

**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 12th Accumulation Period)

File No. ER-2013-0433
Tariff No. YE-2013-0408

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), by and through counsel, and for its recommendation to approve tariff sheet, respectfully states:

1. On March 22, 2013, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed a proposed tariff sheet with supporting direct testimony pursuant to Commission Rules 4 CSR 240-20.090(4) and 4 CSR 240-3.161(7) seeking approval to adjust the Company's fuel adjustment rates ("FARs") in its fuel adjustment clause ("FAC") charge to its customers.

2. Concurrently on March 22, Ameren Missouri submitted a true-up filing in File No. ER-2013-0434 to identify the net fuel costs it over- or under-charged customers during the 9th Recovery Period prescribed by its FAC. This amount is used when calculating the new FARs in this case.

3. On March 25, the Commission ordered Staff to examine and analyze Ameren Missouri's filings in this case, and to file its recommendation no later than April 19, 2013, as required by Rule 4 CSR 240-20.090(4). The Commission also directed that notice of the order be served on the parties to File No. ER-2008-0318 (the general rate proceeding in which Ameren Missouri's Rider FAC was first approved) and File Nos. ER-2010-0036, ER-2011-0028, and ER-2012-0166 (the general rate

proceedings in which Ameren Missouri's FAC was reauthorized with modifications). The Commission received no applications to intervene.

4. Staff's *Memorandum*, attached hereto as Appendix A and incorporated by reference, recommends the Commission issue an order approving the proposed revised tariff sheet Ameren Missouri filed on March 22.

5. Commission Rule 4 CSR 240-20.090(4) states: "An electric utility with a FAC shall file one (1) mandatory adjustment to its FAC in each true-up year coinciding with the true-up of its FAC."¹ The rule requires Staff "to determine if the proposed adjustment to the FAC 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." If so, "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... the tariff schedules and the FAC rate adjustments shall take effect sixty (60) days after the tariff schedules were filed."

6. Ameren Missouri's filing in this case requests Commission approval of one tariff sheet bearing an effective date of May 24, 2013, that revises the current FARs in its FAC. The filing includes testimony and workpapers of Ameren Missouri witness Jesse Francis supporting the Company's calculation of Fuel and Purchased Power Adjustment ("FPA").

7. The FPA amount is \$51,392,369. This represents the total requested increase in the amount sought to be collected in customer FAC charges over the applicable Recovery Period. The FPA amount includes the difference between Annual

¹ An electric utility may also file up to three (3) additional adjustments to its FAC within a true-up year with the timing and number of such filings to be determined in a general rate proceeding.

Net Energy Costs (“ANEC”)² and Net Base Energy Cost (“B”)³ the Company experienced during the 12th Accumulation Period, plus application of the Commission-approved 95 percent sharing ratio, plus the amount from the true-up for the 9th Recovery Period (“RP9”) in File No. ER-2013-0434, and plus applicable interest.⁴

8. As explained in Staff’s *Memorandum*, the FPA amount results in a total requested FAR of \$0.00522 per kWh⁵, an increase of \$0.00082 per kWh over the current FAR of \$0.00440 per kWh. Because of a difference in line losses, the FAR is adjusted for the voltage service the customers receive:

	Proposed RP12 FARs	Current RP11 FARs	Difference
Secondary	\$0.00552/kWh	\$0.00465/kWh	\$0.00087/kWh
Primary	\$0.00535/kWh	\$0.00450/kWh	\$0.00085/kWh
Large Transmission	\$0.00518/kWh	\$0.00436/kWh	\$0.00082/kWh

9. The 12th Accumulation Period and the true-up of the 9th Recovery Period include Ameren Missouri’s costs for its Maryland Heights landfill gas facility, based on the Commission’s approval of Ameren Missouri’s request for a variance from Commission Rule 4 CSR 240-20.100(6)(A)16.⁶ Staff will continue to work with Ameren Missouri to reach a resolution on the future treatment of the costs of landfill gas purchased for the Company’s Maryland Heights generating units.

² ANEC is annual fuel and purchased power costs net of off system sales revenues.

³ See Union Electric Company MO.P.S.C. Schedule No. 5 Original Sheets 98.28 and 98.29.

⁴ See 1st Revised Sheet No. 98.31 filed in this case.

⁵ The rate is calculated using estimated kWh sales for the June 2013 to January 2014 Recovery Period.

⁶ The variance relates to the question of whether landfill gas is a RES compliance cost that, pursuant to this rule, may only be recovered as part of a RESRAM or as part of a general rate case, not through a FAC.

10. Staff finds that Ameren Missouri timely filed the 1st Revised Sheet No. 98.31 and that it complies with Commission Rule 4 CSR 240-3.161 and Ameren Missouri's FAC as defined in its tariff.

11. Staff verified that Ameren Missouri is not delinquent on any assessment, and has filed its 2012 annual report. Ameren Missouri is current on the filing of its Surveillance Monitoring reports as required by 4 CSR 240-20.090(10) and its monthly reports required by 4 CSR 240-3.161(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except File No. ER-2013-0434 as noted herein.

WHEREFORE, Staff recommends the Commission issue an order approving the following proposed revised tariff sheet, as filed on March 22, 2013, to become effective on May 24, 2013, as requested by Ameren Missouri:

MO.P.S.C. Schedule No. 5

1st Revised Sheet No. 98.31 Cancelling Original Sheet No. 98.31.

Respectfully Submitted,

**STAFF OF THE MISSOURI
PUBLIC SERVICE COMMISSION**

/s/ John D. Borgmeyer

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 19th day of April, 2013.

/s/ John D. Borgmeyer