

Exhibit No.:  
Issues: Fuel Adjustment Clause - True-  
Up of Twenty-Second Recovery  
Period  
Witness: Marci L. Althoff  
Sponsoring Party: Union Electric Co.  
Type of Exhibit: Direct Testimony  
Case No.: ER-2018-\_\_\_\_\_  
Date Testimony Prepared: July 27, 2017

**MISSOURI PUBLIC SERVICE COMMISSION**

**DIRECT TESTIMONY**

**OF**

**Marci L. Althoff**

**July, 2017**  
**St. Louis, Missouri**

**NP**

**DIRECT TESTIMONY**

**OF**

**Marci L. Althoff**

**Case No. ER-2018-\_\_\_\_\_**

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, Power  
6 and Fuels Accounting. Ameren Services provides various corporate support services to  
7 Union Electric Company d/b/a Ameren Missouri (“Company” or “Ameren Missouri”),  
8 including settlement and accounting related to fuel, purchased power and off-system  
9 sales.

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

11 A: My testimony supports the twenty-second true-up filing being made by Ameren Missouri  
12 under 4 CSR 240-20.090(5) and the Company’s approved fuel adjustment clause  
13 (“FAC”). The terms of the FAC are reflected in the FAC tariff -- Rider FAC -- on file  
14 with the Commission.

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

1 A: The purpose of this true-up filing is to identify the calculated difference between Actual  
2 Net Energy Costs (Factor “ANEC” in Rider FAC)<sup>1</sup> and Net Base Energy Costs (Factor  
3 “B” in Rider FAC), Interest (Factor “I” in Rider FAC), Prudence disallowance amounts  
4 (Factor “P” in Rider FAC), and True-up amounts (Factor “T” in Rider FAC) that were  
5 over- or under-recovered from customers during the twenty-second Recovery Period<sup>2</sup>  
6 prescribed by the FAC.

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

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

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

<sup>2</sup> This sum has been included in the new FAR rates filed in the 25<sup>th</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 Missouri purchased to serve its load zone and is multiplied by B to determine the dollars  
2 of net base energy costs. Second, actual kWh sales data from the Recovery Period at  
3 issue are applied to the balance to be recovered from or refunded to customers for the  
4 Recovery Period at issue. Taking into account the newly calculated difference between  
5 ANEC and B and the sales data based upon actual kWh, an under- or over-recovery  
6 amount will remain to be collected from or refunded to customers. That amount is then  
7 included in the next FAR rate adjustment filing.

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

9 A: The Accumulation Period was February 1, 2016 through May 31, 2016. The Recovery  
10 Period for that Accumulation Period was the billing months of October 2016 through  
11 May 2017.

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

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

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

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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 A: There was an under-recovery of \$289,541 from customers during the 22<sup>nd</sup> Recovery  
2 Period due to the difference between actual and estimated kWh sales and recalculations  
3 described earlier using the S105 data. After applying the interest to be recovered for the  
4 subject Accumulation Period of \$537,445, which was calculated using the Company's  
5 short-term borrowing rate as provided for in the FAC tariff and the Commission's FAC  
6 rules, there was a total under-recovery from customers for the 22<sup>nd</sup> Recovery Period of  
7 \$826,986. Schedule MA-TU to this testimony (and Attachment A to that schedule)  
8 contains details of the calculations that produce the amount to be refunded to customers.

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

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

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

13 A: Yes, it does.



ER-2018-\_\_\_\_\_

**SCHEDULE MA-TU HAS  
BEEN MARKED HIGHLY  
CONFIDENTIAL IN ITS  
ENTIRETY**

NP