

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, 20 CSR 4240-20.090(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 *Memorandum*, attached as Appendix A, Staff recommends that the Commission issue an order approving Ameren Missouri’s proposed tariff sheet MO. P.S.C. Schedule No. 6, 5th Revised Sheet No. 71.15, Cancelling MO. P.S.C. Schedule No. 6, 4th Revised Sheet No. 71.15, subject to true-up and prudence reviews.

6. For AP38, the fuel and purchased power adjustment (“FPA”) amount is \$18,449,053, which divided by the forecasted net system input for AP38 of 21,361,298,080 kWh results in a current period FAR₃₈ of \$0.00086 per kWh. When this is added to the prior period FAR₃₇ of \$0.00178 per kWh, the result is a proposed AP38 FAR of \$0.00264 per kWh. The proposed AP38 FAR of \$0.00264 per kWh is \$0.00128 per kWh less than the AP37 FAR of \$0.00392 per kWh.²

7. J. Neil Graser, Manager, Power and Fuels Accounting Ameren Services Company, explains the FAR’s decrease in his filed testimony:

The primary factors driving this change in the FAR were accidental outage insurance proceeds received and higher off-system sales margins, partially offset by higher fuel and purchased power costs for load in Accumulation Period 38 as compared to Accumulation Period

¹ 20 CSR 4240-20.090(8)(F).

² The proposed AP38 FAR of \$0.00264 per kWh can be found on Line 11 of the proposed 5th Revised Sheet No. 71.15.

36 and the net base energy costs applicable to each period. Increases in the off-system sales margins is primarily due to increased volumes being available for sale since the Callaway outage affected fewer days in AP38 compared to AP36. Increases in fuel costs for load during Accumulation Period 38 as compared to Accumulation Period 36 and the net base energy costs applicable to each period is primarily due to increased energy costs.³

8. Because of a difference in line losses, there are different FARs for service taken at secondary and primary voltages levels, reflected on lines 13 and 15 of the proposed 5th Revised Sheet No. 71.15. 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)	\$0.00414	\$0.00279	\$0.00135 Decrease
Primary	\$0.00401	\$0.00270	\$0.00131 Decrease

9. Based on a monthly usage of 1,000 kWh, the proposed change to the FAR for secondary service will decrease the FAC of an Ameren Missouri residential customer’s bill from \$4.14 to \$2.79, a decrease of \$1.35 per month.

10. Except for Ameren Missouri’s RP35 true-up filing in File No. EO-2022-0142, also filed November 24, 2021, Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

11. Staff’s review shows Ameren Missouri’s filing is in compliance with 20 CSR 4240-20.090; 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 2020 annual report. Ameren Missouri is current on submission

³ Ameren Missouri, *Direct Testimony of J. Neil Graser*, ER-2022-0141, P. 4:16 – 5:4 (Nov. 24, 2021).

of its monthly reports, required by 20 CSR 4240-20.090(5), and its surveillance monitoring reports, required by 20 CSR 4240-20.090(6).

WHEREFORE, for the above-stated reasons, Staff recommends that the Commission issue an order approving Ameren Missouri's proposed tariff sheet MO. P.S.C. Schedule No. 6, 5th Revised Sheet No. 71.15, Cancelling MO. P.S.C. Schedule No. 6, 4th Revised Sheet No. 71.15, to become effective February 1, 2022, subject to true-up and prudence reviews.

Respectfully submitted,

/s/ Karen E. Bretz

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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 on this 23rd day of December, 2021.

/s/ Karen Bretz

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2022-0141, Tariff Tracking No. YE-2022-0163
Union Electric Company, d/b/a Ameren Missouri

FROM: Amanda C. Conner, Utility Regulatory Auditor

/s/ Amanda C. Conner / 12-23-2021
Energy Resources Department / Date

/s/ Karen Bretz / 12-23-2021
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 for the 38th Accumulation Period

DATE: December 23, 2021

On November 24, 2021, Union Electric Company, d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed one (1) tariff sheet, 5th Revised Sheet No. 71.15, bearing a proposed effective date of February 1, 2022 and cancelling the 4th Revised Sheet 71.15. The 5th Revised Sheet No. 71.15 revises Ameren Missouri's Fuel Adjustment Rates ("FARs") of its Fuel Adjustment Clause ("FAC") for Accumulation Period 38 ("AP38"), which ended on September 30, 2021. Staff recommends that the Missouri Public Service Commission ("Commission") approve 5th Revised Sheet No. 71.15.

Ameren Missouri's November 24, 2021, filing includes the testimony of J. Neil Graser, Manager of Power and Fuels Accounting 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 \$18,449,053 and is reflected on line 5 of 5th Revised Sheet No. 71.15. This FPA Amount results in a FAR₃₈¹ of \$0.00086 per kWh, which when added to the FAR₃₇² of \$0.00178 per kWh, results in a proposed FAR³ of \$0.00264 per kWh. The proposed

¹ FAR_{RP} is defined in Original Sheet No. 71.7 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 followed Accumulation Period 38, FAR_{RP} in this recommendation is referred to as FAR₃₈.

² FAR_(RP-1) is defined in Original Sheet No. 71.7 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 37, FAR_(RP-1) in this recommendation is referred to as FAR₃₇.

³ FAR is defined in Original Sheet No. 71.7 as "Fuel Adjustment Rate applied to retail customer usage on a per kWh basis starting with the applicable Recovery Period following the FAR filing." Therefore, FAR = FAR_(RP) + FAR_(RP-1).

AP38 FAR of \$0.00264 per kWh on line 11⁴ of 5th Revised Sheet No. 71.15 is \$0.00128 per kWh less than the AP37 FAR of \$0.00392 per kWh on line 11 of the 4th Revised Sheet No. 71.15.

Calculation of Total Company Fuel and Purchased Power Difference

Ameren Missouri’s work papers for AP38 show the following:

Actual Net Energy Costs (“ANEC”) ⁵	\$170,675,803
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The Net Base Energy Costs calculation is shown below as Sales multiplied by the Base Factor:

Sales in kWh	12,129,725,924
Base Factor (“BF”) per kWh	\$0.01259
Net Base Energy Costs (“B”) ⁶	\$152,713,249

The total Company Fuel and Purchased Power Difference calculation is shown below as Net Base Energy Costs subtracted from Actual Net Energy Costs:

ANEC	\$170,675,803
B	\$152,713,249
Fuel and Purchased Power Difference	\$17,962,554

Calculation of FPA Amount

Ameren Missouri’s work papers and 5th Revised Sheet No. 71.15 show the FPA Amount⁷ of \$18,449,053 to be the sum of:

1. Fuel and purchased power amount to be recovered from customers for AP3⁸ of \$17,064,4268 (line 4 on proposed 5th Revised Sheet No. 71.15); plus
2. Interest of \$(807,199), which is \$6,323 for AP38 plus \$(813,522) for Recovery Period 35 (“RP35”) (line 4.1 of proposed 5th Revised Sheet No. 71.15); plus,

⁴ Since the Preliminary Fuel Adjustment Rate (“PFAR”) on line 9 did not change after the PISA calculations Rate Adjustment Cap (“RAC”) on Line 10, line 9 is carried to line 11.

⁵ ANEC = fuel costs (FC), plus purchased power costs (PP), plus net emission allowances (E), plus or minus net insurance recoveries (R), minus off-system sales revenues (OSSR), as reflected on line 1 of 5th Revised Sheet No. 71.15.

⁶ B = Base Factor multiplied by the accumulation period sales as reflected on lines 2, 2.1 and 2.2 of 5th Revised Sheet No. 71.15.

⁷ 5th Revised Sheet No. 71.15, lines 1 through 5 include the complete calculation of the FPA Amount of \$18,449,053.

⁸ Fuel and purchased power amount to be recovered from customers for AP38 is equal to ninety-five percent (95%) of \$17,962,554 (the difference between ANEC and B during AP38).

3. The true-up amount, without interest, of \$2,191,826 (line 4.2 of proposed 5th Revised Sheet No. 71.15). This amount is pending Commission approval in File No. EO-2022-0142.

Calculation of FAR₃₈

FAR₃₈ of \$0.00086 per kWh is equal to the FPA Amount of \$18,449,053, divided by the Estimated Recovery Period Sales of 21,361,298,080 kWh, according to Ameren Missouri’s commercial pricing node.⁹ FAR₃₈ will apply during Recovery Period 38 (“RP38”), which is Ameren Missouri’s billing months of February 2022 through September 2022.

Calculation of FAR Without Voltage Level Adjustments

Line 9 of Ameren Missouri’s proposed 5th Revised Sheet No. 71.15 reflects a FAR of \$0.00264 per kWh which is the sum of: (1) FAR₃₈ of \$0.00086 per kWh and (2) FAR₃₇ of \$0.00178 per kWh.

	Proposed AP38 FAR 5th Revised Sheet No. 71.15	Current AP37 FAR 4th Revised Sheet No. 71.15
Line 7. Current Period Fuel Adjustment Rate (FAR _{RP})	\$ 0.00086/kWh	\$ 0.00178/kWh
Line 8. Prior Period Fuel Adjustment Rate (FAR _{RP-1})	\$0.00178/kWh	\$0.00214/kWh
Line 9. Fuel Adjustment Rate (FAR)	\$ 0.00264/kWh	\$ 0.00392/kWh

Voltage Level FARs

Because of a difference in line losses,¹⁰ there are different FARs for service taken at the Secondary and Primary voltage levels, reflected on lines 13 and 15 of proposed 5th Revised Sheet No. 71.15. The AP38 FARs are in the table below:

Service	Proposed AP38 FAR	Line on 5th Revised Sheet No. 71.15
Secondary	\$0.00279 /kWh	22
Primary	\$0.00270 /kWh	23

⁹ MISO’s Market Settlements Business Settlements Practice Manual, BPM-005-r19 Effective Date: FEB-08-2020. 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.

¹⁰ Secondary and Primary Voltage Adjustment Factors are shown on lines 12 and 14, respectively, on Ameren Missouri’s proposed 5th Revised Sheet No. 71.15.

Listed below are the proposed AP38 FARs, the current AP37 FARs, and the difference between them for Secondary and Primary service:

Service	Proposed AP38 FAR	Current AP37 FAR	Difference
Secondary	\$0.00279/kWh	\$0.00414/kWh	\$0.00135/kWh Decrease
Primary	\$0.00270/kWh	\$0.00401/kWh	\$0.00131/kWh Decrease

Based on a monthly usage of 1,000 kWh, the proposed change to the Secondary FAR would decrease the Fuel Adjustment Charge of an Ameren Missouri residential customer's monthly bill by \$1.35, from \$4.14 to \$2.79 per month.

In his filed testimony, Company witness J. Neil Graser explains the FAR's decrease:

The primary factors driving this change in the FAR were accidental outage insurance proceeds received and higher off-system sales margins, partially offset by higher fuel and purchased power costs for load in Accumulation Period 38 as compared to Accumulation Period 36 and the net base energy costs applicable to each period. Increases in the off-system sales margins is primarily due to increased volumes being available for sale since the Callaway outage affected fewer days in AP38 compared to AP36. Increases in the fuel costs for load during Accumulation Period 38 as compared to Accumulation Period 36 and the net base energy costs applicable to each period is primarily due to increased energy costs.¹¹

Staff verified the amounts being refunded to customers during this accumulation period for insurance recoveries related to recent unplanned Callaway outage. Ameren Missouri claimed approximately \$88.6 million¹² in accidental outage insurance. Approximately \$30 million is included in this AP38. Approximately \$77.7 million has been included in AP37 and AP38. Ameren Missouri is waiting on a final insurance determination to receive the final \$10.9 million. Staff will continue to monitor the remaining proceeds in future FAR filings to ensure that all refunds have been returned.

Staff reviewed the proposed 5th Revised Sheet No. 71.15, Mr. Graser's direct testimony, and the work papers in this filing, as well as Ameren Missouri's monthly information submitted in compliance with 20 CSR 4240-20.090(5) for AP38. Staff verified that the actual fuel and purchased power costs and emissions costs, net of off-system sales revenues, match the

¹¹ Ameren Missouri, *Direct Testimony of J. Neil Graser*, ER-2022-0141, page 4, line 16 through page 5, line 4.

¹² Staff Data Request 462.3 in File No. ER-2021-0240.

fuel and purchased power costs and emission costs, net of off-system sales revenues, on line 1 of Ameren Missouri's proposed 5th Revised Sheet No. 71.15 and Mr. Graser's supporting schedules.¹³ 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 AP38.

The change in the FAC rate resulting from this application will not cause Ameren Missouri to exceed its allowable cumulative annual growth rate cap percentage of 2.85% that it must comply with under state law due to its adoption of plant-in-service accounting.

Attachment A

Attachment A includes three charts, which provide a summary of Ameren Missouri's thirty-eight (38) FAC rate adjustment filings. Chart 1 illustrates Ameren Missouri's FAR for each of the thirty-eight (38) accumulation periods. Chart 2 illustrates Ameren Missouri's FAC cost summary for Actual Net Base Energy costs and Net Base Energy costs. Chart 3 illustrates Ameren Missouri's FAC cumulative under-recovered amount at the end of each of the thirty-eight (38) accumulation periods.

Staff Recommendation

Ameren Missouri timely filed its proposed 5th Revised Sheet No. 71.15, on November 24, 2021, and based on Staff's review, Staff determined that Ameren Missouri is in compliance with Commission Rule 20 CSR 4240-20.090 (Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements) and Ameren Missouri's FAC in its tariff.

Commission Rule 20 CSR 4240-20.090(8)(H) 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

¹³ Staff has also verified that the actual net energy costs and accumulation period sales kWh excludes the costs and kWh associated with digital currency mining.

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 5th Revised Sheet No. 71.15, filed November 24, 2021, become effective on February 1, 2022. 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 November 24, 2021, to become effective on February 1, 2022, subject to true-up and prudence reviews:

MO.P.S.C. Schedule No. 6
5th Revised Sheet No. 71.15, Cancelling 4th Revised Sheet No. 71.15.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its 2020 Annual Report. Ameren Missouri is current on its submission of its Surveillance Monitoring reports, required in 20 CSR 4240-20.090(6), and its monthly reports, required by 20 CSR 4240-20.090(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except File No. EO-2022-0142, as noted herein.

Chart 1: Ameren Missouri Fuel Adjustment Rate

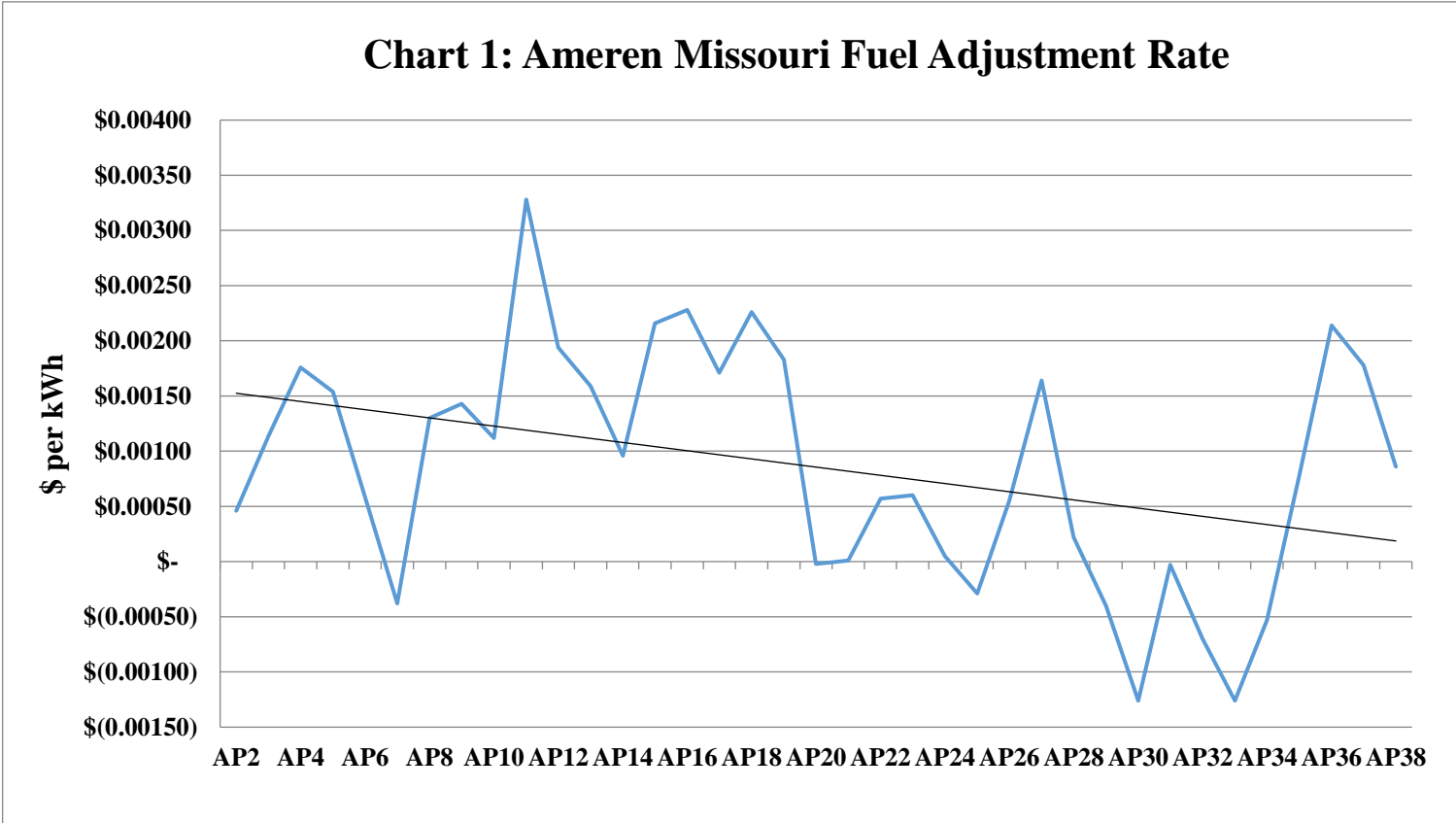


Chart 2: Ameren Missouri FAC Costs Summary

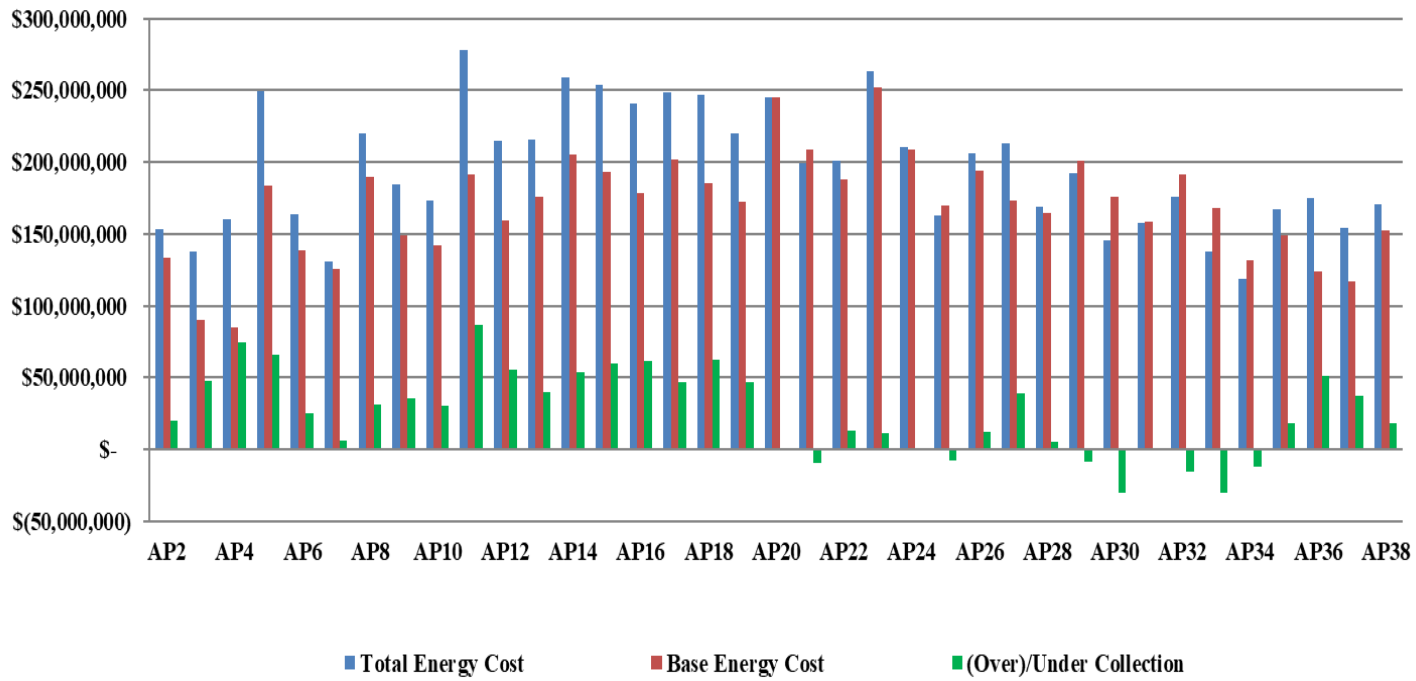
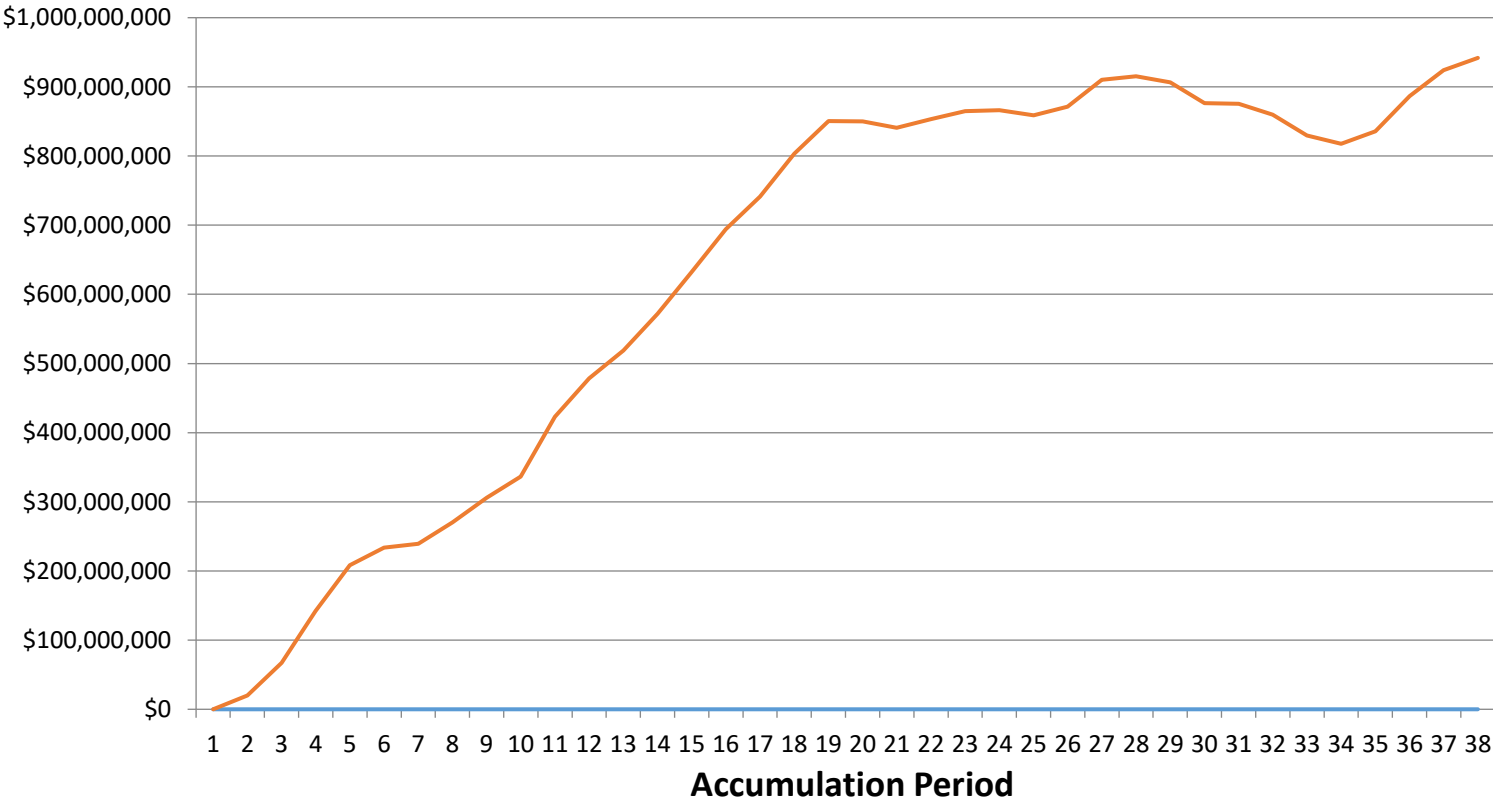


Chart 3: Ameren FAC Cumulative Under-Recovered Amount



BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

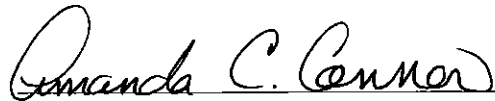
In the Matter of the Adjustment of Union)
Electric Company d/b/a Ameren Missouri's) File No. ER-2022-0141
Fuel Adjustment Clause for the 38th)
Accumulation Period)

AFFIDAVIT OF AMANDA C. CONNER

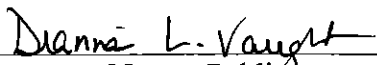
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW, Amanda C. Conner, and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.


Amanda C. Conner

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 23rd day of December, 2021.


Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2023
Commission Number: 15207377