

Exhibit No.:  
Issues: Adjustment To FAC Rate – First  
Accumulation Period  
Witness: Kent Crnokrak  
Sponsoring Party: Union Electric Co.  
Type of Exhibit: Direct Testimony  
Case No.: EO-2010-\_\_\_\_\_  
Date Testimony Prepared: July 31, 2009

**MISSOURI PUBLIC SERVICE COMMISSION**

**DIRECT TESTIMONY**

**OF**

**KENT CRNOKRAK**

**July, 2009**  
**St. Louis, Missouri**

**DIRECT TESTIMONY**

**OF**

**KENT CRNOKRAK**

**Case No. EO-2010**

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

2   A:   My name is Kent Crnokrak. My business address is One Ameren Plaza, St. Louis,  
3       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,  
6       Wholesale Power and Fuel Accounting. Ameren Services provides various corporate  
7       support services to Union Electric Company d/b/a AmerenUE (“Company” or  
8       “AmerenUE”), including settlement and accounting related to fuel, purchased power and  
9       off-system sales.

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

11   A:   My testimony supports First Revised Sheet No. 98.7 of AmerenUE’s Schedule No. 5 –  
12       Schedule of Rates for Electric Service that is being filed by AmerenUE to adjust  
13       customer rates for changes in AmerenUE’s fuel and purchased power costs net of off-  
14       system sales revenues (i.e., net fuel costs), which were experienced during the three-  
15       month period March 2009 through May 2009. This three-month period is the first  
16       Accumulation Period under AmerenUE’s Fuel and Purchased Power Adjustment Clause  
17       (“Rider FAC”), which was approved by the Commission in Case No. ER-2008-0318.

18   **Q:   Please explain why AmerenUE is filing a revision to its Rider FAC at this time.**

1 A: The Commission's rule governing fuel and purchased power cost recovery mechanisms  
2 for electric utilities – specifically 4 CSR 240-20.090(4) – and AmerenUE's Rider FAC  
3 tariff, require AmerenUE to make periodic filings to adjust customer rates for changes in  
4 AmerenUE's actual net fuel costs experienced during each Accumulation Period as  
5 compared to the base level of net fuel costs (the net base fuel costs or "NBFC" listed in  
6 the Company's Rider FAC tariff) applicable to that same Accumulation Period. That  
7 change is then to be reflected in an adjustment to the Rider FAC rate (i.e., Factor "FPA<sub>c</sub>"  
8 in the Rider FAC tariff). This adjustment can be positive (an increase in the FAC rate) or  
9 negative (a decrease in the FAC rate). The Commission's rule requires at least one such  
10 review and adjustment each year. AmerenUE's approved FAC tariff calls for three  
11 filings annually – one filing covering each of the three four-month Accumulation Periods  
12 reflected in the FAC tariff.<sup>1</sup> The increases or decreases in the FAC factor implemented  
13 in these three filings are then collected from or refunded to customers over three twelve-  
14 month Recovery Periods. The Recovery Period applicable to this filing is comprised of  
15 the billing months of October 2009 through September 2010.

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

17 A: AmerenUE's net fuel costs during the March 1, 2009 to May 31, 2009 Accumulation  
18 Period have decreased as compared to the NBFC applicable to that period, as set in the  
19 Company's last rate case that established AmerenUE's Rider FAC. The factors driving  
20 this cost decrease include lower than forecasted fuel and purchase power costs driven by  
21 lower demand due to economic conditions and Noranda Aluminum, Inc.'s storm-related  
22 reductions, and lower than forecasted MISO Day 2 expenses.

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<sup>1</sup> The first Accumulation Period for which this filing is made covers three months, to reflect the fact that the Rider FAC tariff became effective on March 1, 2009, while normally this Accumulation Period would run from February 1 to May 31 of each year.

Specifically, for the subject Accumulation Period AmerenUE's net fuel costs are less than the NBFC for that period by approximately \$13,271,127. In accordance with the Commission's rule and AmerenUE's approved Rider FAC, AmerenUE is making this filing to set its FPA<sub>c</sub> rate so that customers will receive 95% of this cost decrease. This will appear as a separate line item on the customers' bills starting with the October billing month, when the Recovery Period applicable to the subject Accumulation Period begins.

**Q: Please describe the impact of this decrease in costs and how it will affect a typical customer.**

A: The approximately \$13,271,127 reduction in net fuel costs was calculated in the manner specified in the Company's Rider FAC, and adjusted for voltage level differences, as provided for in the Rider FAC tariff. This results in the following FPA<sub>c</sub> rates for the Company's customers for the Recovery Period starting with the billing month of October 2009.

<u>Customer Voltage Level</u>	<u>Cents per kWh Adjustment</u>
Secondary	(0.036) ¢/kWh
Primary	(0.035) ¢/kWh
Large Transmission	(0.033) ¢/kWh

This will result in a decrease to a typical residential customer's bill of approximately \$.40 per month.

In addition, attached to my testimony as Schedule KC-1 is the information required by 4 CSR 240-3.161(7)(A).

1 **Q: How did you develop the various values used to derive the proposed FPA<sub>c</sub> rates that**  
2 **are shown on Schedule KC-1?**

3 A: The data upon which AmerenUE based the values for each of the variables in the  
4 approved FPA<sub>c</sub> formula are shown in the workpapers that AmerenUE is submitting with  
5 this filing.

6 **Q: If the rate schedule filed by AmerenUE is approved or allowed to go into effect,**  
7 **what safeguards exist to ensure that the revenues the Company collects do not**  
8 **exceed the net fuel costs that AmerenUE actually incurred during the Accumulation**  
9 **Period?**

10 A: AmerenUE's Rider FAC and the Commission's rules provide two mechanisms to ensure  
11 that amounts collected from customers do not exceed AmerenUE's actual, prudently-  
12 incurred net fuel costs. First, the Rider FAC and the Commission's rules require a true-  
13 up of the amounts collected from customers through the Rider FAC, with any excess  
14 amounts collected to be credited to customers through prospective adjustments to the  
15 FPA<sub>c</sub> rates, with interest at AmerenUE's short-term borrowing rate. Second,  
16 AmerenUE's net fuel costs are subject to periodic prudence reviews to ensure that only  
17 prudently-incurred net fuel costs are collected from customers through AmerenUE's  
18 Rider FAC. These two mechanisms serve as checks that ensure that the Company's  
19 customers pay only the prudently-incurred, actual net fuel costs and no more.

20 **Q: What action is AmerenUE requesting from the Commission with respect to the rate**  
21 **schedule that the Company has filed?**

22 A: As provided by 4 CSR 240-20.090(4), the Commission Staff (the "Staff") has thirty (30)  
23 days from the date the revised FAC rate schedule is filed to conduct a review and to make

1 a recommendation to the Commission as to whether the rate schedule complies with the  
2 Commission's rules, the requirements of Section 386.266, RSMo (Cum. Supp. 2008), and  
3 AmerenUE's approved Rider FAC. If the Commission finds the revised Rider FAC rate  
4 schedule does comply, the FPA<sub>c</sub> rate will take effect either pursuant to a Commission  
5 order approving the FPA<sub>c</sub> rate or by operation of law, in either case within 60 days after  
6 the FPA<sub>c</sub> rate was filed. Because AmerenUE believes its filing satisfies all of the  
7 requirements of applicable statutes, the Commission's rules and AmerenUE's approved  
8 Rider FAC, AmerenUE requests that after the Staff's review, the Commission approve  
9 the FPA<sub>c</sub> rate to be effective with the billing month of October, which is the Recovery  
10 Period prescribed in AmerenUE's tariff.

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

12 **A:** Yes, it does.

**In Re: Union Electric Company )  
d/b/a AmerenUE's Filing to Adjust )  
Rates under its Approved Fuel ) Case No. EO-2010-  
And Purchased Power Cost Recovery )  
Mechanism Pursuant to 4 CSR )  
240-20.090(4). )**

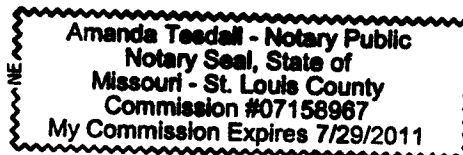
**STATE OF MISSOURI            )**  
   **) ss**  
**CITY OF ST. LOUIS          )**

1. My name is Kent Crnokrak. I work in the City of St. Louis, Missouri, and I am employed by Ameren Services Company as a Manager, Wholesale Power and Fuel Accounting.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

Subscribed and sworn to before me this 31<sup>st</sup> day of July, 2009.

**My commission expires:**



**AmerenUE**  
**Energy Sales**  
**3.161(7)(A)1.A**

<b>KWH</b>		<b>Total</b>
1m	Secondary	2,801,418,336
2m	Secondary	803,787,290
3m	Secondary	1,846,154,266
4m	Primary	855,570,223
Street Lighting - 5m, 6m, 7m & 8m	Secondary	55,830,043
11m	Primary	905,587,750
12m	Transmission	372,048,201
		<b>7,640,396,109</b>



**AmerenUE**  
**Fuel Costs By Fuel Type & Generating Facility**  
**3.161(7)(A)1.B**

<b>Fuel Type</b>	<b>Generating Facility</b>	<b>Total</b>
<b>Coal</b>	Labadie	\$ 51,757,044.75
	Meramec	23,295,619.04
	Rush Island	31,291,326.86
	Sioux	24,425,595.40
	<b>Fossil subtotal</b>	<b>\$ 130,769,586.05</b>
<b>Nuclear</b>	Callaway	\$ 16,535,191.12
<b>Oil</b>	Labadie	\$ -
	Meramec	-
	Rush Island	-
	Sioux	-
	Venice	-
	Mexico CTG	63,279.43
	Moreau CTG	34,804.71
	Meramec CTG	1,570.28
	Howard Bend CTG	-
	Fairgrounds CTG	-
	Moberly	-
	Peno Creek	13,717.08
	Kinmundy	-
	<b>Oil subtotal</b>	<b>\$ 113,371.50</b>
<b>Gas</b>	Meramec	\$ -
	Venice	-
	Kirksville	-
	Viaduct	-
	Meramec CTG	33.56
	Peno Creek	677,398.12
	Venice CTG	562,168.06
	Kinmundy CTG	163,439.51
	Pinckneyville CTG	1,139,398.72
	Audrain CTG	833,532.24
	Goose Creek CTG	629,898.05
	Raccoon CTG	(267.31)
	<b>Gas subtotal</b>	<b>\$ 4,005,600.95</b>
<b>Fuel Total</b>		<b>\$ 151,423,749.62</b>

AmerenUE  
Purchased Power Costs  
3.161(7)(A)1.C

(I) Short Term & Long Term Purchased Power Contracts

Long Term	\$	3,371,561
Short Term		<u>15,118,405</u>
	\$	18,489,966

(II) On-peak and Off-peak costs

Peak	\$	9,890,468
Off-Peak		<u>8,599,498</u>
	\$	18,489,966

(III) Demand and Energy Costs

Demand	\$	-
Energy Costs		<u>18,489,966</u>
	\$	18,489,966

AmerenUE

Market Purchased Megawatt-hours and Costs

3.161(7)(A)1.D

Market Purchased Dollars	\$	13,471,564
Market Purchased MW's		189,230

**AmerenUE**  
**Off-System Sales Revenues, Expense & MWH**  
**3.161(7)(A)1.E**

	<u><b>Total</b></u>
<b>Off-System Sales Revenue</b>	<b>\$ 121,207,378</b>
<b>Off-System Sales Expense</b>	<b>\$ 62,162,977</b>
<b>Off-System Sales MWH</b>	<b>3,571,220</b>

**AmerenUE**  
**Extraordinary Costs Not Passed Through**  
**3.161(7)(A)1.F**

Not Applicable

**AmerenUE**  
**Base Rate Components**  
**3.161(7)(A)1.G**

**Summer NBFC Rate** 1.001 cents/kwh  
- June through September

**Winter NBFC Rate** 0.690 cents/kwh  
-October through May

**AmerenUE**  
**Additional Requirements**  
**3.161(7)(A)1.H**

Not Applicable

**AmerenUE  
Rider FAC  
Fuel and Purchased Power Adjustment Clause**

**Calculation of Current FPA Rate:**

**Accumulation Period Ending:**

**May 31, 2009**

1.	Total Energy Cost (CF+CPP-OSSR-TS-S)		\$	43,875,102
2.	Base Energy Cost	-		57,146,229
	2.1 NBFC (\$/kwh)	x		0.00690
	2.2 Accumulation Period Sales kwh (SAP)			8,282,062,155
3.	<b>First Subtotal (1. - 2.)</b>		\$	<b>(13,271,127)</b>
4.	Customer Responsibility	x		95%
5.	<b>Second Subtotal</b>		\$	<b>(12,607,571)</b>
6.	Adjustment for Under / Over recovery for Prior Periods Plus Interest (I + R)	±		(39,842)
7.	<b>Third Subtotal</b>		\$	<b>(12,647,413)</b>
8.	Estimated Recovery Period Sales kwh (S <sub>RP</sub> )	÷		38,165,464,965
9.	FPA <sub>1</sub>			(0.00033)
10.	FPA	+		-
11.	FPA	+		-
12.	<b>FPA (Without Voltage Level Adjustment)</b>			<b>(0.00033)</b>



**AmerenUE  
Rider FAC  
Fuel and Purchased Power Adjustment Clause**

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9.	FPA <sub>1</sub>			(0.00033)
10.	FPA	+		-
11.	FPA	+		-
12.	<b>FPA (Without Voltage Level Adjustment)</b>			<b>(0.00033)</b>
13.	Voltage Level Adjustment Factor			
	13.1 Secondary	x		1.0888
	13.2 Primary	x		1.0492
	13.3 Large Transmission	x		1.0147
14.	<b>FPA (With Voltage Level Adjustment)</b>			
	14.1 Secondary		\$	<b>(0.00036)</b>
	14.2 Primary		\$	<b>(0.00035)</b>
	14.3 Large Transmission		\$	<b>(0.00033)</b>

AmerenUE  
AmerenUE Net Base Fuel Cost (NBFC)

	Missouri Summer	Missouri Winter
<b>A Fuel &amp; Purchased Power Costs</b>		
Fuel For Load	180,261,553	312,526,612
Fixed Gas Supply Costs for Load (1)	2,055,592	4,095,192
Purchased Power for Load	20,823,305	22,132,725
Total Fuel and Purchased Power for Load	203,140,450	338,754,529
Fuel For OSS	54,587,400	94,413,757
Fixed Gas Supply Costs for OSS (1)	621,536	1,238,237
Purchased Power for OSS	9,240,744	29,546,322
Total Fuel and Purchased Power for OSS	64,449,680	125,198,316
<b>Total Fuel and Purchased Power</b>	<b>267,590,130</b>	<b>463,952,844</b>
<b>B Additional Fuel &amp; PP Costs</b>		
Westinghouse Credits (1)	(597,197)	(1,189,747)
MISO Day 2 Excluding Admin (Acct 555) (1)	21,106,385	42,048,567
Under-Forecasting Error (1)	1,250,403	2,491,077
<b>Total Additional Fuel &amp; PP Costs</b>	<b>21,759,591</b>	<b>43,349,897</b>
<b>c Sales</b>		
Off-System Energy Sales Per Staff's Model	134,507,880	310,012,152
MISO Day 2 Revenues (Acct 447) (1)	4,030,783	8,030,207
Capacity Sales (1)	2,107,601	4,198,806
Taum Sauk Capacity Revenues (1)	1,611,379	3,210,221
Ancillary Services Capacity Revenue (1)	1,150,985	2,293,015
Black Box Settlement Amount (1)	986,558	1,965,442
<b>Total Sales</b>	<b>144,395,186</b>	<b>329,709,843</b>
<b>A + B - C Net Base Fuel Costs</b>	<b>144,954,535</b>	<b>177,592,898</b>
Load Forecast at Generation Level Per Staff's Model	14,487,622,474	25,724,715,672
Net Base Fuel Costs (\$ per MWH)	10.01	6.90
<b>Net Base Fuel Costs (cents per KWH)</b>	<b>1.001</b>	<b>0.690</b>

(1) Allocated between summer and winter based on number of days in summer (122/365) or 33.42%.