

*Exhibit No.:*  
*Issue:* *Fuel Adjustment Clause*  
*Witness:* *Brooke Mastrogiannis*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Surrebuttal/True-Up Direct*  
*Testimony*

*Case Nos.:* *ER-2021-0240*  
*Date Testimony Prepared:* *November 5, 2021*

**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**ENERGY RESOURCES DEPARTMENT**

**SURREBUTTAL/TRUE-UP DIRECT TESTIMONY**

**OF**

**BROOKE MASTROGIANNIS**

**UNION ELECTRIC COMPANY,  
d/b/a Ameren Missouri**

**CASE NO. ER-2021-0240**

*Jefferson City, Missouri*  
*November 2021*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10

**TABLE OF CONTENTS OF**  
**SURREBUTTAL/TRUE-UP DIRECT TESTIMONY OF**  
**BROOKE MASTROGIANNIS**  
**UNION ELECTRIC COMPANY**  
**d/b/a Ameren Missouri**  
**CASE NO. ER-2021-0240**

TRUE-UP DIRECT ..... 2  
SURREBUTTAL ..... 2  
    Fuel Adjustment Clause ..... 2



1 **TRUE-UP DIRECT**

2 Q. What is Staff's trued-up base factor?

3 A. Staff witness Lisa M. Ferguson has trued-up the base factor calculation.  
4 The revised summer base factor is \$1.306/kWh and the revised winter base factor is  
5 \$1.002/kWh.

6 **SURREBUTTAL**

7 **Fuel Adjustment Clause**

8 Q. What is the Company's position regarding the last bullet point on Staff's Cost  
9 of Service Report on page 198, that stated, "Order Ameren Missouri to include language in its  
10 FAC tariff that all wind revenues associated with High Prairie and Atchison Wind Farms will  
11 be included for recovery in the FAC"?

12 A. Mr. Meyer states on page 3, lines 3 - 8 of his rebuttal testimony,

13 Staff has requested that the Commission order Ameren Missouri to  
14 include language in its FAC tariff that all wind revenues associated  
15 with High Prairie and Atchison Wind Farms will be included in the  
16 FAC. Such additional language is unnecessary though, as under the  
17 current FAC tariff all such revenues from High Prairie and Atchison  
18 Wind Farms are already included in Factor OSSR

19 Q. Does Staff find the Company's position reasonable?

20 A. Yes.

21 Q. What is the Company's position on the 9<sup>th</sup> bullet point on page 205 of  
22 Staff's Cost of Service Report, that stated "Staff is recommending the Commission order  
23 Ameren Missouri to provide monthly natural gas fuel reports that include all transactions (spot  
24 and longer term), including terms, volumes, price and analysis of number of bids"?

1           A.     Mr Meyer states on page 4, lines 9 – 12 of his rebuttal testimony, “The Company  
2 does not maintain such a report. Moreover, the Company does not agree that it is appropriate to  
3 provide a new report of this type, as the information requested in this report does not align with  
4 the Company’s natural gas procurement strategy for its combustion turbine generator (“CTG”)  
5 fleet.”

6           Q.     Does Staff find the Company’s position reasonable?

7           A.     Yes.

8           Q.     What is the Company’s position on Staff’s recommendation that it include  
9 information with the FAC monthly reports to reflect tracking of efforts to make and  
10 maximize OSSR?

11          A.     Mr. Meyer states on page 5, line 16 through page 6 line 7 of his rebuttal  
12 testimony,

13                   The request is overly broad and unnecessary. The entirety of the  
14 Company’s generation fleet operates within regional transmission  
15 organizations (“RTOs”) with centralized energy and ancillary  
16 markets. As such, to the extent that any generation has been offered  
17 at a cost lower than the revenue received from the market for the  
18 commitment period, regardless of whether it is designated for serving  
19 native load or for off-system sales, will be cleared in the market. The  
20 MISO also facilitates a centrally cleared Planning Resource Auction,  
21 which allows for sales of capacity. In addition, the Company  
22 maintains employees responsible for managing Company interaction  
23 with these RTO markets, and for managing compliance with the  
24 Company’s Commodity Risk Management Policy. These employees  
25 are continually monitoring the market to identify when approved risk  
26 mitigation strategies, such as price hedging or asset managemet  
27 strategies, should be employed to manage the level of market risk.  
28 The commodity market strategies and authorized and unauthorized  
29 transactions are stated explicitly in the Company policy. Execution of  
30 these strategies generally results in a bilateral transaction or a MISO  
31 generator commitment. The financial impacts of both of these types  
32 of financial commitments are already included in the FAC monthly  
33 reports, in aggregate.

34          Q.     Does Staff find the Company’s position reasonable?

1 A. Yes.

2 Q. What FAC tariff changes has Mr. Meyer attached to his rebuttal testimony?

3 A. Attached to Mr. Meyer's rebuttal testimony is Schedule AMM-R1. In this  
4 attachment there is language added for coal plants that have been retired and how to treat those  
5 costs. There is also language added to exclude amounts associated with energy purchased from  
6 the MISO market to serve digital currency mining by the Company from Account 555, and  
7 excluding kWh for digital currency mining operations by the Company in the kWh calculated  
8 for the accumulation period and estimated recovery period. Lastly, there was language added  
9 to redefine the FAR<sub>LPS</sub> definition, and also to define the weighting factors.

10 Q. Does Staff agree with all these FAC tariff revisions?

11 A. Yes.

12 Q. What is OPC witness Ms. Mantle's position regarding the revenues associated  
13 with the High Prairie and Atchison Wind Farms?

14 A. Ms. Mantle states on page 4, lines 24 – 25 that customers should receive all the  
15 revenues associated with High Prairie and Atchison wind farms. She also states on page 6 lines  
16 5 – 13 that there are two options for returning these revenues to customers. The first is that the  
17 revenues be included in the FAC and the differences between the revenues received and what  
18 is included in the FAC base be tracked and included in Ameren Missouri's renewable energy  
19 standard rate adjustment mechanism ("RESRAM"). The second option would be to include an  
20 estimate of the revenues in the revenue requirement of the case with all of the difference  
21 between what is included in revenue requirement, positive or negative, flowing back to  
22 customers or being recovered from customers through Ameren Missouri's RESRAM.

1 Q. Does Ms. Mantle point out that customers are currently receiving all of the  
2 revenues from these wind farms?

3 A. Yes. Ms. Mantle paraphrases the *Third Stipulation and Agreement* in  
4 Case No. EA-2018-0202, by stating that according to this stipulation the revenues from the  
5 wind farms passes through the FAC, but to ensure that the customers received 100% of the  
6 revenues from these wind farms, the stipulation included a requirement that Ameren Missouri  
7 return the other 5% back to customers through its RESRAM.

8 Q. What is Staff's position on how to properly handle these wind revenues?

9 A. Staff believes the method the Company is currently utilizing for the wind  
10 revenues, consistent with the Stipulation referenced above, is the best way to continue handling  
11 the revenues, so the customers get recovery of the majority of the wind revenues faster. This  
12 option means that the wind revenues pass through the FAC, but to ensure the customers receive  
13 100% of the revenues from these wind farms, Ameren Missouri returns the other 5% back to  
14 customers through its RESRAM.

15 Q. What is OPC witness Ms. Mantle's position regarding FAC tariff language for  
16 extraordinary costs?

17 A. Ms. Mantle proposes on page 1 line 20 through page 2 line 2 in her rebuttal  
18 testimony to include in its FAC tariff sheets the following language for recovery of extraordinary  
19 costs:

20 When extraordinary net costs have been incurred in an accumulation period, for  
21 good cause the Commission may allow (after opportunity for any party to be  
22 heard) the recovery period to extend beyond eight months. The amount not  
23 recovered will be added to subsequent recovery periods with a true-up for the  
24 extraordinary cost at the end of the Commission approved recovery time period  
25 for the extraordinary cost.  
26

1 Ms. Mantle also points out in her rebuttal testimony on page 2 lines 19 – 25 that under  
2 this tariff sheet provision, the recovery period could be extended up to 36 months. The language  
3 does not preclude Ameren Missouri from requesting in a case before the Commission, different  
4 treatment for deferring extraordinary costs in a liability account for potential future recovery.  
5 And also customers would be responsible for interest at the short-term interest rate prescribed  
6 by the FAC by statute and would only pay 95% of the costs above the amount included in the  
7 base rates.

8 Q. Does Staff oppose Ms. Mantle’s proposal language for the FAC tariff sheets?  
9

10 A. Yes. Staff believes it is not necessary to add more to the FAC tariff sheets when  
11 the FAC rule already addresses the extraordinary costs. In addition, there are three cases  
12 currently pending before the Commission which address the issue of these extraordinary costs.  
13 Since all those cases are still pending, Staff believes it is premature to change the FAC tariff  
14 sheets until the Commission decides in those cases how best to address the extraordinary costs.

15 Q. Does this conclude your surrebuttal/true-up direct testimony?

16 A. Yes.



