

Exhibit No.:
Issues: Fuel Adjustment Clause - True-
Up of Twelfth Recovery Period
Witness: Erik C. Wenberg
Sponsoring Party: Union Electric Co.
Type of Exhibit: Direct Testimony
Case No.: ER-2014-____
Date Testimony Prepared: March 28, 2014

MISSOURI PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

ERIK C. WENBERG

March, 2014
St. Louis, Missouri

NP

DIRECT TESTIMONY

OF

ERIK C. WENBERG

Case No. ER-2014-_____

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

2 A: My name is Erik C. Wenberg. 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 Director,
6 Wholesale Power and Fuel Accounting. Ameren Services provides various corporate
7 support services to Union Electric Company d/b/a Ameren Missouri (“Company” or
8 “Ameren Missouri”), including settlement and accounting related to fuel, purchased
9 power and off-system sales.

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

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

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

16 A: The purpose of this true-up filing is to identify the calculated difference between Actual
17 Net Energy Costs (Factor “ANEC” in Rider FAC)¹ and Net Base Energy Costs (Factor

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

1 “B” in Rider FAC) that were over- or under-recovered from customers during the twelfth
2 Recovery Period² prescribed by the FAC.

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

5 A: The FAC process is outlined in the Company’s FAC tariff. It begins with an
6 Accumulation Period which covers a four-month period in which the Company’s ANEC
7 are accumulated and compared to the B calculated in accordance with the FAC tariff.³
8 The difference between B and ANEC is the amount recovered from or refunded to
9 customers for the Recovery Period at issue, based upon an estimate or projection of the
10 kilowatt-hour (“kWh”) sales that are expected during the Recovery Period. This
11 recovery, over the 8-month Recovery Period at issue in this docket, occurs via application
12 to customer bills of Fuel Adjustment Rates (“FAR”)⁴ (which are differentiated by
13 voltage, as provided for in the FAC tariff). New FAR rates take effect every four
14 months. After a Recovery Period, a true-up is filed which finalizes two things. First, B is
15 recalculated for the accumulation period months based upon S105 Midcontinent
16 Independent Transmission System Operator, Inc. (“MISO”) settlement statements.⁵ The
17 MISO settlement statements provide the kWh data for the amount of energy Ameren
18 Missouri purchased to serve its load zone and is multiplied by B to determine the dollars
19 of net base energy costs. Second, actual kWh sales data from the Recovery Period at

² This sum has been included in the new FPA_c rates filed in the 15th Accumulation Period docket filed concurrently with this filing, as described in my direct testimony filed in that docket.

³ For the Recovery Period being trued-up in this docket “ANEC” was referred to as “actual net energy costs” and “B” was referred to as “net base energy costs.” In this testimony I am using the terminology as reflected in the Company’s now-current Rider FAC.

⁴ The current Rider FAC refers to this rate as the “FAR” rate. The Rider FAC formerly in effect referred to the rate as the “FPA” rate.

⁵ “S105” stands for 105 days after the end of the period covered by the settlement statement.

1 issue are applied to the balance to be recovered from or refunded to customers for the
2 Recovery Period at issue. Taking into account the newly calculated difference between
3 ANEC and B and the sales data based upon actual kWh, an under- or over-recovery
4 amount will remain to be collected from or refunded to customers. That amount is then
5 included in the next FAR rate adjustment filing.

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

7 A: The Accumulation Period was October 1, 2012 through January 31, 2013. The Recovery
8 Period for that Accumulation Period was June 2013 through January 2014.

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

11 A: As noted earlier, B needs to be recalculated with MISO S105 settlement statements, as
12 those amounts are not available when the FAR rate adjustment filing for the Recovery
13 Period at issue is originally filed.⁶ Additionally, the FAR rates are calculated based upon
14 estimated kWh sales for the Recovery Period. Since the FAR rates are based upon an
15 estimated number, once actual sales are recorded, a difference will always exist between
16 the estimate and the actual kWh billed.

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

19 A: There was an over-recovery of \$145,032 from customers during the Recovery Period due
20 to the difference between actual and estimated kWh sales described earlier and
21 recalculations using the S105 data, plus interest at the Company's short-term borrowing
22 rate, as provided for in the FAC tariff and the Commission's FAC rules. Schedule EW-

⁶ 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 TU to this testimony (and Attachment A to that schedule) contains details of the
2 calculations that produce the sum to be recovered from customers.

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

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

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

7 A: Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the True-Up of Union Electric Company)
 d/b/a Ameren Missouri's Fuel Adjustment Clause for the) ER-2014-
 12th Recovery Period)

AFFIDAVIT OF ERIK C. WENBERG


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

Erik C. Wenberg, being first duly sworn on his oath, states:

1. My name is Erik C. Wenberg. I work in the City of St. Louis, Missouri, and I am employed by Ameren Services as a Director, Wholesale Power and Fuel 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 4 pages and Schedule EW-TU, all of which have been prepared in written form for filing in the above-referenced docket.

3. I hereby swear and affirm that the information contained in the attached testimony to the questions therein propounded is true and correct.



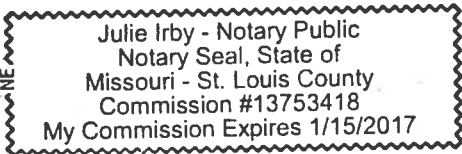
 Erik C. Wenberg

Subscribed and sworn to before me this 26th day of March, 2014.



 Notary Public

My commission expires:



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