

Exhibit No.:
Issues: Fuel Adjustment
Clause - True-Up of
Twenty-Sixth
Recovery Period
Witness: Marci L. Althoff
Type of Exhibit: Direct Testimony
Sponsoring Party: Union Electric Co.
Case No.: ER-2019-____
Date Testimony Prepared: November 20, 2018

MISSOURI PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

MARCI L. ALTHOFF

**St. Louis, Missouri
November, 2018**

DIRECT TESTIMONY

OF

Marci L. Althoff

Case No. ER-2019-_____

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

2 A: My name is Marci L. Althoff. My business address is One Ameren Plaza, 1901
3 Chouteau 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 Manager,
6 Power and Fuels Accounting. Ameren Services provides various corporate
7 support services to Union Electric Company d/b/a Ameren Missouri (“Company”
8 or “Ameren Missouri”), including settlement and accounting related to fuel,
9 purchased power, and off-system sales.

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

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

15 **Q: What is the purpose of this true-up filing in the context of Ameren Missouri’s**
16 **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
3 Costs (Factor “B” in Rider FAC), Interest (Factor “I” in Rider FAC), Prudence
4 disallowance amounts (Factor “P” in Rider FAC), and True-up amounts (Factor
5 “T” in Rider FAC) that were over- or under-recovered from customers during the
6 twenty-sixth Recovery Period² prescribed by the FAC.

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

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

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 29th Accumulation Period docket filed concurrently with this filing, as described in my direct testimony filed in that docket.

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

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

12 A: The Accumulation Period was June 1, 2017 through September 30, 2017. The
13 Recovery Period for that Accumulation Period was the billing months of February
14 2018 through September 2018.

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

17 A: As noted earlier, B needs to be recalculated with MISO S105 settlement
18 statements, as those amounts are not available when the FAR rate adjustment
19 filing for the Recovery Period at issue is originally filed.⁴ The FAR rates are
20 calculated based upon estimated kWh sales for the Recovery Period. Since the

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

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 FAR rates are based upon an estimated number, once actual sales are recorded, a
2 difference will always exist between the estimate and the actual kWh billed.

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

5 A: There was an under-recovery of \$15,060 from customers for the 26th Recovery
6 Period due to the difference between actual and estimated kWh sales and
7 recalculations using the S105 data. After applying the interest to be refunded for
8 the subject Accumulation Period of \$449,314, which was calculated using the
9 Company's short-term borrowing rate as provided for in the FAC tariff and the
10 Commission's FAC rules, there was a total over-recovery from customers for the
11 26th Recovery Period of \$434,254. Schedule MA-TU to this testimony (and
12 Attachment A to that schedule) contain details of the calculations that produce the
13 amount to be refunded to customers.

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

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

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

18 A: Yes, it does.

