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

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
April, 2025

DIRECT TESTIMONY

OF

RAYSENE LOGAN

Case No. ER-2025-_____

Q: Please state your name and business address.

A: My name is Raysene Logan. My business address is One Ameren Plaza, 1901 Chouteau Ave., St. Louis, Missouri.

Q: By whom and in what capacity are you employed?

A: I am employed by Ameren Services Company ("Ameren Services") as Manager, Power and Fuels Accounting. Ameren Services provides various corporate support services to Union Electric Company d/b/a Ameren Missouri ("Company" or "Ameren Missouri"), including settlement and accounting related to fuel, purchased power, and off-system sales.

Q: What is the purpose of your testimony?

A: My testimony supports the 6th Revised Sheet No. 71.32 of Ameren Missouri's Schedule No. 6 – Schedule of Rates for Electric Service, that is being filed by Ameren Missouri to adjust customer rates for changes in Ameren Missouri's fuel and purchased power costs, net off-system sales revenues, and associated transportation (i.e., Actual Net Energy Costs, or "ANEC"), which were experienced during the four-month period October 2024 through January 2025.[1]

[1] This four-month period is the forty-eighth 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.

Q: Please explain why Ameren Missouri is filing a revision to its Rider FAC at this time.

A: The Commission's rule governing fuel and purchased power cost recovery mechanisms for electric utilities – specifically 20 CSR 4240-20.090(8) – and Ameren Missouri's Rider FAC, require Ameren Missouri to make periodic filings to adjust customer rates for changes in Ameren Missouri's ANEC experienced during each Accumulation Period[2] as compared to the base level of net energy costs (Factor "B" as listed in the Company's Rider FAC tariff) applicable to that same Accumulation Period. That change is to then be reflected in an adjustment to the Rider FAC Fuel Adjustment Rate (i.e., Factor "FAR" in Rider FAC). This adjustment can be positive (a FAR of greater than zero) or negative (a FAR of less than zero). The Commission's rule requires at least one such review and adjustment each year. Ameren Missouri's approved FAC tariff calls for three filings annually – one filing covering each of the three four-month Accumulation Periods reflected in Rider FAC. The changes in the FAR implemented in these three filings are then collected from or refunded to customers over the applicable Recovery Period. The Recovery Period applicable to this filing will consist of the calendar months of June 2025 through January 2026.

Q: What adjustment is being made in this filing?

A: During the October 1, 2024 to January 31, 2025 Accumulation Period, Ameren Missouri's ANEC was $193,849,340 which was an increase of $50,693,458 as compared to Factor B, which is $143,155,882 for that same period. The primary factors driving this increase above net base energy costs (Factor B) were higher fuel and purchased power costs for load, and lower off-system sales margins, partially offset by higher net capacity sales revenue as compared to Factor B. The higher fuel and purchased power costs for load are

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

primarily due to periods of extreme cold in January necessitating MISO net purchases at higher prices. The lower off-system sales margins are due to decreased energy being available for sale in Accumulation Period 48 as well as lower locational marginal prices ("LMPs"). The higher net capacity sales revenue is due to favorable financial transmission rights management. Also included in this filing is the true-up amount reflected in the Company's forty-fifth true-up filing, which is being filed concurrently with the initiation of this docket. The above results in a Fuel and Purchased Power Adjustment ("FPA") of $50,938,639 which, as described further below, will produce the FAR rates that will appear as a separate line item to be applied to customers' bills during the 48th Recovery Period that starts with the first calendar day of June 2025.[3]

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

A: The $50,693,458 increase above ANEC during the 48th Accumulation Period as compared to Factor B for that Accumulation Period was calculated in the manner specified in the Company's Rider FAC, and adjusted for voltage level differences, as provided for in Rider FAC. Applying the 95% sharing ratio, the true-up amount of ($2,032,084) from the forty-fifth true-up filing (made concurrently with the initiation of this docket) and the applicable recovery of interest totaling $4,811,937 as provided for in Rider FAC (which includes the recovery of $193,268 in interest for Accumulation Period 48 and the recovery of $4,618,669 in interest for the true-up of Accumulation Period 45), the total adjustment to be reflected in the FAR is $50,938,639. That total, when using the estimated kilowatt-hour

[3] As discussed later in my testimony, due to two recently discovered accounting issues, the FPA is lower than it otherwise would have been in the absence of those issues. The Company has included the correction of those issues in this filing.

("kWh") sales for the June 2025 to January 2026 Recovery Period, results in the following FAR amounts for the Company's customers during that Recovery Period, beginning with the first calendar day of June 2025:

Customer Voltage Level	**Cents per kWh Adjustment**
Secondary	0.360 ¢/kWh
Primary	0.349 ¢/kWh
High Voltage	0.343 ¢/kWh
Transmission	0.339 ¢/kWh

Filed concurrently with my direct testimony is the tariff sheet that contains the formula that Ameren Missouri used to calculate the FAR. Also included in the tariff sheet are the values for each element of the formula that were used to derive the FAR. Assuming 1,021 kWh of usage per month for the average residential customer, this will result in a charge under the FAR of approximately $3.67 per month. This is an increase from the FAR currently in effect, which resulted in a charge for the average residential customer of approximately $1.16 per month. The primary factors driving this change in the FAR were higher fuel and purchased power costs, and lower off-system sales margins, partially offset by higher net capacity sales revenue in Accumulation Period 48 as compared to Accumulation Period 46 and the net base energy costs applicable to each period. The higher fuel and purchased power costs are primarily due to the higher MISO prices during the January cold stretch as part of Accumulation Period 48. The lower off-system sales margins are primarily a result of decreased energy being available for sale in Accumulation Period 48 as compared to Accumulation Period 46 and the net base energy costs for each period. The higher net capacity sales revenue is primarily a result of favorable financial transmission rights management in Accumulation Period 48 as compared to Accumulation Period 46 and the net base energy costs for each period.

Q. Earlier you referenced two accounting issues that lowered the FPA below what it would have been had those issues not occurred. Please explain.

A. Two minor but different issues necessitated two adjustments to the FPA. First, the Company discovered that its accounting reflected a misclassification of certain property taxes related to a leased fly ash facility. Instead of recording the taxes to FERC Account 931, which is not included in the FAC calculations, the taxes had been recorded to FERC Account 501 under an activity code/resource type that is included in the FAC. The error was discovered in December 2024. The error first occurred starting December 2022. To make customers whole, the Company corrected the misclassification starting in December 2024 and, in addition, went back and summed up the prior misclassification amounts from December 2022 to November 2024. The total reduction to FPA as a result of this correction is $47,286, comprised of $44,537 in expenses and $2,749 in interest calculated for the time period when those expenses should have been excluded.

Q. You mentioned two issues. What was the other one?

A. In February of this year it was discovered that general ledger entries for September 2024 inadvertently omitted $1,205 in FAC revenues from customers. Since September 2024 falls within the recovery period being trued-up in this filing, the Company has included those revenues (lowering the FPA) by $1,230, the $1,205 in revenue and $25 in interest calculated for the time period when those revenues should have been included.

Q: Having addressed the primary factors driving ANEC for Accumulation Period 48, can you please explain how you developed the various values used to derive the proposed FAR shown on the tariff sheet?

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

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

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

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

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

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

Q: Does this conclude your direct testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Adjustment of Union Electric Company d/b/a Ameren Missouri's Fuel Adjustment Clause for the 48th Adjustment Clause.	)))	File No. ER-2025-

<u>AFFIDAVIT OF RAYSENE LOGAN</u>

STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

Raysene Logan, being first duly sworn on their oath, states:

1. My name is Raysene Logan. I work in the City of St. Louis, Missouri, and I am employed by Ameren Services as Manager, Power & Fuels Accounting.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Union Electric Company d/b/a Ameren Missouri consisting of 7 pages and <u>Schedule RL-FAR and Schedule RL-TU</u>, all of which have been prepared in written form for filing in the above-referenced docket.

3. Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Raysene Logan Digitally signed by Raysene Logan Date: 2025.03.26 08:09:58 -05'00'
Raysene Logan

Sworn this 26 day of March, 2025.