

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

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

April 2024

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
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 support
7 services to Union Electric Company d/b/a Ameren Missouri (“Company” or
8 “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 3rd Revised Sheet No. 71.32 of Ameren Missouri’s
12 Schedule No. 6 – Schedule of Rates for Electric Service, that is being filed by
13 Ameren Missouri to adjust customer rates for changes in Ameren Missouri’s fuel
14 and purchased power costs, net off-system sales revenues, and associated
15 transportation (i.e., Actual Net Energy Costs, or “ANEC”), which were experienced
16 during the four-month period October 2023 through January 2024.¹

¹ This four-month period is the forty-fifth 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

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

3 A: The Commission’s rule governing fuel and purchased power cost recovery
4 mechanisms for electric utilities – specifically 20 CSR 4240-20.090(8) – and
5 Ameren Missouri’s Rider FAC, require Ameren Missouri to make periodic filings
6 to adjust customer rates for changes in Ameren Missouri’s ANEC experienced
7 during each Accumulation Period² as compared to the base level of net energy costs
8 (Factor “B” as listed in the Company’s Rider FAC tariff) applicable to that same
9 Accumulation Period. That change is to then be reflected in an adjustment to the
10 Rider FAC Fuel Adjustment Rate (i.e., Factor “FAR” in Rider FAC). This
11 adjustment can be positive (a FAR of greater than zero) or negative (a FAR of less
12 than zero). The Commission’s rule requires at least one such review and adjustment
13 each year. Ameren Missouri’s approved FAC tariff calls for three filings annually
14 – one filing covering each of the three four-month Accumulation Periods reflected
15 in Rider FAC. The changes in the FAR implemented in these three filings are then
16 collected from or refunded to customers over the applicable Recovery Period. The
17 Recovery Period applicable to this filing will consist of the calendar months of June
18 2024 through January 2025.

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

20 A: During the October 1, 2023 to January 31, 2024 Accumulation Period, Ameren
21 Missouri’s ANEC was \$193,226,740 which was an increase of \$51,307,172 as

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.

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

1 compared to Factor B, which is \$141,919,568 for that same period. The primary
2 factors driving this increase above net base energy costs (Factor B) were higher fuel
3 and purchased power costs for load, lower off-system sales margins, and lower net
4 capacity sales revenue as compared to Factor B. The higher fuel and purchased
5 power costs for load are primarily due to net purchases from MISO during the
6 January cold stretch when prices were high as well as in October when Callaway
7 was being refueled and Labadie and Sioux had unit outages. The lower off-system
8 sales margins are due to lower LMPs as well as the plant outages noted above, while
9 the lower net capacity sales revenue is due to lower MISO auction prices. Also
10 included in this filing is the true-up amount reflected in the Company's forty-
11 second true-up filing, which is being filed concurrently with the initiation of this
12 docket. The above results in a Fuel and Purchased Power Adjustment ("FPA") of
13 \$49,474,085 which, as described further below, will produce the FAR rates that
14 will appear as a separate line item to be applied to customers' bills during the 45th
15 Recovery Period that starts with the first calendar day of June 2024.

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

18 A: The \$51,307,172 increase above ANEC during the 45th Accumulation Period as
19 compared to Factor B for that Accumulation Period was calculated in the manner
20 specified in the Company's Rider FAC, and adjusted for voltage level differences,
21 as provided for in Rider FAC. Applying the 95% sharing ratio, the true-up amount
22 of (\$2,084,811) from the forty-second true-up filing (made concurrently with the
23 initiation of this docket) and the applicable recovery of interest totaling \$2,817,083

1 as provided for in Rider FAC (which includes the recovery of \$492,030 in interest
2 for Accumulation Period 45 and the recovery of \$2,325,053 in interest for the true-
3 up of Accumulation Period 42), the total adjustment to be reflected in the FAR is
4 \$49,474,085. That total, when using the estimated kilowatt-hour (“kWh”) sales for
5 the June 2024 to January 2025 Recovery Period, results in an initial rate component
6 to be applied to the Company's Individual Service Classifications. As provided for
7 in Rider FAC, the initial rate component is subject to the Rate Adjustment Cap.
8 Further, to the extent the Large Primary Service (LPS) Classification rate exceeds
9 the Rate Adjustment Cap applicable to LPS, the shortfall is applied to the remaining
10 Individual Service Classifications to arrive at the FAR amounts that will be billed
11 during the applicable Recovery Period. There was no shortfall for Accumulation
12 Period 45. The following are the FAR amounts for the Company's customers
13 during that Recovery Period, beginning with the first calendar day of June 2024:

<u>Customer Voltage Level</u>	<u>Cents per kWh Adjustment</u>
Secondary	0.400 ¢/kWh
Primary	0.388 ¢/kWh
High Voltage	0.382 ¢/kWh
Transmission	0.377 ¢/kWh

14 Filed concurrently with my direct testimony is the tariff sheet that contains the
15 formula that Ameren Missouri used to calculate the FAR. Also included in the tariff
16 sheet are the values for each element of the formula that were used to derive the
17 FAR. Assuming 1,021 kWh of usage per month for the average residential
18 customer, this will result in a charge under the FAR of approximately \$4.09 per

1 month. This is an increase from the FAR currently in effect, which resulted in a
2 charge for the average residential customer of approximately \$2.60 per month. The
3 primary factors driving this change in the FAR were lower off-system sales
4 margins, higher fuel costs, and lower net capacity sales revenue in Accumulation
5 Period 45 as compared to Accumulation Period 43 and the net base energy costs
6 applicable to each period. The lower off-system sales margins are primarily a result
7 of decreased market prices from what was forecasted from Accumulation Period
8 45 as compared to Accumulation Period 43. The higher fuel costs are primarily due
9 to increased volumes in Accumulation Period 45 primarily due to the January cold
10 stretch, which also resulted in increased coal volumes being used, amplified by the
11 Callaway refuel outage during this same accumulation period, whereas in
12 Accumulation Period 43 there were coal conservation efforts and lower LMPs. The
13 decreased net capacity sales revenue is primarily due to decreased MISO auction
14 clearing prices from Accumulation Period 45 as compared to Accumulation Period
15 43.

16 **Q: Having addressed the primary factors driving ANEC for Accumulation Period**
17 **45, can you please explain how you developed the various values used to derive**
18 **the proposed FAR shown on the tariff sheet?**

19 A: The data upon which Ameren Missouri based the values for each of the variables
20 in the approved FAR formula is shown in Schedule RL-FAR. This schedule
21 contains all the information that is required by 20 CSR 4240-20.090(8), and the work
22 papers that support the data contained in Schedule RL-FAR. I have also included
23 Schedule RL-TU, which is a reproduction of Schedule RL-TU filed in the separate

1 true-up docket for the forty-second Recovery Period, which as earlier noted is being
2 filed concurrently with the initiation of this docket.

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

7 A: Ameren Missouri's Rider FAC and the Commission's rules provide two
8 mechanisms to ensure that amounts collected from customers do not exceed
9 Ameren Missouri's actual, prudently-incurred ANEC. First, Rider FAC and the
10 Commission's rules require a true-up of the amounts collected from customers
11 through Rider FAC, with any excess/unrecovered amounts to be refunded/billed to
12 customers through prospective adjustments to the FAR calculation, with interest at
13 Ameren Missouri's short-term borrowing rate. Second, Ameren Missouri's ANEC
14 are subject to periodic prudence reviews to ensure that only prudently-incurred net
15 energy costs are collected from customers through Ameren Missouri's Rider FAC.
16 These two mechanisms serve as checks that ensure that the Company's customers
17 pay only the prudently-incurred ANEC and no more.

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

20 A: As provided by 20 CSR 4240-20.090(8) the Commission Staff (the "Staff") has
21 thirty (30) days from the date the revised FAC rate schedule is filed to conduct a
22 review and to make a recommendation to the Commission as to whether the rate
23 schedule complies with the Commission's rules, the requirements of Section

1 386.266, RSMo (Cum. Supp. 2023), and Ameren Missouri’s approved Rider FAC.
2 If the Commission finds the revised Rider FAC rate schedule does comply, the FAR
3 will take effect either pursuant to a Commission order approving the FAR or by
4 operation of law, in either case within 60 days after the FAR is filed. Because
5 Ameren Missouri believes its filing satisfies all of the requirements of applicable
6 statutes, the Commission’s rules and Ameren Missouri’s approved Rider FAC,
7 Ameren Missouri requests that after the Staff’s review, the Commission approve
8 the FAR or otherwise allow it to take effect by operation of law to be effective on
9 June 1, 2024.

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

11 **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 Fuel Adjustment Clause for the) File No. ER-2024-
45th Adjustment Clause.)

AFFIDAVIT OF RAYSENE LOGAN

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

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

1. My name is Raysene Logan. I work in the City of St. Louis, Missouri, and I am employed by Ameren Services 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 6 pages and Schedule RL-FAR and Schedule RL-TU, all of which have been prepared in written form for filing in the above-referenced docket.

3. Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.

**Raysene
/s/ Logan**
Raysene Logan

Digitally signed by
Raysene Logan
Date: 2024.03.28
13:27:40 -05'00'

Sworn this 28 day of March, 2024.