

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

In the Matter of Union Electric Company, d/b/a)
Ameren Missouri Filing to Adjust Rates Under) **File No. ER-2011-0317**
Its Approved Fuel and Purchased Power Cost) Tariff No. YE-2011-00485
Recovery Mechanism Pursuant to 4 CSR 240-)
20.090(4).)

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for its *Recommendation to Approve Tariff Sheet*, respectfully states the following:

1. On March 25, 2011, Union Electric Company, d/b/a Ameren Missouri (Ameren Missouri or Company) filed a tariff sheet to change its Fuel and Purchased Power Adjustment (FPA) rates under its Fuel and Purchase Power Adjustment Clause (FAC). This is Ameren Missouri's sixth FPA filing. The Commission most recently approved Ameren Missouri's FAC in File No. ER-2010-0036.

2. Commission Rule 4 CSR 240-20.090(4) provides that Staff "shall submit a recommendation regarding its examination and analysis to the Commission not later than thirty (30) days after the electric utility files its tariff schedules to adjust its FAC rates." Staff must determine if Ameren Missouri's proposed adjustment to its FAC rates is in accordance with 4 CSR 240-20.090, §386.266 RSMo. (Supp. 2009), and the "FAC mechanism established in the most recent general rate proceeding." *Id.* On March 28, 2011, the Commission issued an order in which it directed Staff to file "no later than April 24, 2011, a recommendation regarding its examination and analysis of Ameren Missouri's tariff filing."

3. Commission Rule 4 CSR 240-20.090(4) provides that 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, 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.”

4. Ameren Missouri’s requested adjustment is based on an accumulation period (of eligible costs subject to subsequent recovery from, or refund to, customers) from October 1, 2010 through January 31, 2011. Ameren Missouri’s requested recovery period includes Ameren Missouri’s billing months of June 2011 through May 2012.

5. In the attached Memorandum (Appendix A), Staff presents its examination, analysis and recommendation that the Commission issue an interim rate adjustment *Order* approving Ameren Missouri’s Tariff Sheet, P.S.C. Mo. Schedule No. 5, 3rd Revised Sheet 98.14 Cancelling 2nd Revised Sheet No. 98.14, as filed on March 25, 2011 to be effective on May 25, 2011, subject to true-up and prudence reviews.

6. Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2009 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).

WHEREFORE, the Staff recommends that the Commission issue an interim rate adjustment Order approving, subject to true-up and prudence reviews, Ameren Missouri’s proposed tariff sheet, P.S.C. Mo. Schedule No. 1, 3rd Revised Sheet 98.14 Cancelling 2nd Revised Sheet No. 98.14, as filed on March 25, 2011, to become effective on May 25, 2011, as requested by Ameren Missouri.

Respectfully submitted,

/s/ Jaime N. Ott_____

Jaime N. Ott
Assistant General Counsel
Missouri Bar No. 60949

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 22nd day of April 2011.

/s/ Jaime N. Ott_____

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2011-0317, Tariff Tracking No. YE-2011-0485
Union Electric Company d/b/a Ameren Missouri

FROM: Matthew Barnes, Utility Regulatory Auditor IV
Michelle Bocklage, Rate and Tariff Examiner II

DATE: /s/ John Rogers 4/24/2011 /s/ Jaime Ott 4/24/2011
Energy Department / Date 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 Order from File No. ER-2010-0036.

DATE: April 24, 2011

On March 25, 2011, Union Electric Company d/b/a Ameren Missouri (Ameren Missouri) filed one (1) tariff sheet, 3rd Revised Sheet No. 98.14 Canceling 2nd Revised Sheet No. 98.14. bearing a proposed effective date of May 25, 2011 to revise its Fuel and Purchased Power Adjustment ("FPA") (Item 14 on Tariff Sheet No. 98.14) of its Fuel Adjustment Clause ("FAC") which changes the FPA per kWh rates used to determine the FPA charge on customer bills. Staff recommends the Missouri Public Service Commission (Commission) approve this tariff sheet.

Included in Ameren Missouri's March 25th filing are the proposed tariff sheet, the testimony of Ameren Missouri witness Jeff L. Dodd, and Ameren Missouri's work papers. The testimony and work papers include information for Accumulation Period 6 (AP6) supporting Ameren Missouri's calculation of the FPA amount for Accumulation Period 6 (FPA6). AP6 ran from October 1, 2010 through January 31, 2011. The FPA6 amount is equal to ninety-five percent (95%) of the difference between Ameren Missouri's actual fuel and purchased power cost net of off-system sales and Ameren Missouri's Base Energy Cost during AP6, \$23,986,665, plus monthly interest on the difference accumulated through the end of AP6 of \$64,709 for a total FPA6 amount of \$24,051,374. The FPA₆ per kWh rate of \$0.00058 per kWh is equal to the FPA6 amount of \$24,051,374 divided by the estimated RP6 sales of 41,442,815,629 kWh. The

FPA6 per kWh rate will apply during Recovery Period 6 (RP6) which includes Ameren Missouri's billing months of June 2011 through May 2012.

Ameren's proposed tariff, 3rd Revised Sheet No. 98.14 Canceling 2nd Revised Sheet No. 98.14., provides current FPA_c per kWh rate (without voltage level adjustment) of \$0.00388 per kWh will be effective May 25, 2011 (first day of Ameren Missouri's June 2011 billing month). It is the cumulative sum of: 1) the FPA per kWh rate for Accumulation Period 4 (\$0.00176 per kWh), 2) the FPA per kWh rate for Accumulation Period 5 (\$0.00154 per kWh), and 3) the FPA per kWh rate for FPA6 (\$0.00058 per kWh). The proposed current FPA_c per kWh rate is on line 12 of the filed tariff sheet.

Because of a difference in line losses, there are different current FPA per kWh rates for service taken at Secondary, Primary, and Large Transmission voltages. The Accumulation Periods, Recovery Periods, and other specifications of Ameren Missouri's FAC are set out in its tariff sheets designated Sheet Nos. 98.1 through 98.14. Listed below are the proposed current FPA per kWh rates and the now current FPA per kWh rates together with the differences between them for Secondary, Primary, and Large Transmission service.

| Fuel and Purchased Power Adjustment Rates – Ameren Missouri | | | |
|---|----------------------|-----------------|---------------------------|
| Service | Proposed Current FPA | Now Current FPA | Difference |
| Secondary | \$0.00419/kWh | \$0.00479/kWh | \$0.00060/kWh Decrease |
| Primary | \$0.00406/kWh | \$0.00464/kWh | \$0.00058/kWh Decrease |
| Large Transmission | \$0.00393/kWh | \$0.00450/kWh | \$0.00057/kWh Decrease |

Based on a monthly usage of 1,100 kWh, the proposed change to the FPA per kWh rates will decrease the Fuel and Purchased Power Adjustment of an Ameren Missouri residential customer's bill from \$5.27 to \$4.61, a decrease of \$0.66 per month.

Staff reviewed Tariff Sheet No. 98.14, 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 AP6 and verified that the actual fuel and purchased power costs match the fuel and purchased power costs in Ameren Missouri's proposed Tariff Sheet No. 98.14 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 also reviewed Ameren Missouri's monthly interest rates that are applied to 95% of the over/under Base Energy Cost amount and verified that the interest rates and calculations of interest amounts are correct for FPA6.

The information filed with the revised tariff sheet and work papers as supplemented by Ameren Missouri includes sufficient data to calculate the FPA6 based on the actual fuel, purchased power, and emissions costs net of off-system sales and the Base Energy Cost provided by Ameren Missouri for FPA6.

Staff Recommendation

Ameren Missouri timely filed revised Tariff Sheet No. 98.14, and has complied with the Commission's *Report and Order* in Case No. ER-2010-0036 regarding its FAC, 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 Tariff Sheet No. 98.14, filed March 25, 2011, become effective on May 25, 2011, the beginning of the first billing cycle of Ameren Missouri's June 2011 billing month. Thus, the tariff sheet was filed with 62 days notice. Staff recommends the Commission issue an order approving the following proposed tariff sheet, as filed on March 25, 2011, to

become effective on May 25, 2011, as requested by Ameren Missouri:

P.S.C. Mo. No. 1

3rd Revised Sheet No. 98.14 Canceling 2nd Revised Sheet No. 98.14.

Staff 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).

In its first FAC true-up filing on December 1, 2010 in File No. ER-2010-0274, Ameren Missouri has raised an issue that the calculations of the Summer and Winter NBFC rates the Commission approved in File No. ER-2008-0318 are in error. If the Commission agrees with Ameren Missouri, its decision will affect the true-up amounts for five Recovery Periods beginning with RP1 and ending with RP5, but the issue is not raised in the calculation of this FPA6 amount in this tariff sheet filing.

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Company d/b/a Ameren Missouri's)
Filing to Adjust Rates under its)
Approved Fuel and Purchased Power)
Cost Recovery Mechanism Pursuant to 4)
CSR 240-20.090(4).)

Case No. ER-2011-0317

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 22nd day of April, 2011.





Notary Public

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CSR 240-20.090(4).)

Case No. ER-2011-0317

AFFIDAVIT OF MICHELLE BOCKLAGE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Michelle Bocklage of lawful age, on oath states: that she 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 her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of her knowledge and belief.


Michelle Bocklage

Subscribed and sworn to before me this 22nd day of April, 2011.




Notary Public