

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 18th day of
September, 2019.

In the Matter of the Seventh Prudence Review of)	
Costs Subject to the Commission-Approved Fuel)	
Adjustment Clause of Union Electric Company)	<u>File No. EO-2019-0257</u>
d/b/a Ameren Missouri)	

ORDER APPROVING STAFF'S PRUDENCE REVIEW

Issue Date: September 18, 2019

Effective Date: October 18, 2019

Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") has used a fuel adjustment clause ("FAC") since the Commission approved the use of that clause in the company's general rate case, ER-2008-0318. Section 386.266.5(4), RSMo (Cum. Supp. 2018), the statute that authorizes an electric utility to use an FAC, requires the Commission to conduct a prudence review of the utility's fuel costs no less frequently than at 18-month intervals. The 18-month prudence review is also required by Commission Rule 20 CSR 4240-20.090(11)¹ and by Ameren Missouri's tariff.

The prudence review in this case examines the costs and revenues associated with Ameren Missouri's FAC for the period June 1, 2017, through September 30, 2018. This review period corresponds to the 26th through 29th accumulation periods of Ameren Missouri's FAC.

¹ Effective August 28, 2019, all of the Commission's regulations were transferred from the Department of Economic Development's (DED) Title 4 to the Department of Commerce and Insurance's (DCI) (formerly Department of Insurance, Financial Institutions and Professional Registration) Title 20.

On March 7, 2019, the Commission's Staff filed a notice stating that it started its prudence audit on that date. Commission Rule 20 CSR 4240-20.090(11)(B) establishes a timeline that requires Staff to file a recommendation regarding the results of its audit no later than 180 days after it initiates its audit.

In a prudence review, Staff considers whether a reasonable person in the same circumstances as those the utility experienced at the time of its decisions would find that the information relied on and the processes employed for those decisions were reasonable, without the benefit of hindsight. If Staff finds the utility's reliance on either that information or those processes imprudent, Staff then considers whether that imprudence caused harm to ratepayers.

Staff filed its report and recommendation regarding its prudence audit on August 29, 2019. No party requested a hearing in this matter. Therefore, the Commission may now consider Staff's report and recommendation.

Staff's report and recommendation regarding its prudence review states that Staff has conducted a review of all aspects of Ameren Missouri's fuel costs as they are passed through to customers under the FAC. Staff does not identify any imprudence by Ameren Missouri during the prudence review period of June 1, 2017 through September 30, 2018.

The Commission finds Staff's report regarding its prudence review of Ameren Missouri's fuel costs, incurred during the prudence review period of June 1, 2017, through September 30, 2018, to be reasonable. No party has requested a hearing or opposed or objected to Staff's recommendation. Therefore, the Commission will approve Staff's report.

THE COMMISSION ORDERS THAT:

1. Staff's Report regarding its prudence audit of the costs subject to Union Electric Company d/b/a Ameren Missouri's fuel adjustment clause, incurred during the prudence review period of June 1, 2017, through September 30, 2018, is approved.
2. This order shall become effective on October 18, 2019.
3. This file shall be closed on October 19, 2019.



BY THE COMMISSION

Morris L. Woodruff

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Hall, Rupp, and
Coleman, CC., concur.

Hatcher, Regulatory Law Judge


STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 18th day of September 2019.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

September 18, 2019

File/Case No. EO-2019-0257

**Missouri Public Service
Commission**

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.