

Exhibit No.:
Issues: Fuel Adjustment Clause - True-
Up of Thirteenth Recovery
Period
Witness: Erik C. Wenberg
Sponsoring Party: Union Electric Co.
Type of Exhibit: Direct Testimony
Case No.: ER-2015-_____
Date Testimony Prepared: July 23, 2014

MISSOURI PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

ERIK C. WENBERG

**July, 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 thirteenth 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)¹ and Net Base Energy Costs (Factor
3 “B” in Rider FAC) that were over- or under-recovered from customers during the
4 thirteenth Recovery Period² prescribed by the FAC.

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

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

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 FPA_c rates filed in the 16th 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 settlement statements provide the kWh data for the amount of energy Ameren Missouri
2 purchased to serve its load zone and is multiplied by B to determine the dollars of net
3 base energy costs. Second, actual kWh sales data from the Recovery Period at issue are
4 applied to the balance to be recovered from or refunded to customers for the Recovery
5 Period at issue. Taking into account the newly calculated difference between ANEC and
6 B and the sales data based upon actual kWh, an under- or over-recovery amount will
7 remain to be collected from or refunded to customers. That amount is then included in the
8 next FAR rate adjustment filing.

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

10 A: The Accumulation Period was February 1, 2013 through May 31, 2013. The Recovery
11 Period for that Accumulation Period was October 2013 through May 2014.

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.⁶ 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?**

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 A: There was an over-recovery of \$2,611,772 from customers during the Recovery Period
2 due to the difference between actual and estimated kWh sales described earlier and
3 recalculations using the S105 data. After applying interest of \$110,253, using the
4 Company's short-term borrowing rate as provided for in the FAC tariff and the
5 Commission's FAC rules, the total over-recovery from customers is \$2,501,519.
6 Schedule EW-TU to this testimony (and Attachment A to that schedule) contains details
7 of the calculations that produce the sum to be refunded to customers.⁷

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

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

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

12 A: Yes, it does.

⁷ As detailed in Schedule EW-TU, a net amount of interest is due the Company because for most of the Recovery Period there was an under-recovery of the difference between ANEC and B,

SCHEDULE EW-TU
IS HIGHLY CONFIDENTIAL
IN ITS ENTIRETY

In the Matter of the True-Up of Union Electric Company)
d/b/a Ameren Missouri's Fuel Adjustment Clause for the) ER-2015-
13th Recovery Period)

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

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.

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

Subscribed and sworn to before me this 13rd day of July, 2014.

My commission expires:

