

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

In the Matter of Union Electric Company d/b/a)
Ameren Missouri for Authority to Implement Rate)
Adjustments Required by 4 CSR 240-2.090(4) and)
the Company's Approved Fuel and Purchased)
Power Cost Recovery Mechanism.)

File No. ER-2014-0163
Tariff No. JE-2014-0239

**STAFF RECOMMENDATION TO APPROVE TARIFF SHEET REGARDING
CHANGE TO THE FUEL ADJUSTMENT CLAUSE CHARGE FOR
ACCUMULATION PERIOD 14**

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), by and through counsel, and for its recommendation to approve tariff sheet, states as follows:

1. On November 27, 2013, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed a proposed tariff sheet with supporting direct testimony pursuant to Commission Rules 4 CSR 240-20.090(4) and 4 CSR 240-3.161(7) seeking approval to adjust the Company's fuel adjustment rates ("FARs") used to calculate its fuel adjustment clause ("FAC") charge billed to its customers. The proposed tariff sheet bears an effective date of January 27, 2014.

2. Concurrently on November 27, Ameren Missouri submitted a true-up filing in File No. ER-2014-0164 to identify the net fuel costs plus interest it under-charged customers during Recovery Period 11 ("RP11") prescribed by its FAC. This amount is used when calculating the new FARs in this case.

3. On December 2, the Commission ordered Staff to examine and analyze Ameren Missouri's filings in this case, and to file its recommendation no later than December 27, 2013, as required by Rule 4 CSR 240-20.090(4). The Commission also

directed that notice of the order be served on the parties to File No. ER-2012-0166 (the general rate proceeding in which continuation of Ameren Missouri's FAC was most recently approved). The Commission received no applications to intervene.

4. Staff's *Memorandum*, attached hereto as Appendix A and incorporated by reference, recommends the Commission issue an order approving the proposed revised tariff sheet Ameren Missouri filed on November 27.

5. Commission Rule 4 CSR 240-20.090(4) states: "An electric utility with a FAC shall file one (1) mandatory adjustment to its FAC in each true-up year coinciding with the true-up of its FAC."¹ The rule requires Staff "to determine if the proposed adjustment to the FAC is in accordance with the provisions of this rule, section 386.266 RSMo and the FAC mechanism established in the most recent general rate proceeding." If so, "the 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... the tariff schedules and the FAC rate adjustments shall take effect sixty (60) days after the tariff schedules were filed."

6. Ameren Missouri's filing in this case requests Commission approval of one tariff sheet bearing an effective date of January 27, 2014, that revises the current FARs in its FAC. The filing includes testimony and workpapers of Ameren Missouri witness Erik C. Wenberg supporting the Company's calculation of the Fuel and Purchased Power Adjustment ("FPA").

7. The FPA amount is \$24,237,817. This represents the total requested increase in the amount sought to be collected in customer FAC charges over the

¹ An electric utility may also file up to three (3) additional adjustments to its FAC within a true-up year with the timing and number of such filings to be determined in a general rate proceeding.

applicable Recovery Period. The FPA amount includes the difference between Actual Net Energy Costs (“ANEC”)² and Net Base Energy Cost (“B”)³ the Company experienced during Accumulation Period 14 (“AP14”) and application of the Commission-approved 95 percent sharing ratio⁴, plus interest for AP14⁵, plus the amount from the true-up for RP11 including interest,⁶ minus the Prudence Adjustment Amount including interest⁷ which is explained in paragraph 10 below and in more detail in Staff’s *Memorandum*.

8. As explained in Staff’s *Memorandum*, the FPA amount results in a total requested FAR of \$0.00255 per kWh⁸, which is a decrease of \$0.00098 per kWh when compared to the current FAR of \$0.00353 per kWh. Because of a difference in line losses, the FAR is adjusted for the voltage service the customers receive:

	Proposed RP14 FARs	Current RP13 FARs	Difference
Secondary	\$0.00270/kWh	\$0.00373/kWh	(\$0.00103)/kWh
Primary	\$0.00261/kWh	\$0.00362/kWh	(\$0.00101)/kWh
Large Transmission	\$0.00253/kWh	\$0.00350/kWh	(\$0.00097)/kWh

9. AP14 and RP11 include Ameren Missouri’s costs for its Maryland Heights landfill gas facility, based on the Commission’s approval of Ameren Missouri’s request

² ANEC = fuel costs + purchased power costs + net emissions costs minus off system sales revenues. See line item 1 of 2nd Revised Sheet No. 72.9 filed in this case.

³ See line item 2 of 2nd Revised Sheet No. 72.9 filed in this case.

⁴ See line item 4 of 2nd Revised Sheet No. 72.9 filed in this case.

⁵ See line item 4.1 of 2nd Revised Sheet No. 72.9 filed in this case.

⁶ See line item 4.2 of 2nd Revised Sheet No. 72.9 filed in this case.

⁷ See line item 4.3 of 2nd Revised Sheet No. 72.9 filed in this case.

⁸ The rate is calculated using estimated kWh sales for the February 2014 to September 2014 Recovery Period (14th Recovery Period).

for a waiver or variance from Commission Rule 4 CSR 240-20.100(6)(A)16.⁹ Staff will continue to work with Ameren Missouri to reach a resolution on the future treatment of the costs of landfill gas purchased for the Company's Maryland Heights generating units.

10. Ameren Missouri has complied with the Commission's July 31, 2013 *Report and Order* in File No. EO-2012-0074 which ordered Ameren Missouri to refund some \$26,342,791 plus interest to ratepayers by making an adjustment to its FAC charge to correct an over-collection of revenue for the period of October 1, 2009 to June 20, 2010. Ameren Missouri has included this prudence adjustment in calculating the FARs it is seeking for the Commission to approve in this docket. The total interest amount from May 2011 to October 2013 is \$324,936 and results in a total refund amount of \$26,667,727 which is included on line 4.3 Prudence Adjustment Amount (P) on 2nd Revised Tariff Sheet No. 72.9. Staff agrees with the Company's calculation of interest included in the prudence adjustment amount because the interest calculation complies with the definition of interest in the FAC and is consistent with the Company's calculation of interest in its past FAR filings.

11. Staff has determined that Ameren Missouri timely filed the 2nd Revised Tariff Sheet No. 72.9 and that it complies with Commission Rule 4 CSR 240-3.161 and Ameren Missouri's FAC as defined in its tariff.

12. Staff verified that Ameren Missouri is not delinquent on any assessment, and has filed its 2012 annual report. Ameren Missouri is current on the filing of its

⁹ In its *Report and Order* issued on December 12, 2012 in Case No. ER-2012-0166, the Commission granted a waiver of Commission Rule 4 CSR 240-20.100(6)(A)16 as regards the purchase of landfill gas for the operation of the Maryland Heights Landfill Gas.

Surveillance Monitoring reports as required by 4 CSR 240-20.090(10) and its monthly reports 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 File No. ER-2014-0164 as noted herein.

WHEREFORE, Staff recommends the Commission issue an order approving the following proposed revised tariff sheet, as filed on November 27, 2013, to become effective on January 27, 2014, as requested by Ameren Missouri:

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

2nd Revised Sheet No. 72.9 Cancelling 1st Revised Sheet No. 72.9.

Respectfully Submitted,

**STAFF OF THE MISSOURI
PUBLIC SERVICE COMMISSION**

/s/ Robert S. Berlin

Robert S. Berlin
Senior Counsel
Missouri Bar No. 51709

Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102
Telephone: (573) 526-7779
Fax: (573) 751-9285
Email: bob.berlin@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 20th day of December, 2013.

/s/ Robert S. Berlin