

Exhibit No.:
Issues: Adjustment to FAC Rate – Forty-
Second Accumulation Period
Witness: Raysene Logan
Type of Exhibit: Direct Testimony
Sponsoring Party: Union Electric Co.
Case No.: ER-2023-_____
Date Testimony Prepared: March 31, 2023

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ER-2023-_____

DIRECT TESTIMONY

OF

RAYSENE LOGAN

St. Louis, Missouri
March, 2023

DIRECT TESTIMONY

OF

RAYSENE LOGAN

Case No. ER-2023-_____

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

2 A: My name is Raysene Logan. 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 sales.

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

10 A: My testimony supports the 3rd Revised Sheet No. 71.31 of Ameren Missouri’s Schedule
11 No. 6 – Schedule of Rates for Electric Service, that is being filed by Ameren Missouri to
12 adjust customer rates for changes in Ameren Missouri’s fuel and purchased power costs,
13 net off-system sales revenues, and associated transportation (i.e., Actual Net Energy Costs,
14 or “ANEC”), which were experienced during the four-month period October 2022 through
15 January 2023.¹

¹ This four-month period is the forty-second overall Accumulation Period under Ameren Missouri’s Rider FAC, which was first approved by the Commission in File No. ER-2008-0318, and which has subsequently been re-authorized, with certain modifications, in File Nos. ER-2010-0036, ER-2011-0028, ER-2012-0166, ER-2014-0258, ER-2016-0179, ER-2019-0335, and ER-2021-0240.

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

2 A: The Commission’s rule governing fuel and purchased power cost recovery mechanisms for
3 electric utilities – specifically 20 CSR 4240-20.090(8) – and Ameren Missouri’s Rider
4 FAC, require Ameren Missouri to make periodic filings to adjust customer rates for
5 changes in Ameren Missouri’s ANEC experienced during each Accumulation Period² as
6 compared to the base level of net energy costs (Factor “B” as listed in the Company’s Rider
7 FAC tariff) applicable to that same Accumulation Period. That change is to then be
8 reflected in an adjustment to the Rider FAC Fuel Adjustment Rate (i.e., Factor “FAR” in
9 Rider FAC). This adjustment can be positive (a FAR of greater than zero) or negative (a
10 FAR of less than zero). The Commission’s rule requires at least one such review and
11 adjustment each year. Ameren Missouri’s approved FAC tariff calls for three filings
12 annually – one filing covering each of the three four-month Accumulation Periods reflected
13 in Rider FAC. The changes in the FAR implemented in these three filings are then collected
14 from or refunded to customers over the applicable Recovery Period. The Recovery Period
15 applicable to this filing will consist of the calendar months of June 2023 through January
16 2024.

17 **Q: What adjustment is being made in this filing?**

18 A: During the October 1, 2022 to January 31, 2023 Accumulation Period, Ameren Missouri’s
19 ANEC was \$177,359,618 which was an increase of \$50,350,238 as compared to Factor B,
20 which is \$127,009,380 for that same period. The primary factors driving this increase
21 above net base energy costs (Factor B) were lower off-system sales margins and higher
22 purchased power costs for load, which were due to elevated market prices as a result of the

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

1 extreme cold temperatures in December as well as the transition of Rush Island Energy
2 Center to operation as a System Support Resource (SSR) on September 1, 2022. These
3 were partially offset by higher net capacity sales margins as compared to Factor B. Net
4 capacity sales revenue increased primarily as a result of increased MISO auction clearing
5 prices. Also included in this filing is the true-up amount reflected in the Company's thirty-
6 ninth true-up filing, which is being filed concurrently with the initiation of this docket. The
7 above results in a Fuel and Purchased Power Adjustment ("FPA") of \$46,027,862 which,
8 as described further below, will produce the FAR rates that will appear as a separate line
9 item to be applied to customers' bills during the 42nd Recovery Period that starts with the
10 first calendar day of June 2023.

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

13 A: The \$50,350,238 increase above ANEC during the 42nd Accumulation Period as compared
14 to Factor B for that Accumulation Period was calculated in the manner specified in the
15 Company's Rider FAC, and adjusted for voltage level differences, as provided for in Rider
16 FAC. Applying the 95% sharing ratio, the true-up amount of -\$2,493,100 from the thirty-
17 ninth true-up filing (made concurrently with the initiation of this docket) and the applicable
18 recovery of interest totaling \$688,236 as provided for in Rider FAC (which includes the
19 recovery of \$427,790 in interest for Accumulation Period 42 and the recovery of \$260,446
20 in interest for the true-up of Accumulation Period 39), the total adjustment to be reflected
21 in the FAR is \$46,027,862. That total, when using the estimated kilowatt-hour ("kWh")
22 sales for the June 2023 to January 2024 Recovery Period, results in an initial rate
23 component to be applied to the Company's Individual Service Classifications. As provided

1 for in Rider FAC, the initial rate component is subject to the Rate Adjustment Cap. Further,
2 to the extent the Large Primary Service (LPS) Classification rate exceeds the Rate
3 Adjustment Cap applicable to LPS, the shortfall is applied to the remaining Individual
4 Service Classifications to arrive at the FAR amounts that will be billed during the
5 applicable Recovery Period. There was no shortfall for Accumulation Period 42. The
6 following are the FAR amounts for the Company's customers during that Recovery Period,
7 beginning with the first calendar day of June 2023:

<u>Customer Voltage Level</u>	<u>Cents per kWh Adjustment</u>
Secondary	0.526 ¢/kWh
Primary	0.511 ¢/kWh
High Voltage	0.502 ¢/kWh
Transmission	0.496 ¢/kWh

8 Filed concurrently with my direct testimony is the tariff sheet that contains the formula that
9 Ameren Missouri used to calculate the FAR. Also included in the tariff sheet are the values
10 for each element of the formula that were used to derive the FAR. Assuming 1,017 kWh
11 of usage per month for the average residential customer, this will result in a charge under
12 the FAR of approximately \$5.35 per month. This is a decrease from the FAR currently in
13 effect, which resulted in a charge for the average residential customer of approximately
14 \$6.37 per month. The primary factors driving this change in the FAR were lower fuel and
15 purchased power costs for load and higher net capacity sales revenue partially offset by
16 lower off-system sales margins in Accumulation Period 42 as compared to Accumulation
17 Period 40 and the net base energy costs applicable to each period. Decreases in the fuel
18 and purchased power costs for load during Accumulation Period 42 as compared to

1 Accumulation Period 40 and the net base energy costs applicable to each period is primarily
2 due to the Callaway refuel during Accumulation Period 40, while the higher net capacity
3 sales revenue is primarily due to increased MISO auction clearing prices during
4 Accumulation Period 42. The lower off-system sales margins are primarily due to the
5 elevated market prices and the transition of Rush Island Energy Center to operation as a
6 SSR in Accumulation Period 42 discussed above.

7 **Q: Having addressed the primary factors driving ANEC for Accumulation Period 42,**
8 **can you please explain how you developed the various values used to derive the**
9 **proposed FAR shown on the tariff sheet?**

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

17 **Q: If the rate schedule filed by Ameren Missouri is approved or allowed to go into effect,**
18 **what safeguards exist to ensure that the revenues the Company collects do not exceed**
19 **the net energy costs that Ameren Missouri actually incurred during the Accumulation**
20 **Period?**

21 A: Ameren Missouri's Rider FAC and the Commission's rules provide two mechanisms to
22 ensure that amounts collected from customers do not exceed Ameren Missouri's actual,
23 prudently-incurred ANEC. First, Rider FAC and the Commission's rules require a true-up

1 of the amounts collected from customers through Rider FAC, with any excess/unrecovered
2 amounts to be refunded/billed to customers through prospective adjustments to the FAR
3 calculation, with interest at Ameren Missouri's short-term borrowing rate. Second, Ameren
4 Missouri's ANEC are subject to periodic prudence reviews to ensure that only prudently-
5 incurred net energy costs are collected from customers through Ameren Missouri's Rider
6 FAC. These two mechanisms serve as checks that ensure that the Company's customers
7 pay only the prudently-incurred ANEC and no more.

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

10 A: As provided by 20 CSR 4240-20.090(8) the Commission Staff (the "Staff") has thirty (30)
11 days from the date the revised FAC rate schedule is filed to conduct a review and to make
12 a recommendation to the Commission as to whether the rate schedule complies with the
13 Commission's rules, the requirements of Section 386.266, RSMo (Cum. Supp. 2020), and
14 Ameren Missouri's approved Rider FAC. If the Commission finds the revised Rider FAC
15 rate schedule does comply, the FAR will take effect either pursuant to a Commission order
16 approving the FAR or by operation of law, in either case within 60 days after the FAR is
17 filed. Because Ameren Missouri believes its filing satisfies all of the requirements of
18 applicable statutes, the Commission's rules and Ameren Missouri's approved Rider FAC,
19 Ameren Missouri requests that after the Staff's review, the Commission approve the FAR
20 or otherwise allow it to take effect by operation of law to be effective on June 1, 2023.

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

22 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)
42nd Adjustment Clause.) File No. ER-2023-

AFFIDAVIT OF RAYSENE LOGAN

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


Raysene Logan, being first duly sworn on their oath, states:

1. My name is Raysene Logan. I work in the City of St. Louis, Missouri, and I am employed by Ameren Services as Manager, Power & Fuels Accounting.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Union Electric Company d/b/a Ameren Missouri consisting of 6 pages and Schedule RL-FAR and Schedule RL-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.

Raysene
Logan
Raysene Logan

 Digitally signed by
Raysene Logan
Date: 2023.03.31
08:33:52 -05'00'

Sworn this __31__ day of March, 2023.