

Exhibit No.:  
Issues: Adjustment to RESRAM Rate –  
Sixth Accumulation Period  
Witness: Raysene Logan  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Union Electric Co.  
Case No.: ER-2025-  
Date Testimony Prepared: September 26, 2024

**MISSOURI PUBLIC SERVICE COMMISSION**

**DIRECT TESTIMONY**

**OF**

**RAYSENE LOGAN**

**St. Louis, Missouri  
September, 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 Fuels Accounting. Ameren Services provides various corporate support services to Union  
7 Electric Company d/b/a Ameren Missouri (“Company” or “Ameren Missouri”), including  
8 settlement and accounting related to fuel, purchased power, off-system sales, and  
9 Renewable Energy Standard (“RES”) compliance costs and benefits, including accounting  
10 relating to renewable energy credits (“RECs”).

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

12 A: My testimony supports the 9th Revised Sheet No. 93.4 of Ameren Missouri’s Schedule  
13 No. 6 – Schedule of Rates for Electric Service that is being filed by Ameren Missouri to  
14 establish a rate that reflects RES compliance costs incurred by the Company during the  
15 twelve-month Accumulation Period of August 2023 through July 2024.

16 **Q: Please explain why Ameren Missouri is making this filing at this time.**

17 A: The Commission’s rule governing RES cost recovery mechanisms for electric utilities –  
18 specifically 20 CSR 4240-20.100(6) – and Ameren Missouri’s Rider RESRAM, require

1 Ameren Missouri to make periodic filings to adjust customer rates for changes in Ameren  
2 Missouri's Actual RES Costs (Factor "ARC") experienced during each Accumulation  
3 Period<sup>1</sup> as compared to the base level of RES Costs Recovered (Factor "RCR") included  
4 in base rates (Factors "MBA" and "RBA" as listed in the Rider RESRAM tariff sheets)  
5 applicable to that same Accumulation Period. Additionally, there is a True-Up included  
6 (Factor "T"), which reflects the difference between the actual revenues collected and  
7 revenues authorized for collection. These changes are then reflected in an adjustment to  
8 the RESRAM Rate. This adjustment can be positive (a RESRAM Rate of greater than  
9 zero, i.e., a charge) or negative (a RESRAM Rate of less than zero, i.e., a credit). The  
10 Commission's rule requires at least one such review and adjustment each year. Ameren  
11 Missouri's approved Rider RESRAM calls for one filing annually. As provided for in  
12 Rider RESRAM, the Recovery Period applicable to this filing will consist of the calendar  
13 months of February 2025 through January 2026.

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

15 A: During the August 1, 2023 to July 31, 2024 Accumulation Period, Ameren Missouri's ARC  
16 was \$61,977,596. Subtracting the RCR of \$25,761,307 (derived from the RBA from the  
17 Accumulation Period 5 filing and the MBA from the File No. ER-2022-0337 rate review  
18 stipulation<sup>2</sup>) and adding the Interest (I) of \$2,761,617, produces a RES (over)/under  
19 recovery (Factor "ROUR") totaling \$38,977,905. Along with the RESRAM Revenue  
20 Requirement (Factor "RRR") of \$54,771,701 and the True-up of \$1,331,659 results in  
21 Total RESRAM Recoveries (Factor "TRR") of \$95,081,266 which, as described further  
22 below, will produce the RESRAM Rate (in this case a charge) that will appear as a separate

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<sup>1</sup> Capitalized terms not otherwise defined herein have the meaning given them in Rider RESRAM.

<sup>2</sup> EFIS Item No. 264, File No. ER-2022-0337.

1 line item to be applied to customers' bills during the 6<sup>th</sup> Recovery Period that starts on the  
2 first day of February 2025.

3 **Q: Are there any adjustments related to the one percent retail rate impact limitation**  
4 **included in the Commission's RES rules?**

5 A: No, the Company's RES compliance plan (see File No. EO-2023-0359) demonstrates that  
6 the Company's RES compliance activities in total, of which the RES costs subject to Rider  
7 RESRAM are a subset, do not exceed the 1% retail rate limitation as provided for in 20  
8 CSR 4240-20.100(5).

9 **Q: What types of expenses are included in the Accumulation Period covered by this**  
10 **filing?**

11 A: The ARC includes actual solar rebates paid under Rider SR (recorded in Account 908,  
12 subaccount SR2<sup>3</sup>) and amortization expense and associated fees for RECs purchased in  
13 contracts associated with wind (recorded in Accounts 557 and 509, subaccount RWD),  
14 solar (recorded in Accounts 557 and 509, subaccount RCS), and electricity produced using  
15 hydro as a fuel (recorded in Accounts 557 and 509, subaccount RH2). These purchases  
16 were made as the remaining vintage RECs "banked" in inventory plus expected 2023 and  
17 2024 additions would not allow the Company to retire sufficient RECs to meet its 15%  
18 RES portfolio requirement applicable to 2023 and 2024. A request for proposal (RFP)  
19 process was not utilized in making these REC purchases as it was more cost effective and  
20 efficient to evaluate purchasing RECs for compliance through brokers and direct  
21 counterparty negotiations. These transactions were negotiated directly with the  
22 counterparties at market pricing with beneficial commercial terms and delivery dates.

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<sup>3</sup> "Subaccount" references are to managerial accounting designations included in the Company's general ledger.

1 There were also RES compliance capital costs and benefits in the Accumulation Period  
2 covered by this filing related to the High Prairie and Atchison Renewable Energy Centers.  
3 Capital investments and associated O&M expense are identified by using the Location for  
4 the generation facilities: HP0 for the High Prairie Energy Center and AW0 for the Atchison  
5 Renewable Energy Center. The capital investments are recorded in 300-level FERC  
6 accounts when assets are moved from construction work in progress and placed into  
7 service, and O&M is in FERC accounts 546, 548 through 554, and 924 (excluding labor-  
8 related Resource Types beginning with L, such as LI, LR, LU, etc.). Depreciation and  
9 amortization expense is recorded in FERC accounts 403 & 404 using the same rates as set  
10 in general electric rate reviews. Interconnection facility expense is recorded in FERC  
11 account 565, Compliance Code IFAC0. Property tax accruals are recorded in FERC  
12 account 236. The Production Tax Credits (PTCs) are recorded in FERC accounts 409  
13 through 411, and ADIT is recorded in FERC account 190.

14 Also included in this filing is the Interest incurred on the remaining Accumulation Period  
15 4 and 5 balances and the Accumulation Period 6 balance, as well as the RRR, which  
16 contains the actual annual amount of REC amortization expense, Rider SR rebates, and  
17 RES compliance capital costs incurred during Accumulation Period 6. Please refer to  
18 Schedule RL-1 for details on the Interest and RRR calculations. The inclusion of an  
19 ongoing RESRAM revenue requirement in Factor RRR will be reflected on Sheet 93.4 as  
20 the RESRAM Base Amount (RBA), and this RBA will be included in the calculation of  
21 Factor RCR under Rider RESRAM during the months when the RESRAM Rate set by this  
22 filing is in effect. The RBA would be reset as appropriate upon the conclusion of an electric

1 rate review to the extent that costs that were included in Factor RRR are included in the  
2 revenue requirement used to set base rates in that case.

3 **Q: Please describe the weighted average cost of capital ("WACC") being applied to the**  
4 **capital investments.**

5 A: The process for the WACC applied to fixed assets eligible for recovery in the RESRAM  
6 was set forth in File No. EA-2018-0202, which indicates the elements of the WACC,  
7 including capital structure ratios and return on equity are primarily based on the  
8 Commission's most recently approved in general rate proceedings. The Commission last  
9 approved WACC for purposes of the RESRAM in File No. ER-2022-0337, which became  
10 effective on July 9, 2023, and remained in effect for AP6 through July 31, 2024. Also, set  
11 forth in File No. EA-2018-0202, the long-term debt return is based on the embedded cost  
12 of long-term debt as of the most recent fiscal quarter before each RESRAM filing. The  
13 most recent RESRAM filing prior to this one was made in September 2023, so the rate in  
14 effect for AP6 reflects the approved values from ER-2022-0337. Please refer to Schedule  
15 RL-1 for details on the WACC applied.

16 **Q: Please describe the impact of the inclusion of RESRAM-eligible expense and revenues**  
17 **in general electric base rates had on the RESRAM calculation.**

18 A: As noted above, the amount of RES-compliance costs included in the revenue requirement  
19 used to set base rates, or the Base Amount, feed into Factor MBA. For Accumulation  
20 Period 6, the base rates set in File No. ER-2022-0337 included 100% of the costs and  
21 revenues associated with the High Prairie and Atchison Renewable Energy Centers,  
22 including depreciation, PTCs, return, and off-system sales revenue, along with the REC  
23 expense and solar rebates incurred during the test year and true-up period. Accordingly,

1 the amounts included in RESRAM rates for Factor RRR were initially zero for  
2 Accumulation Period 6 until the RESRAM rates contained in the September 2023  
3 RESRAM filing took effect in February 2024, creating a monthly RBA that continued  
4 through the end of the accumulation period.

5 **Q: Please further describe the impact of the RESRAM Rate being established by this**  
6 **filing on the Company's customers.**

7 A: The \$95,081,266 in TRR for the 6<sup>th</sup> Accumulation Period was calculated in the manner  
8 specified in the Rider RESRAM tariff sheets and is to be spread over all kilowatt-hour  
9 ("kWh") sales of energy supplied to all customers served under all of the Company's  
10 Service Classifications. That total, when using the projected kWh sales for the February  
11 2025 to January 2026 Recovery Period, results in a RESRAM Rate for the Company's  
12 customers of \$0.00313 per kWh, beginning with the calendar month of February 2025.  
13 Filed concurrently with my direct testimony is the 9<sup>th</sup> Revised Sheet No. 93.4 of Ameren  
14 Missouri's Schedule No. 6 – Schedule of Rates for Electric Service which contains the  
15 formula that Ameren Missouri used to calculate the RESRAM Rate, as specified by its  
16 Rider RESRAM. Also included in that tariff sheet are the values for each element of the  
17 formula that were used to derive the RESRAM Rate. Assuming 1,021 kWh of usage per  
18 month for the average residential customer, this will result in a charge under the RESRAM  
19 of approximately \$3.20 per month.

20 **Q: What other information will customers have regarding this mechanism?**

21 A: Please refer to Schedules RL-2 and RL-3 for information that is posted on Ameren  
22 Missouri's website and instructions for the Company's call center, respectively.

1 **Q: How did you develop the various values used to derive the proposed RESRAM Rate**  
2 **shown on the filed tariff sheet?**

3 A: The data upon which Ameren Missouri based the values for each of the variables in the  
4 approved RESRAM Rate formula is shown in Schedule RL-1. This schedule contains all  
5 the information that is required by 20 CSR 4240-20.100(6) and includes the workpapers  
6 that support the data contained in Schedule RL-1.

7 **Q: If the tariff sheet filed by Ameren Missouri is approved or allowed to go into effect,**  
8 **what safeguards exist to ensure that the revenues the Company collects do not exceed**  
9 **the RES compliance costs that Ameren Missouri actually incurred during the**  
10 **Accumulation Period?**

11 A: Ameren Missouri's Rider RESRAM and the Commission's rules provide two mechanisms  
12 to ensure that amounts collected from customers do not exceed Ameren Missouri's actual,  
13 prudently-incurred RES compliance costs. First, Rider RESRAM and the Commission's  
14 rules require a true-up of the amounts collected from customers through Rider RESRAM,  
15 with any excess/unrecovered amounts to be refunded/billed to customers through  
16 prospective adjustments to the RESRAM Rate calculation, with interest at Ameren  
17 Missouri's short-term borrowing rate. Second, Ameren Missouri's RES compliance costs  
18 are subject to periodic prudence reviews to ensure that only prudently-incurred costs are  
19 collected from customers through Ameren Missouri's Rider RESRAM. These two  
20 mechanisms serve as checks that ensure that the Company's customers pay only the  
21 prudently-incurred RES compliance costs 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 4240-20.100(6), the Commission Staff (the “Staff”) has sixty (60)  
2 days from the date the revised RESRAM rate schedule is filed to conduct a review and to  
3 make a recommendation to the Commission as to whether the rate schedule complies with  
4 the Commission’s rules (subject to the variances granted to the Company in File No. EA-  
5 2012-0202), the requirements of the RES, and Ameren Missouri’s approved Rider  
6 RESRAM. If the Commission finds the tariff sheet does comply, the RESRAM Rate will  
7 take effect either pursuant to a Commission order approving the RESRAM Rate or by  
8 operation of law, in either case within 120 days after the RESRAM Rate is filed, as  
9 provided for in one of the variances granted to the Company in the above-referenced  
10 docket. Because Ameren Missouri believes its filing satisfies all of the requirements of  
11 applicable statutes, the Commission’s rules and the applicable variances and Ameren  
12 Missouri’s approved Rider RESRAM, Ameren Missouri requests that after the Staff’s  
13 review, the Commission approve the RESRAM Rate or otherwise allow it to take effect by  
14 operation of law to be effective on the first day of February 2025.

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

16 A: Yes, it does.

