

Exhibit:
Issues: Fuel Adjustment Clause - True-
Up of Seventeenth Recovery
Period
Witness: Erik C. Wenberg
Sponsoring Party: Union Electric Co.
Type of Exhibit: Direct Testimony
Case No.: ER-2016-_____
Date Testimony Prepared: November 25, 2015

MISSOURI PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

ERIK C. WENBERG

**November, 2015
St. Louis, Missouri**

NP

DIRECT TESTIMONY

OF

ERIK C. WENBERG

Case No. ER-2016-_____

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
3 Chouteau Avenue, 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 support
7 services to 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 seventeenth true-up filing being made by Ameren
11 Missouri under 4 CSR 240-20.090(5) and the Company’s approved fuel adjustment clause
12 (“FAC”). The terms of the FAC are reflected in the FAC tariff -- Rider FAC -- on file with the
13 Commission.

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

1 A: The purpose of this true-up filing is to identify the calculated difference between
2 Actual Net Energy Costs (Factor “ANEC” in Rider FAC)¹ and Net Base Energy Costs (Factor
3 “B” in Rider FAC), Interest (Factor “I” in Rider FAC), Prudence disallowance amounts (Factor
4 “P” in Rider FAC), and True-up amounts (Factor “T” in Rider FAC) that were over or under-
5 recovered from customers during the seventeenth Recovery Period² prescribed by the FAC.

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

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

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

² This sum has been included in the new FAR rates filed in the 20th Accumulation Period docket filed concurrently with this filing, as described in my direct testimony filed in that docket.

³ “S105” stands for 105 days after the end of the period covered by the settlement statement.

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

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

7 A: The Accumulation Period was June 1, 2014 through September 30, 2014. The
8 Recovery Period for that Accumulation Period was the billing months of February 2015 through
9 September 2015.

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

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

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

20 A: There was an under-recovery of \$566,101 from customers during the Recovery
21 Period due to the difference between actual and estimated kWh sales described earlier and
22 recalculations using the S105 data. After applying the interest to be recovered for the

⁴ 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 Accumulation Period of -\$730,252, which was calculated using the Company's short-term
2 borrowing rate as provided for in the FAC tariff and the Commission's FAC rules, there was a
3 total over-recovery from customers for the 17th Recovery Period of \$164,151. Schedule EW-TU
4 to this testimony (and Attachment A to that schedule) contains details of the calculations that
5 produce the amount to be refunded to customers.

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

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

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

10 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-2016-
17th Recovery Period)

AFFIDAVIT OF ERIK C. WENBERG

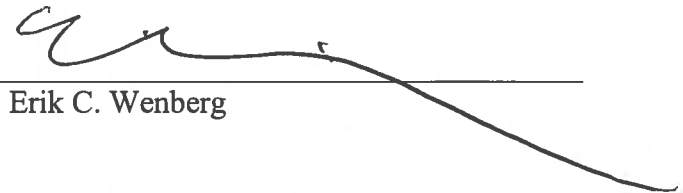
STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

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 Director of 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.



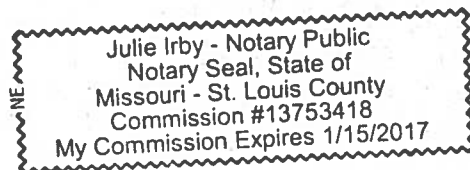
Erik C. Wenberg

Subscribed and sworn to before me this 23rd day of November, 2015.



Notary Public

My commission expires:



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