

**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 Clause) **File No. ER-2020-0019**
for the 31st Accumulation Period) **Tariff No. YE-2020-0016**

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its recommendation states:

1. On July 26, 2019, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) filed one proposed tariff sheet, bearing an effective date of September 24, 2019, to revise its current period Fuel Adjustment Rates (“FARs”) for the 31st Accumulation Period (“AP31”) of its Fuel Adjustment Clause (“FAC”). This proposed tariff sheet is MO. P.S.C. Schedule No. 6, 7th Revised Sheet No. 74.13, Cancelling MO. P.S.C. Schedule No. 6, 6th Revised Sheet No. 74.13. The Commission assigned it Tariff No. YE-2020-0016.

2. Concurrently on July 26, 2019, Ameren Missouri submitted a FAC true-up filing in File No. ER-2020-0020 to identify the true-up amount of \$(553,524) for the 28th Recovery Period (“RP28”) of its FAC. This amount and interest for RP28 are included in calculation of the FARs for AP31.

3. Commission Rule 4 CSR § 240-20.090(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 4 CSR § 240-20.090 (“Fuel and Purchased Power 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, 4 CSR § 240-20.090(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, 7th Revised Sheet No. 74.13, Cancelling MO P.S.C. Schedule No. 6, 6th Revised Sheet No. 74.13, subject to true-up and prudence reviews.

6. For AP31, the fuel and purchased power adjustment (“FPA”) amount is \$(636,644), which divided by the forecasted net system input for AP31 of 21,753,971,866 kWh results in a current period FAR₃₁ of \$(0.00003) per kWh. When this is added to the prior period FAR (FAR₃₀) of \$(0.00126) per kWh, the result is a proposed FAR of \$(0.00129) per kWh. The proposed AP31 FAR of \$(0.00129) per kWh is \$(0.00037) per kWh less than the AP30 FAR of \$(0.00166) per kWh.²

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

The primary factors driving this change in the FAR were lower off-system sales margins and higher fuel costs for load in Accumulation Period 31 as compared to Accumulation Period 29 and the net base energy costs applicable to each period. Off-system sales margins decreased primarily as a result of less generation being available for

¹ 4 CSR § 240-20.090(8)(F)

² The AP30 FAR of \$(0.00166) per kWh can be found on Line 9 of 6th Revised Sheet No. 74.13.

sale in Accumulation Period 31 versus Accumulation Period 29 due to outages at several of our generation facilities, including Callaway Energy Center. Additionally, 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 7th 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)	\$(0.00176)	\$(0.00136)	\$0.00040 Increase
Primary	\$(0.00170)	\$(0.00132)	\$0.00038 Increase
Transmission	\$(0.00165)	\$(0.00128)	\$0.00037 Increase

9. Based on a monthly usage of 1,000 kWh, the proposed change to the FAR for secondary service will increase the FAC of an Ameren Missouri residential customer's bill from \$(1.76) to \$(1.36), an increase of \$.40 per month.

10. Except for Ameren Missouri's RP28 true-up filing in File No. ER-2020-0020, also filed July 26, 2019, 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 4 CSR § 240-20.090, § 386.266 RSMo, and Ameren Missouri's FAC embodied in its tariff.

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

³ Ameren Missouri, *Direct Testimony of Marci L. Althoff*, ER-2020-0019, 4 (July 26, 2019).

of its monthly reports, required by 4 CSR § 240-20.090(5), and its surveillance monitoring reports, required by 4 CSR § 240-20.090(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, 7th Revised Sheet No. 74.13, Cancelling MO P.S.C. Schedule No. 6, 6th Revised Sheet No. 74.13, to become effective September 24, 2019, subject to true-up and prudence reviews.

Respectfully submitted,

/s/ Karen E. Bretz

Karen E. Bretz
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Attorney for the Staff of the
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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 21st day of August, 2019.

/s/ Karen Bretz

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2020-0019, Tariff Tracking No. YE-2020-0016
Union Electric Company d/b/a Ameren Missouri

FROM: Cynthia Tandy, Utility Regulatory Auditor I
Brooke Mastrogriannis, Utility Regulatory Auditor IV
Lisa Wildhaber, Utility Regulatory Auditor III

/s/ Brad Fortson 8/21/2019 /s/ Karen Bretz 8/21/2019
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 Pursuant to the Commission's Report and Order in Case No. ER-2016-0179.

DATE: August 21, 2019

On July 26, 2019, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, 7th Revised Sheet No. 74.13, bearing a proposed effective date of September 24, 2019 and cancelling 6th Revised Sheet No. 74.13. The Commission assigned the new tariff sheet Tariff Tracking No. YE-2020-0016. The 7th Revised Sheet No. 74.13 revises Ameren Missouri's Fuel Adjustment Rates ("FARs") of its Fuel Adjustment Clause ("FAC") for Accumulation Period 31 ("AP31"), which ended on May 31, 2019. Staff recommends that the Missouri Public Service Commission ("Commission") approve 7th Revised Sheet No. 74.13.

Ameren Missouri's July 26, 2019 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 \$(636,644) and is reflected on line 5 of 7th Revised Sheet No. 74.13. This FPA Amount results in a FAR₃₁¹ of \$(0.00003) per kWh, which when added to the FAR₃₀² of \$(0.00126) per kWh, results in a proposed FAR³ of \$(0.00129) per kWh. The proposed AP31 FAR of \$(0.00129) per kWh on line 9 of 7th Revised Sheet No. 74.13 is \$(0.00037) per kWh less than the AP30 FAR of \$(0.00166) per kWh on line 9 of the 6th Revised Sheet No. 74.13.

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 31, FAR_{RP} in this recommendation is referred to as FAR₃₁.

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 31, FAR_(RP-1) in this recommendation is referred to as FAR₃₀.

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).

Calculation of Total Company Fuel and Purchased Power Difference

Ameren Missouri's work papers for AP31 contain data and calculations for Actual Net Energy Costs ("ANEC")⁴ of \$157,981,691 (line 1 of proposed 7th Revised Sheet No. 74.13) and Net Base Energy Costs ("B")⁵ of \$158,652,746 (line 2 of proposed 7th Revised Sheet No. 74.13). For this filing, B equals sales of 10,328,954,790 kWh for February 2019 through May 2019 multiplied by the Base Factor ("BF") of \$0.01536⁶ per kWh. The difference between ANEC and B is \$(671,055) and is the amount on line 3 of 7th Revised Sheet No. 74.13, Total Company Fuel and Purchased Power Difference.

Calculation of FPA Amount

Ameren Missouri's work papers and 7th Revised Sheet No. 74.13 show the FPA Amount⁷ of \$(636,644) to be the sum of:

1. Fuel and purchased power amount to be recovered from customers for AP31 of \$(637,502)⁸ (line 4 on proposed 7th Revised Sheet No. 74.13); plus
2. Interest of \$554,382, which is \$(13,603) for AP31 plus \$567,985 for Recovery Period 28 ("RP28") (line 4.1 of proposed 7th Revised Sheet No. 74.13); plus
3. The true-up amount, without interest, of \$(553,524) (line 4.2 of proposed 7th Revised Sheet No. 74.13). This amount is pending Commission approval in File No. ER-2020-0020.

Calculation of FAR₃₁

FAR₃₁ of \$(0.00003) per kWh is equal to the FPA Amount of \$(636,644) divided by the Estimated Recovery Period Sales in kWh of 21,753,971,866 kWh, according to Ameren Missouri's commercial pricing node.⁹ FAR₃₁ will apply during Recovery Period 31 ("RP31"), which is Ameren Missouri's billing months of October 2019 through May 2020.

⁴ ANEC = fuel costs (FC), plus purchased power costs (PP), plus net emission allowances (E), minus off-system sales revenues (OSSR), as reflected on line 1 of 7th 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 7th Revised Sheet No. 74.13.

⁶ Winter Base Factor ("BF_{winter}") rate on 7th Revised Sheet No. 74.13 of \$0.01536 per kWh was used to calculate B (line 2 of 7th 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 7th Revised Sheet No. 74.13, lines 1 through 5 include the complete calculation of the FPA Amount of \$(636,644).

⁸ Fuel and purchased power amount to be recovered from customers for AP31 is equal to ninety-five percent (95%) of \$(671,055) (the difference between ANEC and B during AP31).

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.

Calculation of FAR Without Voltage Level Adjustments

Line 9 of Ameren Missouri’s proposed 7th Revised Sheet No. 74.13 reflects a FAR of \$(0.00129) per kWh which is the sum of: (1) FAR₃₁ of \$(0.00003) per kWh and (2) FAR₃₀ of \$(0.00126) per kWh.

	Proposed AP31 FAR 7th Revised Sheet No. 74.13	AP30 FAR 6th Revised Sheet No. 74.13
Line 7. Current Period Fuel Adjustment Rate (FAR _{RP})	\$(0.00003) /kWh	\$(0.00126)/kWh
Line 8. Prior Period Fuel Adjustment Rate (FAR _{RP-1})	\$(0.00126)/kWh	\$(0.00040)/kWh
Line 9. Fuel Adjustment Rate (FAR)	\$(0.00129)/kWh	\$(0.00166)/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 7th Revised Sheet No. 74.13. The AP31 FARs are in the table below:

Service	Proposed AP31 FAR	Line on 7th Revised Sheet No. 74.13
Secondary	\$(0.00136) /kWh	11
Primary	\$(0.00132) /kWh	13
Transmission	\$(0.00128) /kWh	15

Listed below are the proposed AP31 FARs, the current AP30 FARs, and the difference between them for Secondary, Primary, and Transmission service:

Service	Proposed AP31 FAR	Current AP30 FAR	Difference
Secondary	\$(0.00136) /kWh	\$(0.00176)/kWh	\$0.00040/kWh Increase
Primary	\$(0.00132) /kWh	\$(0.00170)/kWh	\$0.00038/kWh Increase
Transmission	\$(0.00128) /kWh	\$(0.00165)/kWh	\$0.00037/kWh Increase

Based on a monthly usage of 1,000 kWh, the proposed change to the Secondary FAR would increase the Fuel Adjustment Charge of an Ameren Missouri residential customer’s monthly bill

¹⁰ Secondary, Primary, and Transmission Voltage Adjustment Factors are shown on lines 10, 12, and 14, respectively, on Ameren Missouri’s proposed 7th Revised Sheet No. 74.13.

by \$0.40, from \$(1.76) to \$(1.36) per month.

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

The primary factors driving this change in the FAR were lower off-system sales margins and higher fuel costs for load in Accumulation Period 31 as compared to Accumulation Period 29 and the net base energy costs applicable to each period. Off-system sales margins decreased primarily as a result of less generation being available for sale in Accumulation Period 31 versus Accumulation Period 29 due to outages at several of our generation facilities, including Callaway Energy Center. Additionally, 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 7th 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 4 CSR 240-20.090(5) for AP31. 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 7th 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 over/under Net Base Energy Cost amount and verified that the monthly interest rates and calculations of monthly interest amounts are correct for AP31.

Attachment A

Attachment A includes three charts which provide a summary of Ameren's thirty-one (31) FAC rate adjustment filings. Chart 1 illustrates Ameren's FAR for each of the thirty-one (31) 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-one (31) accumulation periods.

Plant in Service Accounting (PISA) Deferrals Permitted Under Section 393.1400, RSMo, and Limitations on Rate Modifications Permitted Under Section 393.1655, RSMo.

Pursuant to Case No. EO-2019-0044, Ameren provided notice of its election, effective September 1, 2018, to make the PISA deferrals permitted under Section 393.1400 RSMo. Ameren's FAR filing demonstrated an over-recovery during this Accumulation Period, therefore the provisions of Section 393.1655 RSMo are not applicable at this time.

¹¹ Company witness Marci L. Althoff direct testimony, beginning page 4, lines 7 through 14.

Staff Recommendation

Ameren Missouri timely filed its proposed 7th Revised Sheet No. 74.13, on July 26, 2019, and based on Staff's review, Staff determined that Ameren Missouri is in compliance with Commission Rule 4 CSR 240-20.090 (Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements) and Ameren Missouri's FAC in its tariff.

Commission Rule 4 CSR 240-20.090(8)(H)¹² 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 7th Revised Sheet No. 74.13, filed July 26, 2019, become effective on September 24, 2019, the beginning of Ameren Missouri's October 2019 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 July 26, 2019, to become effective on September 24, 2019:

MO.P.S.C. Schedule No. 6

7th Revised Sheet No. 74.13, Cancelling 6th Revised Sheet No. 74.13.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2018 Annual Report.¹³ Ameren Missouri is current on its submission of its Surveillance Monitoring reports, required in 4 CSR 240-20.090(6), and its monthly reports, required by 4 CSR 240-20.090(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except File No. ER-2020-0020, as noted herein.

¹² Effective January 30, 2019.

¹³ Ameren Missouri filed its 2018 Annual Report on April 15, 2019.

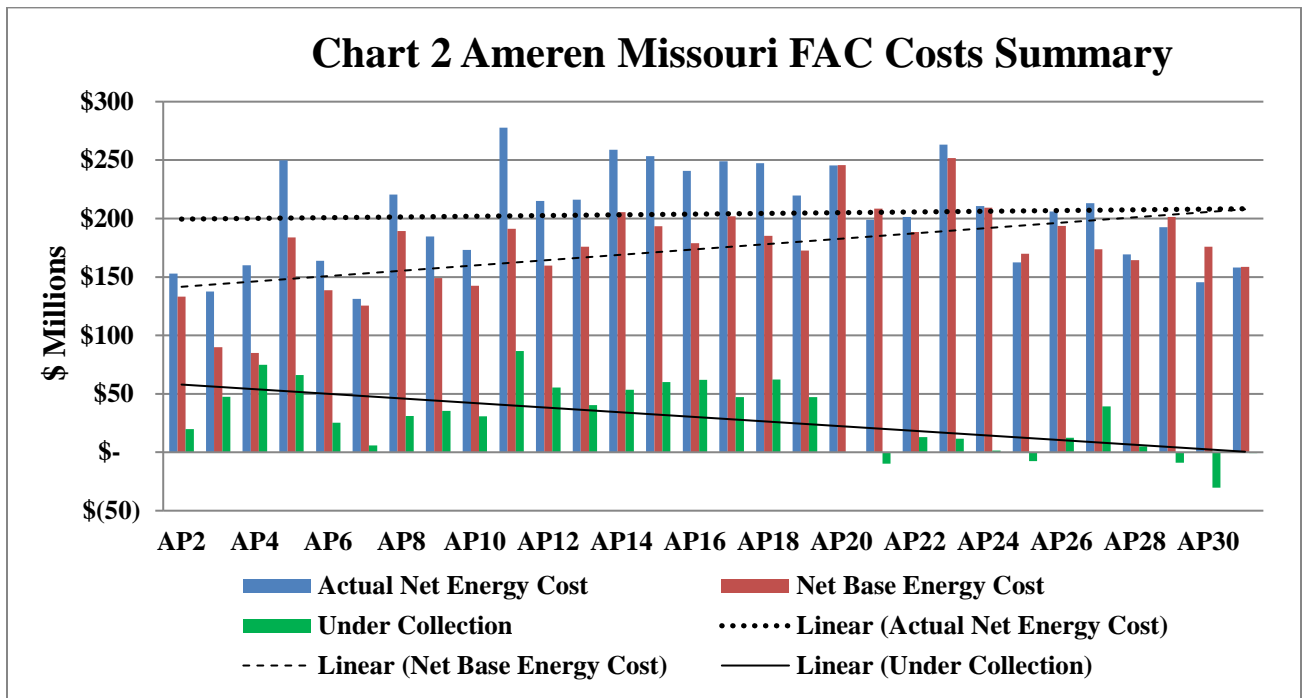
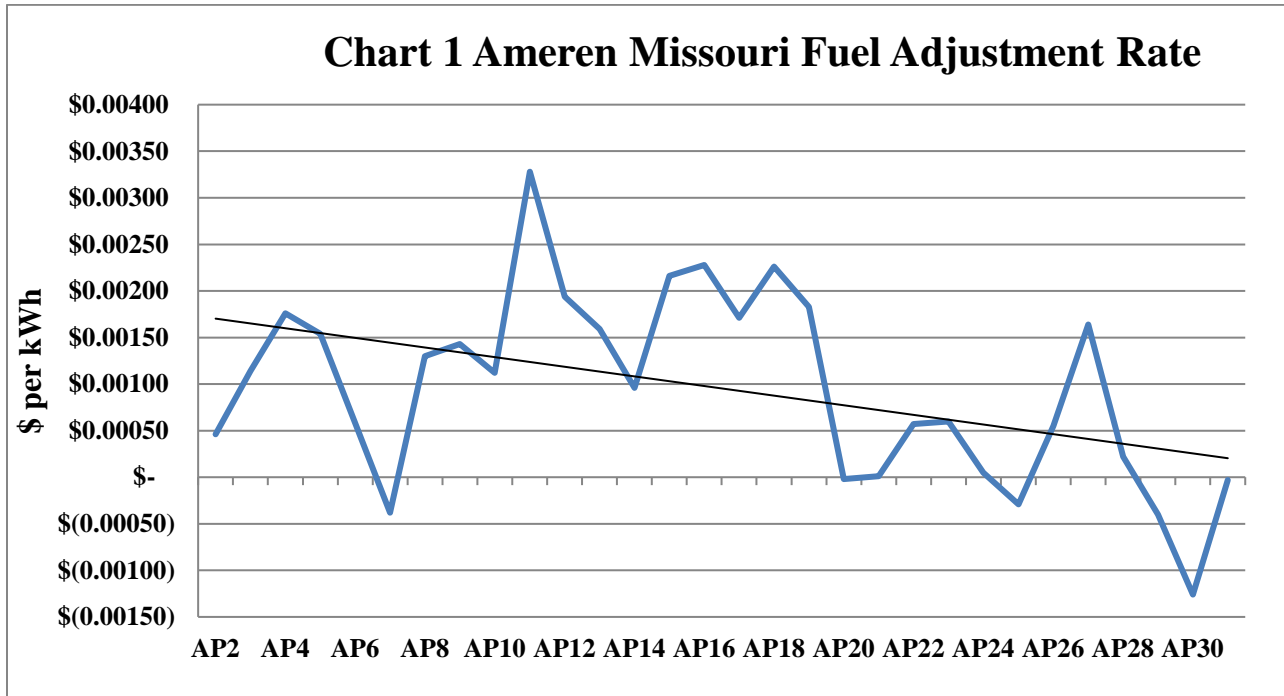
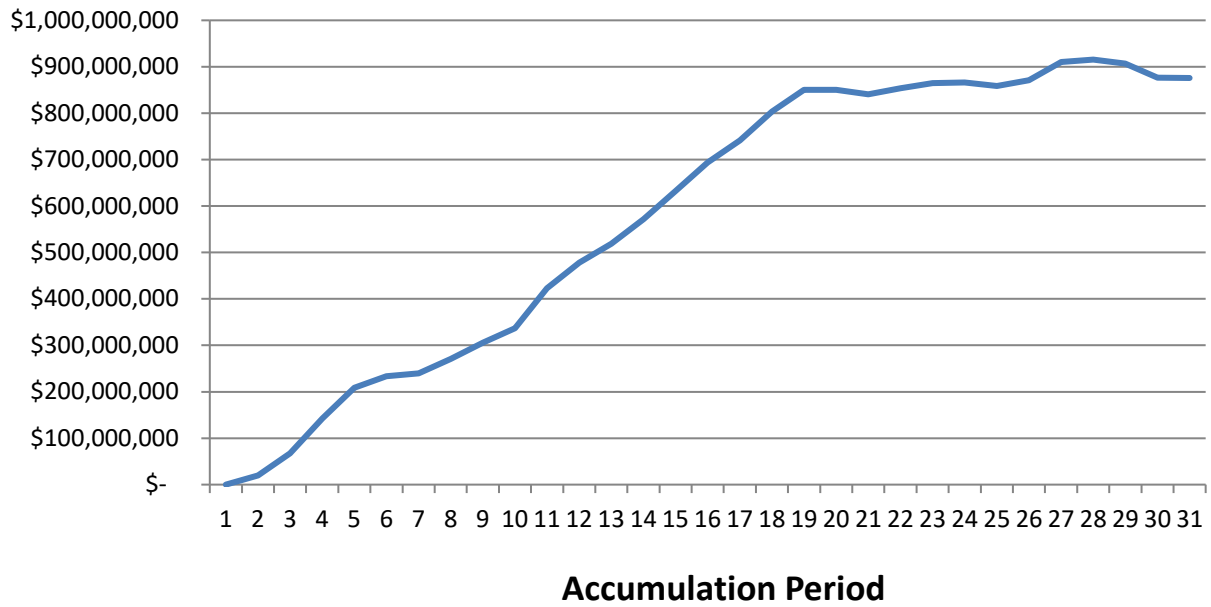


Chart 3: Ameren FAC Cumulative Under-Recovered Amount



BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

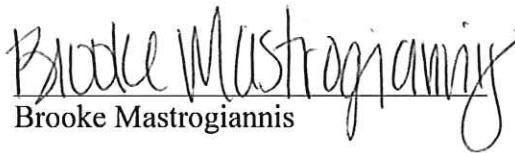
In the Matter of the Adjustment of Union)
Electric Company d/b/a Ameren Missouri's) Case No. ER-2020-0019
Fuel Adjustment Clause for the 31st)
Accumulation Period)

AFFIDAVIT OF BROOKE MASTROGIANNIS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW Brooke Mastrogiannis and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Staff Recommendation and that the same is true and correct according to her best knowledge and belief.


Further the Affiant sayeth not.


Brooke Mastrogiannis

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 22nd day of August, 2019.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070


Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

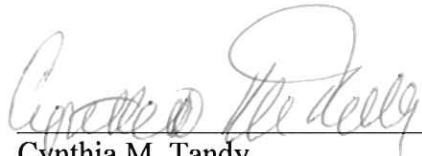
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Electric Company d/b/a Ameren Missouri's) Case No. ER-2020-0019
Fuel Adjustment Clause for the 31st)
Accumulation Period)
)

AFFIDAVIT OF CYNTHIA M. TANDY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW Cynthia M. Tandy and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Staff Recommendation and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

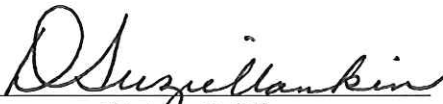


Cynthia M. Tandy

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 22nd day of August, 2019.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070



Notary Public

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) Case No. ER-2020-0019
Fuel Adjustment Clause for the 31st)
Accumulation Period)
)

AFFIDAVIT OF LISA WILDHABER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW Lisa Wildhaber and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Staff Recommendation and that the same is true and correct according to her best knowledge and belief.

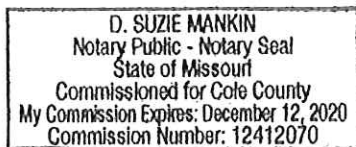
Further the Affiant sayeth not.

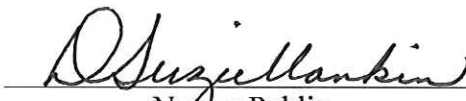


Lisa Wildhaber

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 22nd day of August, 2019.





Notary Public