAR<sub>45</sub>.

<sup>2</sup> FAR<sub>(RP-1)</sub> 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<sub>(RP)</sub>.” Since this filing followed Accumulation Period 45, FAR<sub>(RP-1)</sub> in this recommendation is referred to as FAR<sub>44</sub>.

\$0.00156 per kWh, results in a proposed FAR<sup>3</sup> of \$0.00380 per kWh. The proposed AP45 FAR of \$0.00380 per kWh on line 11<sup>4</sup> of 3rd Revised Sheet No. 71.32, is \$0.00138 per kWh more than the AP44 FAR of \$0.00242 per kWh on line 11 of the 2nd Revised Sheet No. 71.32.

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

Ameren Missouri’s work papers for AP45 show the following:

Actual Net Energy Costs (“ANEC”) <sup>5</sup>	\$193,226,740
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The Net Base Energy Costs calculation is shown below as Sales multiplied by the Base Factor:

Sales in kWh	10,686,714,501
Base Factor (“BF”) per kWh	\$0.01328
Net Base Energy Costs (“B”) <sup>6</sup>	\$141,919,568

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

ANEC	\$193,226,740
B	\$141,919,568
Fuel and Purchased Power Difference	\$51,307,172

<sup>3</sup> 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,  $FAR = FAR_{(RP)} + FAR_{(RP-1)}$ .

<sup>4</sup> 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.

<sup>5</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 3rd Revised Sheet No. 71.32.

<sup>6</sup> B = Base Factor multiplied by the accumulation period sales as reflected on lines 2, 2.1, and 2.2 of 3rd Revised Sheet No. 71.32.

**Calculation of FPA Amount**

Ameren Missouri’s work papers and 3rd Revised Sheet No. 71.32, show the FPA Amount<sup>7</sup> of \$49,474,085 to be the sum of:

1. Fuel and purchased power amount to be recovered from customers for AP45 of \$48,741,813<sup>8</sup> (line 4 on proposed 3rd Revised Sheet No. 71.32); plus,
2. Interest of \$2,817,083, which is \$492,030 for AP45 plus \$2,325,053 for Recovery Period 42 (“RP42”) (line 4.1 of proposed 3rd Revised Sheet No. 71.32); plus,
3. The true-up amount, without interest, of \$(2,084,811) (line 4.2 of proposed 3rd Revised Sheet No. 71.32). This amount is pending Commission approval in File No. EO-2024-0277.

**Calculation of FAR<sub>45</sub>**

The calculated FAR<sub>45</sub> of \$0.00224 per kWh is equal to the FPA Amount of \$49,474,085, divided by the Estimated Recovery Period Sales of 22,112,386,277 kWh, according to Ameren Missouri’s commercial pricing node.<sup>9</sup> FAR<sub>45</sub> will apply during Recovery Period 45 (“RP45”), which is Ameren Missouri’s billing months of June 2024 through January 2025.

**Calculation of FAR Without Voltage Level Adjustments**

Line 9 of Ameren Missouri’s proposed 3rd Revised Sheet No. 71.32, reflects a FAR of \$0.00380 per kWh which is the sum of: (1) FAR<sub>45</sub> of \$0.00224 per kWh and (2) FAR<sub>44</sub> of \$0.00156 per kWh.

	Proposed AP45 FAR 3rd Revised Sheet No. 71.32	Current AP44 FAR 2nd Revised Sheet No. 71.32
Line 7. Current Period Fuel Adjustment Rate (FAR <sub>RP</sub> )	\$0.00224/kWh	\$0.00156/kWh

<sup>7</sup> 3rd Revised Sheet No. 71.32, lines 1 through 5 include the complete calculation of the FPA Amount of \$49,474,085.

<sup>8</sup> Fuel and purchased power amount to be recovered from customers for AP45 is equal to 95% of \$49,474,085 (the difference between ANEC and B during AP45).

<sup>9</sup> Midcontinent Independent System Operator, Inc.’s, (“MISO’s”) Market Settlements Business Settlements Practice Manual, BPM-005 Effective Date: September 16, 2023. The Commercial Pricing Node (“CPNode”) represents the next hierarchical level in the Commercial Model and consists of one or more Elemental Pricing Node (“EPNodes”) (electrical locations). 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 locational marginal prices (“LMPs”) and market clearing prices (“MCPs”) are publicly available.



	Proposed AP45 FAR 3rd Revised Sheet No. 71.32	Current AP44 FAR 2nd Revised Sheet No. 71.32
Line 8. Prior Period Fuel Adjustment Rate (FAR <sub>RP-1</sub> )	\$0.00156/kWh	\$0.00085/kWh
Line 9. Fuel Adjustment Rate (FAR)	\$0.00380/kWh	\$0.00242/kWh

**Voltage Level FARs**

Because of a difference in line losses,<sup>10</sup> 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 3rd Revised Sheet No. 71.32.

The AP45 FARs are in the table below:

Service	Proposed AP45 FAR	Line on 3rd Revised Sheet No. 71.32
Secondary	\$0.00400/kWh	30
Primary	\$0.00388/kWh	31
High Voltage	\$0.00382/kWh	32
Transmission	\$0.00377/kWh	33

Listed below are the proposed AP45 FARs, the current AP44 FARs, and the difference between them for each service level:

Service	Proposed AP45 FAR	Current AP44 FAR	Difference
<b>Secondary</b>	\$0.00400	\$0.00255	\$0.00145 Increase
<b>Primary</b>	\$0.00388	\$0.00247	\$0.00141 Increase
<b>High Voltage</b>	\$0.00382	\$0.00243	\$0.00139 Increase
<b>Transmission</b>	\$0.00377	\$0.00240	\$0.00137 Increase

<sup>10</sup> Secondary, Primary, High Voltage, and Transmission Voltage Adjustment Factors are shown on lines 12, 14, 17, and 20 respectively, on Ameren Missouri's proposed 3rd Revised Sheet No. 71.32.

Based on a monthly usage of 1,000 kWh, the proposed change to the Secondary FAR would increase the FAC of an Ameren Missouri residential customer's monthly bill by \$1.45, from \$2.55 to \$4.00 per month.

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

The primary factors driving this change in the FAR were lower off-system sales margins, higher fuel costs, and lower net capacity sales revenue in Accumulation Period 45 as compared to Accumulation Period 43 and the net base energy costs applicable to each period. The lower off-system sales margins are primarily a result of decreased market prices from what was forecasted from Accumulation Period 45 as compared to Accumulation Period 43. The higher fuel costs are primarily due to increased volumes in Accumulation Period 45 primarily due to the January cold stretch, which also resulted in increased coal volumes being used, amplified by the Callaway refuel outage during this same accumulation period, whereas in Accumulation Period 43 there were coal conservation efforts and lower LMPs. The decreased net capacity sales revenue is primarily due to decreased MISO auction clearing prices from Accumulation Period 45 as compared to Accumulation Period 43.<sup>11</sup>

Staff reviewed the proposed 3rd 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 AP45. 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 3rd 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 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 AP45.

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<sup>11</sup> Ameren Missouri, *Direct Testimony of Raysene Logan*, ER-2024-0275, page 5, line 2 through 15.

### **Staff Recommendation**

Ameren Missouri timely filed its proposed MO.P.S.C. Schedule No. 6, 3rd Revised Sheet No. 71.32, on April 1, 2024, 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, 3rd Revised Sheet No. 71.32, filed April 1, 2024, become effective on June 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 April 1, 2024, to become effective on June 1, 2024, subject to true-up and prudence reviews:

MO.P.S.C. Schedule No. 6  
3rd Revised Sheet No. 71.32, Cancelling 2nd Revised Sheet No. 71.32.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2023 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-2024-0277, 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 ) File No. ER-2024-0275  
Fuel Adjustment Clause for the 45th ) Tariff No. JE-2024-0136  
Accumulation Period )

**AFFIDAVIT OF TERESA DENNEY**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW TERESA DENNEY** 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.

*Teresa Denney*  
TERESA DENNEY

**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 30<sup>th</sup> day of April 2024.

*Dianna L. Vaughn*  
Notary Public