

*Exhibit No.:*  
*Issue(s):* *Market Prices*  
*Witness:* *Justin Tevie*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Direct Testimony*  
*Case No.:* *ER-2024-0319*  
*Date Testimony Prepared:* *December 3, 2024*

**MISSOURI PUBLIC SERVICE COMMISSION**  
**INDUSTRY ANALYSIS DIVISION**  
**TARIFF AND RATE DESIGN DEPARTMENT**

**DIRECT TESTIMONY**

**OF**

**JUSTIN TEVIE**

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

**CASE NO. ER-2024-0319**

*Jefferson City, Missouri*  
*December 2024*



1 Q. What is the purpose of your direct testimony?

2 A. The purpose of my direct testimony is to describe Staff's method for estimating  
3 market prices for Ameren Missouri using historical day-ahead locational marginal prices  
4 ("LMP"), calculated by the Midcontinent Independent Service Operator ("MISO"), for the  
5 36-month period ending June 30, 2024, to be used in Staff's fuel model.

6 Q. Through this testimony, do you describe the development of a work product that  
7 you provided to another Staff witness for the development of an issue?

8 A. Yes, I provided the estimated wholesale market prices to Staff witness  
9 Shawn E. Lange, PE to calculate Staff's recommended level of variable fuel and purchase  
10 power cost.

11 **MARKET PRICES**

12 Q. What are market prices?

13 A. The market price represents the dollars-per-megawatt-hour amount paid for  
14 electric energy in the MISO market in any given hour.

15 Q. Why did Staff review market prices in the context of this case?

16 A. Market prices are a key input in the fuel-cost model. For each hour, the fuel  
17 model is programmed to economically dispatch each Ameren Missouri generating unit based  
18 on inputs provided. Market prices are what sets the marginal generator, determining which of  
19 Ameren Missouri's generators will run, and eventually the cost of the fuel for those generators.

20 Q. How did Staff develop the market prices utilized in the Staff fuel model?

21 A. Staff developed a normalized set of prices by looking at three years of historical  
22 data and calculating monthly peak and off-peak price adjustment factors, as well as hourly  
23 production-weighted average market prices. Generally, Staff calculated on-peak and off-peak

1 adjustment factors for each month based on the ratio of the three-year averages to the monthly  
2 averages for the update period.<sup>1</sup> The adjustment factors were then applied to the production  
3 hourly-weighted average market price for Ameren Missouri's generation fleet to obtain the  
4 array of prices to be used in the model. This method minimizes extreme price points caused by  
5 such things as weather, new market operation, and economic downturns, while reasonably  
6 representing on-peak and off-peak prices. To derive the final array of prices to be used in the  
7 fuel-cost model, the dataset was restricted to the year ending June 2024, which is re-arranged  
8 to generate a matrix of hourly prices for each day of the year. Because market prices were  
9 abnormally high during 2022 due to supply chain issues and other global events, Staff removed  
10 them from the analysis. If included, the market prices in 2022 would significantly skew the  
11 average LMPs for that year and would not be representative of prices in a typical year.

12 Q. Why did Staff decide to utilize this particular approach for calculating market  
13 prices?

14 A. This approach has been used by Staff in the past to analyze market prices and is  
15 also consistent with the approach utilized by Ameren Missouri to derive the market prices used  
16 in its production cost model to calculate net power purchases and net off-system sales.

17 Q. Does Staff expect to update the market price assumptions for the true-up period<sup>2</sup>  
18 in this case?

19 A. Yes

20 Q. Does this conclude your direct testimony?

21 A. Yes, it does.

---

<sup>1</sup> The update period is the 12 months ending June 2024.

<sup>2</sup> The true-up period is the 12 months ending December 2024.

**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-2024-0319

**AFFIDAVIT OF JUSTIN TEVIE**

STATE OF MISSOURI     )  
                                  )     ss.  
COUNTY OF COLE     )

COMES NOW JUSTIN TEVIE and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Direct Testimony of Justin Tevie*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
JUSTIN TEVIE

**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 25<sup>th</sup> day of November 2024.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

  
\_\_\_\_\_  
Notary Public

**CREDENTIALS AND CASE PARTICIPATION OF**  
**JUSTIN TEVIE**

**Present Position:**

I am an Economics Analyst in the Tariff/Rate Design Department, Industry Analysis Division, of the Missouri Public Service Commission.

**Educational Background and Work Experience:**

In 2013, I obtained a graduate degree in Economics from the University of New Mexico. In 2019, I joined the Missouri Department of Mental Health as a Research Analyst assisting with data analysis and federal reporting. Prior to that, I was a Forecast Analyst at Department of Social and Health Services in the State of Washington assisting with forensic caseload forecasting and reporting.

<b>Case No.</b>	<b>Company</b>	<b>Testimony</b>	<b>Issue</b>
ER-2022-0337	Ameren Missouri	Direct	Locational Market prices
		Rebuttal	
		True-up	
EO-2023-0136	Ameren Missouri	Direct	Savings shapes, program evaluation, EM & V, Principal-Agent problem, and employment
		Rebuttal	
		Surrebuttal	
ER-2023-0184	Evergy Missouri West	Staff Recommendation	MEEIA Cycle 3
ER-2023-0411	Evergy Missouri West	Staff Recommendation	MEEIA Cycle 3
EA-2023-0131	Empire	CCN	Economic feasibility
ER-2024-0186	Evergy Missouri West	Staff Recommendation	MEEIA Cycle 3

ER-2024-0184	Evergy Missouri Metro	Staff Recommendation	MEEIA Cycle 3
ER-2023-0369	Evergy Missouri West	Direct	MEEIA Cycle 4 Savings shapes, program evaluation, EM & V, Principal-Agent problem
		Rebuttal	
ER-2023-0370	Evergy Missouri Metro	Direct	MEEIA Cycle 4 Savings shapes, program evaluation, EM & V, Principal-Agent problem
		Rebuttal	
ER-2024-0189	Evergy Missouri West	Direct	Special Incremental Load/NUCOR Locational Market Prices
		Rebuttal	
		Surrebuttal/True up	
		True-up rebuttal	
GR-2024-0106	Liberty MidStates Utilities	Direct	Transport Revenues
		Rebuttal	
		Surrebuttal	
ER-2024-0319	Ameren Missouri		Locational Market Prices