

Exhibit No.:
Issues: Adjustment to RESRAM Rate –
Fifth Accumulation Period
Witness: Raysene Logan
Type of Exhibit: Direct Testimony
Sponsoring Party: Union Electric Co.
Case No.: ER-2024-_____
Date Testimony Prepared: September 28, 2023

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ER-2024-_____

DIRECT TESTIMONY

OF

RAYSENE LOGAN

ON

BEHALF OF

UNION ELECTRIC COMPANY

D/B/A AMEREN MISSOURI

**St. Louis, Missouri
September, 2023**

DIRECT TESTIMONY

OF

RAYSENE LOGAN

FILE NO. ER-2024-_____

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

2 A: My name is Raysene Logan. 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 Manager, Power &
6 Fuels Accounting. Ameren Services provides various corporate support services to Union
7 Electric Company d/b/a Ameren Missouri (“Company” or “Ameren Missouri”), including
8 settlement and accounting related to fuel, purchased power, off-system sales, and
9 Renewable Energy Standard (“RES”) compliance costs and benefits, including accounting
10 relating to renewable energy credits (“RECs”).

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

12 A: My testimony supports the 8th Revised Sheet No. 93.4 of Ameren Missouri’s Schedule
13 No. 6 – Schedule of Rates for Electric Service that is being filed by Ameren Missouri to
14 establish a rate that reflects RES compliance costs incurred by the Company during the
15 twelve-month Accumulation Period of August 2022 through July 2023.

16 **Q: Please explain why Ameren Missouri is making this filing at this time.**

17 A: The Commission’s rule governing RES cost recovery mechanisms for electric utilities –
18 specifically 20 CSR 4240-20.100(6) – and Ameren Missouri’s Rider RESRAM, require

1 Ameren Missouri to make periodic filings to adjust customer rates for changes in Ameren
2 Missouri's Actual RES Costs (Factor "ARC") experienced during each Accumulation
3 Period¹ as compared to the base level of RES Costs Recovered (Factor "RCR") included
4 in base rates (Factors "MBA" and "RBA" as listed in the Rider RESRAM tariff sheets)
5 applicable to that same Accumulation Period. Additionally, there is a True-Up included
6 (Factor "T"), which reflects the difference between the actual revenues collected and
7 revenues authorized for collection. These changes are then reflected in an adjustment to
8 the RESRAM Rate. This adjustment can be positive (a RESRAM Rate of greater than zero,
9 i.e., a charge) or negative (a RESRAM Rate of less than zero, i.e., a credit). The
10 Commission's rule requires at least one such review and adjustment each year. Ameren
11 Missouri's approved Rider RESRAM calls for one filing annually. As provided for in Rider
12 RESRAM, the Recovery Period applicable to this filing will consist of the calendar months
13 of February 2024 through January 2025.

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

15 A: During the August 1, 2022 to July 31, 2023 Accumulation Period, Ameren Missouri's ARC
16 was \$44,316,720, and less the RCR of \$21,764,556 (derived from the RBA from the
17 Accumulation Period 4 filing and the MBA from the ER-2021-0240 and ER-2022-0337
18 rate review stipulations²) and adding the Interest (I) of \$946,292, the RES (over)/under
19 recovery (Factor "ROUR") totaled \$23,498,457. Along with the RESRAM Revenue
20 Requirement (Factor "RRR") of \$37,110,825 and the True-up of \$1,698,443, this results
21 in Total RESRAM Recoveries (Factor "TRR") of \$62,307,725 which, as described further
22 below, will produce the RESRAM Rate (in this case a charge) that will appear as a separate

¹ Capitalized terms not otherwise defined herein have the meaning given them in Rider RESRAM.

² EFIS Item No. 191, File No. ER-2021-0240 and EFIS Item No. 264, File No. ER-2022-0337.

1 line item to be applied to customers' bills during the 5th Recovery Period that starts on the
2 first day of February 2024.

3 **Q: Are there any adjustments related to the one percent retail rate impact limitation**
4 **included in the Commission's RES rules?**

5 A: No, the Company's RES compliance plan (see File No. EO-2023-0359) demonstrates that
6 the Company's RES compliance activities in total, of which the RES costs subject to Rider
7 RESRAM are a subset, do not exceed the 1% retail rate limitation as provided for in 20
8 CSR 4240-20.100(5).

9 **Q. Are there any adjustments related to the rate caps associated with Section 393.1655,**
10 **RSMo.?**

11 A. No, while the Company did elect to subject itself to Section 393.1400, RSMo. (generally
12 referred to a “plant-in-service accounting” or “PISA”), the RESRAM Rate included in this
13 filing does not reach any of these rate caps since the TRR divided by the Estimated
14 Recovery Period Sales (SRP) results in a quotient that is less than the Rate Adjustment Cap
15 (Factor “RAC”). Please refer to Schedule RL-D1 for the calculation details.

16 **Q: What types of expenses are included in the Accumulation Period covered by this**
17 **filing?**

18 A: The ARC includes actual solar rebates paid under Rider SR (recorded in Account 908,
19 subaccount SR2) and amortization expense and associated fees for RECs purchased in
20 contracts associated with wind (recorded in Accounts 557 and 509, subaccount RWD),
21 solar (recorded in Accounts 557 and 509, subaccount RCS), and electricity produced using
22 hydro as a fuel (recorded in Accounts 557 and 509, subaccount RH2). These purchases
23 were made as the remaining vintage RECs "banked" in inventory plus expected 2022 and

1 2023 additions would not allow the Company to retire sufficient RECs to meet its 15%
2 RES portfolio requirement applicable to 2022 and 2023. A request for proposal ("RFP")
3 process was not utilized in making these REC purchases as it was more cost effective and
4 efficient to evaluate purchasing RECs for compliance through brokers and direct
5 counterparty negotiations. These transactions were negotiated directly with the
6 counterparties at market pricing with beneficial commercial terms and delivery dates.

7 There were also RES compliance capital costs and benefits in the Accumulation Period
8 covered by this filing related to the High Prairie and Atchison Renewable Energy Centers.

9 Capital investments and associated O&M expense are identified by using the Location³ for
10 the generation facilities: HP0 for the High Prairie Energy Center and AW0 for the Atchison
11 Renewable Energy Center. The capital investments are recorded in 300-level FERC
12 accounts when assets are moved from construction work in progress and placed into
13 service, and O&M is in FERC accounts 546, 548 through 554, and 924 (excluding labor-
14 related Resource Types beginning with L, such as LI, LR, LU, etc.). Depreciation and
15 amortization expense is recorded in FERC accounts 403 & 404 using the same rates as set
16 in general electric rate reviews. Interconnection facility expense is recorded in FERC
17 account 565, Compliance Code IFAC0. Property tax accruals are recorded in FERC
18 account 236. The Production Tax Credits (PTCs) are recorded in FERC accounts 409
19 through 411, and ADIT is recorded in FERC account 190.

20 Also included in this filing is the Interest incurred on the remaining Accumulation Period
21 3 and 4 balances and the Accumulation Period 5 balance, as well as the RRR, which
22 contains the actual annual amount of REC amortization expense, Rider SR rebates, and

³ See Schedule RL-D4 for accounting code block segment changes effective July 1, 2023.

1 RES compliance capital costs incurred during Accumulation Period 5. Please refer to
2 Schedule RL-D1 for details on the Interest and RRR calculations. The inclusion of an
3 ongoing RESRAM revenue requirement in Factor RRR will be reflected on Sheet 93.4 as
4 the RESRAM Base Amount (RBA), and this RBA will be included in the calculation of
5 Factor RCR under Rider RESRAM during the months when the RESRAM Rate set by this
6 filing is in effect. The RBA would be reset as appropriate upon the conclusion of an electric
7 rate review to the extent that costs that were included in Factor RRR are included in the
8 revenue requirement used to set base rates in that case.

9 **Q: Please describe the capital structure being applied to the capital investments.**

10 A: The regulatory capital structure applied to fixed assets eligible for recovery in the
11 RESRAM is based on the stipulation in File No. EA-2018-0202, which indicates the capital
12 structure ratios and return on equity are based on the Commission's most recently approved
13 in general rate proceedings. The Commission approved a capital structure for the Company
14 in file ER-2021-0240 for the PISA calculation, which remained in effect for AP5 until July
15 8, 2023. Also from the same stipulation in File No. EA-2018-0202, the long-term debt
16 return is based on the embedded cost of long-term debt as of the most recent fiscal quarter
17 before each RESRAM filing. The most recent RESRAM filing prior to this one was made
18 in September 2022, so the rate in effect for most of AP5 (specifically August 2022 through
19 July 8, 2023) is based on the Ameren Missouri June 2022 surveillance report. As of July
20 9, 2023, the capital structure was updated to reflect the approved values from ER-2022-
21 0337 for the PISA calculation, which remained in effect for the remainder of AP5 (July 9
22 through July 31, 2023). Please refer to Schedule RL-D1 for details on the capital structure
23 applied.

1 Q: **Please describe the impact of the inclusion of RESRAM-eligible expense and revenues**
2 **in electric base rates had on the RESRAM calculation.**

3 A: As noted above, the amount of RES-compliance costs included in the revenue requirement
4 used to set base rates, or the Base Amount, feed into Factor MBA. For Accumulation Period
5 5, ER-2021-0240 (MBA effective August 1, 2022 until July 8, 2023) and ER-2022-0337
6 (MBA effective July 9 through July 31, 2023) included 100% of the costs and revenues
7 associated with the High Prairie and Atchison Renewable Energy Centers, including
8 depreciation, PTCs, return, and off-system sales revenue, along with the REC expense and
9 solar rebates incurred during the test year and true-up period. Accordingly, the amounts
10 included in RESRAM rates for Factor RRR were initially zero for Accumulation Period 5
11 until the September 2022 RESRAM filing took effect in February 2023, creating a monthly
12 RBA until the finalization of ER-2022-0337, which reset the RBA to zero.

13 Q: **Please further describe the impact of the RESRAM Rate being established by this**
14 **filing on the Company's customers.**

15 A: The \$62,307,725 in TRR for the 5th Accumulation Period was calculated in the manner
16 specified in the Rider RESRAM tariff sheets and is to be spread over all kilowatt-hour
17 ("kWh") sales of energy supplied to all customers served under all the Company's Service
18 Classifications. That total, when using the projected kWh sales for the February 2024 to
19 January 2025 Recovery Period, results in a RESRAM Rate for the Company's customers
20 of \$0.00204 per kWh, beginning with the calendar month of February 2024. Filed
21 concurrently with my direct testimony is the 8th Revised Sheet No. 93.4 of Ameren
22 Missouri's Schedule No. 6 – Schedule of Rates for Electric Service which contains the
23 formula that Ameren Missouri used to calculate the RESRAM Rate, as specified by its

1 Rider RESRAM. Also included in that tariff sheet are the values for each element of the
2 formula that were used to derive the RESRAM Rate. Assuming 1,021 kWh of usage per
3 month for the average residential customer, this will result in a charge under the RESRAM
4 of approximately \$2.08 per month.

5 **Q: What other information will customers have regarding this mechanism?**

6 A: Please refer to Schedules RL-D2, RL-D3, and RL-D4 for information that is posted on
7 Ameren Missouri's website, instructions for the Company's call center, and accounting
8 code block changes, respectively.

9 **Q: How did you develop the various values used to derive the proposed RESRAM Rate**
10 **shown on the filed tariff sheet?**

11 A: The data upon which Ameren Missouri based the values for each of the variables in the
12 approved RESRAM Rate formula is shown in Schedule RL-D1. This schedule contains all
13 the information that is required by 20 CSR 4240-20.100(6) and includes the workpapers
14 that support the data contained in Schedule RL-D1.

15 **Q: If the tariff sheet filed by Ameren Missouri is approved or allowed to go into effect,**
16 **what safeguards exist to ensure that the revenues the Company collects do not exceed**
17 **the RES compliance costs that Ameren Missouri actually incurred during the**
18 **Accumulation Period?**

19 A: Ameren Missouri's Rider RESRAM and the Commission's rules provide two mechanisms
20 to ensure that amounts collected from customers do not exceed Ameren Missouri's actual,
21 prudently-incurred RES compliance costs. First, Rider RESRAM and the Commission's
22 rules require a true-up of the amounts collected from customers through Rider RESRAM,
23 with any excess/unrecovered amounts to be refunded/billed to customers through

1 prospective adjustments to the RESRAM Rate calculation, with interest at Ameren
2 Missouri's short-term borrowing rate. Second, Ameren Missouri's RES compliance costs
3 are subject to periodic prudence reviews to ensure that only prudently-incurred costs are
4 collected from customers through Ameren Missouri's Rider RESRAM. These two
5 mechanisms serve as checks that ensure that the Company's customers pay only the
6 prudently-incurred RES compliance costs and no more.

7 **Q: What action is Ameren Missouri requesting from the Commission with respect to the**
8 **rate schedule that the Company has filed?**

9 A: As provided by 20 CSR 4240-20.100(6), the Commission Staff (the "Staff") has sixty (60)
10 days from the date the revised RESRAM rate schedule is filed to conduct a review and to
11 make a recommendation to the Commission as to whether the rate schedule complies with
12 the Commission's rules (subject to the variances granted to the Company in File No. EA-
13 2018-0202), the requirements of the RES, and Ameren Missouri's approved Rider
14 RESRAM. If the Commission finds the tariff sheet does comply, the RESRAM Rate will
15 take effect either pursuant to a Commission order approving the RESRAM Rate or by
16 operation of law, in either case within 120 days after the RESRAM Rate is filed, as
17 provided for in one of the variances granted to the Company in the above-referenced
18 docket. Because Ameren Missouri believes its filing satisfies all of the requirements of
19 applicable statutes, the Commission's rules and the applicable variances and Ameren
20 Missouri's approved Rider RESRAM, Ameren Missouri requests that after the Staff's
21 review, the Commission approve the RESRAM Rate or otherwise allow it to take effect by
22 operation of law to be effective on the first day of February 2024.

1 Q: Does this conclude your direct testimony?

2 A: Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Adjustment of Union Electric Company)
d/b/a Ameren Missouri's RESRAM rate for the) File No. ER-2024-
Fifth Accumulation Period.)

AFFIDAVIT OF RAYSENE LOGAN

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

Raysene Logan, being first duly sworn on her oath, states:

1. My name is Raysene Logan. I work in the City of St. Louis, Missouri, and I am employed by Ameren Services Company as Manager, Power & Fuels 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 9 pages and Schedule RL-D1, Schedule RL-D2, Schedule RL-D3 and Schedule RL-D4, all of which have been prepared in written form for filing in the above-referenced docket.

3. Further, under the penalty of perjury I hereby swear and affirm that the information contained in the attached testimony to the questions therein propounded is true and correct.

**Raysene
Logan**

Digitally signed by
Raysene Logan
Date: 2023.09.28
09:50:50 -05'00'

Raysene Logan

Sworn to me this 28 day of September, 2023.