

**STATE OF ILLINOIS**

**ILLINOIS COMMERCE COMMISSION**

**Central Illinois Public Service Company** )  
    **d/b/a AmerenCIPS** )  
**Union Electric Company** )  
    **d/b/a AmerenUE** )  
    ) )  
**Petition for approval of tariff sheets** )  
**implementing revised Market Value Index** )  
**methodology.** )

**PETITION**

Central Illinois Public Service Company ("AmerenCIPS") and Union Electric Company ("AmerenUE") ("Petitioners" or the "Ameren Companies") submit this Petition pursuant to Section 9-201 of the Illinois Public Utilities Act ("Act"), 220 ILCS 5/9-201, requesting that the Commission issue an Order approving tariff sheets in the form of the tariff sheets attached hereto as Appendix A ("Revised Tariff Sheets"). The Revised Tariff Sheets set forth changes to the Ameren Companies' existing tariffs governing derivation of the market value of power and energy pursuant to the Market Value Index ("MVI") methodology approved in Docket No. 00-0395.

In support of their Petition, Petitioners further state as follows:

1. The Ameren Companies provide electric service to the public in Illinois, and are "public utilities" within the meaning of Section 3-105 of the Act and "electric utilities" within the meaning of Section 16-102 of the Act. 220 ILCS 5/3-105,16-102.
2. The Ameren Companies have electric delivery service tariffs on file with the Commission, which govern the terms and conditions of access to their electric distribution systems. The Ameren Companies' delivery service tariffs include a Rider MVI, which sets forth

the methodology pursuant to which the market value of power and energy is determined for various purposes, including calculations of transition charge ("TC") and Purchased Power Option Service ("PPOS") values.

3. The Ameren Companies' Rider MVI was approved by the Commission in its April 11, 2001 Order on Reopening in Docket Nos. 00-0259, 00-0395 and 00-0461 (consol.) (the "MVI Order"). Rider MVI determines market value by reference to market indices, and was placed in effect in substitution of the Neutral Fact Finder ("NFF") process.

4. In the MVI Order, the Commission allowed the Ameren Companies to implement a market index method in place of the NFF, but established a sunset provision for Rider MVI. Specifically, the Commission authorized the implementation of Rider MVI through the May, 2004 billing period. The Commission also directed the Ameren Companies to file a new market value tariff on or before October 1, 2002. Order on Reopening, p. 157.

5. In compliance with the MVI Order, the Ameren Companies are herewith submitting for the Commission's approval a new market value tariff. The Ameren Companies do not propose to return to the NFF methodology. They wish to maintain the use of a market index approach. However, the Ameren Companies do propose to make certain changes to the existing Rider MVI.

6. The changes that the Ameren Companies propose are identified in the black-lined copies of the proposed new Rider included in Appendix A. These changes are intended to more accurately reflect the market price of power in the Ameren control area.

7. The Ameren Companies seek to place the new Rider into effect no later than June 1, 2003.

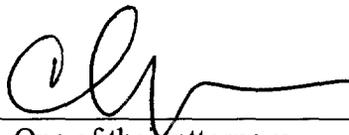
8. Coincident with this filing, the Ameren Companies are making a separate filing to suspend the operation of the TC and PPOS tariffs from approximately June 1, 2003 through May, 2005. The suspension filing does not obviate the need to revise the existing Rider MVI.

WHEREFORE, the Ameren Companies respectfully request that they be authorized to place into effect tariffs in the form of the Revised Rider MVI attached hereto.

Dated: October 1, 2002

Respectfully submitted,

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY  
UNION ELECTRIC COMPANY

By:   
One of their attorneys

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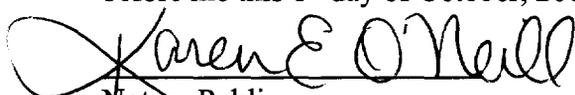
VERIFICATION

Christopher W. Flynn, an attorney for Petitioners, being first duly sworn, hereby states  
the he is familiar with the statements made in the foregoing Petition and that those statements are  
true and correct to the best of his knowledge.



Christopher W. Flynn

SUBSCRIBED AND SWORN to  
before me this 1<sup>st</sup> day of October, 2002.



Notary Public



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**RIDER MVI - MARKET VALUE INDEX OF POWER AND ENERGY**

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**PURPOSE**

The purpose of this Rider is to establish the market value to be used for the various customer classes in calculating transition charges as defined in Section 16-102 of the Act and for the power purchase options set forth in Section 16-110 of the Act.

**\* APPLICABILITY**

This Rider describes the approach by which the Company shall calculate the market value for electric power and energy using a market value index methodology. Such market value shall be used as the factor MV in Rider TC and as the market value at which an eligible customer may purchase electric power and energy from the Company under Rider PPOS.

**MARKET VALUE**

**\* 1. Market Price – Peak**

A monthly Forward Market Price (FMP<sub>mo</sub>) in \$ per megawatt-hour (\$/MWh), will be determined from the market data for forward contracts for electric power and energy delivered in the Into Cinergy Hub from 6:00 a.m. to 10:00 p.m. Monday through Friday. FMP<sub>mo</sub> will include a locational basis adjustment. A separate FMP<sub>mo</sub> will be determined for each relevant calendar month in the respective Applicable Period.

The Company will use the Intercontinental Exchange reporting service as the source of the market data but may include additional or different reporting services in the future as allowed by the ICC. The market data will be polled twice daily by the Company to obtain a representation of the market for each of the forward contracts necessary for the respective Applicable Period. The market data will be polled on each of the twenty- (20) consecutive business days on or before January 24 for Applicable Period A or June 22 for Applicable Period B (Applicable Period A and Applicable Period B are defined in the Administration section of this tariff).

In the absence of market data for forward contracts with terms for individual months, market data for forward contracts with longer terms will be utilized.

The FMP<sub>mo</sub> will be determined from the market data in the following manner:

Separately, for each reporting service, and each forward contract, and each business day, a Daily Value will be selected from the morning and afternoon market data using the following hierarchy on an as available basis:

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**RIDER MVI - MARKET VALUE INDEX OF POWER AND ENERGY**

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- 1<sup>st</sup> Weighted Average Price of executed transactions  
2<sup>nd</sup> Average of the midpoint of the morning bid-offer prices and the midpoint of the afternoon bid-offer prices, where both bid and offer prices must be simultaneously listed for a particular forward contract, for a given time of the day.

The Company shall poll morning market data between 8:30 a.m. and 10:30 a.m. Central Prevailing Time (CPT) and afternoon market data between 2:00 p.m. and 4:00 p.m. CPT.

The application of this algorithm will result in a Daily Value for each business day for each forward contract for each reporting service.

The Daily Values from each reporting service are then averaged into a single value for the forward contract. A locational basis adjustment will also be calculated for each forward contract in the applicable period using historical data from the prior calendar year. The product of the single value for the forward contract and the locational basis adjustment will become the  $FMP_{mo}$  for the month or months to which the forward contract relates.

\* **2. Market Price – Off-Peak**

A monthly Off-Peak Market Price ( $OPMP_{mo}$ ) in \$/MWh, will be determined from the daily market data of forward contracts for the delivery of electric power and energy for the Into Cinergy Hub for the period from 12:00 a.m. to 6:00 a.m. and from 10:00 p.m. to 12:00 a.m. from Monday through Friday and all hours of Saturday and Sunday.  $OPMP_{mo}$  will include a locational basis adjustment. A separate  $OPMP_{mo}$  will be determined for each relevant calendar month in the respective Applicable Period.

The Company will use the Intercontinental Exchange as the source of the daily market data but may include additional or different reporting services in the future as allowed by the ICC. The market data will be polled on each of the twenty- (20) consecutive business days on or before January 24 for Applicable Period A or June 22 for Applicable Period B (Applicable Period A and Applicable Period B are defined in the Administration section of this tariff).

In the absence of market data for forward contracts with terms for individual months, market data for forward contracts with longer terms will be utilized.

The  $OPMP_{mo}$  will be determined from the market data in the following manner:

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Separately, for each reporting service, and each forward contract, and each business day, a Daily Value will be selected from the morning and afternoon market data using the following hierarchy on an as available basis:

- 1<sup>st</sup> Weighted Average Price of executed transactions
- 2<sup>nd</sup> Average of the midpoint of the morning bid-offer prices and the midpoint of the afternoon bid-offer prices, where both bid and offer prices must be simultaneously listed for a particular forward contract, for a given time of the day.

The Company shall poll morning market data between 8:30 a.m. and 10:30 a.m. Central Prevailing Time (CPT) and afternoon market data between 2:00 p.m. and 4:00 p.m. CPT.

The application of this algorithm will result in a Daily Value for each business day for each forward contract for each reporting service.

The Daily Values from each reporting service are then averaged into a single value for the forward contract. A locational basis adjustment will also be calculated for each forward contract in the applicable period using historical data from the prior calendar year. The product of the single value for the forward contract and the locational basis adjustment will become the  $OPMP_{mo}$  for the month or months to which the forward contract relates.

\* **3. Hourly Prices**

An Hourly Price ( $HP_h$ ), in \$/MWh, for each hour,  $h$ , in the month is derived from the  $FMP_{mo}$  and  $OPMP_{mo}$  by utilizing the hourly price shapes of the PJM Interconnection, L.L.C., Western Hub, Locational Marginal Price data ( $PJM_h$ ) for each calendar year from 1999 through the most recent full calendar year. Values of  $PJM_h$  that are zero or negative will be replaced accordingly with either the average of the positive peak period values or the average of the off-peak period values contained in the corresponding month.

See formula No. 1 in Appendix A for methodology used to calculate hourly prices.

\* **4. Energy Peak Period MVs**

The Energy Peak Period MVs will be determined, as detailed below, separately with each calendar year of data from 1999 through the most recent calendar year using the corresponding values of  $HP_h$ . The resulting values of Summer Peak  $MV_c$  and Nonsummer Peak  $MV_c$  determined from each calendar year of data will be averaged into a single set of Summer Peak  $MV_c$ s and Nonsummer Peak  $MV_c$ s which shall be used for purposes of billing hereunder.

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The MVs for the Energy Peak Periods during the Summer Billing Periods (Summer Peak MV) for Applicable Period A will be determined using the  $HP_h$  for the months of June through August as set forth below.

The MVs for the Energy Peak Periods during the Nonsummer Billing Periods (Nonsummer Peak MV) for Applicable Period A and Applicable Period B will be determined using the  $HP_h$  for the months of September through May. The MVs are adjusted for system transmission and distribution line losses for each customer class as defined in the applicable Delivery Service Rate (DS-1, DS-2 or DS-3).

See formula No. 2 in Appendix A for methodology to calculate Energy Peak Period MVs.

\* **5. Energy Off-Peak Period MVs**

The Energy Off-Peak Period MVs will be determined, as detailed below, separately with each calendar year of data from 1999 through the most recent calendar year using the corresponding values of  $HP_h$ . The resulting values of Summer Off-Peak  $MV_c$  and Nonsummer Off-Peak  $MV_c$  determined from each calendar year of data will be averaged into a single set of Summer Off-Peak  $MV_c$ s and Nonsummer Off-Peak MVs which shall be used for purposes of billing hereunder.

The MVs for the Energy Off-Peak Periods during the Summer Billing Periods (Summer Off-Peak MV) for Applicable Period A will be determined using the  $HP_h$  for the months of June through August as set forth below

The MVs for the Energy Off-Peak Periods during the Nonsummer Billing Periods (Nonsummer Off-Peak MV) for Applicable Period A and Applicable Period B will be determined using the  $HP_h$  for the months of September through May.

The MVs are adjusted for system transmission and distribution line losses for each customer class using the Loss Adjustment Factors defined in the applicable Delivery Services Rate (DS-1, DS-2 or DS-3).

See formula No. 3 in Appendix A for methodology to calculate Energy Off-Peak Period MVs.

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Collectively, the Summer Peak MVs, the Nonsummer Peak MVs, the Summer Off-Peak MVs, and the Nonsummer Off-Peak MVs are the Time of Use (TOU) MVs.

\* **6. Non-Time of Use MVs**

The Non-Time of Use MVs will be determined, as detailed below, separately with each calendar year of data from 1999 through the most recent calendar year using the corresponding values of  $HP_h$ . The resulting values of Summer Non-TOU  $MV_c$  and Nonsummer Non-TOU  $MV_c$  determined from each calendar year of data will be averaged into a single set of Summer Non-TOU  $MV_c$  and Nonsummer Non-TOU  $MV_c$ , which shall be used for purposes of billing.

The Summer Non-TOU MVs for Applicable Period A will be determined using the  $HP_h$  for the months of June through August as set forth below.

The Nonsummer Non-TOU MVs for Applicable Period A and Applicable Period B will be determined using the  $HP_h$  for the months of September through May.

The MVs are adjusted for system transmission and distribution line losses for each customer class using the Loss Adjustment Factors defined in the applicable Delivery Services Rate (DS-1, DS-2 or DS-3).

See formula No. 4 in Appendix A for methodology to calculate Non-Time of Use MVs.

\* **7. Load Weighted Average Market Value**

See formula No. 5 in Appendix A for methodology to calculate Load Weighted Average Market Values.

**ADMINISTRATION**

**1. Customer Classifications.**

The Company shall define a number of customer classifications and shall develop a load profile for each customer classification. Each customer classification shall be defined by reference to a customer billing class, a Standard Industrial Code classification, a percentage of usage that occurs on-peak, the on-peak load factor, and/or the off-peak load factor. Each load profile shall be based upon a number of statistically significant samples of the customer classification from the prior year. Each load profile shall cover twelve consecutive historical months.

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The Company may, at its option, identify each customer with a peak demand of one megawatt or greater occurring during the same twelve-month period as a separate customer classification. In such an event the Company shall use the customer's actual interval meter readings for the twelve-month period as the load profile.

**2. Applicable Period A and Applicable Period B.**

In each year there shall be two Applicable Periods, Applicable Period A and Applicable Period B. Applicable Period A shall commence with billing cycles scheduled on or after June 1 and shall continue for the period of twelve consecutive billing cycles. Applicable Period B shall commence with billing cycles scheduled on or after September 1 and shall continue for the period of nine consecutive billing cycles.

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**3. Reporting**

On or before February 10 for Applicable Period A and on or before July 10 for Applicable Period B, the Company shall file with the ICC for informational purposes the applicable MVs for such Applicable Period. The amount of any MV Factor shall be shown by customer classification group and delivery voltage level on an Information Sheet supplemental to this rider and filed with the Commission. The Information Sheet shall be accompanied by backup data showing the calculation of the MV Factor by these groups and voltage levels. Unless otherwise ordered by the Commission, each MV Factor shown on an Information Sheet filed in accordance with this paragraph shall become effective as indicated in the Information Sheet and shall remain in effect until superceded.

**4. Data Retention**

Data obtained by the Company as described in the Market Price - Peak and Market Price - Off-Peak subsections of the Market Value section of this tariff shall be maintained by the Company for a period of twenty-four (24) months and shall be subject to review and audit by the ICC.

**RIDER MVI - MARKET VALUE INDEX OF POWER AND ENERGY  
APPENDIX A**

**\* 1. Formulas for calculating Hourly Prices:**

For each hour, h, in a month from 6:00 a.m. to 10:00 p.m. during Monday through Friday:

$$HP_h = PJM_h \times \left( \frac{FMP_{mo}}{\left( \sum_{5 \times 16} PJM_h \right) / NPH} \right)$$

For each other hour, h, in a month:

$$HP_h = PJM_h \times \left( \frac{OPMP_{mo}}{\left( \sum_{wrap} PJM_h \right) / NOPH} \right)$$

Where:

$PJM_h$  = The PJM Interconnection, L.L.C., Western Hub, Locational Marginal Price data for hour, h, in a month expressed in \$/MWh.

$\sum_{5 \times 16}$  = Summation of hourly quantities in a month from 6:00 a.m. to 10:00 p.m. from Monday through Friday

$\sum_{wrap}$  = Summation of all hourly quantities in the month exclusive of those included in  $\sum_{5 \times 16}$ .

NPH = Number of hours summated in  $\sum_{5 \times 16}$

NOPH = Number of hours summated in  $\sum_{wrap}$

Date of Filing,

Filed pursuant to Order of ICC  
in Docket No. 00-0395  
\*Asterisk denotes change

Issued by G. L. Rainwater, President  
607 East Adams Street, Springfield, Illinois 62739

Date Effective,

**RIDER MVI - MARKET VALUE INDEX OF POWER AND ENERGY  
APPENDIX A**

**\* 2. Formulas for calculating Energy Peak Period MVs:**

Summer Peak MV<sub>c</sub> =

$$AVG \left\{ \left[ \frac{\sum_{sp} (HP_h \times U_{h,c}) + \sum_{sp} (\delta_{h,dmax} \times U_{h,c} \times 15\% \times \$205.15)}{\sum_{sp} (U_{h,c}) \times 10} + \frac{\sum_{all} (\delta_{h,y max} \times U_{h,c} \times \$CAP)}{\sum_{all} (U_{h,c}) \times 10} \right] \right\} \times (1 + LF_c) \\ + ADJM_c + ADJU_c$$

Nonsummer Peak MV<sub>c</sub> =

$$AVG \left\{ \left[ \frac{\sum_{nsp} (HP_h \times U_{h,c}) + \sum_{nsp} (\delta_{h,dmax} \times U_{h,c} \times 15\% \times \$205.15)}{\sum_{nsp} (U_{h,c}) \times 10} + \frac{\sum_{all} (\delta_{h,y max} \times U_{h,c} \times \$CAP)}{\sum_{all} (U_{h,c}) \times 10} \right] \right\} \times (1 + LF_c) \\ + ADJM_c + ADJU_c$$

Where:

AVG = The average of the values derived from each year of data.

Summer Peak MV<sub>c</sub> = The MV for the Energy Peak Period during the Summer Billing Periods, in cents per kWh, for retail customers in the applicable customer class, c.

Nonsummer Peak MV<sub>c</sub> = The MV for the Energy Peak Period during the Nonsummer Billing Periods, in cents per kWh, for retail customers in the applicable customer class, c.

$\sum_{all}$  = Summation of hourly quantities calculated separately for each customer class, c, for all hours during all months during the respective Applicable Period of the corresponding calendar year.

$\sum_{sp}$  = Summation of hourly quantities calculated separately for each customer class, c, for the hours of the Energy Peak Period, of the applicable summer month(s) (June through August) of the corresponding calendar year.

$\sum_{nsp}$  = Summation of hourly quantities calculated separately for each customer class, c, for the hours of the Energy Peak Period, of the nonsummer months (September through May) of the corresponding calendar year.

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**APPENDIX A**

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$U_{h,c}$  = The kilowatt-hour consumption of the average customer in customer class, c, during hour, h, of the corresponding calendar year; when a full calendar year of hourly consumption data is not available, the most recent 12-months of available data will be substituted.

$\delta_{h,dmax}$  = 1, if h is the hour corresponding to the maximum daily on-peak usage, 0 for all other hours of the day.

$\delta_{h,ymax}$  = 1, if h is the hour corresponding to the maximum annual on-peak usage, 0 for all other hours of the year.

$\$CAP$  = Capacity Charge

$LF_c$  = The distribution and transmission loss factor for the applicable customer class, c.

$ADJM_c$  = The adjustment to market value related to sales and marketing costs for the customer class, c, in cents per kWh, as directed by the ICC in its Order in Docket No. 99-0121.

$ADJU_c$  = The adjustment to market value related to uncollectibles costs for the customer class, c, in cents per kWh, as directed by the ICC in its Order in Docket No. 99-0121.

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**RIDER MVI - MARKET VALUE INDEX OF POWER AND ENERGY  
APPENDIX A**

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**\* 3. Formulas for calculating Energy Off-Peak Period MVs:**

Summer Off-Peak  $MV_c =$

$$AVG \left\{ \left[ \frac{\sum_{sop} (HP_h \times U_{h,c})}{\sum_{sop} (U_{h,c}) \times 10} + \frac{\sum_{all} (\delta_{h,y \max} \times U_{h,c} \times \$CAP)}{\sum_{all} (U_{h,c}) \times 10} \right] \right\} \times (1 + LF_c) + ADJM_c + ADJU_c$$

Nonsummer Off-Peak  $MV_c =$

$$AVG \left\{ \left[ \frac{\sum_{nsop} (HP_h \times U_{h,c})}{\sum_{nsop} (U_{h,c}) \times 10} + \frac{\sum_{all} (\delta_{h,y \max} \times U_{h,c} \times \$CAP)}{\sum_{all} (U_{h,c}) \times 10} \right] \right\} \times (1 + LF_c) + ADJM_c + ADJU_c$$

Where:

Summer Off-Peak  $MV_c$  = The MV for the Energy Off-Peak Period during the Summer Billing Periods, in cents per kWh, for retail customers in the applicable customer class, c

Nonsummer Off-Peak  $MV_c$  = The MV for the Energy Off-Peak Period during the Nonsummer Billing Periods, in cents per kWh, for retail customers in the applicable customer class, c

$\sum_{sop}$  = Summation of hourly quantities calculated separately for each customer class, c, for the hours of the Energy Off-Peak Period, of the applicable summer month(s) (June through August) of the corresponding calendar year

$\sum_{nsop}$  = Summation of hourly quantities calculated separately for each customer class, c, for the hours of the Energy Off-Peak Period, of the nonsummer months (September through May) of the corresponding calendar year

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Date of Filing,

Filed pursuant to Order of ICC  
in Docket No. 00-0395  
\*Asterisk denotes change

Issued by G. L. Rainwater, President  
607 East Adams Street, Springfield, Illinois 62739

Date Effective,

**RIDER MVI - MARKET VALUE INDEX OF POWER AND ENERGY  
 APPENDIX A**

**\* 4. Formulas for calculating Non-Time of Use MVs:**

Summer Non-TOU MV<sub>c</sub> =

$$\text{AVG} \left\{ \left[ \frac{\sum_s (\text{HP}_h \times U_{h,c}) + \sum_s (\delta_{h,dmax} \times U_{h,c} \times 15\% \times \$205.15)}{\sum_s (U_{h,c}) \times 10} + \frac{\sum_{all} (\delta_{h,y max} \times U_{h,c} \times \$CAP)}{\sum_{all} (U_{h,c}) \times 10} \right] \right\} \times (1 + \text{LF}_c) \\ + \text{ADJM}_c + \text{ADJU}_c$$

Non-Summer Non-TOU MV<sub>c</sub> =

$$\text{AVG} \left\{ \left[ \frac{\sum_{ns} (\text{HP}_h \times U_{h,c}) + \sum_{ns} (\delta_{h,dmax} \times U_{h,c} \times 15\% \times \$205.15)}{\sum_{ns} (U_{h,c}) \times 10} + \frac{\sum_{all} (\delta_{h,y max} \times U_{h,c} \times \$CAP)}{\sum_{all} (U_{h,c}) \times 10} \right] \right\} \times (1 + \text{LF}_c) \\ + \text{ADJM}_c + \text{ADJU}_c$$

Where:

∑<sub>s</sub> = Summation of hourly quantities calculated separately for each customer class, c, for all hours during the applicable summer month(s) (June through August) of the corresponding calendar year.

∑<sub>ns</sub> = Summation of hourly quantities calculated separately for each customer class, c, for all hours during the nonsummer months (September through May) of the corresponding calendar year.

**\* 5. Formula for calculating Load Weighted Average MVs:**

LWAMV<sub>c</sub> =

$$\text{AVG} \left\{ \left[ \frac{\sum_{all} (\text{HP}_h \times U_{h,c}) + \sum_{all} (\delta_{h,dmax} \times U_{h,c} \times 15\% \times \$205.15)}{\sum_{all} (U_{h,c}) \times 10} + \frac{\sum_{all} (\delta_{h,y max} \times U_{h,c} \times \$CAP)}{\sum_{all} (U_{h,c}) \times 10} \right] \right\} \times (1 + \text{LF}_c) \\ + \text{ADJM}_c + \text{ADJU}_c$$

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## RIDER MVI - MARKET VALUE INDEX OF POWER AND ENERGY

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### PURPOSE

The purpose of this Rider is to establish the market value to be used for the various customer classes in calculating transition charges as defined in Section 16-102 of the Act and for the power purchase options set forth in Section 16-110 of the Act.

### \* APPLICABILITY

This Rider describes the approach by which the Company shall calculate the market value for electric power and energy using a market value index methodology. Such market value shall be used as the factor MV in Rider TC and as the market value at which an eligible customer may purchase electric power and energy from the Company under Rider PPOS.

### MARKET VALUE

#### \* 1. Market Price – Peak

A monthly Forward Market Price (FMP<sub>mo</sub>) in \$ per megawatt-hour (\$/MWh), will be determined from the market data for forward contracts for electric power and energy delivered in the Into Cinergy Hub from 6:00 a.m. to 10:00 p.m. Monday through Friday. FMP<sub>mo</sub> will include a locational basis adjustment. A separate FMP<sub>mo</sub> will be determined for each relevant calendar month in the respective Applicable Period.

The Company will use the Intercontinental Exchange reporting service as the source of the market data but may include additional or different reporting services in the future as allowed by the ICC. The market data will be polled twice daily by the Company to obtain a representation of the market for each of the forward contracts necessary for the respective Applicable Period. The market data will be polled on each of the twenty- (20) consecutive business days on or before January 24 for Applicable Period A or June 22 for Applicable Period B (Applicable Period A and Applicable Period B are defined in the Administration section of this tariff).

In the absence of market data for forward contracts with terms for individual months, market data for forward contracts with longer terms will be utilized.  
The FMP<sub>mo</sub> will be determined from the market data in the following manner:

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**RIDER MVI - MARKET VALUE INDEX OF POWER AND ENERGY**

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- 1<sup>st</sup> Weighted Average Price of executed transactions  
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The Company shall poll morning market data between 8:30 a.m. and 10:30 a.m. Central Prevailing Time (CPT) and afternoon market data between 2:00 p.m. and 4:00 p.m. CPT.

The application of this algorithm will result in a Daily Value for each business day for each forward contract for each reporting service.

The Daily Values from each reporting service are then averaged into a single value for the forward contract. A locational basis adjustment will also be calculated for each forward contract in the applicable period using historical data from the prior calendar year. The product of the single value for the forward contract and the locational basis adjustment will become the  $FMP_{mo}$  for the month or months to which the forward contract relates.

\* **2. Market Price – Off-Peak**

A monthly Off-Peak Market Price ( $OPMP_{mo}$ ) in \$/MWh, will be determined from the daily market data of forward contracts for the delivery of electric power and energy for the Into Cinergy Hub for the period from 12:00 a.m. to 6:00 a.m. and from 10:00 p.m. to 12:00 a.m. from Monday through Friday and all hours of Saturday and Sunday.  $OPMP_{mo}$  will include a locational basis adjustment. A separate  $OPMP_{mo}$  will be determined for each relevant calendar month in the respective Applicable Period.

The Company will use the Intercontinental Exchange as the source of the daily market data but may include additional or different reporting services in the future as allowed by the ICC. The market data will be polled on each of the twenty- (20) consecutive business days on or before January 24 for Applicable Period A or June 22 for Applicable Period B (Applicable Period A and Applicable Period B are defined in the Administration section of this tariff).

In the absence of market data for forward contracts with terms for individual months, market data for forward contracts with longer terms will be utilized.

The  $OPMP_{mo}$  will be determined from the market data in the following manner:

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Separately, for each reporting service, and each forward contract, and each business day, a Daily Value will be selected from the morning and afternoon market data using the following hierarchy on an as available basis:

- 1<sup>st</sup> Weighted Average Price of executed transactions
- 2<sup>nd</sup> Average of the midpoint of the morning bid-offer prices and the midpoint of the afternoon bid-offer prices, where both bid and offer prices must be simultaneously listed for a particular forward contract, for a given time of the day.

The Company shall poll morning market data between 8:30 a.m. and 10:30 a.m. Central Prevailing Time (CPT) and afternoon market data between 2:00 p.m. and 4:00 p.m. CPT.

The application of this algorithm will result in a Daily Value for each business day for each forward contract for each reporting service.

The Daily Values from each reporting service are then averaged into a single value for the forward contract. A locational basis adjustment will also be calculated for each forward contract in the applicable period using historical data from the prior calendar year. The product of the single value for the forward contract and the locational basis adjustment will become the  $OPMP_{mo}$  for the month or months to which the forward contract relates.

\* **3. Hourly Prices**

An Hourly Price ( $HP_h$ ), in \$/MWh, for each hour,  $h$ , in the month is derived from the  $FMP_{mo}$  and  $OPMP_{mo}$  by utilizing the hourly price shapes of the PJM Interconnection, L.L.C., Western Hub, Locational Marginal Price data ( $PJM_h$ ) for each calendar year from 1999 through the most recent full calendar year. Values of  $PJM_h$  that are zero or negative will be replaced accordingly with either the average of the positive peak period values or the average of the off-peak period values contained in the corresponding month.

See formula No. 1 in Appendix A for methodology used to calculate hourly prices.

\* **4. Energy Peak Period MVs**

The Energy Peak Period MVs will be determined, as detailed below, separately with each calendar year of data from 1999 through the most recent calendar year using the corresponding values of  $HP_h$ . The resulting values of Summer Peak  $MV_c$  and Nonsummer Peak  $MV_c$  determined from each calendar year of data will be averaged into a single set of Summer Peak  $MV_c$ s and Nonsummer Peak  $MV_c$ s which shall be used for purposes of billing hereunder.

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The MVs for the Energy Peak Periods during the Summer Billing Periods (Summer Peak MV) for Applicable Period A will be determined using the  $HP_h$  for the months of June through August as set forth below.

The MVs for the Energy Peak Periods during the Nonsummer Billing Periods (Nonsummer Peak MV) for Applicable Period A and Applicable Period B will be determined using the  $HP_h$  for the months of September through May. The MVs are adjusted for system transmission and distribution line losses for each customer class as defined in the applicable Delivery Service Rate (DS-1, DS-2, DS-3 or DS-4).

See formula No. 2 in Appendix A for methodology to calculate Energy Peak Period MVs.

**\* 5. Energy Off-Peak Period MVs**

The Energy Off-Peak Period MVs will be determined, as detailed below, separately with each calendar year of data from 1999 through the most recent calendar year using the corresponding values of  $HP_h$ . The resulting values of Summer Off-Peak  $MV_c$  and Nonsummer Off-Peak  $MV_c$  determined from each calendar year of data will be averaged into a single set of Summer Off-Peak  $MV_c$ s and Nonsummer Off-Peak MVs which shall be used for purposes of billing hereunder.

The MVs for the Energy Off-Peak Periods during the Summer Billing Periods (Summer Off-Peak MV) for Applicable Period A will be determined using the  $HP_h$  for the months of June through August as set forth below

The MVs for the Energy Off-Peak Periods during the Nonsummer Billing Periods (Nonsummer Off-Peak MV) for Applicable Period A and Applicable Period B will be determined using the  $HP_h$  for the months of September through May.

The MVs are adjusted for system transmission and distribution line losses for each customer class using the Loss Adjustment Factors defined in the applicable Delivery Services Rate (DS-1, DS-2, DS-3 or DS-4).

See formula No. 3 in Appendix A for methodology to calculate Energy Off-Peak Period MVs.

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Collectively, the Summer Peak MVs, the Nonsummer Peak MVs, the Summer Off-Peak MVs, and the Nonsummer Off-Peak MVs are the Time of Use (TOU) MVs.

\* **6. Non-Time of Use MVs**

The Non-Time of Use MVs will be determined, as detailed below, separately with each calendar year of data from 1999 through the most recent calendar year using the corresponding values of  $HP_h$ . The resulting values of Summer Non-TOU  $MV_c$  and Nonsummer Non-TOU  $MV_c$  determined from each calendar year of data will be averaged into a single set of Summer Non-TOU  $MV_c$  and Nonsummer Non-TOU  $MV_c$  which shall be used for purposes of billing.

The Summer Non-TOU MVs for Applicable Period A will be determined using the  $HP_h$  for the months of June through August as set forth below.

The Nonsummer Non-TOU MVs for Applicable Period A and Applicable Period B will be determined using the  $HP_h$  for the months of September through May.

The MVs are adjusted for system transmission and distribution line losses for each customer class using the Loss Adjustment Factors defined in the applicable Delivery Services Rate (DS-1, DS-2, DS-3 or DS-4).

See formula No. 4 in Appendix A for methodology to calculate Non-Time of Use MVs.

\* **7. Load Weighted Average Market Value**

See formula No. 5 in Appendix A for methodology to calculate Load Weighted Average Market Values.

**ADMINISTRATION**

**1. Customer Classifications.**

The Company shall define a number of customer classifications and shall develop a load profile for each customer classification. Each customer classification shall be defined by reference to a customer billing class, a Standard Industrial Code classification, a percentage of usage that occurs on-peak, the on-peak load factor, and/or the off-peak load factor. Each load profile shall be based upon a number of statistically significant samples of the customer classification from the prior year. Each load profile shall cover twelve consecutive historical months.

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The Company may, at its option, identify each customer with a peak demand of one megawatt or greater occurring during the same twelve-month period as a separate customer classification. In such an event the Company shall use the customer's actual interval meter readings for the twelve-month period as the load profile.

**2. Applicable Period A and Applicable Period B.**

In each year there shall be two Applicable Periods, Applicable Period A and Applicable Period B. Applicable Period A shall commence with billing cycles scheduled on or after June 1 and shall continue for the period of twelve consecutive billing cycles. Applicable Period B shall commence with billing cycles scheduled on or after September 1 and shall continue for the period of nine consecutive billing cycles.

\* **3. Reporting**

On or before February 10 for Applicable Period A and on or before July 10 for Applicable Period B, the Company shall file with the ICC for informational purposes the applicable MVs for such Applicable Period. The amount of any MV Factor shall be shown by customer classification group and delivery voltage level on an Information Sheet supplemental to this rider and filed with the Commission. The Information Sheet shall be accompanied by backup data showing the calculation of the MV Factor by these groups and voltage levels. Unless otherwise ordered by the Commission, each MV Factor shown on an Information Sheet filed in accordance with this paragraph shall become effective as indicated in the Information Sheet and shall remain in effect until superseded.

**4. Data Retention**

Data obtained by the Company as described in the Market Price - Peak and Market Price - Off-Peak subsections of the Market Value section of this tariff shall be maintained by the Company for a period of twenty-four (24) months and shall be subject to review and audit by the ICC.

**RIDER MVI - MARKET VALUE INDEX OF POWER AND ENERGY  
APPENDIX A**

**\* 1. Formulas for calculating Hourly Prices:**

For each hour, h, in a month from 6:00 a.m. to 10:00 p.m. during Monday through Friday:

$$HP_h = PJM_h \times \left( \frac{FMP_{mo}}{\left( \sum_{5 \times 16} PJM_h \right) / NPH} \right)$$

For each other hour, h, in a month:

$$HP_h = PJM_h \times \left( \frac{OPMP_{mo}}{\left( \sum_{wrap} PJM_h \right) / NOPH} \right)$$

Where:

$PJM_h$  = The PJM Interconnection, L.L.C., Western Hub, Locational Marginal Price data for hour, h, in a month expressed in \$/MWh.

$\sum_{5 \times 16}$  = Summation of hourly quantities in a month from 6:00 a.m. to 10:00 p.m. from Monday through Friday

$\sum_{wrap}$  = Summation of all hourly quantities in the month exclusive of those included in  $\sum_{5 \times 16}$ .

NPH = Number of hours summated in  $\sum_{5 \times 16}$

NOPH = Number of hours summated in  $\sum_{wrap}$

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APPENDIX A**

**\* 2. Formulas for calculating Energy Peak Period MVs:**

Summer Peak MV<sub>c</sub> =

$$AVG \left\{ \left[ \frac{\sum_{sp} (HP_h \times U_{h,c}) + \sum_{sp} (\delta_{h,dmax} \times U_{h,c} \times 15\% \times \$205.15)}{\sum_{sp} (U_{h,c}) \times 10} + \frac{\sum_{all} (\delta_{h,y max} \times U_{h,c} \times \$CAP)}{\sum_{all} (U_{h,c}) \times 10} \right] \right\} \times (1 + LF_c) \\ + ADJM_c + ADJU_c$$

Nonsummer Peak MV<sub>c</sub> =

$$AVG \left\{ \left[ \frac{\sum_{nsp} (HP_h \times U_{h,c}) + \sum_{nsp} (\delta_{h,dmax} \times U_{h,c} \times 15\% \times \$205.15)}{\sum_{nsp} (U_{h,c}) \times 10} + \frac{\sum_{all} (\delta_{h,y max} \times U_{h,c} \times \$CAP)}{\sum_{all} (U_{h,c}) \times 10} \right] \right\} \times (1 + LF_c) \\ + ADJM_c + ADJU_c$$

Where:

AVG =The average of the values derived from each year of data.

Summer Peak MV<sub>c</sub> =The MV for the Energy Peak Period during the Summer Billing Periods, in cents per kWh, for retail customers in the applicable customer class, c.

Nonsummer Peak MV<sub>c</sub> =The MV for the Energy Peak Period during the Nonsummer Billing Periods, in cents per kWh, for retail customers in the applicable customer class, c.

$\sum_{all}$  =Summation of hourly quantities calculated separately for each customer class, c, for all hours during all months during the respective Applicable Period of the corresponding calendar year.

$\sum_{sp}$  =Summation of hourly quantities calculated separately for each customer class, c, for the hours of the Energy Peak Period, of the applicable summer month(s) (June through August) of the corresponding calendar year.

$\sum_{nsp}$  =Summation of hourly quantities calculated separately for each customer class, c, for the hours of the Energy Peak Period, of the nonsummer months (September through May) of the corresponding calendar year.

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$U_{h,c}$  = The kilowatt-hour consumption of the average customer in customer class, c, during hour, h, of the corresponding calendar year; when a full calendar year of hourly consumption data is not available, the most recent 12-months of available data will be substituted.

$\delta_{h,dmax}$  = 1, if h is the hour corresponding to the maximum daily on-peak usage, 0 for all other hours of the day.

$\delta_{h,ymax}$  = 1, if h is the hour corresponding to the maximum annual on-peak usage, 0 for all other hours of the year.

\$CAP = Capacity Charge

$LF_c$  = The distribution and transmission loss factor for the applicable customer class, c.

$ADJM_c$  = The adjustment to market value related to sales and marketing costs for the customer class, c, in cents per kWh, as directed by the ICC in its Order in Docket No. 99-0121.

$ADJU_c$  = The adjustment to market value related to uncollectibles costs for the customer class, c, in cents per kWh, as directed by the ICC in its Order in Docket No. 99-0121.

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**\* 3. Formulas for calculating Energy Off-Peak Period MVs:**

Summer Off-Peak  $MV_c =$

$$AVG \left\{ \left[ \frac{\sum_{sop} (HP_h \times U_{h,c})}{\sum_{sop} (U_{h,c}) \times 10} + \frac{\sum_{all} (\delta_{h,y \max} \times U_{h,c} \times \$CAP)}{\sum_{all} (U_{h,c}) \times 10} \right] \right\} \times (1 + LF_c) + ADJM_c + ADJU_c$$

Nonsummer Off-Peak  $MV_c =$

$$AVG \left\{ \left[ \frac{\sum_{nsop} (HP_h \times U_{h,c})}{\sum_{nsop} (U_{h,c}) \times 10} + \frac{\sum_{all} (\delta_{h,y \max} \times U_{h,c} \times \$CAP)}{\sum_{all} (U_{h,c}) \times 10} \right] \right\} \times (1 + LF_c) + ADJM_c + ADJU_c$$

Where:

Summer Off-Peak  $MV_c$  = The MV for the Energy Off-Peak Period during the Summer Billing Periods, in cents per kWh, for retail customers in the applicable customer class, c

Nonsummer Off-Peak  $MV_c$  = The MV for the Energy Off-Peak Period during the Nonsummer Billing Periods, in cents per kWh, for retail customers in the applicable customer class, c

$\sum_{sop}$  = Summation of hourly quantities calculated separately for each customer class, c, for the hours of the Energy Off-Peak Period, of the applicable summer month(s) (June through August) of the corresponding calendar year

$\sum_{nsop}$  = Summation of hourly quantities calculated separately for each customer class, c, for the hours of the Energy Off-Peak Period, of the nonsummer months (September through May) of the corresponding calendar year

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Date of Filing,

Filed pursuant to Order of ICC  
in Docket No. 00-0395  
\*Asterisk denotes change

Issued by G. L. Rainwater, President  
St. Louis, Missouri

Date Effective,

**RIDER MVI - MARKET VALUE INDEX OF POWER AND ENERGY  
APPENDIX A**

**\* 4. Formulas for calculating Non-Time of Use MVs:**

Summer Non-TOU MV<sub>c</sub> =

$$\text{AVG} \left\{ \left[ \frac{\sum_s (\text{HP}_h \times U_{h,c}) + \sum_s (\delta_{h,dmax} \times U_{h,c} \times 15\% \times \$205.15)}{\sum_s (U_{h,c}) \times 10} + \frac{\sum_{all} (\delta_{h,ymax} \times U_{h,c} \times \$CAP)}{\sum_{all} (U_{h,c}) \times 10} \right] \right\} \times (1 + \text{LF}_c) \\ + \text{ADJM}_c + \text{ADJU}_c$$

Non-Summer Non-TOU MV<sub>c</sub> =

$$\text{AVG} \left\{ \left[ \frac{\sum_{ns} (\text{HP}_h \times U_{h,c}) + \sum_{ns} (\delta_{h,dmax} \times U_{h,c} \times 15\% \times \$205.15)}{\sum_{ns} (U_{h,c}) \times 10} + \frac{\sum_{all} (\delta_{h,ymax} \times U_{h,c} \times \$CAP)}{\sum_{all} (U_{h,c}) \times 10} \right] \right\} \times (1 + \text{LF}_c) \\ + \text{ADJM}_c + \text{ADJU}_c$$

Where:

$\sum_s$  = Summation of hourly quantities calculated separately for each customer class, c, for all hours during the applicable summer month(s) (June through August) of the corresponding calendar year.

$\sum_{ns}$  = Summation of hourly quantities calculated separately for each customer class, c, for all hours during the nonsummer months (September through May) of the corresponding calendar year.

**\* 5. Formula for calculating Load Weighted Average MVs:**

LWAMV<sub>c</sub> =

$$\text{AVG} \left\{ \left[ \frac{\sum_{all} (\text{HP}_h \times U_{h,c}) + \sum_{all} (\delta_{h,dmax} \times U_{h,c} \times 15\% \times \$205.15)}{\sum_{all} (U_{h,c}) \times 10} + \frac{\sum_{all} (\delta_{h,ymax} \times U_{h,c} \times \$CAP)}{\sum_{all} (U_{h,c}) \times 10} \right] \right\} \times (1 + \text{LF}_c) \\ + \text{ADJM}_c + \text{ADJU}_c$$

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