Exhibit No.:	
Issues:	Adjustment to FAC Rate – Forty-First Accumulation Period
Witness:	J. Neil Graser
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Union Electric Co.
Case No.:	ER-2023-_____
Date Testimony Prepared:	December 1, 2022

MISSOURI PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

J. NEIL GRASER

St. Louis, Missouri
December, 2022

\DIRECT TESTIMONY

OF

J. Neil Graser

Case No. ER-2023-_____

Q: Please state your name and business address.

A: My name is J. Neil Graser. My business address is One Ameren Plaza, 1901 Chouteau Ave., St. Louis, Missouri.

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

A: I am employed by Union Electric Company d/b/a Ameren Missouri ("Company" or "Ameren Missouri") as Manager, Energy Analytics, and formerly by Ameren Services Company ("Ameren Services") as Manager, Power and Fuels Accounting. Ameren Services provides various corporate support services to Ameren Missouri, including settlement and accounting related to fuel, purchased power, and off-system sales.

Q: What is the purpose of your testimony?

A: My testimony supports the 2nd Revised Sheet No. 71.31 of Ameren Missouri's Schedule No. 6 – Schedule of Rates for Electric Service, that is being filed by Ameren Missouri to adjust customer rates for changes in Ameren Missouri's fuel and purchased power costs, net off-system sales revenues, and associated transportation (i.e., Actual Net Energy Costs, or "ANEC"), which were experienced during the four-month period June 2022 through September 2022.[1]

[1] This four-month period is the forty-first overall Accumulation Period under Ameren Missouri's Rider FAC, which was first approved by the Commission in Case No. ER-2008-0318, and which has subsequently been re-authorized, with certain

Q: Please explain why Ameren Missouri is filing a revision to its Rider FAC at this time.

A: The Commission's rule governing fuel and purchased power cost recovery mechanisms for electric utilities – specifically 20 CSR 4240-20.090(8) – and Ameren Missouri's Rider FAC, require Ameren Missouri to make periodic filings to adjust customer rates for changes in Ameren Missouri's ANEC experienced during each Accumulation Period[2] as compared to the base level of net energy costs (Factor "B" as listed in the Company's Rider FAC tariff) applicable to that same Accumulation Period. That change is to then be reflected in an adjustment to the Rider FAC Fuel Adjustment Rate (i.e., Factor "FAR" in Rider FAC). This adjustment can be positive (a FAR of greater than zero) or negative (a FAR of less than zero). The Commission's rule requires at least one such review and adjustment each year. Ameren Missouri's approved FAC tariff calls for three filings annually – one filing covering each of the three four-month Accumulation Periods reflected in Rider FAC. The changes in the FAR implemented in these three filings are then collected from or refunded to customers over the applicable Recovery Period. The Recovery Period applicable to this filing will consist of the calendar months of February 2023 through September 2023.

Q: What adjustment is being made in this filing?

A: During the June 1, 2022 to September 30, 2022 Accumulation Period, Ameren Missouri's ANEC was $230,644,275 which was an increase of $69,922,111 as compared to Factor B, which is $160,722,164 for that same period. The primary factors driving this increase above net base energy costs (Factor B) were higher fuel costs for load due to elevated natural gas prices, and higher purchased power costs for load. The increase in purchased

modifications, in Case Nos. ER-2010-0036, ER-2011-0028, ER-2012-0166, ER-2014-0258, ER-2016-0179, ER-2019-0335, and ER-2021-0240.

[2] Capitalized terms not otherwise defined herein have the meaning given them in Rider FAC.

power costs are the result of reduced coal-fired generation stemming primarily from coal conservation efforts necessitated by reduced performance by the railway lines that deliver coal to our energy centers and, in part, due to the transition of Rush Island Energy Center to operation as a System Support Resource (SSR) on September 1, 2022. These increased costs were partially offset by higher net capacity sales margins as compared to Factor B. Net capacity sales revenue increased primarily as a result of increased MISO auction clearing prices. Also included in this filing is the true-up amount reflected in the Company's thirty-eighth true-up filing, which is being filed concurrently with the initiation of this docket. The above results in a Fuel and Purchased Power Adjustment ("FPA") of $61,931,452 which, as described further below, will produce the FAR rates that will appear as a separate line item to be applied to customers' bills during the 41st Recovery Period that starts with the first calendar day of February 2023.

Q: Please further describe the impact of the change in the FAR on the Company's customers.

A: The $69,922,111 increase above ANEC during the 41st Accumulation Period as compared to Factor B for that Accumulation Period was calculated in the manner specified in the Company's Rider FAC, and adjusted for voltage level differences, as provided for in Rider FAC. Applying the 95% sharing ratio, the true-up amount of -$4,155,947 from the thirty-eighth true-up filing (made concurrently with the initiation of this docket) and the applicable refund of interest totaling $338,607 as provided for in Rider FAC (which includes the recovery of $434,233 in interest for Accumulation Period 41 and the refund of $772,840 in interest for the true-up of Accumulation Period 38), the total adjustment to be reflected in the FAR is $61,931,452. That total, when using the estimated kilowatt-hour ("kWh") sales for the February 2023 to September 2023 Recovery Period, results in an initial rate component to be applied to the Company's Individual Service Classifications. As provided for in Rider FAC, the initial rate component is subject to the Rate Adjustment Cap. Further, to the extent the Large Primary Service (LPS) Classification rate exceeds the Rate Adjustment Cap applicable to LPS, the shortfall is applied to the remaining Individual Service Classifications to arrive at the FAR amounts that will be billed during the applicable Recovery Period. There was no shortfall for Accumulation Period 41. The following are the FAR amounts for the Company's customers during that Recovery Period, beginning with the first calendar day of February 2023:

Customer Voltage Level	**Cents per kWh Adjustment**
Secondary	0.627 ¢/kWh
Primary	0.608 ¢/kWh
High Voltage	0.598 ¢/kWh
Transmission	0.590 ¢/kWh

Filed concurrently with my direct testimony is the tariff sheet that contains the formula that Ameren Missouri used to calculate the FAR. Also included in the tariff sheet are the values for each element of the formula that were used to derive the FAR. Assuming 1,017 kWh of usage per month for the average residential customer, this will result in a charge under the FAR of approximately $6.37 per month. This is an increase from the FAR currently in effect, which resulted in a charge for the average residential customer of approximately $2.80 per month. The primary factors driving this change in the FAR were higher fuel costs and purchased power costs for load partially offset by higher net capacity sales revenue and higher off-system sales margins in Accumulation Period 41 as compared to

Accumulation Period 39 and the net base energy costs applicable to each period. Increases in the fuel and purchased power costs for load during Accumulation Period 41 as compared to Accumulation Period 39 and the net base energy costs applicable to each period is primarily due to the elevated natural gas prices and reduced coal-fired generation during Accumulation Period 41 discussed above. The higher net capacity sales revenue is primarily due to increased MISO auction clearing prices and the higher off-system sales margins are primarily due to lower off-system sales margins in Accumulation Period 39 which was primarily due to less generation being available for sale due to increased load volumes. This was formerly reflected in the FAR rate but is now rolling off once the new FAR rate to be set in this docket becomes effective.

Q: Having addressed the primary factors driving ANEC for Accumulation Period 41, can you please explain how you developed the various values used to derive the proposed FAR shown on the tariff sheet?

A: The data upon which Ameren Missouri based the values for each of the variables in the approved FAR formula is shown in Schedule JG-FAR. This schedule contains all the information that is required by 20 CSR 4240-20.090(8), and the work papers that support the data contained in Schedule JG-FAR. I have also included Schedule JG-TU, which is a reproduction of Schedule JG-TU filed in the separate true-up docket for the thirty-eighth Recovery Period, which as earlier noted is being filed concurrently with the initiation of this docket.

Q: If the rate schedule filed by Ameren Missouri is approved or allowed to go into effect, what safeguards exist to ensure that the revenues the Company collects do not exceed

the net energy costs that Ameren Missouri actually incurred during the Accumulation Period?

A: Ameren Missouri's Rider FAC and the Commission's rules provide two mechanisms to ensure that amounts collected from customers do not exceed Ameren Missouri's actual, prudently-incurred ANEC. First, Rider FAC and the Commission's rules require a true-up of the amounts collected from customers through Rider FAC, with any excess/unrecovered amounts to be refunded/billed to customers through prospective adjustments to the FAR calculation, with interest at Ameren Missouri's short-term borrowing rate. Second, Ameren Missouri's ANEC are subject to periodic prudence reviews to ensure that only prudently-incurred net energy costs are collected from customers through Ameren Missouri's Rider FAC. These two mechanisms serve as checks that ensure that the Company's customers pay only the prudently-incurred ANEC and no more.

Q: What action is Ameren Missouri requesting from the Commission with respect to the rate schedule that the Company has filed?

A: As provided by 20 CSR 4240-20.090(8) the Commission Staff (the "Staff") has thirty (30) days from the date the revised FAC rate schedule is filed to conduct a review and to make a recommendation to the Commission as to whether the rate schedule complies with the Commission's rules, the requirements of Section 386.266, RSMo (Cum. Supp. 2022), and Ameren Missouri's approved Rider FAC. If the Commission finds the revised Rider FAC rate schedule does comply, the FAR will take effect either pursuant to a Commission order approving the FAR or by operation of law, in either case within 60 days after the FAR is filed. Because Ameren Missouri believes its filing satisfies all of the requirements of applicable statutes, the Commission's rules and Ameren Missouri's approved Rider FAC, Ameren Missouri requests that after the Staff's review, the Commission approve the FAR or otherwise allow it to take effect by operation of law to be effective on February 1, 2023.

Q: Does this conclude your direct testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Adjustment of Union Electric Company	)	
d/b/a Ameren Missouri's Fuel Adjustment Clause for the	)	File No. ER-2023-
41st Adjustment Clause.	)	

AFFIDAVIT OF J. NEIL GRASER

STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

J. Neil Graser, being first duly sworn on his oath, states:

1. My name is J. Neil Graser. I work in the City of St. Louis, Missouri, and I am employed by Union Electric Company d/b/a Ameren Missouri as Manager, Energy Analytics.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Ameren Missouri consisting of 7 pages and Schedule JG-FAR and Schedule JG-TU, all of which have been prepared in written form for filing in the above-referenced docket.

3. Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.

James Neil Graser

Digitally signed by James Neil Graser
Date: 2022.12.01 16:53:22 -06'00'

\s\
J. Neil Graser

Sworn this __1__ day of __December_, 2022.