

December 21, 2014, 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 Case 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 21.

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").

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.

7. The FPA amount is \$44,312,421. This represents the total requested increase in the amount sought to be collected in customer FAC charges over the applicable Recovery Period, RP 17. 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 17 (“AP17”) and application of the Commission-approved 95 percent risk-sharing ratio⁴, minus interest for RP 14 and AP 17⁵, plus the amount of the true-up for RP14 excluding interest,⁶ minus a prudence adjustment amount of zero⁷. (The prudence adjustment refund previously ordered by the Commission in its July 31, 2013 *Report and Order* in File No. EO-2012-0074 was completed in the FAR for AP 14 and returned to customers in RP14).

8. As explained in Staff’s *Memorandum*, the FPA amount results in a total requested FAR of \$0.00399 per kWh⁸, which is a decrease of \$0.00045 per kWh when compared to the current FAR of \$0.00444 per kWh. Because of a difference in line losses, the FAR is adjusted for the voltage service the customers receive:

² ANEC = fuel costs + purchased power costs + net emissions costs minus off system sales revenues. See line item 1 of 5th Revised Sheet No. 72.9 filed in this case.

³ See line item 2 of 5th Revised Sheet No. 72.9 filed in this case.

⁴ See line item 3.1 of 5th Revised Sheet No. 72.9 filed in this case.

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

⁶ See line item 4.2 of 5th Revised Sheet No. 72.9 filed in this case.

⁷ See line item 4.3 of 5th Revised Sheet No. 72.9 filed in this case.

⁸ The rate is calculated using estimated kWh sales for the February 2015 through September 2015 Recovery Period (17th Recovery Period).

	Proposed RP17 FARs	Current RP16 FARs	Difference
Secondary	\$0.00422/kWh	\$0.00470/kWh	\$0.00048/kWh decrease
Primary	\$0.00409/kWh	\$0.00455/kWh	\$0.00046/kWh decrease
Large Transmission	\$0.00396/kWh	\$0.00440/kWh	\$0.00044/kWh decrease

9. AP17 and RP14 include Ameren Missouri's costs for its Maryland Heights landfill gas facility, based on the Commission's approval of Ameren Missouri's request 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 and any other renewable energy costs flowing through the Company's FAC.

10. Staff has determined that Ameren Missouri timely filed the 5th 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 FAC tariff sheets.

11. Staff verified that Ameren Missouri is not delinquent on any assessment, and has filed its 2013 annual report. Ameren Missouri is current on the filing of its 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-2015-0130 as noted herein.

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 generation facility.

WHEREFORE, Staff recommends the Commission issue an order approving the following proposed revised tariff sheet, as filed on November 21, 2014, to become effective on January 27, 2015, as requested by Ameren Missouri:

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

5th Revised Sheet No. 72.9 Cancelling 4th Revised Sheet No. 72.9.

Respectfully Submitted,

/s/ Marcella L. Mueth

Marcella L. Mueth

Assistant Staff Counsel

Missouri Bar No. 66098

Attorney for the Staff of the

Missouri Public Service Commission

P.O. Box 360

Jefferson City, Missouri 65102

Telephone: (573) 751-4140

Fax: (573) 751-9285

Email: marcella.mueth@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 19th day of December, 2014.

/s/ Marcella L. Mueth

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2015-0128, Tariff Tracking No. YE-2015-0209
Union Electric Company d/b/a Ameren Missouri

FROM: Matthew J. Barnes, Utility Regulatory Auditor IV
David Roos, Regulatory Economist III
Curtis Gateley, Utility Policy Analyst II

/s/ John Rogers 12/19/2014 /s/ Marcella Mueth 12/19/2014
Energy Resource Analysis Unit / 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 File No. ER-2012-0166.

DATE: December 19, 2014

On November 21, 2014, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, 5th Revised Sheet No. 72.9 bearing a proposed effective date of January 27, 2015, canceling 4th Revised Sheet No. 72.9. The filed tariff sheet, 5th Revised Sheet No. 72.9, revises Ameren Missouri's Fuel Adjustment Rates ("FARs") of its Fuel Adjustment Clause ("FAC"). Staff recommends the Missouri Public Service Commission ("Commission") approve 5th Revised Sheet No. 72.9.

Ameren Missouri's November 21, 2014 filing includes the testimony of Ameren Missouri witness Erik C. Wenberg and associated Ameren Missouri work papers. The testimony and work papers include information and data that supports Ameren Missouri's calculation of the dollar amount of its Fuel and Purchased Power Adjustment ("FPA"). That dollar amount ("FPA Amount") is \$44,312,421 and is reflected on line 5 of 5th Revised Sheet No. 72.9. This FPA Amount results in a FAR₁₇¹ of \$0.00171 per kWh, which when added to the FAR₁₆ of \$0.00228

¹ FAR_{RP} is defined in Original Sheet No. 72.7 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 occurred after the end of Accumulation Period 17, FAR_{RP} in this recommendation is referred to as FAR₁₇.

per kWh results in a proposed FAR² of \$0.00399 per kWh. The proposed FAR is \$0.00045 per kWh less than the current FAR³ of \$0.00444 per kWh.

Calculation of Total Company Fuel and Purchased Power Difference

Ameren Missouri's work papers for Accumulation Period 17 ("AP17"), which includes the period of June 1, 2014 through September 30, 2014, contain data and calculations for Actual Net Energy Cost ("ANEC") equal to \$249,019,250 (line 1 of 5th Revised Sheet No. 72.9) and Net Base Energy Cost ("B") equal to \$201,847,377 (line 2 of 5th Revised Sheet No. 72.9). For this filing, B is equal to sales of 13,492,471,662 kWh for June 1, 2014 through September 30, 2014, times \$0.01496⁴ per kWh. The difference between ANEC and B is equal to \$47,171,873 and is the amount on line 3 of 5th Revised Sheet No. 72.9, the Total Company Fuel and Purchased Power Difference.

Calculation of FPA Amount

Ameren Missouri's work papers and 5th Revised Sheet No. 72.9 show the FPA Amount⁵ of \$44,312,421 to be the sum of:

1. Customer Responsibility for AP17 equal to \$44,813,279⁶ (Line 4 on 4th Revised Sheet No. 72.9); minus
2. Interest for AP17 and Recovery Period 14 ("RP14") equal to \$833,773; plus
3. True-Up amount for RP14, without interest, equal to \$332,915.⁷ This true-up amount is before the Commission for approval in pending File No. ER-2015-0130.

² FAR is defined in Original Sheet No. 72.7 as "Fuel Adjustment Rate applied to retail customer usage on a per kWh basis starting with the applicable Recovery Period following the FAR filing." $FAR = FAR_{RP} + FAR_{RP-1}$.

³ The \$0.00444 per kWh rate is found on line 9 of 4th Revised Sheet No. 72.9.

⁴ Summer NBFC Rate on Original Sheet No. 72.6.

⁵ 5th Revised Sheet No. 72.9 lines 1 through 5 include the complete calculation of the FPA Amount of \$44,312,421.

⁶ The customer responsibility for AP17 is equal to ninety-five percent (95%) of \$47,171,873 (the difference between ANEC and B during AP17).

⁷ Union Electric Company's Schedule No. 5, Original Sheet No. 72.8: "TRUE-UP: After completion of each RP, the Company shall make a true-up filing on the same day as its FAR (Fuel Adjustment Rate) filing. Any true-up adjustments shall be reflected in item T above. Interest on the true-up adjustment will be included in I above. The true-up adjustments shall be the difference between the revenues billed and the revenues authorized for collection during the RP."

Calculation of FAR₁₇

FAR₁₇ of \$0.00171 per kWh is equal to the Customer Responsibility for AP17 minus interest for AP17 and RP14 plus the True-Up Amounts for RP14 divided by the Estimated Recovery Period Sales in kWh settled at MISO CP node (AMMO.UE or successor node) of 25,884,109,537 kWh. FAR₁₇ will apply during RP17—Ameren Missouri’s billing months of February 2015 through September 2015.

Calculation of FAR Without Voltage Level Adjustments

Line 9 of Ameren Missouri’s proposed 5th Revised Sheet No. 72.9 reflects a FAR of \$0.00399 per kWh which is the sum of: 1) FAR₁₆ of \$0.00228 per kWh, and 2) FAR₁₇ of \$0.00171 per kWh.

Calculation of FARs with Voltage Level Adjustments

Because of a difference in line losses⁸, there are different current FARs for service taken at Secondary, Primary, and Large Transmission voltage levels. Listed below are the proposed RP17 FARs, the current RP16 FARs and the difference between them for Secondary, Primary, and Large Transmission service:

	Proposed RP17 FAR	Current RP16 FAR	Difference
Secondary	\$0.00422/kWh	\$0.00470/kWh	\$0.00048/kWh Decrease
Primary	\$0.00409/kWh	\$0.00455/kWh	\$0.00046/kWh Decrease
Large Transmission	\$0.00396/kWh	\$0.00440/kWh	\$0.00044/kWh Decrease

Based on a monthly usage of 1,100 kWh, the proposed change to the Secondary FAR would decrease the Fuel Adjustment Charge of an Ameren Missouri residential customer’s bill from \$5.17 to \$4.64, a decrease of \$0.53 per month.

Staff reviewed proposed 5th Revised Sheet No. 72.9, the direct testimony of Ameren Missouri witness Erik C. Wenberg 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 AP17. Staff verified

⁸ Secondary, Primary, and Large Transmission Voltage Adjustment Factors are shown on lines 10, 12, and 14, respectively, on Ameren Missouri’s proposed 5th Revised Sheet No. 72.9.

that the actual fuel and purchased power costs net of off-system sales revenues reflected therein match the fuel and purchased power costs and emission costs net of off-system sales revenues on line 1 of Ameren Missouri's requested 5th Revised Sheet No. 72.9 and the supporting schedules of witness Erik C. Wenberg. 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 B. 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 AP17.

Landfill Gas Facility and Other Renewable Energy Costs

In its December 12, 2012, *Report and Order* in Case No. ER-2012-0166, the Commission granted Ameren Missouri relief from Rule 4 CSR 240-20.100(6)(A)16 to allow the costs of landfill gas purchased for operation in the Company's Maryland Heights generating facility to flow through its FAC; therefore, Staff has continued to allow the costs of that landfill gas and "other potential renewable generation energy costs" to flow through Ameren Missouri's FAC for AP17. Footnote 4 to Ameren's Application for Waiver or Variance of 4 CSR240-20.100(6)(A)16 for Maryland Heights Landfill Gas Facility and Motion for Expedited Treatment filed in Ameren Missouri's rate case File No. ER-2012-0166, states that other potential renewable generation energy costs "... may be another renewable energy generating unit or the energy charges for renewable energy through purchased power agreements." In addition to the landfill gas facility, Staff is aware of purchase power agreements for wind energy and residential solar net metering costs flowing through the FAC. Staff is working with Ameren Missouri to reach a resolution (in the Company's pending general rate proceeding) concerning the treatment of all renewable energy costs flowing through the FAC.

Staff Recommendation

Ameren Missouri timely filed 5th Revised Sheet No. 72.9, and based on Staff's review the Staff has determined that it is in compliance with 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 FAC rate adjustments shall take effect sixty (60) days after the tariff schedules were filed.

Ameren Missouri requested that 5th Revised Sheet No. 72.9, filed November 21, 2014, become effective on January 27, 2015, the beginning of the first billing cycle of Ameren Missouri's February 2015 billing month. Thus, the proposed tariff sheet was filed with 67 days' notice. Therefore, Staff recommends the Commission issue an order approving the following proposed tariff sheet, as filed on November 21, 2014, to become effective on January 27, 2015, as requested by Ameren Missouri:

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

5th Revised Sheet No. 72.9 Canceling 4th Revised Sheet No. 72.9.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2013 Annual Report⁹. 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 File No. ER-2015-0130 as noted herein.

⁹ Ameren Missouri is expected to file its 2014 Annual Report by the end of the first quarter 2015.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

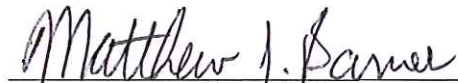
In the Matter of the Adjustment of Union)
Electric Company d/b/a Ameren)
Missouri's Fuel Adjustment Clause for the)
17th Accumulation Period)

File No. ER-2015-0128

AFFIDAVIT OF MATTHEW J. BARNES

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Matthew J. Barnes, 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.



Matthew J. Barnes

Subscribed and sworn to before me this 19th day of December, 2014.

SUSAN L. SUNDERMEYER
Notary Public - Notary Seal
State of Missouri
Commissioned for Callaway County
My Commission Expires: October 28, 2018
Commission Number: 14942086



Notary Public

