

Rate Adjustment Mechanisms”), § 386.266 RSMo, and the “FAC mechanism established, continued, or modified in the utility’s most recent general rate proceeding.”¹

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. In the attached Staff Memorandum, marked Appendix A, Staff recommends that the Commission issue an order approving Ameren Missouri’s proposed tariff sheet MO P.S.C. Schedule No. 6, 9th Revised Sheet No. 74.13, Cancelling MO P.S.C. Schedule No. 6, 8th Revised Sheet No. 74.13, subject to true-up and prudence reviews.

6. For AP33, the fuel and purchased power adjustment (“FPA”) amount is \$(29,411,047), which divided by the forecasted net system input for AP33 of 23,298,301,412 kWh results in a current period FAR₃₃ of \$(0.00126) per kWh. When this is added to the prior period FAR (FAR₃₂) of \$(0.00070) per kWh, the result is a proposed FAR of \$(0.00196) per kWh. The proposed AP33 FAR of \$(0.00196) per kWh is \$0.00123 per kWh less than the AP32 FAR of \$(0.00073) per kWh.²

7. Marci L. Althoff, Manager, Finance Transformation at Ameren Services Company, explains the FAR’s decrease in her filed testimony:

The primary factor driving this change in the FAR was lower fuel costs for load in Accumulation Period 33 as compared to Accumulation Period 31 and the net base energy costs applicable to each period. Decreases in the fuel costs for load during Accumulation Period 33 as compared to Accumulation Period 31 and

¹ 20 CSR § 4240-20.090(8)(F)

² The AP33 FAR of \$(0.00196) per kWh can be found on Line 9 of proposed 9th Revised Sheet No. 74.13.

the net base energy costs applicable to each period primarily were the result of the plant outages at Ameren Generating Facilities including the Callaway Energy Center that occurred during Accumulation Period 31. These outages caused fuel costs for load to increase as higher cost purchased power was used to supplement our lower cost generation in Accumulation Period 31.³

8. Because of a difference in line losses, there are different FARs for service taken at secondary, primary, and transmission voltages levels, reflected on lines 11, 13, and 15 of the proposed 9th revised sheet 74.13. The resulting FARs are in the column marked “Proposed” in the following table:

Fuel Adjustment Rates (\$ Per kWh)			
Service Voltage Level	Present	Proposed	Difference
Secondary (Residential)	\$(0.00077)	\$(0.00207)	\$0.00130 Decrease
Primary	\$(0.00075)	\$(0.00201)	\$0.00126 Decrease
Transmission	\$(0.00073)	\$(0.00195)	\$0.00122 Decrease

9. Based on a monthly usage of 1,000 kWh, the proposed change to the FAR for secondary service will decrease the FAC of an Ameren Missouri residential customer’s bill from \$(0.77) to \$(2.07), a decrease of \$1.30 per month.

10. Except for Ameren Missouri’s RP30 true-up filing in File No. ER-2020-0303, also filed March 27, 2020, Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

11. The Staff’s review shows Ameren Missouri’s filing is in compliance with Commission Rule 20 CSR § 4240-20.090, § 386.266 RSMo, and Ameren Missouri’s FAC embodied in its tariff.

³ Ameren Missouri, *Direct Testimony of Marci L. Althoff*, ER-2020-0302, 4:9 – 16 (Mar 27, 2020).

12. Staff verified that Ameren Missouri is not delinquent on any assessment and Ameren Missouri filed its 2018 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).

WHEREFORE, for the above-stated reasons, Staff recommends that the Commission issue an interim rate adjustment order approving Ameren Missouri's proposed tariff sheet MO P.S.C. Schedule No. 6, 9th Revised Sheet No. 74.13, Cancelling MO P.S.C. Schedule No. 6, 8th Revised Sheet No. 74.13, to become effective May 27, 2020, subject to true-up and prudence reviews.

Respectfully submitted,

/s/ Karen E. Bretz

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served via e-mail on counsel for the parties of record to this case on this 27th day of April, 2020.

/s/ Karen Bretz

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2020-0302, Tariff Tracking No. YE-2020-0168
Union Electric Company, d/b/a Ameren Missouri

FROM: Brooke Mastrogiannis, Utility Regulatory Auditor IV
Cynthia M. Tandy, Utility Regulatory Auditor II
Lisa Wildhaber, Utility Regulatory Auditor III

<u>/s/ Brad J. Fortson</u> <u>04/27/2020</u>	<u>/s/ Karen Bretz</u> <u>04/27/2020</u>
Energy Resources Department/Date	Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for Approval of Tariff Sheet Filed to Change Rates Related to Ameren Missouri's Fuel Adjustment Clause for the 33rd Accumulation Period

DATE: April 27, 2020

On March 27, 2020, Union Electric Company, d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, 9th Revised Sheet No. 74.13, bearing a proposed effective date of May 27, 2020 and cancelling 8th Revised Sheet No. 74.13. The Commission assigned the new tariff sheet Tariff Tracking No. YE-2020-0168. The 9th Revised Sheet No. 74.13 revises Ameren Missouri's Fuel Adjustment Rates ("FARs") of its Fuel Adjustment Clause ("FAC") for Accumulation Period 33 ("AP33"), which ended on January 31, 2020. Staff recommends that the Missouri Public Service Commission ("Commission") approve 9th Revised Sheet No. 74.13.

Ameren Missouri's March 27, 2020 filing includes the testimony of Marci L. Althoff, Manager of Finance Transformation 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 \$(29,411,047) and is reflected on line 5 of 9th Revised Sheet No. 74.13. This FPA Amount results in a FAR₃₃¹ of \$(0.00126) per kWh, which when added to the FAR₃₂² of

¹ FAR_{RP} is defined in Original Sheet No. 74.8 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 33, FAR_{RP} in this recommendation is referred to as FAR₃₃.

² FAR_(RP-1) is defined in Original Sheet No. 74.8 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_(RP)." Since this filing followed Accumulation Period 32, FAR_(RP-1) in this recommendation is referred to as FAR₃₂.

\$(0.00070) per kWh, results in a proposed FAR³ of \$(0.00196) per kWh. The proposed AP33 FAR of \$(0.00196) per kWh on line 9 of 9th Revised Sheet No. 74.13 is \$0.00123 per kWh less than the AP32 FAR of \$(0.00073) per kWh on line 9 of the 8th Revised Sheet No. 74.13.

Calculation of Total Company Fuel and Purchased Power Difference

Ameren Missouri's work papers for AP33 contain data and calculations for Actual Net Energy Costs ("ANEC")⁴ of \$138,078,455 (line 1 of proposed 9th Revised Sheet No. 74.13) and Net Base Energy Costs ("B")⁵ of \$167,973,116 (line 2 of proposed 9th Revised Sheet No. 74.13). For this filing, B equals sales of 10,935,749,787 kWh for October 2019 through January 2020 multiplied by the Base Factor ("BF") of \$0.01536⁶ per kWh. The difference between ANEC and B is \$(29,894,661) and is the amount on line 3 of 9th Revised Sheet No. 74.13, Total Company Fuel and Purchased Power Difference.

Calculation of FPA Amount

Ameren Missouri's work papers and 9th Revised Sheet No. 74.13 show the FPA Amount⁷ of \$(29,411,047) to be the sum of:

1. Fuel and purchased power amount to be recovered from customers for AP33 of \$(28,399,928)⁸ (line 4 on proposed 9th Revised Sheet No. 74.13); plus
2. Interest of \$435,461, which is \$(110,569) for AP33 plus \$546,030 for Recovery Period 30 ("RP30") (line 4.1 of proposed 9th Revised Sheet No. 74.13); plus
3. The true-up amount, without interest, of \$(1,446,580) (line 4.2 of proposed 9th Revised Sheet No. 74.13). This amount is pending Commission approval in File No. ER-2020-0303.

³ FAR is defined in Original Sheet No. 74.8 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, $FAR = FAR_{(RP)} + FAR_{(RP-1)}$.

⁴ 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 9th Revised Sheet No. 74.13.

⁵ B = Base Factor multiplied by the accumulation period sales as reflected on lines 2, 2.1 and 2.2 of 9th Revised Sheet No. 74.13.

⁶ Winter Base Factor ("BF_{Winter}") rate on 9th Revised Sheet No. 74.13 of \$0.01536 per kWh was used to calculate B (line 2 of 9th Revised Sheet No. 74.13). BF_{Winter} is applicable for the October through May calendar months, as indicated in Tab 8.2(A).VII of the MA-FAR submitted by Ameren and based on ER-2016-0179.

⁷ 9th Revised Sheet No. 74.13, lines 1 through 5 include the complete calculation of the FPA Amount of \$(29,411,047).

⁸ Fuel and purchased power amount to be recovered from customers for AP33 is equal to ninety-five percent (95%) of \$(29,894,661) (the difference between ANEC and B during AP33).

Calculation of FAR₃₃

FAR₃₃ of \$(0.00126) per kWh is equal to the FPA Amount of \$(29,411,047) divided by the Estimated Recovery Period Sales in kWh of 23,298,301,412 kWh, according to Ameren Missouri’s commercial pricing node.⁹ FAR₃₃ will apply during Recovery Period 33 (“RP33”), which is Ameren Missouri’s billing months of June 2020 through January 2021.

Calculation of FAR Without Voltage Level Adjustments

Line 9 of Ameren Missouri’s proposed 9th Revised Sheet No. 74.13 reflects a FAR of \$(0.00196) per kWh which is the sum of: (1) FAR₃₃ of \$(0.00126) per kWh and (2) FAR₃₂ of \$(0.00070) per kWh.

	Proposed AP33 FAR 9th Revised Sheet No. 74.13	AP32 FAR 8th Revised Sheet No. 74.13
Line 7. Current Period Fuel Adjustment Rate (FAR _{RP})	\$(0.00126) /kWh	\$(0.00070)/kWh
Line 8. Prior Period Fuel Adjustment Rate (FAR _{RP-1})	\$(0.00070)/kWh	\$(0.00003)/kWh
Line 9. Fuel Adjustment Rate (FAR)	\$(0.00196)/kWh	\$(0.00073)/kWh

Voltage Level FARs

Because of a difference in line losses,¹⁰ there are different FARs for service taken at the Secondary, Primary, and Transmission voltage levels, reflected on lines 11, 13 and 15 of proposed 9th Revised Sheet No. 74.13. The AP33 FARs are in the table below:

Service	Proposed AP33 FAR	Line on 9th Revised Sheet No. 74.13
Secondary	\$(0.00207) /kWh	11
Primary	\$(0.00201) /kWh	13
Transmission	\$(0.00195) /kWh	15

⁹ MISO’s Market Settlements Business Settlements Practice Manual, BPM-005-r15 Effective Date: JUN-30-2016. The CPNode represents the next hierarchical level in the Commercial Model and consists of one or more EPNodes. 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 LMPs and MCPs are publicly available.

¹⁰ Secondary, Primary, and Transmission Voltage Adjustment Factors are shown on lines 10, 12, and 14, respectively, on Ameren Missouri’s proposed 9th Revised Sheet No. 74.13.

Listed below are the proposed AP33 FARs, the current AP32 FARs, and the difference between them for Secondary, Primary, and Transmission service:

Service	Proposed AP33 FAR	Current AP32 FAR	Difference
Secondary	\$(0.00207) /kWh	\$(0.00077)/kWh	\$0.00130/kWh Decrease
Primary	\$(0.00201) /kWh	\$(0.00075)/kWh	\$0.00126/kWh Decrease
Transmission	\$(0.00195) /kWh	\$(0.00073)/kWh	\$0.00122/kWh Decrease

Based on a monthly usage of 1,000 kWh, the proposed change to the Secondary FAR would decrease the Fuel Adjustment Charge of an Ameren Missouri residential customer's monthly bill by \$1.30, from \$(.77) to \$(2.07) per month.

In her filed testimony, Company witness Marci L. Althoff explains the FAR's decrease:

The primary factor driving this change in the FAR was lower fuel costs for load in Accumulation Period 33 as compared to Accumulation Period 31 and the net base energy costs applicable to each period. Decreases in the fuel costs for load during Accumulation Period 33 as compared to Accumulation Period 31 and the net base energy costs applicable to each period primarily were the result of the plant outages at Ameren Generating Facilities including the Callaway Energy Center that occurred during Accumulation Period 31. These outages caused fuel costs for load to increase as higher cost purchased power was used to supplement our lower cost generation in Accumulation Period 31.¹¹

Staff reviewed the proposed 9th Revised Sheet No. 74.13, Ms. Althoff'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 AP33. 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 9th Revised Sheet No. 74.13 and Ms. Althoff's supporting schedules. 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

¹¹ Ameren Missouri, *Direct Testimony of Marci L. Althoff*, ER-2020-0302, page 4, lines:9 -16.

over/under Net Base Energy Cost amount and verified that the monthly interest rates and calculations of monthly interest amounts are correct for AP33.

The change in the FAC rate resulting from this application will not cause Ameren Missouri to exceed its allowable cumulative annual growth rate cap percentage of 2.85% it must comply with under state law due to its adoption of plant-in-service accounting.

Attachment A

Attachment A includes three charts which provide a summary of Ameren's thirty-three (33) FAC rate adjustment filings. Chart 1 illustrates Ameren's FAR for each of the thirty-three (33) accumulation periods. Chart 2 illustrates Ameren's FAC cost summary for Actual Net Base Energy costs and Net Base Energy costs. Chart 3 illustrates Ameren's FAC cumulative under-recovered amount at the end of each of the thirty-three (33) accumulation periods.

Staff Recommendation

Ameren Missouri timely filed its proposed 9th Revised Sheet No. 74.13, on March 27, 2020, 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 9th Revised Sheet No. 74.13, filed March 27, 2020, become effective on May 27, 2020, the beginning of Ameren Missouri's June 2020 billing month. 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 March 27, 2020, to become effective on May 27, 2020:

MO.P.S.C. Schedule No. 6
9th Revised Sheet No. 74.13, Cancelling 8th Revised Sheet No. 74.13.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2018 Annual Report.¹² Ameren Missouri is current on its submission of its Surveillance Monitoring reports, required in 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. ER-2020-0303, as noted herein.

¹² Ameren Missouri did file an extension for its 2019 Annual Report on March 18, 2020.



