

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

In the Matter of Union Electric Company, d/b/a       )  
AmerenUE's Proposed Tariff Sheet to Modify       )       Case No. ER-2011-0018  
FAC Rate   )

**MISSOURI INDUSTRIAL ENERGY CONSUMERS' MOTION TO REJECT TARIFF  
OR IN THE ALTERNATIVE MOTION TO SUSPEND AND REQUEST FOR HEARING**

COMES NOW the Missouri Industrial Energy Consumers (MIEC), and pursuant to 4 CSR 240-2.090 (4) files its motion to reject tariff or in the alternative motion to suspend tariff and request for hearing. In support of its motion, the MIEC states as follows:

1.       On July 23, 2010, Union Electric Company d/b/a AmerenUE filed a tariff sheet bearing a proposed effective date of September 23, 2010 (FAC Tariff). The FAC Tariff proposes to increase AmerenUE's revenues by \$71,225,756 during its Recovery Period 4 – October 1, 2010 through September 30, 2011 (Period Four).

2.       On August 23, 2010, the Commission Staff recommended that the Commission issue an order approving AmerenUE's FAC Tariff.

3.       On August 31, 2010, the Commission Staff filed its *Prudence Review of Costs Related to the Fuel Adjustment Clause for the Electric Operations of Union Electric Company d/b/a AmerenUE* in Case No. EO-2010-0255 (Staff's Report). Staff's Report pertains to Periods One and Two of AmerenUE's FAC, and recommends the Commission find AmerenUE was imprudent in failing to include all costs and revenues associated with certain sales of energy to American Electric Power Operating Companies and to Wabash Valley Power Association, Inc. during the review period in determining FAC charges. Staff's Report recommends the Commission order AmerenUE to refund \$24.1 million to its customers through its FAC for Periods One and Two, plus interest accrued after May 2010.

4. The MIEC agrees with Staff's Report and concurs in Staff's recommendation that AmerenUE refund \$24.1 million to its customers, and today filed a request for hearing in Case No. EO-2010-0255 urging the Commission to order such refunds.

5. Commission Rule 4 CSR 240-2.070 (4) provides as follows:

If the FAC rate adjustment is not in accordance with this rule, section 386.266 RSMo, and the FAC mechanism established in the most recent general rate proceeding, the Commission shall reject the proposed rate schedules within sixty days of the electric utility's filing and may instead order implementation of an appropriate rate schedule.

6. For the same reasons AmerenUE should refund \$24.1 million to its customers for FAC Periods One and Two, the Commission should stop AmerenUE from increasing FAC rates for Period Four. AmerenUE's exclusion of off-system sales revenues from its FAC misapplies its FAC tariff, and violates Rule 4 CSR 240-2.090, Section 386.266 RSMo and the Commission's Order in ER-2008-0318. While the Commission is considering this issue in Case No. EO-2010-0255, it should prevent AmerenUE from passing through cost increases resulting from the same imprudent and unlawful exclusion of off-system sales revenues with respect to Period Four. Failure to prevent this pass-through could result in ratepayers paying charges that may soon be determined to have been inappropriately included in the FAC. It is especially important AmerenUE's customers not be required to pay costs that may be imprudent, given that customers have already seen their rates increase by 25 percent or more in the last three years. By reducing the FAC to eliminate these charges, the Commission can ensure ratepayers do not pay potentially imprudent charges while this issue is being resolved. AmerenUE will be protected because if it ultimately prevails it will be allowed to collect these amounts and will have earned interest on the balance in the meantime. As identified in Staff's Report, AmerenUE's proposed pass-through of FAC costs results in excessive, unjust and unreasonable rates resulting from

AmerenUE's exclusion of off-system sales revenues from the FAC. As shown in the attached *Affidavit of Greg Meyer*, the appropriate adjustment to AmerenUE's FAC for Period Four reduces the amount of AmerenUE's proposed FAC increase in this case by \$13 million.

WHEREFORE, the MIEC requests the Commission reject the FAC tariff and order AmerenUE to instead implement a rate schedule reducing the amount of AmerenUE's proposed FAC rate increase by \$13 million based on Staff's Report in Case No. EO-2010-0255 and the attached Affidavit of Greg Meyer, or in the alternative, suspend the FAC Tariff and establish a procedural schedule and hearing for evidence to order the appropriate rate schedule.

Respectfully submitted,

BRYAN CAVE, LLP

By: /s/ Diana Vuylsteke

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Attorney for The Missouri Industrial  
Energy Consumers

### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been transmitted by electronic mail this 10th day of September, 2010, to all parties on the Commission's service list in this case.

/s/Diana Vuylsteke

**BEFORE THE  
MISSOURI PUBLIC SERVICE COMMISSION**

\_\_\_\_\_  
In the Matter of Union Electric  
Company d/b/a AmerenUE'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-2011-0018

STATE OF MISSOURI     )  
                                  )  
COUNTY OF ST. LOUIS    )

SS

**Affidavit of Greg R. Meyer**


1. My name is Greg R. Meyer and I am a Senior Consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. My qualifications are attached hereto.

2. I am familiar with the information filed in this case by AmerenUE, including the supporting detail for the calculation of its proposed new charge under the Fuel Adjustment Clause (FAC). This charge relates to the Fourth Accumulation period.

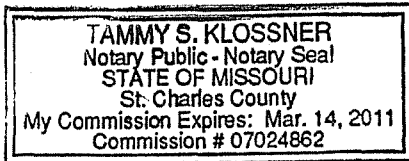
3. I am familiar with the filing made by AmerenUE and with the filing made by the Staff of the Missouri Public Service Commission entitled "Prudence Review of Costs Related to the Fuel Adjustment Clause for the Electric Operations of Union Electric Company d/b/a/ AmerenUE" (Staff's Report) in Case No. EO-2010-0255, which pertains to the prudence review for Accumulation Periods 1 and 2. In it, Staff recommends that AmerenUE be required to refund \$24 million, plus interest, because it improperly treated sales to American Electric Power Operating Companies and Wabash Valley Power Association, Inc. in calculating the FACs applicable to Accumulation Periods 1 and 2.

4. I am familiar with the calculations of Staff in Case No. EO-2010-0255 and agree with the approach used by Staff, and the result.

5. The same issue with respect to the treatment of the two contracts that is present in Case No. EO-2010-0255 also is present in Case No. ER-2011-0018. Following the same procedure used by Staff in developing its Case No. EO-2010-0255 recommendation, I have calculated that the adjustment required to properly treat these contracts in Period 4 is a reduction of \$13 million in the amount proposed to be collected in the FAC.

  
\_\_\_\_\_  
Greg R. Meyer

Subscribed and sworn to before me this 10<sup>th</sup> day of September, 2010.



  
\_\_\_\_\_  
Notary Public

### **Qualifications of Greg R. Meyer**

**Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140, Chesterfield, MO 63017.

**Q PLEASE STATE YOUR OCCUPATION.**

A I am a consultant in the field of public utility regulation with the firm of Brubaker & Associates, Inc. (BAI), energy, economic and regulatory consultants.

**Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

A I graduated from the University of Missouri in 1979 with a Bachelor of Science Degree in Business Administration, with a major in Accounting. Subsequent to graduation I was employed by the Missouri Public Service Commission. I was employed with the Commission from July 1, 1979 until May 31, 2008.

I began my employment at the Missouri Public Service Commission as a Junior Auditor. During my employment at the Commission, I was promoted to higher auditing classifications. My final position at the Commission was an Auditor V, which I held for approximately ten years.

As an Auditor V, I conducted audits and examinations of the accounts, books, records and reports of jurisdictional utilities. I also aided in the planning of audits and investigations, including staffing decisions, and in the development of staff positions in which the Auditing Department was assigned. I served as Lead Auditor and/or Case Supervisor as assigned. I assisted in the technical training of other auditors, which included the preparation of auditors' workpapers, oral and written testimony.

During my career at the Missouri Public Service Commission, I have presented testimony in nine electric rate cases, nine gas rate cases, seven telephone rate cases and several water and sewer rate cases. In addition, I have been involved in cases involving service territory transfers. In the context of those cases listed above, I have presented testimony on all conventional ratemaking principles that are related to a utility's revenue requirement. During the last three years of my employment with the Commission, I was involved in developing transmission policy for the Southwest Power Pool as a member of the Cost Allocation Working Group.

In June of 2008, I joined the firm of Brubaker & Associates, Inc. as a Consultant. The firm Brubaker & Associates, Inc. provides consulting services in the field of energy procurement and public utility regulation to many clients including industrial and institutional customers, some utilities and, on occasion, state regulatory agencies.

More specifically, we provide analysis of energy procurement options based on consideration of prices and reliability as related to the needs of the client; prepare rate, feasibility, economic, and cost of service studies relating to energy and utility services; prepare depreciation and feasibility studies relating to utility service; assist in contract negotiations for utility services, and provide technical support to legislative activities.

In addition to our main office in St. Louis, the firm has branch offices in Phoenix, Arizona and Corpus Christi, Texas.