

**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 8th Accumulation Period.)
File No. ER-2012-0164
Tariff No. YE-2012-0241

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and for its recommendation states:

1. On November 28, 2011, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) filed one (1) tariff sheet bearing a proposed effective date of January 26, 2012. With the tariff sheet Ameren Missouri proposes to revise the current Fuel and Purchased Power Adjustment rates (FPA_C) of its Fuel Adjustment Clause (“FAC”) as follows:

Fuel and Purchased Power Adjustment Rate – Ameren Missouri			
Service	Proposed FPA _C	Current FPA _C	Difference
Primary	\$0.00158/kWh	\$0.00188/kWh	\$(0.00030)/kWh
Secondary	\$0.00154/kWh	\$0.00182/kWh	\$(0.00028)/kWh
Large Transmission	\$0.00149/kWh	0.00176/kWh	\$(0.00027)/kWh

2. The Missouri Public Service Commission (“Commission”) most recently approved Ameren Missouri’s FAC as part of its *Report and Order* in File No. ER-2011-0028. These proposed changes to FPA_C include amounts for under recovery during accumulation period 8, and true-ups of recovery periods 3 and 4, plus accrued interest. By these proposed changes in the FPA_C, Ameren Missouri requests a decrease in the revenues it bills through its Fuel Adjustment Charge on customers’ bills commencing January 26, 2012, the proposed tariff sheet effective date.

3. In the attached Memorandum (Appendix A), the Missouri Public Service Commission Energy Unit and Energy Resource Analysis Section Staff recommend that the Commission issue an Order that approves the following proposed tariff sheet, as filed on November 28, 2011, to become effective on January 26, 2012, as requested by Ameren Missouri:

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

1st Revised Sheet No. 98.21 Canceling Original Sheet No. 98.21.

4. In its memorandum Staff discusses that the FPA_c changes not only include ninety-five percent (95%) of the difference between Ameren Missouri's actual fuel and purchased power costs net of off-system sales revenue and Ameren Missouri's Base Energy Cost during the accumulation period of June 1, 2011 through September 30, 2011—accumulation period eight ("AP8"), plus monthly interest on the difference accumulated through the end of that accumulation period, but also true-ups of the third and fourth recovery periods ("RP3" and "RP4"), plus accrued interest, due to the Commission's findings in File Nos. ER-2010-0274.

5. Staff has verified that Ameren Missouri has filed its annual report and is not delinquent on any assessment. Other than the RP4 true-up filing referenced above - File No. ER-2012-0165, Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

6. **WHEREFORE**, Staff recommends the Commission issue an order that approves the following proposed tariff sheet, as filed on November 28, 2011, to become effective on January 26, 2012, as requested by Ameren Missouri:

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

1st Revised Sheet No. 98.21 Canceling Original Sheet No. 98.21.

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams
Deputy General Counsel
Missouri Bar No. 35512

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronically mailed to all counsel of record this 23rd day of December 2011.

/s/ Nathan Williams

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2012-0164, Tariff Tracking YE-2012-0241
Union Electric Company d/b/a Ameren Missouri

FROM: David Roos, Regulatory Economist III
Leon Bender, Utility Regulatory Engineer I
Michelle Bocklage, Rate & Tariff Examiner

/s/ John Rogers 12/23/2011
Energy Unit / Date

/s/ Nathan Williams 12/23/2011
Staff Counsel Division / 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 Orders from File Nos. ER-2011-0028, ER-2010-0274, and ER-2012-0029

DATE: December 23, 2011

On November 28, 2011, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, 1st Revised Sheet No. 98.21 bearing a proposed effective date of January 26, 2012, canceling Original Sheet No. 98.21. The filed tariff sheet, 1st Revised Sheet No. 98.21 revises Ameren Missouri's Fuel and Purchased Power Adjustment ("FPA") per kWh rates (Item 14 on Tariff Sheet No. 98.21) of its Fuel Adjustment Clause ("FAC"). Staff recommends the Missouri Public Service Commission ("Commission") approve 1st Revised Sheet No. 98.21.

Ameren Missouri's November 28, 2011 filing includes the testimony of Ameren Missouri witness Jeff L. Dodd and associated Ameren Missouri work papers. The testimony and work papers include information that supports Ameren Missouri's calculation of the dollar amount it used to calculate FPA_g.¹ That dollar amount ("FPA_g Amount") is \$34,353,897 which results in a FPA_g of \$0.00130 per kWh and an FPA_c of \$0.00150 per kWh.

¹ FPA_{RP} is defined in Ameren Missouri's tariff as "FPA Recovery Period rate component calculated to recover under/over collection during the Accumulation Period that ended prior to the applicable Filing Date." Since this filing occurred after the end of Accumulation Period 8, FPA_{RP} in this recommendation is referred to as FPA_g.

Ameren Missouri's work papers show the following components of the FPA₈ Amount:

1. Customer Responsibility for Accumulation Period 8 ("AP8") equal to \$29,408,780 (Line 5 on 1st Revised Sheet No. 98.21);
2. Interest for AP8 equal to \$68,483;
3. True-Up for Recovery Period 3 ("RP3") with interest equal to \$1,022,396; and
4. True-Up for Recovery Period 4 ("RP4") with interest equal to \$3,854,238.²

Line 6 on Ameren Missouri's requested 1st Revised Sheet No. 98.21 is equal to \$4,945,117 which is the sum of the interest for AP8, the true-up for RP3 with interest, and the true-up of RP4 with interest.

Customer Responsibility for AP8 with Interest

AP8 is the period June 1, 2011 through September 30, 2011. The customer responsibility for AP8 is equal to ninety-five percent (95%) of the difference between Ameren Missouri's actual fuel and purchased power costs net of off-system sales revenue and Ameren Missouri's Base Energy Cost during AP8—\$29,408,780, plus monthly interest on the difference accumulated through the end of AP8—\$68,483—for an aggregate of \$29,477,263 to be charged to customers.

True-Up for RP3 with Interest

On July 25, 2011, Ameren Missouri filed its true-up of RP3 in File No. ER-2012-0029. There Ameren Missouri asserted it under-collected \$1,017,862 during RP3 plus monthly interest of \$4,534 for an aggregate of \$1,022,396 to be charged to customers. The true-up amount of \$1,022,396 for RP3 includes the impact of correcting the calculation of the summer and winter net base fuel cost per kWh rates ("NBFC rates") for AP3 as the Commission ordered in its June 29, 2011 *Report and Order* in File No. ER-2010-0274:

1. The Application of Union Electric Company, d/b/a Ameren Missouri containing its First Fuel Adjustment Clause True-Up is approved.
2. Union Electric Company, d/b/a Ameren Missouri is authorized to include the under-collection amount arising from its First Recovery Period as calculated by Ameren Missouri in its next FPA rate filing.

² Approval of the True-Up for Recovery Period 4 (RP4) is the subject of File No. ER-2012-0165.

3. Union Electric Company, d/b/a Ameren Missouri shall correct the erroneous calculation of the summer and Winter NBFC rates as identified in this Report and Order in all remaining true-up filings in which that erroneous calculation will have an impact.

This filing is the second FPA rates adjustment filing following the Commission's *Report and Order* in File No. ER-2010-0274.

True-Up for RP4 with Interest

On November 28, 2011, Ameren Missouri filed its fourth true-up filing docketed as File No. ER-2012-0165. The true-up amount of \$3,854,238 identified in this filing is the result of an under collection during RP4. The true-up amount includes the impact of correcting the calculation of the summer and winter NBFC rates for AP4, as the Commission ordered in its June 29, 2011 *Report and Order* in File No. ER-2010-0274.

Calculation of FPA₈

FPA₈ of \$0.00130 per kWh is equal to the FPA₈ Amount of \$34,353,897 divided by the estimated Recovery Period 8 ("RP8") kWh sales of 26,492,563,236 kWh. The FPA₈ per kWh rate will apply during RP8—Ameren Missouri's billing months of February 2012 through September 2012.

Ameren Missouri's requested 1st Revised Sheet No. 98.21 canceling Original Sheet No. 98.21, when effective, will change the current FPA_c per kWh rate (without voltage level adjustment) to \$0.0150 per kWh which is the cumulative sum of: 1) FPA₆ of \$0.00058 per kWh, 2) FPA₇ of \$(0.00038) per kWh, and 3) FPA₈ of \$0.00130 per kWh. The proposed FPA_c per kWh rate of \$0.00150 is on line 12 of the Company's requested 1st Revised Sheet No. 98.21.

Because of a difference in line losses, there are different current FPA_c per kWh rates for service taken at Secondary, Primary, and Large Transmission voltage levels. Listed below are the proposed FPA_c per kWh rates, the current FPA_c per kWh rates and the difference between them for Secondary, Primary, and Large Transmission service:

	Proposed FPA _c	Current FPA _c	Difference
Secondary	\$0.00158/kWh	\$0.00188/kWh	\$(0.00030)/kWh
Primary	\$0.00154/kWh	\$0.00182/kWh	\$(0.00028)/kWh
Large Transmission	\$0.00149/kWh	0.00176/kWh	\$(0.00027)/kWh

Based on a monthly usage of 1,100 kWh, the proposed change to the Secondary FPA_c per kWh rate will decrease the Fuel Adjustment Charge of an Ameren Missouri residential customer's bill from \$2.07 to \$1.74, a decrease of \$0.33 per month.³

The Accumulation Periods, Recovery Periods, and other specifications of Ameren Missouri's FAC are set out in its tariff sheets designated Sheet Nos. 98.15 through 98.21.

Staff reviewed proposed 1st Revised Sheet No. 98.21, the direct testimony of Ameren Missouri witness Jeff L. Dodd and work papers in this filing, as well as, Ameren Missouri's monthly information submitted in compliance with 4 CSR 240-3.161(5) for AP8 and verified that the actual fuel and purchased power costs match the fuel and purchased power costs in Ameren Missouri's proposed 1st Revised Sheet No. 98.21 and the supporting schedules of witness Jeff L. Dodd. Staff reviewed Ameren Missouri's monthly reports and verified that the kWh billed shown on the monthly reports match the accumulation period sales used to calculate the FPA rates. Staff reviewed Ameren Missouri's monthly interest rates that are applied to 95% of the over/under Base Energy Cost amounts and verified that the interest rates and calculations of interest amounts are correct for AP8. Staff also reviewed and verified the correctness of the following Commission ordered adjustments in this filing: true-up for RP3 with interest and true-up for RP4 with interest.

Staff Recommendation

Ameren Missouri timely filed 1st Revised Sheet No. 98.21, and has complied with the Commission's *Report and Order* in Case No. ER-2011-0028 regarding its FAC, the Commission's *Report and Order* in File No. ER-2010-0274 regarding its true-up of RP3 and RP4, the Commission's *Report and Order* in File No. ER-2012-0029 regarding its true-up of RP3, Commission Rule 4 CSR 240-3.161 (Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements), and Ameren Missouri's FAC embodied in its tariff.

Commission Rule 4 CSR 240-20.090(4) provides in part:

[T]he 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, if no such order is issued, the tariff schedules and the

³ The proposed FPA_c is less than the current FPA_c because the FPA_g rate is less than the FPA₅ rate which is not included in the proposed FPA_c because accumulation period 5 will end with the January 2012 billing month.

FAC rate adjustments shall take effect sixty (60) days after the tariff schedules were filed.

Ameren Missouri requested that 1st Revised Sheet No. 98.21, filed November 28, 2011, become effective on January 26, 2012, the beginning of the first billing cycle of Ameren Missouri's February 2012 billing month. Thus, the proposed tariff sheet was filed with 59 days' notice. Should the Commission not issue an order on or prior to January 26, 2012 approving the 1st Revised Sheet No. 98.21, the proposed FPA rate will not be in effect for the customers whose meters are read on January 26. Therefore, Staff recommends the Commission issue an order approving the following proposed tariff sheet, as filed on November 28, 2011, to become effective on January 26, 2012, as requested by Ameren Missouri:

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

1st Revised Sheet No. 98.21 Canceling Original Sheet No. 98.21.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2010 Annual Report. Ameren Missouri is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10) and its monthly reports as 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 as noted herein.

**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 8th)
Accumulation Period)
Case No. ER-2012-0164

AFFIDAVIT OF LEON C. BENDER

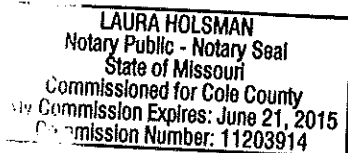
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Leon C. Bender, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Leon C. Bender

Subscribed and sworn to before me this 23rd day of December, 2011.





Notary Public

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

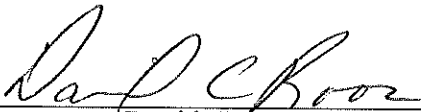
In the Matter of the Adjustment of Union)
Electric Company d/b/a Ameren Missouri's)
Fuel Adjustment Clause for the 8th)
Accumulation Period)

Case No. ER-2012-0164

AFFIDAVIT OF DAVID C. ROOS

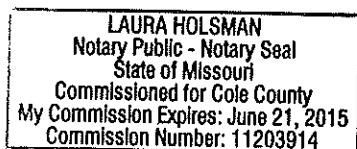
STATE OF MISSOURI)
) ss
COUNTY OF COLE)


David C. Roos, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



David C. Roos

Subscribed and sworn to before me this 23RD day of December, 2011.





Notary Public