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|-------------------------|-------------------------------|
| Exhibit No              | 032                           |
| Issues                  | Updated Net Fuel Costs        |
| Witness                 | Timothy D Finnell             |
| Sponsoring Party        | Union Electric Company        |
| Type of Exhibit         | Supplemental Direct Testimony |
| Case No                 | ER-2008-0318                  |
| Date Testimony Prepared | June 16, 2008                 |

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. ER-2008-0318**

**SUPPLEMENTAL DIRECT TESTIMONY**

**OF**

**TIMOTHY D. FINNELL**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY  
d/b/a AmerenUE**

St Louis, Missouri  
June, 2008

*AmerenUE* Exhibit No. 32  
Case No(s). ER-2008-0318  
Date 12-12-08 Rptr XF

**TABLE OF CONTENTS**

|     |   |       |       |     |   |
|-----|---|-------|-------|-----|---|
| I   | INTRODUCTION                            | ..... | ..... | ... | 1 |
| II  | PURPOSE OF TESTIMONY                    | ...   | ..... | .   | 1 |
| III | NORMALIZED ANNUAL NET FUEL COST UPDATES | ...   |       | .   | 2 |
| IV  | CONCLUSION                              | .     | ..... | .   | 3 |

1                                   **SUPPLEMENTAL DIRECT TESTIMONY**

2   **OF**

3   **TIMOTHY D. FINNELL**

4   **CASE NO. ER-2008-0318**

5                                   **I.    INTRODUCTION**

6           **Q.    Please state your name and business address.**

7           A    Timothy D Finnell, Ameren Services Company (“Ameren Services”), One  
8 Ameren Plaza, 1901 Chouteau Avenue, St Louis, Missouri 63103

9           **Q.    Are you the same Timothy D. Finnell who previously filed testimony in**  
10 **this case?**

11          A    Yes

12                                   **II.   PURPOSE OF TESTIMONY**

13          **Q.    What is the purpose of your supplemental direct testimony in this**  
14 **proceeding?**

15          A    AmerenUE filed this case based upon a test year consisting of the 12 months  
16 ending March 30, 2008, using nine months of actual data and three months of budgeted data  
17 (for the months of January, February, and March 2008) This supplemental direct testimony  
18 supports updated normalized net fuel costs now that actual data for the first quarter of 2008 is  
19 available, based upon the results of an updated PROSYM production cost model run I am  
20 submitting these updated results in accordance with the Commission’s Order Adopting  
21 Procedural Schedule and Test Year issued on May 29, 2008 The updated normalized level  
22 of net fuel costs is utilized by AmerenUE witness Gary S Weiss in determining AmerenUE’s  
23 updated revenue requirement for this case, which is addressed in Mr Weiss’ supplemental

1 direct testimony As part of my updated PROSYM run, I am also updating the annual net  
2 fuel cost benefits associated with the Taum Sauk Plant operations

3 **III. NORMALIZED ANNUAL NET FUEL COST UPDATES**

4 **Q. What changes were made to the normalized annual net fuel costs?**

5 A The normalized loads and nuclear fuel costs were updated

6 **Q. What change was made to the normalized loads?**

7 A Mr. Weiss provided me with updated normalized loads. The updated loads  
8 are based on January, February, and March 2008 actual loads and customer growth through  
9 September 2008. The updated annual normalized load is 41,344,570 MWh, up  
10 265,643 MWh from the forecasted load of 41,078,927 MWh utilized in the production cost  
11 model run sponsored by my direct testimony.

12 **Q. What change was made to the nuclear fuel costs?**

13 A The nuclear fuel costs were updated to reflect the nuclear fuel that has been  
14 purchased and that will be loaded into the reactor during the fall 2008 refueling outage. The  
15 updated nuclear fuel cost is \$6.54/MWh, up \$1.61/MWh from the nuclear fuel cost of  
16 \$4.93/MWh utilized in the production cost model run sponsored by my direct testimony.

17 **Q. What change was made to the Taum Sauk benefits?**

18 A The Taum Sauk benefit calculation I had provided in my direct testimony was  
19 updated to reflect the updated loads addressed above, and to update the lost opportunity  
20 associated with capacity which might have been sold from the Taum Sauk Plant had the plant  
21 been available. The updated annual net fuel cost benefit from Taum Sauk plant operations is  
22 \$23.7 million, up \$4.3 million from the \$19.4 million benefit discussed in my direct  
23 testimony. The \$23.7 million is comprised of energy benefits of \$18.8 million determined by

1 the PROSYM model and capacity sales revenues of \$4.9 million. The capacity sales portion  
2 of this benefit is addressed in detail in the supplemental direct testimony of AmerenUE  
3 witness Shawn E. Schukar and is not determined as a part of my PROSYM production cost  
4 model run.

5 **IV. CONCLUSION**

6 **Q. What are AmerenUE's updated net fuel costs?**

7 A. The updated normalized annual net fuel costs are \$311 million, up  
8 \$21 million from the net fuel cost of \$290 million, which was discussed in my direct  
9 testimony. The updated normalized annual net fuel costs are comprised of fuel costs of \$692  
10 million and purchased power costs of \$54 million (resulting in gross fuel costs of \$746  
11 million), and are then offset by off-system sales revenues of \$435 million, which results in  
12 the updated \$311 million net fuel cost figure.<sup>1</sup>

13 **Q. Does this conclude your supplemental direct testimony?**

14 A. Yes, it does.

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<sup>1</sup> As noted in my direct testimony, "net fuel costs" as used in this testimony is slightly different than "net base fuel costs" ("NBFC") discussed in the direct testimony of AmerenUE witness Martin J. Lyons, Jr., as defined in the Company's proposed fuel adjustment clause tariff. This is because NBFC also include items that are not the product of the PROSYM modeling but which are a part of total fuel and purchased power expense included in Mr. Weiss' revenue requirement, principally as follows: fixed gas supply costs, credits against the cost of nuclear fuel from Westinghouse arising from a prior settlement of a nuclear fuel contract dispute, Day 2 energy market expenses from the Midwest Independent Transmission Operator, Inc. ("MISO"), excluding administrative fees, MISO Day 2 congestion charges, MISO Day 2 revenues, and capacity sales revenues.

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company )  
d/b/a AmerenUE for Authority to File )  
Tariffs Increasing Rates for Electric ) Case No ER-2008-0318  
Service Provided to Customers in the )  
Company's Missouri Service Area. )

AFFIDAVIT OF TIMOTHY D. FINNELL

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

Timothy D Finnell, being first duly sworn on his oath, states

1 My name is Timothy D Finnell I work in the City of St Louis, Missouri,  
and I am employed by Ameren Services Company as a Supervising Engineer

2 Attached hereto and made a part hereof for all purposes is my Supplemental  
Direct Testimony on behalf of Union Electric Company d/b/a AmerenUE consisting of 3  
pages, all of which have been prepared in written form for introduction into evidence in the  
above-referenced docket

3. I hereby swear and affirm that my answers contained in the attached testimony  
to the questions therein propounded are true and correct

Timothy D Finnell  
Timothy D Finnell

Subscribed and sworn to before me this 13<sup>th</sup> day of June, 2008

Danielle R Moskop  
Notary Public

My commission expires

Danielle R Moskop  
Notary Public - Notary Seal  
STATE OF MISSOURI  
St Louis County  
My Commission Expires July 21, 2009  
Commission # 05745027