

Exhibit No.:
Issues: Updated Weather
Normalization
Witness: Steven M. Wills
Sponsoring Party: Union Electric Company
Type of Exhibit: Supplemental Direct Testimony
Case No.: ER-2008-0318
Date Testimony Prepared: June 16, 2008

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2008-0318

SUPPLEMENTAL DIRECT TESTIMONY

OF

STEVEN M. WILLS

ON

BEHALF OF

**UNION ELECTRIC COMPANY
d/b/a AmerenUE**

**St. Louis, Missouri
June, 2008**

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1 **SUPPLEMENTAL DIRECT TESTIMONY**

2 **OF**

3 **STEVEN M. WILLS**

4 **CASE NO. ER-2008-0318**

5 **I. INTRODUCTION**

6 **Q. Please state your name and business address.**

7 A. Steven M. Wills, Ameren Services Company (“Ameren Services”), One
8 Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.

9 **Q. Are you the same Steven M. Wills who previously filed testimony in**
10 **this case?**

11 A. Yes.

12 **II. PURPOSE OF TESTIMONY**

13 **Q. What is the purpose of your supplemental direct testimony?**

14 A. AmerenUE filed this case based upon a test year consisting of the 12
15 months ending March 30, 2008, using nine months of actual data and three months of
16 budgeted data (for the months of January, February, and March 2008). This
17 supplemental direct testimony provides the results of the weather normalization analysis
18 using actual data for the first three months of 2008. I am submitting this updated analysis
19 in accordance with the Commission’s Order Adopting Procedural Schedule and Test
20 Year issued on May 29, 2008.

21 **Q. Did you use the same methodology to calculate the additional three**
22 **months of weather normalized sales that you described in your direct testimony?**

1 A. Yes. The methodology used to calculate weather normalized sales for
2 January through March of 2008 was the same as that used to calculate the period of April
3 through December 2007, as described in my direct testimony.

4 **Q.** **In your direct testimony, you discuss the development of Weather**
5 **Response Functions using the Hourly Electric Load Model (HELM). Did you**
6 **update the weather response functions before calculating the weather normalized**
7 **sales for January through March of 2008?**

A. No, I did not. The weather response functions describe the relationship of load to temperature. That relationship is quite stable over time. The weather response functions developed using load research data and temperature data over the 2007 calendar year are still applicable to the first three months of 2008. The process of developing new Weather Response Functions is fairly time consuming and there was little to be gained by creating new HELM models.

14 **Q.** **If you did not update the HELM models, what was involved in the**
15 **development of weather normalized sales for the first three months of 2008?**

16 A. I obtained actual sales for January through March, by rate class and billing
17 cycle, and obtained actual Two-Day Weighted Mean Temperatures for this same period.
18 I then performed the calculation of weather normalized sales for this period, using the
19 methodology described in my direct testimony.

20 **III. CONCLUSIONS**

21 **Q. Please summarize the results of your analysis.**

22 A. January was warmer than normal on both a calendar and billing basis.

23 Therefore, January sales were increased to reflect normal sales that would occur in a

1 colder winter due to increased use of space heating equipment. February was colder than
2 normal on a calendar month basis, but warmer than normal on a billing month basis.
3 Therefore, February billed sales were increased to normal levels and calendar month
4 sales were decreased to reflect the level of sales that would have been experienced under
5 normal conditions. March weather was very close to normal on a calendar basis, but was
6 colder than normal on a billing month basis. Calendar month March weather normalized
7 sales were very close to actual March sales, whereas billed sales for March had to be
8 decreased to reflect the level of sales that would be expected under normal winter
9 conditions. Full results by rate class are attached as Schedules SMW-E4 and SMW-E5.

10 **Q. Please clarify the distinction between calendar and billing month**
11 **sales.**

12 A. As described in my direct testimony, calendar month sales are the sales
13 that reflect the amount of energy consumed by the Company's customers within the
14 actual calendar days of the month in question. Billing month sales are those sales that are
15 billed to the Company's customers within a month. Because of the nature of the meter
16 reading schedule, some sales will relate to energy consumed in one month but billed in
17 another. As an example, a customer may have his meter read on January 11, then read
18 again on February 11. The usage recorded by the meter for that period would all be
19 considered February usage for billing purposes, but would be allocated between January
20 and February for calendar month purposes.

21 **Q. Does this conclude your supplemental direct testimony?**

22 A. Yes, it does.

In the Matter of Union Electric Company)
d/b/a AmerenUE for Authority to File)
Tariffs Increasing Rates for Electric)
Service Provided to Customers in the)
Company's Missouri Service Area.)

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

Danielle R. Moskop
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: July 21, 2009
Commission # 05745027

Schedule SMW-E4 - Test Year Actual and Normal Calendar Month Sales (kWh)

Ameren UE - Residential Sales - Calendar Month - 2008			
Month	Actual	Normal	Ratio
1	1,426,916,109	1,522,845,927	106.7%
2	1,324,687,158	1,292,984,865	97.6%
3	1,119,943,930	1,117,067,073	99.7%

Ameren UE - LGS Sales - Calendar Month - Test Year Update Period			
Month	Actual	Normal	Ratio
1	698,798,768	722,865,947	103.4%
2	661,248,846	652,666,503	98.7%
3	624,735,870	626,557,111	100.3%

Ameren UE - LPS Sales - Calendar Month - Test Year Update Period			
Month	Actual	Normal	Ratio
1	320,735,547	321,966,950	100.4%
2	321,693,139	321,400,945	99.9%
3	322,677,045	323,200,410	100.2%

Ameren UE - SGS Sales - Calendar Month - Test Year Update Period			
Month	Actual	Normal	Ratio
1	341,502,521	355,487,391	104.1%
2	319,288,608	314,336,337	98.4%
3	292,427,464	293,880,412	100.5%

Ameren UE - SPS Sales - Calendar Month - Test Year Update Period			
Month	Actual	Normal	Ratio
1	329,160,045	332,295,137	101.0%
2	310,009,668	308,896,339	99.6%
3	314,874,164	315,600,505	100.2%

Ameren UE - Wholesale Sales - Calendar Month - Test Year Update Period			
Month	Actual	Normal	Ratio
1	56,953,020	58,781,675	103.2%
2	53,841,665	53,347,911	99.1%
3	50,947,294	50,899,835	99.9%

Schedule SMW-E5 - Test Year Actual and Normal Billing Month Sales (kWh)

Ameren UE - Residential Sales - Billing Month - 2008			
Month	Actual	Normal	Ratio
1	1,501,988,221	1,582,046,679	105.3%
2	1,407,968,124	1,440,668,081	102.3%
3	1,250,237,886	1,229,501,143	98.3%

Ameren UE - LGS Sales - Billing Month - 2008			
Month	Actual	Normal	Ratio
1	720,647,977	740,680,771	102.8%
2	697,987,736	707,119,084	101.3%
3	650,450,700	645,789,582	99.3%

Ameren UE - LPS Sales - Billing Month - 2008			
Month	Actual	Normal	Ratio
1	343,542,843	345,568,643	100.6%
2	329,469,794	330,380,202	100.3%
3	312,442,645	312,318,007	100.0%

Ameren UE - SGS Sales - Billing Month - 2008			
Month	Actual	Normal	Ratio
1	350,777,333	362,595,466	103.4%
2	336,417,882	341,706,017	101.6%
3	310,706,588	308,223,829	99.2%

Ameren UE - SPS Sales - Billing Month - 2008			
Month	Actual	Normal	Ratio
1	332,257,386	334,906,959	100.8%
2	329,272,410	330,842,040	100.5%
3	313,037,526	312,511,722	99.8%

Ameren UE - Wholesale Sales - Billing Month - 2008			
Month	Actual	Normal	Ratio
1	50,291,722	51,735,474	102.9%
2	57,471,128	58,951,227	102.6%
3	54,339,921	53,957,126	99.3%