

Exhibit No.:  
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  
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**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**

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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.

