

Exhibit No.:
Issues: Adjustment to FAC Rate – Forty-
Seventh Accumulation Period
Witness: Raysene Logan
Type of Exhibit: Direct Testimony
Sponsoring Party: Union Electric Co.
Case No.: ER-2025-_____
Date Testimony Prepared: December 2, 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

December, 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 5th 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 June 2024 through
15 September 2024.¹

¹ This four-month period is the forty-seventh 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 February 2025 through September 2025.

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

17 A: During the June 1, 2024 to September 30, 2024 Accumulation Period, Ameren Missouri’s
18 ANEC was \$194,686,693 which was an increase of \$23,514,441 as compared to Factor B,
19 which is \$171,172,252 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 higher
21 fuel and purchased power costs for load, partially offset by higher net capacity sales
22 revenue as compared to Factor B. The lower off-system sales margins are due to lower

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

1 locational marginal prices (“LMPs”). The higher fuel and purchased power costs for load
2 are primarily due to increased summer costs. The higher net capacity sales revenue is due
3 to favorable financial transmission rights management. Also included in this filing is the
4 true-up amount reflected in the Company’s forty-fourth true-up filing, which is being filed
5 concurrently with the initiation of this docket. The above results in a Fuel and Purchased
6 Power Adjustment (“FPA”) of \$24,735,745 which, as described further below, will
7 produce the FAR rates that will appear as a separate line item to be applied to customers’
8 bills during the 47th Recovery Period that starts with the first calendar day of February
9 2025.

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

12 A: The \$23,514,441 increase above ANEC during the 47th Accumulation Period as compared
13 to Factor B for that Accumulation Period was calculated in the manner specified in the
14 Company’s Rider FAC, and adjusted for voltage level differences, as provided for in Rider
15 FAC. Applying the 95% sharing ratio, the true-up amount of (\$1,319,614) from the forty-
16 fourth true-up filing (made concurrently with the initiation of this docket) and the
17 applicable recovery of interest totaling \$3,716,640 as provided for in Rider FAC (which
18 includes the recovery of \$279,843 in interest for Accumulation Period 47 and the recovery
19 of \$3,436,797 in interest for the true-up of Accumulation Period 44), the total adjustment
20 to be reflected in the FAR is \$24,735,745. That total, when using the estimated kilowatt-
21 hour (“kWh”) sales for the February 2025 to September 2025 Recovery Period, results in
22 the following FAR amounts for the Company’s customers during that Recovery Period,
23 beginning with the first calendar day of February 2025:

<u>Customer Voltage Level</u>	<u>Cents per kWh Adjustment</u>
Secondary	0.114 ¢/kWh
Primary	0.110 ¢/kWh
High Voltage	0.108 ¢/kWh
Transmission	0.107 ¢/kWh

2 Filed concurrently with my direct testimony is the tariff sheet that contains the formula that
3 Ameren Missouri used to calculate the FAR. Also included in the tariff sheet are the values
4 for each element of the formula that were used to derive the FAR. Assuming 1,021 kWh
5 of usage per month for the average residential customer, this will result in a charge under
6 the FAR of approximately \$1.16 per month. This is a decrease from the FAR currently in
7 effect, which resulted in a charge for the average residential customer of approximately
8 \$2.34 per month. The primary factors driving this change in the FAR were lower fuel and
9 purchased power costs, higher off-system sales margins, and higher net capacity sales
10 revenue in Accumulation Period 47 as compared to Accumulation Period 45 and the net
11 base energy costs applicable to each period. The lower fuel and purchased power costs are
12 primarily due to the higher MISO prices during the January cold stretch as part of
13 Accumulation Period 45. The higher off-system sales margins are primarily a result of
14 increased load being available for sale in Accumulation Period 47 as compared to
15 Accumulation Period 45 and the net base energy costs for each period. The higher net
16 capacity sales revenue is primarily a result of favorable financial transmission rights
17 management in Accumulation Period 47 as compared to Accumulation Period 45 and the
18 net base energy costs for each period.

1 **Q: Having addressed the primary factors driving ANEC for Accumulation Period 47,**
2 **can you please explain how you developed the various values used to derive the**
3 **proposed FAR shown on the tariff sheet?**

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

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

15 A: Ameren Missouri's Rider FAC and the Commission's rules provide two mechanisms to
16 ensure that amounts collected from customers do not exceed Ameren Missouri's actual,
17 prudently-incurred ANEC. First, Rider FAC and the Commission's rules require a true-up
18 of the amounts collected from customers through Rider FAC, with any excess/unrecovered
19 amounts to be refunded/billed to customers through prospective adjustments to the FAR
20 calculation, with interest at Ameren Missouri's short-term borrowing rate. Second, Ameren
21 Missouri's ANEC are subject to periodic prudence reviews to ensure that only prudently-
22 incurred net energy costs are collected from customers through Ameren Missouri's Rider

1 FAC. These two mechanisms serve as checks that ensure that the Company’s customers
2 pay only the prudently-incurred ANEC and no more.

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

5 A: As provided by 20 CSR 4240-20.090(8) the Commission Staff (the “Staff”) has thirty (30)
6 days from the date the revised FAC rate schedule is filed to conduct a review and to make
7 a recommendation to the Commission as to whether the rate schedule complies with the
8 Commission’s rules, the requirements of Section 386.266, RSMo (Cum. Supp. 2024), and
9 Ameren Missouri’s approved Rider FAC. If the Commission finds the revised Rider FAC
10 rate schedule does comply, the FAR will take effect either pursuant to a Commission order
11 approving the FAR or by operation of law, in either case within 60 days after the FAR is
12 filed. Because Ameren Missouri believes its filing satisfies all of the requirements of
13 applicable statutes, the Commission’s rules and Ameren Missouri’s approved Rider FAC,
14 Ameren Missouri requests that after the Staff’s review, the Commission approve the FAR
15 or otherwise allow it to take effect by operation of law to be effective on February 1, 2025.

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

17 A: Yes, it does.

