

Exhibit No.:  
Issues: Fuel Adjustment Clause - True-  
Up of Thirtieth Recovery Period  
Witness: Marci L. Althoff  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Union Electric Co.  
Case No.: ER-2020-\_\_\_\_\_  
Date Testimony Prepared: March 27, 2020

**MISSOURI PUBLIC SERVICE COMMISSION**

**DIRECT TESTIMONY**

**OF**

**MARCI L. ALTHOFF**

**St. Louis, Missouri  
March, 2020**

**DIRECT TESTIMONY**

**OF**

**MARCI L. ALTHOFF**

**Case No. ER-2020-\_\_\_\_\_**

1 **Q: Please state your name and business address.**

2 A: My name is Marci L. Althoff. My business address is One Ameren Plaza, 1901 Chouteau  
3 Ave., St. Louis, Missouri.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Ameren Services Company (“Ameren Services”) as Manager, Finance  
6 Transformation. Ameren Services provides various corporate support services to Union  
7 Electric Company d/b/a Ameren Missouri (“Company” or “Ameren Missouri”), including  
8 settlement and accounting related to fuel, purchased power, and off-system sales.

9 **Q: What is the purpose of your testimony?**

10 A: My testimony supports the thirtieth true-up filing being made by Ameren Missouri under  
11 20 CSR 4240-20.090(9) and the Company’s approved fuel adjustment clause (“FAC”).  
12 The terms of the FAC are reflected in the FAC tariff -- Rider FAC -- on file with the  
13 Commission.

14 **Q: What is the purpose of this true-up filing in the context of Ameren Missouri’s FAC?**

15 A: The purpose of this true-up filing is to identify the calculated difference between Actual  
16 Net Energy Costs (Factor “ANEC” in Rider FAC)<sup>1</sup> and Net Base Energy Costs (Factor  
17 “B” in Rider FAC), Interest (Factor “I” in Rider FAC), prudence disallowance amounts

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<sup>1</sup> Capitalized terms not otherwise defined in this testimony have the meaning given them in the Company’s FAC tariff, Rider FAC.

1 (Factor “P” in Rider FAC), and true-up amounts (Factor “T” in Rider FAC) that were  
2 over- or under-recovered from customers during the thirtieth Recovery Period<sup>2</sup> prescribed  
3 by the FAC.

4 **Q: Please briefly explain the FAC process, including the accumulation periods, filing**  
5 **dates, recovery and true-up periods.**

6 A: The FAC process is outlined in the Company’s FAC tariff. It begins with an  
7 Accumulation Period which covers a four-month period in which the Company’s ANEC  
8 are accumulated and compared to the B calculated in accordance with the FAC tariff. The  
9 difference between B and ANEC, plus or minus factors I, P, and T total the amount  
10 recovered from or refunded to customers for the Recovery Period at issue, based upon an  
11 estimate or projection of the kilowatt-hour (“kWh”) sales that are expected during the  
12 Recovery Period. This recovery, over the eight-month Recovery Period at issue in this  
13 docket, occurs via application to customer bills of Fuel Adjustment Rates (“FAR”)  
14 (which are differentiated by voltage, as provided for in the FAC tariff). New FAR rates  
15 take effect every four months. After a Recovery Period, a true-up is filed which finalizes  
16 two things. First, B is recalculated for the accumulation period months based upon S105  
17 Midcontinent Independent System Operator, Inc. (“MISO”) settlement statements.<sup>3</sup> The  
18 MISO settlement statements provide the kWh data for the amount of energy Ameren  
19 Missouri purchased to serve its load and is multiplied by B to determine the dollars of net  
20 base energy costs. Second, actual kWh sales data from the Recovery Period at issue are  
21 applied to the balance to be recovered from or refunded to customers for the Recovery  
22 Period at issue. Taking into account the newly calculated difference between ANEC and

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<sup>2</sup> This sum has been included in the new FAR rates filed in the 33<sup>rd</sup> Accumulation Period docket filed concurrently with this filing, as described in my direct testimony filed in that docket.

<sup>3</sup> “S105” stands for 105 days after the end of the period covered by the settlement statement.

1 B and the sales data based upon actual kWh, an under- or over-recovery amount will  
2 remain to be collected from or refunded to customers. That amount is then included in  
3 the next FAR rate adjustment filing.

4 **Q: What was the timing of the accumulation and recovery relating to this true-up?**

5 A: The Accumulation Period was October 1, 2018 through January 31, 2019. The Recovery  
6 Period for that Accumulation Period was the billing months of June 2019 through  
7 January 2020.

8 **Q: Why would there be a difference between the accumulated over- or under-recovery  
9 and the amount collected during the Recovery Period?**

10 A: As noted earlier, B needs to be recalculated with MISO S105 settlement statements, as  
11 those amounts are not available when the FAR rate adjustment filing for the Recovery  
12 Period at issue is originally filed.<sup>4</sup> The FAR rates are calculated based upon estimated  
13 kWh sales for the Recovery Period. Since the FAR rates are based upon an estimated  
14 number, once actual sales are recorded, a difference will always exist between the  
15 estimate and the actual kWh billed.

16 **Q: What was the over- or under-recovery for the Recovery Period at issue in this  
17 filing?**

18 A: There was an over-recovery of \$1,446,580 from customers for the 30<sup>th</sup> Recovery Period  
19 due to the difference between actual and estimated kWh sales and recalculations using  
20 the S105 data. After applying the interest to be collected for the subject Accumulation  
21 Period of \$546,030, which was calculated using the Company's short-term borrowing  
22 rate as provided for in the FAC tariff and the Commission's FAC rules, there was a total

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<sup>4</sup> Because of the timing of the issuance of MISO settlement statements and the required timing of FAR filings under Rider FAC, when the FAR filings are made MISO S14 settlement statement data must be used. The S14 settlement data is preliminary; the S105 data reflects the actual kilowatt-hour data.

1 over-recovery from customers for the 30<sup>th</sup> Recovery Period of \$900,550. Schedule MA-  
2 TU to this testimony contains the details of the calculation that produce the amount to be  
3 refunded to customers.

4 **Q: How will that sum be reflected in customer rates?**

5 A: As earlier noted, it has been included as part of the adjustment to the FAR rates being  
6 filed concurrently with the initiation of this docket.

7 **Q: Does this conclude your direct testimony?**

8 A: Yes, it does.

