

Exhibit No. 236

Commission Staff – Exhibit 236
Brooke Mastrogiannis
Surrebuttal/True Up Direct Testimony
File Nos. ER-2021-0240 & GR-2021-0241

Exhibit No.:
Issue: *Fuel Adjustment Clause*
Witness: *Brooke Mastrogiannis*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal/True-Up Direct
Testimony*
Case Nos.: *ER-2021-0240*
Date Testimony Prepared: *November 5, 2021*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

SURREBUTTAL/TRUE-UP DIRECT TESTIMONY

OF

BROOKE MASTROGIANNIS

**UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri**

CASE NO. ER-2021-0240

*Jefferson City, Missouri
November 2021*

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BROOKE MASTROGIANNIS
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1 **TRUE-UP DIRECT**

2 Q. What is Staff's trued-up base factor?

3 A. Staff witness Lisa M. Ferguson has trued-up the base factor calculation.
4 The revised summer base factor is \$1.306/kWh and the revised winter base factor is
5 \$1.002/kWh.

6 **SURREBUTTAL**

7 **Fuel Adjustment Clause**

8 Q. What is the Company's position regarding the last bullet point on Staff's Cost
9 of Service Report on page 198, that stated, "Order Ameren Missouri to include language in its
10 FAC tariff that all wind revenues associated with High Prairie and Atchison Wind Farms will
11 be included for recovery in the FAC"?

12 A. Mr. Meyer states on page 3, lines 3 - 8 of his rebuttal testimony,
13 Staff has requested that the Commission order Ameren Missouri to
14 include language in its FAC tariff that all wind revenues associated
15 with High Prairie and Atchison Wind Farms will be included in the
16 FAC. Such additional language is unnecessary though, as under the
17 current FAC tariff all such revenues from High Prairie and Atchison
18 Wind Farms are already included in Factor OSSR

19 Q. Does Staff find the Company's position reasonable?

20 A. Yes.

21 Q. What is the Company's position on the 9th bullet point on page 205 of
22 Staff's Cost of Service Report, that stated "Staff is recommending the Commission order
23 Ameren Missouri to provide monthly natural gas fuel reports that include all transactions (spot
24 and longer term), including terms, volumes, price and analysis of number of bids"?

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1 A. Mr Meyer states on page 4, lines 9 – 12 of his rebuttal testimony, “The Company
2 does not maintain such a report. Moreover, the Company does not agree that it is appropriate to
3 provide a new report of this type, as the information requested in this report does not align with
4 the Company’s natural gas procurement strategy for its combustion turbine generator (“CTG”)
5 fleet.”

6 Q. Does Staff find the Company’s position reasonable?

7 A. Yes.

8 Q. What is the Company’s position on Staff’s recommendation that it include
9 information with the FAC monthly reports to reflect tracking of efforts to make and
10 maximize OSSR?

11 A. Mr. Meyer states on page 5, line 16 through page 6 line 7 of his rebuttal
12 testimony,

13 The request is overly broad and unnecessary. The entirety of the
14 Company’s generation fleet operates within regional transmission
15 organizations (“RTOs”) with centralized energy and ancillary
16 markets. As such, to the extent that any generation has been offered
17 at a cost lower than the revenue received from the market for the
18 commitment period, regardless of whether it is designated for serving
19 native load or for off-system sales, will be cleared in the market. The
20 MISO also facilitates a centrally cleared Planning Resource Auction,
21 which allows for sales of capacity. In addition, the Company
22 maintains employees responsible for managing Company interaction
23 with these RTO markets, and for managing compliance with the
24 Company’s Commodity Risk Management Policy. These employees
25 are continually monitoring the market to identify when approved risk
26 mitigation strategies, such as price hedging or asset management
27 strategies, should be employed to manage the level of market risk.
28 The commodity market strategies and authorized and unauthorized
29 transactions are stated explicitly in the Company policy. Execution of
30 these strategies generally results in a bilateral transaction or a MISO
31 generator commitment. The financial impacts of both of these types
32 of financial commitments are already included in the FAC monthly
33 reports, in aggregate.

34 Q. Does Staff find the Company’s position reasonable?

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1 A. Yes.

2 Q. What FAC tariff changes has Mr. Meyer attached to his rebuttal testimony?

3 A. Attached to Mr. Meyer's rebuttal testimony is Schedule AMM-R1. In this
4 attachment there is language added for coal plants that have been retired and how to treat those
5 costs. There is also language added to exclude amounts associated with energy purchased from
6 the MISO market to serve digital currency mining by the Company from Account 555, and
7 excluding kWh for digital currency mining operations by the Company in the kWh calculated
8 for the accumulation period and estimated recovery period. Lastly, there was language added
9 to redefine the FAR_{LPS} definition, and also to define the weighting factors.

10 Q. Does Staff agree with all these FAC tariff revisions?

11 A. Yes.

12 Q. What is OPC witness Ms. Mantle's position regarding the revenues associated
13 with the High Prairie and Atchison Wind Farms?

14 A. Ms. Mantle states on page 4, lines 24 – 25 that customers should receive all the
15 revenues associated with High Prairie and Atchison wind farms. She also states on page 6 lines
16 5 – 13 that there are two options for returning these revenues to customers. The first is that the
17 revenues be included in the FAC and the differences between the revenues received and what
18 is included in the FAC base be tracked and included in Ameren Missouri's renewable energy
19 standard rate adjustment mechanism ("RESRAM"). The second option would be to include an
20 estimate of the revenues in the revenue requirement of the case with all of the difference
21 between what is included in revenue requirement, positive or negative, flowing back to
22 customers or being recovered from customers through Ameren Missouri's RESRAM.

Surrebuttal/True-Up Direct Testimony of
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1 Q. Does Ms. Mantle point out that customers are currently receiving all of the
2 revenues from these wind farms?

3 A. Yes. Ms. Mantle paraphrases the *Third Stipulation and Agreement* in
4 Case No. EA-2018-0202, by stating that according to this stipulation the revenues from the
5 wind farms passes through the FAC, but to ensure that the customers received 100% of the
6 revenues from these wind farms, the stipulation included a requirement that Ameren Missouri
7 return the other 5% back to customers through its RESRAM.

8 Q. What is Staff's position on how to properly handle these wind revenues?

9 A. Staff believes the method the Company is currently utilizing for the wind
10 revenues, consistent with the Stipulation referenced above, is the best way to continue handling
11 the revenues, so the customers get recovery of the majority of the wind revenues faster. This
12 option means that the wind revenues pass through the FAC, but to ensure the customers receive
13 100% of the revenues from these wind farms, Ameren Missouri returns the other 5% back to
14 customers through its RESRAM.

15 Q. What is OPC witness Ms. Mantle's position regarding FAC tariff language for
16 extraordinary costs?

17 A. Ms. Mantle proposes on page 1 line 20 through page 2 line 2 in her rebuttal
18 testimony to include in its FAC tariff sheets the following language for recovery of extraordinary
19 costs:

20 When extraordinary net costs have been incurred in an accumulation period, for
21 good cause the Commission may allow (after opportunity for any party to be
22 heard) the recovery period to extend beyond eight months. The amount not
23 recovered will be added to subsequent recovery periods with a true-up for the
24 extraordinary cost at the end of the Commission approved recovery time period
25 for the extraordinary cost.
26

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1 Ms. Mantle also points out in her rebuttal testimony on page 2 lines 19 – 25 that under
2 this tariff sheet provision, the recovery period could be extended up to 36 months. The language
3 does not preclude Ameren Missouri from requesting in a case before the Commission, different
4 treatment for deferring extraordinary costs in a liability account for potential future recovery.
5 And also customers would be responsible for interest at the short-term interest rate prescribed
6 by the FAC by statute and would only pay 95% of the costs above the amount included in the
7 base rates.

8 Q. Does Staff oppose Ms. Mantle's proposal language for the FAC tariff sheets?

9
10 A. Yes. Staff believes it is not necessary to add more to the FAC tariff sheets when
11 the FAC rule already addresses the extraordinary costs. In addition, there are three cases
12 currently pending before the Commission which address the issue of these extraordinary costs.
13 Since all those cases are still pending, Staff believes it is premature to change the FAC tariff
14 sheets until the Commission decides in those cases how best to address the extraordinary costs.

15 Q. Does this conclude your surrebuttal/true-up direct testimony?

16 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Tariffs to Adjust Its)
Revenues for Electric Service) Case No. ER-2021-0240

AFFIDAVIT OF BROOKE MASTROGIANNIS

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW BROOKE MASTROGIANNIS, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal True-Up Direct Testimony of Brooke Mastrogiannis*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Brooke Mastrogiannis
BROOKE MASTROGIANNIS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 3rd day of November, 2021.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2023
Commission Number: 15207377

Dianna L. Vaughn
Notary Public