

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 22nd day of September, 2016.

In the Matter of the Fifth Prudence Review of)
Costs Subject to the Commission-Approved Fuel) **File No. EO-2016-0228**
Adjustment Clause of Union Electric Company)
d/b/a Ameren Missouri)

ORDER APPROVING STAFF'S PRUDENCE REVIEW

Issue Date: September 22, 2016

Effective Date: October 1, 2016

Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") has used a fuel adjustment clause since the Commission approved the use of that clause in the company's general rate case, ER-2008-0318. Section 386.266.4(4) RSMo Supp. 2013, the statute that authorizes an electric utility to use a fuel adjustment clause, requires the Commission to conduct a prudence review of the utility's fuel costs no less frequently than at 18-month intervals. The 18-month prudence review is also required by Commission Rule 4 CSR 240-20.090(7) and by Ameren Missouri's tariff.

On March 7, 2016, the Commission's Staff filed a notice stating that it started its prudence audit on that date. Commission Rule 4 CSR 240-20.090(7)(B) establishes a timeline that requires Staff to file a recommendation regarding the results of its audit no later than 180 days after it initiates its audit. The timeline then directs the Commission to issue an order regarding Staff's audit no later than 210 days after Staff initiates its audit, unless within 190 days some party to the proceeding requests a hearing.

In a prudence review, Staff considers whether a reasonable person in the same circumstances as those the utility experienced at the time of its decisions would find the information relied on and the processes employed for those decisions were reasonable, without the benefit of hindsight. If Staff finds the utility's reliance on either that information or those processes was imprudent, Staff then considers whether that imprudence caused harm to ratepayers.

Staff filed its report and recommendation regarding its prudence audit on August 31, 2016. No party requested a hearing by the 190th day after Staff initiated its audit. Therefore, the Commission may now consider Staff's report and recommendation.

Staff's report and recommendation regarding its prudence review states that Staff has conducted a review of all aspects of Ameren Missouri's fuel costs as they are passed through to customers under the fuel adjustment clause. Staff does not identify any imprudence by Ameren Missouri.

The Commission finds Staff's report and recommendation regarding its prudence review of Ameren Missouri's fuel costs to be reasonable. No party has requested a hearing or opposed or objected to Staff's recommendation. Therefore, the Commission will approve Staff's report.

THE COMMISSION ORDERS THAT:

1. Staff's Report regarding its prudence audit of the costs subject to Union Electric Company d/b/a Ameren Missouri's fuel adjustment clause is approved.
2. This order shall become effective on October 1, 2016.

3. This file shall be closed on October 2, 2016.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney,
Rupp, and Coleman, CC., concur.

Pridgin, Deputy Chief Regulatory Law Judge