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Exhibit No. 111

Staff – Exhibit 111
Amanda C. Conner
Surrebuttal/True-Up Direct Testimony
File No. ER-2022-0337

Exhibit No.:
Issue(s): Fuel Adjustment Clause
Witness: Amanda C. Conner
Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal/True-Up Direct
Testimony
Case No.: ER-2022-0337
Date Testimony Prepared: March 13, 2023

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

SURREBUTTAL/TRUE-UP DIRECT TESTIMONY

OF

AMANDA C. CONNER

**UNION ELECTRIC COMPANY,
d/b/a AMEREN MISSOURI**

CASE NO. ER-2022-0337

*Jefferson City, Missouri
March 2023*

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1 **SURREBUTTAL/TRUE-UP DIRECT TESTIMONY**

2 **OF**

3 **AMANDA C. CONNER**

4 **UNION ELECTRIC COMPANY,**
5 **d/b/a AMEREN MISSOURI**

6 **CASE NO. ER-2022-0337**

7 Q. Please state your name and business address.

8 A. My name is Amanda C. Conner, and my business address is Missouri Public
9 Service Commission, P.O. Box 360, Jefferson City, Missouri 65102.

10 Q. Are you the same Amanda C. Conner who previously provided testimony in
11 this case?

12 A. Yes. I filed direct testimony in the Union Electric Company, d/b/a Ameren
13 Missouri (“Ameren Missouri” or “Company”) current general rate case designated as Case No.
14 ER-2022-0337, on January 10, 2023. I also filed Class Cost of Service (CCOS) direct testimony
15 in the same case on January 24, 2023, and rebuttal testimony on February 15, 2023.

16 **EXECUTIVE SUMMARY**

17 Q. Please summarize your surrebuttal and true-up direct testimony.

18 A. In my surrebuttal testimony, I will address the changes to Ameren Missouri’s
19 witness Andrew Meyer’s rebuttal testimony in recommending that a normalized level of
20 margins related to virtual transactions in the Midcontinent Independent System Operator
21 (“MISO”) market be included in net off-system sales revenue (“OSSR”).

22 I will also address the Office of the Public Counsel’s (“OPC’s”) witness
23 Angela Schaben’s rebuttal testimony regarding her recommendations for adding additional

1 information to Ameren Missouri’s monthly filings of 5Dp3 and 5Dp4¹, adding hourly day ahead
2 and real-time locational market prices to the monthly as-burned fuel report, OPC being included
3 as a party receiving Ameren Missouri’s correspondence with Staff’s recommended measures,
4 and updating the heading to tariff sheets 74 through 74.12.A.

5 In my true-up direct testimony, I will provide Staff’s updated FAC base factors as of
6 the true-up date ending December 31, 2022.

7 **SURREBUTTAL**

8 Q. On page 9, lines 10 – 12 of Ameren Missouri witness Mr. Meyer’s rebuttal
9 testimony, he states, “Upon further review and consideration, I recommend that a normalized
10 level of margins related to virtual transactions in the MISO market be included in net off-system
11 sales.” Further, on page 9, lines 15-21, Mr. Meyer explains that unlike the other physical
12 bilateral contracts and financial swaps, it would be appropriate to include normalized margins
13 for virtual transactions because they are not impacted by the retirement of Meramec Energy
14 Center or the System Support Resource (“SSR”) operations at the Rush Island Energy Center
15 associated with its transition to retirement. He goes on to say that, “[a]s such, it is reasonable
16 to expect that these transactions would have occurred, even if Meramec had been retired and
17 Rush Island operations had been constrained during the test year.” Is Staff making an
18 adjustment in this filing in regard to Mr. Meyer’s recommendation to include a normalized level
19 of margins related to virtual transactions in net off-system sales?

20 A. Not at the time of this filing. Ameren Missouri witness Mr. Meyer’s
21 recommendation in rebuttal testimony is quite different from what was filed in his direct

¹ In Ameren Missouri’s Monthly Report, 5D is the Fuel and Purchase Power Costs and Fuel Related Revenues.
5D p3 is the High Prairie data and 5D p4 is the Atchison data.

1 testimony, and responses to data request (“DR”) Nos. 0351 and 0352. Since this change, Staff
2 sent DR No. 0546 to try to obtain more information about this change. Mr. Meyer’s response
3 to DR No. 0546 did not provide enough information for Staff to determine the appropriateness
4 of including a normalized level of margins related to virtual transactions in net off-system sales.
5 Staff has since sent DR Nos. 0546.1 and 0546.2 as another attempt to further obtain additional
6 information, which was answered by Ameren Missouri on March 6. Since surrebuttal is due to
7 be filed on March 13, Staff has not had enough time to make the necessary adjustments to
8 include a normalized level of margins related to virtual transactions in OSSR. Staff anticipates
9 making this adjustment in true-up rebuttal. As explained below, Staff understands that these
10 virtual transactions help manage the market settlement exposure in the day ahead versus real
11 time pricing as a means to lower cost energy.

12 Q. What did Ameren Missouri provide as a definition of a virtual transaction and
13 their attributes?

14 A. Ameren Missouri’s response to data request no. 0546.1 lists the following
15 definitions from MISO’s tariff:

- 16 1. *Virtual Transactions*: Transactions related to Virtual Bids and/or
17 Virtual Supply Offers.
- 18 2. *Virtual Bid*: A bid to purchase Energy that is not backed by physical
19 Load that is submitted in the Transmission Provider’s Day Ahead
20 Energy and Operating Reserve Market in accordance with the
21 procedures and requirements of this Tariff.
- 22 3. *Virtual Supply Offer*: An Offer to sell Energy that is not backed
23 by a physical Resource that is submitted in the Transmission
24 Provider’s Day Ahead Energy and Operating Reserve Market in
25 accordance with the procedures and requirements of this Tariff.
- 26 4. *Virtual Energy*: Energy purchased and/or sold in the Day Ahead
27 Energy and Operating Reserve Market that is not backed by real
28 assets such as Load or Generation Resources.

1 Q. What is Staff's understanding in regard to Ameren Missouri including virtual
2 transactions?

3 A. It is Staff's understanding that the use of these virtual transactions is primarily
4 used for pump storage, more specifically at the Taum Sauk Reservoir ("Taum Sauk"). Ameren
5 Missouri selects advantageous times to execute virtual transactions to manage the market
6 settlement exposure by buying energy at day ahead pricing and selling at real time pricing, as a
7 means to lower cost energy with which to pump back the Taum Sauk reservoir.

8 Q. Are the revenues from virtual transactions currently included in the FAC?

9 A. Yes, they are currently included in the FAC tariff and listed on sheet 71.27 as
10 DA Virtual Energy Amount and RT Virtual Energy Amount. The revenues are included as
11 OSSRs that reduce Net Base Energy Costs ("NBEC").

12 Q. Is Staff going to make an adjustment to include the virtual transactions as part
13 of OSSR?

14 A. As mentioned above, there was not adequate time to include this adjustment
15 before the filing date of surrebuttal testimony. Staff anticipates including an update in its true
16 up rebuttal testimony to include a normalized level of margins related to virtual transactions in
17 OSSR and adjust the NBEC accordingly.

18 Q. In OPC witness Ms. Schaben's rebuttal testimony, on page 7, lines 20-23, she
19 proposes Ameren Missouri update its monthly filings of 5Dp3 and 5Dp4 to include information
20 relating to all generation resources, added between rate cases, in addition to the High Prairie
21 and Atchison data that is already currently provided. Does Staff oppose this modification?

22 A. No. Staff would also like to be aware and obtain information related to all
23 generation resources added between rate cases.

1 Q. On page 10, lines 11-13 of her rebuttal testimony, Ms. Schaben states that
2 OPC wants to be included as a party receiving Ameren Missouri's correspondence with
3 Staff's implementation measures². What is Staff's position on this request?

4 A. Staff does not take issue with this request. OPC should be included as
5 a party receiving Ameren Missouri's correspondences related to Staff's recommended
6 implementation measures.

7 Q. On page 10, lines 13-15 of her rebuttal testimony, Ms. Schaben requests the
8 monthly as-burned fuel report required by 20 CSR 4240-3.190(1)(B) include hourly day ahead
9 and real-time locational market prices for Ameren Missouri's load and each generating
10 resource. Does Staff oppose this modification?

11 A. Staff is not opposed to this modification, as long as it is not overly burdensome
12 for Ameren Missouri to include this data on a monthly basis. Because information can be
13 provided to Staff during Ameren Missouri's FAC Prudence Reviews, Staff does not deem it
14 necessary to be included in the monthly filings.

15 Q. On page 11, lines 5-9 of her rebuttal testimony, Ms. Schaben wants to change
16 the heading in Ameren Missouri's tariff sheets 74 through 74.12 to "the effective date of this
17 tariff sheet through February 28, 2022." What is Staff's position on this?

18 A. Staff agrees that the headings for the non-effective FAC tariff sheets should have
19 been updated already to show the correct end date for the tariff sheets. The effective through
20 date for tariff sheets 71 through 71.14 should have the end date of February 28, 2022. Tariff
21 sheets 74 through 74.12 should have an end date of March 31, 2020.

² Direct Testimony of Amanda C. Conner filed on January 10, 2023, page 2, line 1 through page 4 line 23.

TRUE-UP DIRECT

Q. What is Staff recommending for Ameren Missouri’s True-up summer and winter base factors?

A. Staff calculated the true-up summer and winter base factor rates based upon an analysis of data compiled during the 12 months ending December 31, 2022, in Confidential Schedule ACC-s1 Staff’s updated base factors are:

- Summer Base Factor:

Net Base Energy Costs	\$209,368,108
NSI ³	12,378,566,296
Base Factor	\$1.680 per kWh.

- Winter Base Factor:

Net Base Energy Costs	\$282,633,055
NSI	20,100,133,704
Base factor	\$1.413 per kWh.

Q. Why is staff updating its recommended base factors again?

A. Staff is updating its recommended base factors to use the updated normalization true-up period, ending December 31, 2022. This also revised the calculated pass-through percentage of MISO transmission costs and revenues in the FAC of 6.52%.

Q. Does this conclude your Surrebuttal/True-Up Direct Testimony?

A. Yes it does.

³ Net System Input- load forecast at generation level

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Tariffs to Adjust)
Its Revenues for Electric Service) Case No. ER-2022-0337

AFFIDAVIT OF AMANDA C. CONNER

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW AMANDA C. CONNER and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal/True-Up Direct Testimony of Amanda C. Conner*; and that the same is true and correct according to her best knowledge and belief.


Further the Affiant sayeth not.


AMANDA C. CONNER

JURAT

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 8th day of March 2023.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070


Notary Public

SCHEDULE ACC-s1

HAS BEEN DEEMED

CONFIDENTIAL

IN ITS ENTIRETY