

Exhibit No.:
Issues: Adjustment to FAC Rate – Forty-
Sixth Accumulation Period
Witness: Raysene Logan
Type of Exhibit: Direct Testimony
Sponsoring Party: Union Electric Co.
Case No.: ER-2025-_____
Date Testimony Prepared: August 1, 2024

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ER-2025-_____

DIRECT TESTIMONY

OF

RAYSENE LOGAN

ON

BEHALF OF

UNION ELECTRIC COMPANY

D/B/A AMEREN MISSOURI

St. Louis, Missouri

August, 2024

DIRECT TESTIMONY

OF

RAYSENE LOGAN

Case No. ER-2025-_____

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 4th 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 February 2024 through
15 May 2024.¹

¹ This four-month period is the forty-sixth 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 October 2024 through May 2025.

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

17 A: During the February 1, 2024 to May 31, 2024 Accumulation Period, Ameren Missouri’s
18 ANEC was \$126,170,440 which was an increase of \$664,112 as compared to Factor B,
19 which is \$125,506,328 for that same period. The primary factors driving this increase
20 above net base energy costs (Factor B) were lower off-system sales margins and lower net
21 capacity sales revenue, largely offset by lower fuel and purchased power costs for load as
22 compared to Factor B. The lower off-system sales margins are due to lower locational

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

1 market prices for energy ("LMPs") and the lower net capacity sales revenue is due to lower
2 MISO auction prices, while the lower fuel and purchased power costs for load are primarily
3 due to a decreased load from net base. Also included in this filing is the true-up amount
4 reflected in the Company's forty-third true-up filing, which is being filed concurrently with
5 the initiation of this docket. The above results in a Fuel and Purchased Power Adjustment
6 ("FPA") of (\$1,288,111) which, as described further below, will produce the FAR rates
7 that will appear as a separate line item to be applied to customers' bills during the 46th
8 Recovery Period that starts with the first calendar day of October 2024.

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

11 A: The \$664,112 increase above ANEC during the 46th Accumulation Period as compared to
12 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 (\$5,016,665) from the forty-
15 third true-up filing (made concurrently with the initiation of this docket) and the applicable
16 recovery of interest totaling \$3,097,648 as provided for in Rider FAC (which includes the
17 recovery of \$46,905 in interest for Accumulation Period 46 and the recovery of \$3,050,743
18 in interest for the true-up of Accumulation Period 43), the total adjustment to be reflected
19 in the FAR is (\$1,288,111). That total, when using the estimated kilowatt-hour ("kWh")
20 sales for the October 2024 to May 2025 Recovery Period, results in the following FAR
21 amounts for the Company's customers during that Recovery Period, beginning with the
22 first calendar day of October 2024:

<u>Customer Voltage Level</u>	<u>Cents per kWh Adjustment</u>
Secondary	0.229 ¢/kWh
Primary	0.222 ¢/kWh
High Voltage	0.219 ¢/kWh
Transmission	0.216 ¢/kWh

1 Filed concurrently with my direct testimony is the tariff sheet that contains the formula that
2 Ameren Missouri used to calculate the FAR. Also included in the tariff sheet are the values
3 for each element of the formula that were used to derive the FAR. Assuming 1,021 kWh
4 of usage per month for the average residential customer, this will result in a charge under
5 the FAR of approximately \$2.34 per month. This is a decrease from the FAR currently in
6 effect, which resulted in a charge for the average residential customer of approximately
7 \$4.09 per month. The primary factors driving this change in the FAR were lower fuel and
8 purchased power costs and higher off-system sales margins in Accumulation Period 46 as
9 compared to Accumulation Period 44 and the net base energy costs applicable to each
10 period. The lower fuel and purchased power costs are primarily due to decreased volumes
11 and prices in Accumulation Period 46 as compared to Accumulation Period 44. The higher
12 off-system sales margins are primarily a result of increased load being available for sale in
13 Accumulation Period 46 as compared to Accumulation Period 44 and the net base energy
14 costs for each period.

15 **Q: Having addressed the primary factors driving ANEC for Accumulation Period 46,**
16 **can you please explain how you developed the various values used to derive the**
17 **proposed FAR shown on the tariff sheet?**

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

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

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

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

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

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

13 A: Yes, it does.

