

Exhibit No.:
Issues: Adjustment to FAC Rate – Forty-
Fourth Accumulation Period
Witness: Raysene Logan
Type of Exhibit: Direct Testimony
Sponsoring Party: Union Electric Co.
Case No.: ER-2024-_____
Date Testimony Prepared: December 1, 2023

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ER-2024-_____

DIRECT TESTIMONY

OF

RAYSENE LOGAN

**St. Louis, Missouri
December, 2023**

DIRECT TESTIMONY

OF

RAYSENE LOGAN

Case 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 and Fuels Accounting. Ameren Services provides various corporate support services to
7 Union Electric Company d/b/a Ameren Missouri (“Company” or “Ameren Missouri”),
8 including settlement and accounting related to fuel, purchased power, and off-system sales.

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

10 A: My testimony supports the 2nd Revised Sheet No. 71.32 of Ameren Missouri’s Schedule
11 No. 6 – Schedule of Rates for Electric Service, that is being filed by Ameren Missouri to
12 adjust customer rates for changes in Ameren Missouri’s fuel and purchased power costs,
13 net off-system sales revenues, and associated transportation (i.e., Actual Net Energy Costs,
14 or “ANEC”), which were experienced during the four-month period June 2023 through
15 September 2023.¹

¹ This four-month period is the forty-fourth overall Accumulation Period under Ameren Missouri’s Rider FAC, which was first approved by the Commission in Case No. ER-2008-0318, and which has subsequently been re-authorized, with certain modifications, in Case Nos. ER-2010-0036, ER-2011-0028, ER-2012-0166, ER-2014-0258, ER-2016-0179, ER-2019-0335, ER-2021-0240, and ER-2022-0337.

1 **Q: Please explain why Ameren Missouri is filing a revision to its Rider FAC at this time.**

2 A: The Commission’s rule governing fuel and purchased power cost recovery mechanisms for
3 electric utilities – specifically 20 CSR 4240-20.090(8) – and Ameren Missouri’s Rider FAC,
4 require Ameren Missouri to make periodic filings to adjust customer rates for changes in
5 Ameren Missouri’s ANEC experienced during each Accumulation Period² as compared to
6 the base level of net energy costs (Factor “B” as listed in the Company’s Rider FAC tariff)
7 applicable to that same Accumulation Period. That change is to then be reflected in an
8 adjustment to the Rider FAC Fuel Adjustment Rate (i.e., Factor “FAR” in Rider FAC).
9 This adjustment can be positive (a FAR of greater than zero) or negative (a FAR of less
10 than zero). The Commission’s rule requires at least one such review and adjustment each
11 year. Ameren Missouri’s approved FAC tariff calls for three filings annually – one filing
12 covering each of the three four-month Accumulation Periods reflected in Rider FAC. The
13 changes in the FAR implemented in these three filings are then collected from or refunded
14 to customers over the applicable Recovery Period. The Recovery Period applicable to this
15 filing will consist of the calendar months of February 2024 through September 2024.

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

17 A: During the June 1, 2023 to September 30, 2023 Accumulation Period, Ameren Missouri’s
18 ANEC was \$199,211,806 which was an increase of \$33,186,881 as compared to Factor B,
19 which is \$166,024,925 for that same period. The primary factors driving this increase
20 above net base energy costs (Factor B) were higher fuel and purchased power costs for
21 load, lower off-system sales margins, and lower net capacity sales revenue as compared to
22 Factor B. The higher fuel and purchased power costs for load were primarily due to an

² Capitalized terms not otherwise defined herein have the meaning given them in Rider FAC.

1 increase in load above net base and increased prices. The lower off-system sales margins
2 were due to lower LMPs, and the lower net capacity sales revenue is due to lower MISO
3 auction prices. Also included in this filing is the true-up amount reflected in the Company's
4 forty-first true-up filing, which is being filed concurrently with the initiation of this docket.
5 The above results in a Fuel and Purchased Power Adjustment ("FPA") of \$33,076,298
6 which, as described further below, will produce the FAR rates that will appear as a separate
7 line item to be applied to customers' bills during the 44th Recovery Period that starts with
8 the first calendar day of February 2024.

9 **Q: Please further describe the impact of the change in the FAR on the Company's**
10 **customers.**

11 A: The \$33,186,881 increase above ANEC during the 44th Accumulation Period as compared
12 to Factor B for that Accumulation Period was calculated in the manner specified in the
13 Company's Rider FAC, and adjusted for voltage level differences, as provided for in Rider
14 FAC. Applying the 95% sharing ratio, the true-up amount of (\$620,571) from the forty-
15 first true-up filing (made concurrently with the initiation of this docket) and the applicable
16 recovery of interest totaling \$2,169,332 as provided for in Rider FAC (which includes the
17 recovery of \$420,695 in interest for Accumulation Period 44 and the recovery of
18 \$1,748,637 in interest for the true-up of Accumulation Period 41), the total adjustment to
19 be reflected in the FAR is \$33,076,298. That total, when using the estimated kilowatt-hour
20 ("kWh") sales for the February 2024 to September 2024 Recovery Period, results in an
21 initial rate component to be applied to the Company's Individual Service Classifications.
22 As provided for in Rider FAC, the initial rate component is subject to the Rate Adjustment
23 Cap. Further, to the extent the Large Primary Service (LPS) Classification rate exceeds

1 the Rate Adjustment Cap applicable to LPS, the shortfall is applied to the remaining
2 Individual Service Classifications to arrive at the FAR amounts that will be billed during
3 the applicable Recovery Period. There was no shortfall for Accumulation Period 44. The
4 following are the FAR amounts for the Company's customers during that Recovery Period,
5 beginning with the first calendar day of February 2024:

<u>Customer Voltage Level</u>	<u>Cents per kWh Adjustment</u>
Secondary	0.255 ¢/kWh
Primary	0.247 ¢/kWh
High Voltage	0.243 ¢/kWh
Transmission	0.240 ¢/kWh

6 Filed concurrently with my direct testimony is the tariff sheet that contains the formula that
7 Ameren Missouri used to calculate the FAR. Also included in the tariff sheet are the values
8 for each element of the formula that were used to derive the FAR. Assuming 1,021 kWh
9 of usage per month for the average residential customer, this will result in a charge under
10 the FAR of approximately \$2.60 per month. This is a decrease from the FAR currently in
11 effect, which resulted in a charge for the average residential customer of approximately
12 \$3.15 per month. The primary factors driving this change in the FAR were higher off-
13 system sales margins, partially offset by lower net capacity sales revenue and higher fuel
14 costs in Accumulation Period 44 as compared to Accumulation Period 42 and the net base
15 energy costs applicable to each period. The higher off-system sales margins are primarily
16 a result of decreased market prices from Accumulation Period 44 as compared to
17 Accumulation Period 42. The decreased net capacity sales revenue are primarily due to
18 decreased MISO auction clearing prices from Accumulation Period 44 as compared to

1 Accumulation Period 42. The higher fuel costs is primarily due to an increase in load above
2 net base and increased fuel prices.

3 **Q: Having addressed the primary factors driving ANEC for Accumulation Period 44,**
4 **can you please explain how you developed the various values used to derive the**
5 **proposed FAR shown on the tariff sheet?**

6 A: The data upon which Ameren Missouri based the values for each of the variables in the
7 approved FAR formula is shown in Schedule RL-FAR. This schedule contains all the
8 information that is required by 20 CSR 4240-20.090(8), and the work papers that support
9 the data contained in Schedule RL-FAR. I have also included Schedule RL-TU, which is
10 a reproduction of Schedule RL-TU filed in the separate true-up docket for the forty-first
11 Recovery Period, which as earlier noted is being filed concurrently with the initiation of
12 this docket.

13 **Q: If the rate schedule filed by Ameren Missouri is approved or allowed to go into effect,**
14 **what safeguards exist to ensure that the revenues the Company collects do not exceed**
15 **the net energy costs that Ameren Missouri actually incurred during the Accumulation**
16 **Period?**

17 A: Ameren Missouri's Rider FAC and the Commission's rules provide two mechanisms to
18 ensure that amounts collected from customers do not exceed Ameren Missouri's actual,
19 prudently-incurred ANEC. First, Rider FAC and the Commission's rules require a true-up
20 of the amounts collected from customers through Rider FAC, with any excess/unrecovered
21 amounts to be refunded/billed to customers through prospective adjustments to the FAR
22 calculation, with interest at Ameren Missouri's short-term borrowing rate. Second, Ameren
23 Missouri's ANEC are subject to periodic prudence reviews to ensure that only prudently-

1 incurred net energy costs are collected from customers through Ameren Missouri's Rider
2 FAC. These two mechanisms serve as checks that ensure that the Company's customers
3 pay only the prudently-incurred ANEC and no more.

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

6 A: As provided by 20 CSR 4240-20.090(8) the Commission Staff (the "Staff") has thirty (30)
7 days from the date the revised FAC rate schedule is filed to conduct a review and to make
8 a recommendation to the Commission as to whether the rate schedule complies with the
9 Commission's rules, the requirements of Section 386.266, RSMo (Cum. Supp. 2023), and
10 Ameren Missouri's approved Rider FAC. If the Commission finds the revised Rider FAC
11 rate schedule does comply, the FAR will take effect either pursuant to a Commission order
12 approving the FAR or by operation of law, in either case within 60 days after the FAR is
13 filed. Because Ameren Missouri believes its filing satisfies all of the requirements of
14 applicable statutes, the Commission's rules and Ameren Missouri's approved Rider FAC,
15 Ameren Missouri requests that after the Staff's review, the Commission approve the FAR
16 or otherwise allow it to take effect by operation of law to be effective on February 1, 2024.

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

18 A: Yes, it does.

ER-2024-_____

SCHEDULE RL-FAR

HAS BEEN MARKED

CONFIDENTIAL IN ITS

ENTIRETY