Exhibit No.:	_______________
Issue(s):	Fuel Adjustment Clause
Witness/Type of Exhibit:	Mantle/Direct
Sponsoring Party:	Public Counsel
Case No.:	ER-2014-0258

DIRECT TESTIMONY

OF

LENA MANTLE

Submitted on Behalf of the Office of the Public Counsel

UNION ELECTRIC
D/B/A
AMEREN MISSOURI

CASE NO. ER-2014-0258

** **

Denotes Highly Confidential Information that has been Redacted

December 5, 2014

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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariff to Increase Its Revenues for Electric Service	)))))	Case No. ER-2014-0258

AFFIDAVIT OF LENA MANTLE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Lena Mantle, of lawful age and being first duly sworn, deposes and states:

1. My name is Lena Mantle. I am a Senior Analyst for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my direct testimony.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Lena Mantle
Lena Mantle
Senior Analyst

Subscribed and sworn to me this 5th day of December 2014.

NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI
JERENE A. BUCKMAN
My Commission Expires
August 23, 2017
Cole County
Commission #13754037

Jerene A. Buckman
Jerene A. Buckman
Notary Public

My Commission expires August 23, 2017.

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DIRECT TESTIMONY

OF

LENA M. MANTLE

UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

CASE NO. ER-2014-0258

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Lena Mantle and my business address is P.O. Box 2230, Jefferson City, Missouri 65102. I am a Senior Analyst for the Office of the Public Counsel ("OPC").

Q. PLEASE DESCRIBE YOUR EXPERIENCE AND YOUR QUALIFICATIONS.

A. I worked for the Staff of the Missouri Public Service Commission ("Staff") from August 1983 until I retired in December 2012. During the time that I was employed at the Missouri Public Service Commission ("Commission"), I worked as an Economist, Engineer, Engineering Supervisor and Manager of the Energy Department. I was employed by the OPC in my current position in August 2014.

Attached as Schedule LM-1 is a brief summary of my experience with Staff and a list of the Commission cases in which I filed testimony, Commission rulemakings in which I participated and Commission reports to which I contributed. I am a Registered Professional Engineer in the State of Missouri.

<u>SUMMARY OF TESTIMONY AND RECOMMENDATIONS</u>

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to present the OPC's position on the request of Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") for the continuation of its fuel adjustment clause in this case.

Q. WOULD YOU SUMMARIZE THE RECOMMENDATIONS OF THE OPC CONTAINED IN THIS TESTIMONY?

A. OPC makes the following recommendations in this testimony:

1. The Commission should discontinue Ameren Missouri's Fuel Adjustment Clause ("FAC") tariff sheets that allow it to collect between rate cases the changes in its net fuel and purchased power costs;

2. If the Commission does allow Ameren Missouri to collect changes in its net fuel and purchased power costs between rate cases:

a. The costs and revenues that it would include in its FAC should be limited to a few major costs and revenues that are clearly and distinctly defined by the Commission in this case and that should not change until the next general rate increase case;

b. The Commission should change the incentive mechanism from 95%/5% to 90%/10%; and

c. The "Adjustment for Reduction of Service Classification 12(M) Billing Determinants" in the FAC tariff should be removed. If the Commission should decide to keep this section in the tariff, the tariff sheets should be changed to allow the maximum off-system sales revenue excluded from the FAC to be no more than the fixed costs allocated to the 12(M) class in this rate case if there is a reduction in the 12(M) billing determinants of 40,000 MWh or greater.

HISTORY OF THE FUEL ADJUSTMENT CLAUSE

Q. WOULD YOU GIVE A BRIEF HISTORY OF THE FUEL ADJUSTMENT CLAUSE IN MISSOURI?

A. Prior to the passage of SB 179[1] ("SB 179"), which allows the Commission to grant an FAC, fuel and purchased power costs were estimated and included in the determination of the utility's revenue requirement in general rate proceedings. This provided an incentive to the electric utility that if it managed its activities in a manner that allowed it to reliably serve its customers at a cost lower than what was included in its revenue requirement in the last rate case, the savings were retained by the electric utility. If costs were greater than the costs included in the revenue requirement, the electric utility absorbed the increased costs. When the electric utility believed that it could no longer absorb the increased costs, it asked the Commission for an increase in its rates.

In the 1979 Missouri Supreme Court opinion of Utility Consumer Council of Missouri, Inc. v. P.S.C,[2] the Court concluded that FAC surcharges were unlawful because they allowed rates to go into effect without considering all relevant factors. The Court warned that "to permit such a clause would lead to the erosion of the statutorily-mandated fixed rate system." The Court further explained, "If the legislature wishes to approve automatic adjustment clauses, it can of course do so by amendment of the statutes and set up appropriate statutory checks, safeguards, and mechanisms for public participation."

[1] Section 386.266, RSMo. 2010 Cum. Supp
[2] State ex rel. Utility Consumers Council, Inc. v. P.S.C., 585 S.W.2d 41(MO. 1979)

Senate Bill 179 was passed during the 2005 Session of the General Assembly and became effective January 1, 2006. It authorizes investor-owned electric utilities to file applications with the Commission requesting authority to make periodic rate adjustments outside of general rate proceedings for their prudently-incurred fuel and purchased power costs. Granting an FAC removes the historical incentive to reduce fuel and purchased power costs. This is so because the utility is no longer able to retain any savings that accrue due to effective management of fuel and purchased power pricing. It also reduces the incentive to reduce fuel and purchased power costs because virtually all risk is borne by the ratepayer – the electric utility has the ability to recover any increase in cost, and other parties, in an after-the-fact prudence review, have to prove the utility acted imprudently.

After the enactment of SB 179, OPC worked diligently with Staff and other stakeholders, including representatives from the electric utilities, to draft proposed rules for the Commission's consideration to implement SB 179. The draft rule development process included stakeholder meetings and compromise on the proposed wording of the draft rules. In June 2006, the Commission submitted proposed rules to the Secretary of State which were published in the July 17, 2006, Missouri Register. The Commission held seven public hearings on its proposed rules in August and September of 2006. It issued its Final Order of Rulemaking effective September 21, 2006. The rules became effective January 30, 2007.

Q. WERE YOU INVOLVED IN THE STAKEHOLDER PROCESS THAT DRAFTED FAC RULES FOR THE COMMISSION'S CONSIDERATION?

A. Yes, I was. I attended and participated in all of the stakeholder meetings and some of the public hearings. I was the Staff "scribe" at the meetings recording the compromise language that the stakeholders developed. I also participated in drafting language for the stakeholders' consideration in this process.

Q. WHEN DID AMEREN MISSOURI FIRST REQUEST AN FAC?

A. Ameren Missouri, then doing business as AmerenUE, first requested that the Commission grant it an FAC when it filed a general rate increase on July 3, 2006, in Case No. ER-2007-0002. This request was prior to the publication of the Commission's proposed rules in the Missouri Register and the Commission's determination of the final FAC rules. In its May 22, 2007, Report and Order in that case, the Commission concluded:

> After carefully considering the evidence and arguments of the parties, and balancing the interests of ratepayers and shareholders, the Commission concludes that AmerenUE's fuel and purchased power costs are not volatile enough [to] justify the implementation of a fuel adjustment clause at this time.

Q. DID AMEREN MISSOURI FILE SUBSEQUENTLY FOR AN FAC?

A. Yes, it did. Ameren Missouri filed another general rate increase case on April 4, 2008, Case No. ER-2008-0318. In its January 27, 2009, Report and Order in that case, the Commission authorized Ameren Missouri to implement an FAC. On February 19, 2009, the Commission approved FAC tariff sheets that took effect on March 1, 2009.

On July 24, 2009, less than four months after its original FAC tariff sheets became effective, Ameren Missouri, still then doing business as AmerenUE, filed another general electric rate increase case. In its Report and Order in that case – Case No. ER-2010-0036 –

the Commission concluded AmerenUE should be allowed to continue to implement an FAC. Revised tariff sheets, including FAC tariff sheets, became effective in that case on June 21, 2010.

Just 37 days after these changes to the tariff sheets became effective, Ameren Missouri filed another rate case – Case No. ER-2011-0028 – which included a request that it be able to continue to have an FAC with a few minor changes. The Commission approved the FAC and the tariff sheets became effective July 31, 2011.

On February 3, 2012, Ameren Missouri filed its next general rate increase which included its request to continue its FAC with a minor modification. The Commission approved an FAC for Ameren Missouri and the tariff sheets became effective January 3, 2013.

Q. DID YOU PARTICIPATE IN ANY OF THESE CASES REGARDING THE FAC?

A. Yes. I was the Staff's Co-Case Coordinator in all of these Ameren Missouri cases and, in my role as Co-Case coordinator, participated in the determination of Staff's position regarding the FAC in all of these cases. I was also the Staff FAC witness in Ameren Missouri's general rate Case Nos. ER-2008-0318, ER-2011-0028, and ER-2012-0166.

Q. HAVE YOU PARTICIPATED IN ANY OTHER PROCEEDINGS BEFORE THE COMMISSION WITH RESPECT TO AMEREN MISSOURI'S FAC?

A. Yes, I was a Staff witness in the Ameren Missouri FAC prudence Case Nos. EO-2010-0255 and EO-2012-0074. In these cases the Commission found that Ameren Missouri acted imprudently when it excluded revenues derived from certain power sales agreements when Ameren Missouri calculated the rates charged under its FAC.

<u>HISTORY OF AMEREN MISSOURI'S FUEL ADJUSTMENT CLAUSE</u>

Q. HAS AMEREN MISSOURI CHANGED ITS FAC SINCE THE COMMISSION GRANTED AMEREN MISSOURI AN FAC IN CASE NO. ER-2008-0318?

A. Yes. While Ameren Missouri's filings requested only what it characterized as "minor changes" to its FAC, Ameren Missouri has significantly changed the costs and revenues that flow through Ameren Missouri's FAC. In the last rate case, Case No. ER-2012-0166, the non-Ameren Missouri parties, for the first time, discovered that Ameren Missouri was including costs from the Midwest Independent System Operator ("MISO") transmission expansion plan network upgrades (MISO Schedule 26) and multi-value project usage rates (MISO Schedule 26-A) in its FAC. As shown in the FAC monthly reports provided to OPC, for the test year in this rate case, these *costs* totaled ** **. In sur-surrebuttal testimony in the last rate case, Ameren Missouri revealed that it had not also been flowing through the transmission *revenues* from these two MISO schedules totaling ** **.

Q. HAD AMEREN MISSOURI REQUESTED THAT THESE COSTS AND REVENUES FLOW THROUGH THE FAC?

A. Ameren Missouri did not specifically request that these costs be allowed to flow through its FAC. However, in its filings requesting an FAC in the prior rate case, Case No. ER-2011-

0028, Ameren Missouri's proposed tariff sheets proposed that all MISO costs except for MISO administrative costs attached to certain MISO schedules be allowed to flow through its FAC. When the Commission approved the broadly-worded FAC tariff sheets, it in effect allowed Ameren Missouri to include in its FAC all MISO costs and revenues, except for the few well-defined MISO administrative costs.

Q. ARE THERE OTHER COSTS AND REVENUES THAT AMEREN MISSOURI ADDED BETWEEN RATE CASES TO ITS FAC?

A. Yes, there are. Prior to the last rate case, Case No. ER-2012-0166, Ameren Missouri did not notify any parties of its any additions to the FAC. In the last rate case Ameren Missouri agreed to include, in its monthly FAC reports, a list of new costs and revenues that it was flowing through its FAC. A copy of the listing of new charge types as of September 2014 is attached to this testimony as Schedule LM-2. This listing shows six new charge types that Ameren Missouri has added to its FAC since the last rate case.

Q. HOW WAS AMEREN MISSOURI ABLE TO DO THIS?

A. Unfortunately the current tariff sheets 72.5 and 72.6 allow for Ameren Missouri to add new costs or revenues if Ameren Missouri believes the new cost or revenue possesses the characteristics of, and is of the nature of, the costs or revenues listed in the purchased power factor ("PP") or off-system sales revenue ("OSSR").

OPC'S RECOMMENDATION FOR DISCONTINUANCE OF AMEREN MISSOURI'S FAC

Q. WHY IS OPC RECOMMENDING THAT THE COMMISSION DISCONTINUE AMEREN MISSOURI'S FAC?

A. The Commission has been given the authority to grant, or not grant, an FAC for each electric utility. An FAC is a significant deviation from the prohibition against single issue ratemaking. It is not a "right" for the electric utilities – it is discretionary. The exercise of discretion, however, requires comprehensive scrutiny by the Commission because granting an FAC moves the risk of changes in fuel and purchased power prices from the electric utility to the customers. Ameren Missouri's filing did not provide the detail necessary for the Commission to make an informed decision regarding whether Ameren Missouri should be allowed an FAC and, if so, what costs and revenues should be included, and so did not meet the Commission's minimum filing requirement. In addition, what little detail that Ameren Missouri did provide suggests that the FAC should not be continued.

Q. WHAT MINIMUM FILING REQUIRMENTS DID AMEREN MISSOURI NOT MEET?

A. The Commission developed two rules, 4 CSR 240-20.090 Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms and 4 CSR 240-3.161 Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements, to guide the Commission in determining whether an electric utility should be granted an FAC and, as in this case, whether the Commission should continue an existing FAC. Ameren Missouri did not meet the requirements set out in 4 CSR 240-3.161(H) and (I) that require the utility to provide complete explanations of all costs and revenues that it is requesting be included in its FAC.

Q. WHY SHOULD A COMPLETE EXPLANATION OF THE COSTS AND REVENUES AMEREN MISSOURI IS REQUESTING BE INCLUDED IN THE FILING OF THE RATE CASE?

A. First, the Commission's rule 4 CSR 240-20.090(2)(A) requires the following:

> In determining which cost components to include in a RAM, the commission will consider, but is not limited to only considering, the magnitude of the costs, the ability of the utility to manage the costs, the volatility of the cost component and the incentive provided to the utility as a result of the inclusion or exclusion of a cost component. The commission may, in its discretion, determine what portion of prudently incurred fuel and purchased power costs may be recovered in a RAM and what portion shall be recovered in base rates.

A complete explanation of what costs Ameren Missouri is requesting be included in the FAC is necessary to provide a basis for the Commission either to approve or reject each cost that Ameren Missouri is requesting be included in its FAC. Ameren Missouri made no attempt to show the magnitude of the costs and revenues other than the aggregated amounts Ameren Missouri is requesting be included in the FAC base factor. Ameren Missouri also did not demonstrate the uncertainty of its costs and revenues, or the volatility of the costs and revenues, other than market prices, in its rate case filing. Without this information, the Commission cannot make an informed determination as to what costs and revenues should flow through the FAC.

Q. DOES AMEREN MISSOURI PROVIDE ANY INFORMATION REGARDING WHAT COSTS AND REVENUES THAT IT IS REQUESTING BE INCLUDED IN ITS FAC?

A. Yes, some costs and revenues Ameren Missouri is requesting be included in its FAC were described in its direct filing. However, Ameren Missouri's description of the costs that it proposes be include in the FAC are general in nature and the list of revenues is only a summary of the revenues. The level of detail provided in Ameren Missouri's filing deprives the parties and the Commission of a reasonable opportunity to review the submission and places the burden of securing such information on the other parties and Commission Staff in contradiction of the rule.

Q. HOW DO YOU KNOW THAT THIS IS NOT A COMPLETE DESCRIPTION?

A. The description filed by Ameren Missouri is not a complete description because it neither includes a description of all of the costs that are shown in the exemplar tariff sheets provided to meet the minimum filing requirements, nor does it include a description of the costs and revenues of the current FAC that are detailed in the FAC monthly reports.

Q. WHAT OTHER REASONS ARE THERE FOR AMEREN MISSOURI TO PROVIDE A COMPLETE EXPLANATION?

Without a complete explanation of the costs and revenues, other parties to the case cannot develop comprehensive and timely recommendations to the Commission regarding what costs and revenues should be included. Ameren Missouri's incomplete filing leaves OPC and the other parties at a disadvantage with respect to providing recommendations to the commission. The parties are left to guess as to what Ameren Missouri's proposed FAC would include. Only Ameren Missouri knows which costs and revenues it is requesting flow through the FAC, so testimony cannot be timely provided by other parties regarding which costs and revenues the Commission should allow in Ameren Missouri's FAC.

Q. HAS THIS OCCURRED IN PRIOR CASES IN WHICH AMEREN MISSOURI ASKED FOR CONTINUATION OF ITS FAC?

A. Yes. The problems that deficient filings can cause became evident in the last Ameren Missouri general rate case – Case No. ER-2012-0166 – when the parties discovered that Ameren Missouri was flowing all of its MISO transmission costs through its FAC. Due to the deficient filing, the parties did not make the discovery until Ameren Missouri's rebuttal testimony. Had the inclusion of each type of MISO costs been disclosed in the initial filing, the parties would have been able to send data requests. It would have allowed more time for the parties to fully develop a position in their direct testimony regarding whether or not the Commission should allow Ameren Missouri to flow MISO transmission costs through the FAC, which then Ameren Missouri could respond to in its rebuttal. Instead, the non-Ameren parties were left to develop their positions regarding this large cost item in the short amount of time between rebuttal and surrebuttal testimony. The only opportunity for the non-Ameren parties to present their positions regarding transmission costs and revenues was in surrebuttal testimony to which the Commission allowed Ameren Missouri to respond with sur-surrebuttal testimony filed after the evidentiary hearing already started.

Q. IS THERE ANY OTHER REASONS WHY A COMPLETE EXPLANATION IS IMPORTANT?

A complete explanation of costs and revenues, and a Commission order regarding the specific cost and revenue items to be included in the FAC, greatly enhances the ability to conduct a prudence review of the electric utility's fuel and purchased power expenditures and revenues. If only a general description of costs and revenues is given and approved by the Commission, then the work to do a prudence audit increases. A complete explanation includes major accounts, minor accounts, and Ameren Missouri's activity codes. When that explanation is provided and approved by the Commission, then auditors know exactly what costs and revenues need to be reviewed for imprudence. The general nature of Ameren Missouri's description of what costs and revenues should be allowed to flow through its FAC and its request to retain most of the current tariff language, would allow Ameren Missouri, alone – as is its current practice - to decide what costs and revenues go into its FAC, not the Commission. Such a practice results in the other parties to a case arguing after-the-fact about what costs should be recovered and what revenues should offset these costs in the FAC. By definitively explaining the costs and revenues allowed up front, the Commission will minimize these conflicts.

Q. DID AMEREN MISSOURI PROVIDE INFORMATION IN ITS DIRECT FILING REGARDING THE MAGNITUDE OF ITS COSTS FOR THE COMMISSION TO USE IN ITS DETERMINATION?

A. Ameren Missouri did provide the magnitude of the fuel and purchased power costs, shown in Schedule LM-3, that it is requesting be used to set the fuel in the permanent rates.

However, these costs are aggregated above the general cost descriptions provided and at a different level of detail than the summarized revenue descriptions provided. Therefore, the information that the Commission needs to determine the magnitude of each of the costs Ameren Missouri would flow through its FAC is not contained in its filing.

Q. DID AMEREN MISSOURI PROVIDE INFORMATION IN ITS DIRECT FILING FOR THE COMMISSION TO USE IN ITS DETERMINATION REGARDING THE VOLATILITY OF THE COSTS?

A. No. Ameren Missouri states that fuel and purchased power costs can be volatile but it does not provide any information that shows volatility.

Q. WHAT INFORMATION DID AMEREN MISSOURI PROVIDE?

A. Ameren Missouri provided its proposed Net Base Energy Cost in which it purports to include all of the costs and revenues that Ameren Missouri is requesting be included in its FAC. Comparison of Ameren Missouri's proposed Net Base Energy Costs with the current Net Base Energy Costs shows that the cost of fuel and purchased power to serve Ameren Missouri's customers is increasing at a rate significantly lower than its Net Base Energy Costs. The large increase in Net Base Energy Costs is being driven by the reduction of off-system sales revenue and the myriad of other costs Ameren Missouri is including in its FAC. So while these costs and revenues do not provide the information necessary for the Commission to decide what costs and revenues should be included in the FAC, it does provide enough information to lead OPC to recommend that the FAC not be continued.

Schedule LM-3-1 shows a comparison of the net base energy cost from the last rate case, Case No. ER-2012-0166, and Ameren Missouri's proposed net base energy cost in this case. This is a representation of the increases/decrease in the costs and revenues that Ameren Missouri is flowing through the FAC. The comparison of these two Net Base Energy Costs gives an indication of where changes in costs and revenues have occurred since the last rate case and which types of cost/revenues have changed. The Net Base Energy Cost that Ameren Missouri is proposing in this case is 22.97% higher than the current base. This is quite a substantial increase. The "Total Fuel and Purchased Power for Load" in this table is the cost of the fuel commodities – coal, uranium, natural gas, and oil, the cost of the transportation of these fuels, and total purchased power to serve Ameren Missouri's customers. The comparison shows that the fuel and purchased power for load only increased 6.32%[3] - substantially less than the 22.97% increase for the Net Base Energy Costs. The major reason for the increase in Net Base Energy Cost appears to be, then, that Ameren Missouri projects its off-system sales to drop considerably. Also contributing to the increase is what Ameren Missouri titles "Additional Fuel and Purchased Power Costs." These costs, which have risen 22.78% since the last case, are apparently comprised of miscellaneous inputs such as MISO and other RTO costs and revenues.

Schedule LM-3-2 shows a comparison between the net base energy costs set in the previous two rate cases (Case Nos. ER-2012-0166 and ER-2011-0028). Between these two cases, Net Base Energy Cost increased 14.58%[4] - also significant. Again, closer examination shows that the percentage increase in fuel and purchased power costs to serve

[3] This includes the contract price for coal for 2015

Ameren Missouri's customers, 7.78%, increased at a much lower rate than the total costs. Importantly, this shows that roughly half of the increase in the Net Base Energy Costs was not due to increases in fuel and purchased power to serve Ameren Missouri's native load.

Q. HOW DOES THIS SUGGEST THAT AMEREN MISSOURI'S FAC SHOULD NOT BE CONTINUED?

A. For two reasons:

1. Fuel and purchased power costs, which is what SB 179 authorizes the Commission to include in FACs, is not significantly increasing; and

2. The cost and revenues that are changing in Ameren Missouri's FAC are not the costs specified in SB 179.

Q. WHY ARE INCREASING COSTS NOT A REASON FOR AN FAC?

A. In the first general rate case in which Ameren Missouri requested an FAC, Case No. ER-2007-0002, the Commission focused on fuel and purchased power costs and off-system sales revenues. The Commission found that Ameren Missouri's fuel costs, while rising, were not volatile. It then defined volatile as when prices go up and down in an unpredictable manner. It found that rising but known fuel costs are the worst reason to implement a fuel adjustment clause because it would allow the utility to recover a single known rising cost while avoiding a rate case in which all other expenses and revenues are examined that might be used to off-set the rising fuel cost.

[4] This increase would have been 21.29% if transmission revenues not been included in the calculation of Net Base Energy Costs for Case No. ER-2012-0166.

Schedule LM-3 shows that fuel and purchased power costs have risen. Ameren Missouri's greatest fuel cost is for coal and the transportation of that coal. Ameren Missouri testifies that it has in place long-term contracts for coal and coal transportation with predetermined escalators. Therefore, Ameren Missouri knows what its cost of coal is and will be. It has asked that coal prices for 2015 be included in setting its revenue requirement.

Q. IS THERE ANOTHER REASON WHY THE COMMISSION SHOULD DISCONTINUE AMEREN MISSOURI'S FAC?

A. Yes, there is. Ameren Missouri's customers strongly oppose the FAC according to comments submitted in this case and past cases. Ameren Missouri cites various harms for which an FAC provides remedy. However, Ameren Missouri's FAC is actually causing harm to its customers. The FAC places an uncertainty on each customer's cost of electricity which makes it more difficult for residential customers to budget for their electric bills and for non-residential customers to earn a return on the investments in their businesses. The uncertainty of fluctuating electric costs harms Ameren Missouri's customers' access to needed capital for their businesses and homes. In addition, uncertain electric costs can impact Ameren Missouri's customers' credit quality.

Q. WOULD YOU SUMMARIZE OPC'S RECOMMENDATION REGARDING THE COMMISSION GRANTING A CONTINUATION OF AMEREN MISSOURI'S FAC?

A. OPC recommends that the Commission discontinue Ameren Missouri's FAC. Ameren Missouri has not provided the information required in the Commission's rules that would allow the Commission to make an informed decision on Ameren Missouri's request. My rebuttal testimony will respond in greater detail to the deficiencies in Ameren Missouri's filing requesting an FAC. Moreover, what little summary information Ameren Missouri has filed suggests an FAC is not appropriate at this time. In addition, the FAC is harmful to Ameren Missouri's customers.

OPC'S RECOMMENDATION SHOULD THE COMMISSION AUTHORIZE AMEREN MISSOURI'S PROPOSED FAC

Q. DOES OPC HAVE A RECOMMENDATION IF THE COMMISSION DECIDES TO GRANT AMEREN MISSOURI AN FAC IN THIS CASE?

A. Yes, it does. It is OPC's recommendation that the Commission not grant Ameren Missouri an FAC. However, if the Commission does grant Ameren Missouri an FAC, OPC recommends that the costs and revenues that are allowed to flow through the FAC be very limited and precisely defined. OPC recommends a Commission-approved description of costs and revenues, which would include only fuel commodity costs, the costs of transporting the fuel commodity, purchased power costs and revenues from off-system sales. These are the costs and revenues the FAC was designed to address.

In addition, the exact major and minor accounts and activity codes associated with these costs and revenues should be recorded in this case and in the FAC tariff sheets. No costs and revenues other than what is recorded in these major and minor accounts and activity codes should be allowed to flow through the FAC until such modification is approved by the Commission. No cost or revenue that does not match the Commission-approved description should flow through the FAC.

Q. WHY NOT INCLUDE ALL THE CURRENT COSTS AND REVENUES THAT ARE FLOWING THROUGH AMEREN MISSOURI'S FAC?

A. All the current costs and revenues should not be included because Ameren Missouri has never given the Commission a detailed explanation of each of the costs and revenues that it is requesting be included in the FAC, nor has Ameren Missouri ever provided a reason why each of the costs/revenues should be included in the FAC.

If the Commission authorizes Ameren Missouri to continue an FAC, OPC recommends that the allowed costs and revenues flowing through the FAC should be very limited until: 1) Ameren Missouri presents to the Commission exactly what costs and revenues it is proposing flow through the FAC, the magnitude and volatility of each cost and revenue item and why the cost or revenue should flow through the FAC; 2) all parties to the case have had the time and opportunity to develop and present their positions regarding each of the costs and revenues to the Commission; and 3) the Commission has issued an order stating which of these costs and revenues, along with the major and minor accounts and activity codes, should flow through the FAC.

Q. ARE THERE OTHER CHANGES TO THE FAC THAT OPC IS RECOMMENDING IF THE COMMISSION GRANTS AMEREN MISSOURI A CONTINUATION OF ITS FAC?

A. Yes. If the Commission grants Ameren Missouri an FAC, OPC is recommending that the customers only pay/receive 90% of all of the net fuel and purchased power costs above/below the amount set in permanent rates.

Q. WHY SHOULD THE INCENTIVE MECHANISM BE CHANGED?

A. There are four reasons why the incentive mechanism should be changed:

1. According to quarterly surveillance reports provided to OPC from Ameren Missouri, Ameren Missouri has earned above its authorized return on equity ("ROE") since its last rate increase went into effect;

2. Ameren Missouri has shown that it is eager to include costs and reluctant to include revenues in its FAC;

3. The 95%/5% split removes all of the utilities total fuel and purchase power risk; and

4. FAC prudence reviews are difficult due to the myriad of costs and revenues included in Ameren Missouri's FAC.

Q. HAS AMEREN MISSOURI EARNED ITS ROE SINCE THE LAST CASE?

A. Yes, it has. According to the FAC surveillance reports that Ameren Missouri has provided since the last rate case, its ROE has significantly exceeded the Commission-allowed ROE as shown in the table below.[5]

[5] Financial Surveillance Monitoring Report, pg. 2, period ending January 2012, et seq.

Ameren Missouri
Return on Equity

12 Months Ending	Actual	Allowed
Sep-14	11.43%	9.80%
Jun-14	11.89%	9.80%
Mar-14	10.45%	9.80%
Dec-13	10.34%	9.80%
Sep-13	10.32%	9.80%
Jun-13	10.57%	9.80%
Mar-13	12.28%	9.80%
Dec-12	11.66%	10.20%
Sep-12	10.50%	10.20%
Jun-12	11.52%	10.20%

Q. HAS AMEREN MISSOURI BEEN GRANTED OTHER MECHANISMS THAT ALLOW IT TO ADJUST ITS REVENUE BETWEEN RATE CASES SINCE THE COMMISSION FIRST APPROVED AN FAC FOR IT?

A. Yes, it has. The Commission has authorized Ameren Missouri to levy an Energy Efficiency Investment Charge ("EEIC"). In Case No. ER-2015-0132, Ameren Missouri has asked for this charge to become effective in February 2015.

Q. WHAT IS THE EFFECT ON AMEREN MISSOURI'S RETURN ON EQUITY OF RATE MECHANISMS SUCH AS THE FAC AND EEIC?

A. These mechanisms result in opportunities for increases in Ameren Missouri's revenues between rate cases, thus reducing the risk that Ameren would earn less than its allowed ROE.

Q. HOW HAS THE FAC INCENTIVE CONTRIBUTED TO OVEREARNING?

A. With the current FAC and as shown in the table above, Ameren Missouri bears almost zero risk of non-recovery on any cost that it flows through its FAC. The 95%/5% split results in Ameren Missouri recovering 99% of its costs. And Ameren Missouri has managed to include many costs outside the fuel costs identified in SB 179. Any cost that Ameren Missouri can include is guaranteed almost full cost recovery. The current FAC provides Ameren Missouri with great incentive to put as many costs through the FAC as possible in order to maximize ROE and provides minimal incentive to control those costs.

Q. HOW HAS AMEREN MISSOURI SHOWN THAT IT IS EAGER TO INCLUDE COSTS IN THE FAC AND RELUCTANT TO INCLUDE REVENUES?

A. The first example occurred when Ameren Missouri chose to exclude the revenues from two off-system sales contracts from the FAC in 2009. This was the subject of the two FAC prudence cases in which the Commission found that Ameren Missouri acted imprudently, improperly and unlawfully and ordered a refund to the customers through the FAC.

Further, as stated previously in this testimony, Ameren Missouri utilized the vagueness of the tariff sheets and the Commission orders to include MISO transmission costs for new transmission lines in the FAC. At the same time that Ameren Missouri began flowing through these MISO costs, it was receiving revenues from MISO for transmission. However, Ameren Missouri chose not to flow transmission revenue through the FAC until after the last rate case when the presence of transmission costs in the FAC was brought to the Commission's attention.

Ameren Missouri also puts new costs into the FAC on a regular basis without notifying the Commission, as can be seen in Schedule LM-2.

Q. HOW DOES THE CURRENT FAC INCENTIVE MECHANISM CONTRIBUTE TO AMEREN MISSOURI'S ACTIONS?

A. Ameren Missouri is guaranteed to recover at least 95% of any cost that it can include in its FAC between rate cases. When Ameren Missouri keeps revenues out of the FAC, it gets to keep 100% of any increases in those revenues. For new types of revenues between rate cases, Ameren Missouri keeps 100% of the revenues until the next rate case.

Ameren Missouri controls and manages the uncertainty of its fuel costs by entering into long-term contracts for coal, uranium, and natural gas. This is presumably the major reason that the increase in fuel and purchased power costs has been lower than the increase in the base rates. As for purchased power costs, Ameren is able to buy from MISO when the market prices are lower than its own cost to generate electricity. Instead of applying downward pressure to contain these costs, apparently they are being managed by passing them through the FAC. A 90%/10% mechanism would give Ameren Missouri more incentive to manage these non-fuel and non-purchased power costs.

Q. DID YOU CALCUATE THE PERCENTAGE OF TOTAL COSTS RECOVERED THROUGH AMEREN MISSOURI'S FAC?

A. Yes, the table below shows for the last three fuel adjustment rate changes shows that Ameren Missouri will bill its customers between 99.0% and 98.7% of the costs flowed through these three accumulation periods.

Current 95%/5% Sharing Mechanism					
Accumlation Period Ending	Actual Cost	Base cost	Costs to be Recovered	Total Cost to Be Billed	% Billed
Sep-13	$258,851,360	$ 205,416,214	$ 50,763,390	$ 256,179,604	99.0%
Jan-13	$253,492,306	$ 193,506,450	$ 56,985,856	$ 250,492,306	98.8%
May-13	$240,817,322	$ 178,896,751	$ 58,824,542	$ 237,721,293	98.7%
Total	$753,160,988	$ 577,819,415	$ 166,573,788	$ 744,393,203	98.8%

Although the incentive mechanism is 95%/5% sharing, actually the customers are paying approximately 99% of the total cost and Ameren Missouri is only absorbing approximately 1% of the change in the FAC costs.

Q. DID YOU DO A SIMILAR ANALYSIS WITH A 90%/10% SHARING MECHANISM?

A. Yes, I did. The following table shows the results of this calculation. However, this analysis is limited because Ameren Missouri has failed to provide a complete explanation f all costs and further OPC contests inclusion of certain previously included costs.

90%/10% Mechanism					
Accumlation Period Ending	Actual Cost	Base cost	Costs to be Recovered	Total Cost to Be Billed	% Billed
Sep-13	$258,851,360	$ 205,416,214	$ 48,091,631	$ 253,507,845	97.9%
Jan-13	$253,492,306	$ 193,506,450	$ 53,987,270	$ 247,493,720	97.6%
May-13	$240,817,322	$ 178,896,751	$ 55,728,514	$ 234,625,265	97.4%
Total	$753,160,988	$ 577,819,415	$ 157,807,416	$ 735,626,831	97.7%

An increase in the portion of the change in costs that Ameren would have to absorb should provide Ameren incentive to decrease its costs. With this incentive, the actual cost and the costs to be recovered would both be lower.

Q. WHY SHOULD DIFFICULTLY IN CONDUCTING PRUDENCE REVIEWS IMPACT THE SHARING MECHANISM?

A. The multitude of cost and revenue items that are not adequately defined, and that change across time at the discretion of Ameren Missouri, make it nearly impossible to review all costs and revenues for imprudence. If the Commission does not limit the number of items that flow through the FAC, does not specifically state what should flow through the FAC, and allows costs or revenues to be added without Commission approval, the practical ability to engage in an adequate prudence review is hindered.

Moreover, the threat of even an *adequate* prudence review is not sufficient for effective cost management, as recognized by the Commission in its order in the rate case first authorizing an FAC for Aquila, Inc. – Case No. ER-2007-0004.

Q. ARE THERE OTHER CHANGES THAT OPC RECOMMENDS FOR THE FAC?

A. Yes, there are. The current FAC tariff sheet 72.4 includes a clause titled "Adjustment For Reduction of Service Classification 12(M) Billing Determinants." This adjustment allows, if there is a reduction in usage of 40,000 MWh or greater in the 12(M) class, for Ameren Missouri to exclude from the FAC off-system sales revenue equal to the amount of revenue it would have received from the 12(M) class. OPC recommends removal of this adjustment. Noranda is the only customer in this class. Ameren Missouri made a choice to provide service to Noranda. This adjustment moves the risk of losing Noranda from Ameren Missouri to its other customers. This is not just and reasonable allocation of risk.

However, if the Commission determines that this adjustment should be included in the FAC, then OPC recommends that the adjustment be changed. The language proposed by Ameren Missouri would allow Ameren Missouri to exclude from the FAC off-system sales revenues for the entire projected amount of revenue that Ameren Missouri would have billed the customer. If there is a 40,000 MWh reduction in the usage of the 12(M) class, Ameren Missouri would not incur the variable cost associated with providing 40,000 MWh to the 12(M) class, and would have excess energy and capacity to sell. Accordingly, Ameren Missouri should not be allowed to take away off-system sales revenues from all other customers to cover variable costs that Ameren Missouri never, in fact incurs. Moreover, Ameren Missouri should only be able to raise the effective fuel adjustment rate on other customers to the extent necessary to cover the costs actually incurred by Ameren Missouri that it is no longer recovering from the12(M) customer. It is unreasonable and against the public interest to effectively raise the fuel adjustment rate for other customers to make up for costs that Ameren Missouri merely expected to incur but never actually did. Therefore, OPC recommends that the Commission delete this clause from the FAC tariff in its entirety, or at a minimum, only allow the exclusion of off-system sales up to an amount no more than the fixed costs allocated to the 12(M) class in this case.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

Education and Work Experience Background for

Lena M. Mantle, P.E.

I received a Bachelor of Science Degree in Industrial Engineering from the University of Missouri, at Columbia, in May, 1983. I joined the Research and Planning Department of the Missouri Public Service Commission in August, 1983 and worked under the direct supervision of Dr. Michael Proctor. I became the Supervisor of the Engineering Analysis Section of the Energy Department in August, 2001. In July, 2005, I was named the Manager of the Energy Department. The Energy Department was renamed the Energy Unit in August, 2011. I am a registered Professional Engineer in the State of Missouri.

In my work at the Commission from May 1983 through August 2001, I worked in many areas of electric utility regulation. Initially I worked on electric utility class cost-of- service analysis and fuel modeling. As a member of the Research and Planning Department, I participated in the development of a leading-edge methodology for weather normalizing hourly class energy for rate design cases. I took the lead in developing personal computer programming of this methodology and applying this methodology to weather-normalize electric usage in numerous electric rate cases. I was also instrumental in the development of the Missouri Public Service Commission electronic filing and information system.

My responsibilities as the Supervisor of the Engineering Analysis section considerably broadened my work scope. I remained the lead Staff member on weather normalization in electric cases but also supervised the engineers in a wide variety of engineering analysis including electric utility fuel and purchased power expense estimation for rate cases, generation plant construction audits, review of territorial agreements, and resolution of customer complaints. As the Manager of the Energy Unit, I oversaw the activities of the Engineering Analysis section, the electric and natural gas utility tariff filings, the Commission's natural gas safety staff, fuel adjustment clause filings, resource planning compliance review and the class cost-of-service and rate design for natural gas and electric utilities.

I retired from the Commission Staff on December 31, 2012.

I began working at the Office of the Public Counsel as a Senior Analyst in August 2014. I provide assistance to the Public Counsel on electric cases.

Lists of the Missouri Public Service Commission rules in which I participated in the development of or revision to, Missouri Public Service Commission Staff reports that I contributed to and Cases that I provided testimony in follow.

Missouri Public Service Commission Rules

4 CSR 240-3.130	Filing Requirements and Schedule of Fees for Applications for Approval of Electric Service Territorial Agreements and Petitions for Designation of Electric Service Areas
4 CSR 240-3.135	Filing Requirements and Schedule of Fees Applicable to Applications for Post-Annexation Assignment of Exclusive Service Territories and Determination of Compensation
4 CSR 240-3.161	Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements
4 CSR 240-3.162	Electric Utility Environmental Cost Recovery Mechanisms Filing and Submission Requirements
4 CSR 240-3.190	Reporting Requirements for Electric Utilities and Rural Electric Cooperatives
4 CSR 240-14	Utility Promotional Practices
4 CSR 240-18	Safety Standards
4 CSR 240-20.015	Affiliate Transactions
4 CSR 240-20.017	HVAC Services Affiliate Transactions
4 CSR 240-20.090	Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms
4 CSR 240-20.091	Electric Utility Environmental Cost Recovery Mechanisms
4 CSR 240-22	Electric Utility Resource Planning
4 CSR 240-80.015	Affiliate Transactions
4 CSR 240-80.017	HVAC Services Affiliate Transactions

Staff Direct Testimony Reports

ER-2012-0166	Fuel Adjustment Clause
ER-2011-0028	Fuel Adjustment Clause
ER-2010-0356	Resource Planning Issues
ER-2010-0036	Environmental Cost Recovery Mechanism
HR-2009-0092	Fuel Adjustment Rider
ER-2009-0090	Fuel Adjustment Clause, Capacity Requirements
ER-2008-0318	Fuel Adjustment Clause
ER-2008-0093	Fuel Adjustment Clause, Experimental Low-Income Program
ER-2007-0291	DSM Cost recovery

Missouri Public Service Commission Staff Case Listing

Case No.	Filing Type	Issue
ER-2012-0166	Rebuttal, Surrebuttal	Fuel Adjustment Clause
EO-2012-0074	Direct/Rebuttal	Fuel Adjustment Clause Prudence
EO-2011-0390	Rebuttal	Resource Planning Fuel Adjustment Clause
ER-2011-0028	Rebuttal, Surrebuttal	Fuel Adjustment Clause
EU-2011-0027	Rebuttal, Surrebuttal	Fuel Adjustment Clause
ER-2010-0036	Supplemental Direct, Surrebuttal	Fuel Adjustment Clause
ER-2009-0090	Surrebuttal	Capacity Requirements
ER-2008-0318	Surrebuttal	Fuel Adjustment Clause
ER-2008-0093	Rebuttal	Fuel Adjustment Clause Low-Income Program
ER-2007-0004	Direct	Resource Planning
GR-2007-0003	Direct	Energy Efficiency Program Cost Recovery
ER-2007-0002	Direct	Demand-Side Program Cost Recover
ER-2006-0315	Rebuttal	Demand-Side Programs Low-Income Programs
ER-2006-0315	Supplemental Direct	Energy Forecast
EA-2006-0314	Rebuttal	Jurisdictional Allocation Factor
EA-2006-0309	Rebuttal, Surrebuttal	Resource Planning
ER-2005-0436	Rebuttal, Surrebuttal	Low-Income Programs Energy Efficiency Programs
ER-2005-0436	Direct, Surrebuttal	Resource Planning
EO-2005-0329	Spontaneous	Demand-Side Programs Resource Planning
EO-2005-2063	Spontaneous	Demand-Side Programs Resource Planning
ER-2004-0570	Rebuttal, Surrebuttal	Energy Efficiency Programs Wind Research Program
ER-2004-0570	Direct	Reliability Indices
EF-2003-465	Rebuttal	Resource Planning
ER-2002-424	Direct	Derivation of Normal Weather
EC-2002-1	Direct, Rebuttal	Weather Normalization of Class Sales Weather Normalization of Net System
ER-2001-672	Direct, Rebuttal	Weather Normalization of Class Sales Weather Normalization of Net System
ER-2001-299	Direct	Weather Normalization of Class Sales Weather Normalization of Net System
EM-2000-369	Direct	Load Research
EM-2000-292	Direct	Load Research
EM-97-575	Direct	Normalization of Net System
ER-97-394, et. al.	Direct, Rebuttal, Surrebuttal	Weather Normalization of Class Sales Weather Normalization of Net System Energy Audit Tariff
EO-94-144	Direct	Weather Normalization of Class Sales Weather Normalization of Net System

Missouri Public Service Commission Staff Case Listing (cont.)

ER-97-81	Direct	Weather Normalization of Class Sales Weather Normalization of Net System TES Tariff
ER-95-279	Direct	Normalization of Net System
ET-95-209	Rebuttal, Surrebuttal	New Construction Pilot Program
EO-94-199	Direct	Normalization of Net System
ER-94-163	Direct	Normalization of Net System
ER-93-37	Direct	Weather Normalization of Class Sales Weather Normalization of Net System
EO-91-74, et. al.	Direct	Weather Normalization of Class Sales Weather Normalization of Net System
EO-90-251	Rebuttal	Promotional Practices Variance
ER-90-138	Direct	Weather Normalization of Net System
ER-90-101	Direct, Rebuttal, Surrebuttal	Weather Normalization of Class Sales Weather Normalization of Net System
ER-85-128, et. al.	Direct	Demand-Side Update
ER-84-105	Direct	Demand-Side Update

Other Party Case Filing Listing Before Missouri Public Service Commission

Case	Party	Filing Type	Issue
EC-2014-0224	Office of Public Counsel	Surrebuttal	Policy, Rate Design

ER-2014-0258

Direct Testimony of Lena Mantle

Schedule LM-2 has been deemed "Highly Confidential" in its entirety

Comparison of Calcuation of FAC Net Base Energy Cost
Case No. ER-2012-0166 and Ameren Missouri's Proposed

	Agreed to	Proposed		
Fuel and Purchased Power Costs	ER-2012-0166	ER-2014-0258	Change	% Change
Fuel for Load	650,521,000	682,452,000	31,931,000	4.91%
Fly Ash	(1,157,742)	672,919	1,830,661	-158.12%
Fixed gas supply costs for load	6,939,787	6,845,868	(93,919)	-1.35%
Fuel Additives	2,584,753	2,207,940	(376,813)	-14.58%
Purchased Power for load	24,084,000	33,939,000	9,855,000	40.92%
Total Fuel and Purchased Power for Load	682,971,798	726,117,727	43,145,929	6.32%
Fuel for Off-System Sales	226,038,000	171,791,000	(54,247,000)	-24.00%
Fly Ash	(408,985)	169,391	578,376	-141.42%
Fixed gas supply costs for OSS	2,451,559	1,723,284	(728,275)	-29.71%
Fuel Additives	913,094	555,796	(357,298)	-39.13%
Purchased Power for OSS	736,000	0	(736,000)	-100.00%
	229,729,668	174,239,471	(55,490,197)	-24.15%
Total Fuel and Purchased Power	**912,701,466**	**900,357,198**	**(12,344,268)**	**-1.35%**
Additional Fuel and Purchased Power Costs				
MISO Day 2 Excluding Admin	23,969,660	28,476,586	4,506,926	18.80%
Common Boundary Purchased Power	33,560	62,116	28,556	85.09%
Ancillary services purchased	5,072,938	5,089,863	16,925	0.33%
PJM excluding admin	1,235,493	1,231,299	(4,194)	-0.34%
Transmission by others	25,697,875	32,294,295	6,596,420	25.67%
Transmission revenues	(33,127,864)	(36,886,278)	(3,758,414)	11.35%
Replacement Power Insurance	1,572,165	0	(1,572,165)	-100.00%
Total Add'l Fuel & Purchased Power Costs	**24,453,827**	**30,267,881**	**5,814,054**	**23.78%**
Total Fuel, Purchased Power & Other Expenses	**937,155,293**	**930,625,079**	**(6,530,214)**	**-0.70%**
Sales				
Off-System energy sales revenues	349,841,000	214,195,000	(135,646,000)	-38.77%
MISO Day 2 Revenues - MWP margins	2,101,064	3,016,608	915,544	43.58%
MISO Day 2 Revenues - Inavert distribution	519,727	30,934	(488,793)	-94.05%
Capacity Sales	5,664,563	5,688,844	24,281	0.43%
Ancilliary Services Revenue	10,703,019	11,182,641	479,622	4.48%
Bilateral Energy Sales Margins	1,268,008	0	(1,268,008)	-100.00%
Financial Swaps	632,178	0	(632,178)	-100.00%
Total Sales	**370,729,559**	**234,114,027**	**(136,615,532)**	**-36.85%**
Net Base Energy Cost	**566,425,734**	**696,511,052**	**130,085,318**	**22.97%**
Load at MISO CP Node AMMO.UE (kWh)	38,561,186,132	38,762,476,497	201,290,365	0.52%
Net Base Energy Costs ($/MWh)	14.689	17.969	3.280	22.33%

Comparison of Calcuation of FAC Net Base Energy Cost
Case Nos. ER-2011-0028 and ER-2012-0166

	Agreed to ER-2011-0028	Agreed to ER-2012-0166	Change	% Change
Fuel and Purchased Power Costs				
Fuel for Load	600,038,646	650,521,000	50,482,354	8.41%
Fly Ash	(2,947,753)	(1,157,742)	1,790,011	-60.72%
Fixed gas supply costs for load	6,237,319	6,939,787	702,468	11.26%
Fuel Additives	0	2,584,753	2,584,753	-
Purchased Power for load	30,341,407	24,084,000	(6,257,407)	-20.62%
Total Fuel and Purchased Power for Load	633,669,619	682,971,798	49,302,179	7.78%
Fuel for Off-System Sales	188,753,562	226,038,000	37,284,438	19.75%
Fly Ash	(927,272)	(408,985)	518,287	-55.89%
Fixed gas supply costs for OSS	1,962,067	2,451,559	489,492	24.95%
Fuel Additives	0	913,094	913,094	-
Purchased Power for OSS	729,093	736,000	6,907	0.95%
	190,517,450	229,729,668	39,212,218	20.58%
Total Fuel and Purchased Power	**824,187,069**	**912,701,466**	**88,514,397**	**10.74%**
Additional Fuel and Purchased Power Costs				
Fuel for Load Acct 518 Westinghouse credits	(1,844,517)	0	1,844,517	-100.00%
MISO Day 2 Excluding Admin	33,023,687	23,969,660	(9,054,027)	-27.42%
Common Boundary Purchased Power	94,110	33,560	(60,550)	-64.34%
Ancillary services purchased	5,232,384	5,072,938	(159,446)	-3.05%
PJM excluding admin	583,916	1,235,493	651,577	111.59%
Transmission by others	15,413,040	25,697,875	10,284,835	66.73%
Transmission revenues	0	(33,127,864)	(33,127,864)	-
Replacement Power Insurance	1,572,165	1,572,165	0	0.00%
Total Add'l Fuel & Purchased Power Costs	**54,074,785**	**24,453,827**	**(31,465,475)**	**-58.19%**
Total Fuel, Purchased Power & Other Expenses	**878,261,854**	**937,155,293**	**58,893,439**	**6.71%**
Sales				
Off-System energy sales revenues	361,897,370	349,841,000	(12,056,370)	-3.33%
MISO Day 2 Revenues - MWP margins	1,423,459	2,101,064	677,605	47.60%
MISO Day 2 Revenues - Inavert distribution	0	519,727	519,727	-
Capacity Sales	8,988,294	5,664,563	(3,323,731)	-36.98%
Ancilliary Services Revenue	11,620,619	10,703,019	(917,600)	-7.90%
Bilateral Energy Sales Margins	0	1,268,008	1,268,008	-
Financial Swaps	0	632,178	632,178	-
Total Sales	**383,929,742**	**370,729,559**	**(13,200,183)**	**-3.44%**
Net Base Energy Cost	**494,332,112**	**566,425,734**	**72,093,622**	**14.58%**
Load at MISO CP Node AMMO.UE (kWh)	38,561,186,132	38,762,476,497	201,290,365	0.52%
Net Base Energy Costs ($/MWh)	12.819	14.613	1.793	13.99%