Exhibit No.:	
Issues:	Adjustment to FAC Rate – Thirty-First Accumulation Period
Witness:	Marci L. Althoff
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Union Electric Co.
Case No.:	ER-2020-_____
Date Testimony Prepared:	July 26, 2019

MISSOURI PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

MARCI L. ALTHOFF

St. Louis, Missouri
July, 2019

DIRECT TESTIMONY

OF

MARCI L. ALTHOFF

Case No. ER-2020-_____

Q: Please state your name and business address.

A: My name is Marci L. Althoff. 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, Finance Transformation. 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 7th Revised Sheet No. 74.13 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 February 2019 through May 2019.[1]

[1] This four-month period is the thirty-first 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 and ER-2016-0179.

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 4 CSR 240-20.090(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 billing months of October 2019 through May 2020.

Q: What adjustment is being made in this filing?

A: During the February 1, 2019 to May 31, 2019 Accumulation Period, Ameren Missouri's ANEC was $157,981,691 which was a decrease of $671,055 as compared to Factor B, which totaled $158,652,746 during that same period. The factors driving this decrease below net base energy costs (Factor B) were lower fuel costs for load offset by lower off-system sales margins and lower net capacity revenues as compared to Factor B. Also included in this filing is the true-up amount reflected in the Company's twenty-eighth true-

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

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 -$636,644 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 31st Recovery Period that starts with the first day of the October 2019 billing month.

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

A: The $671,055 decrease in ANEC during the 31st 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 -$553,524 from the twenty-eighth true-up filing (made concurrently with the initiation of this docket) and the applicable recovery of interest totaling $554,382 as provided for in Rider FAC (which includes the refund of $13,603 in interest for Accumulation Period 31 and the recovery of $567,985 in interest for the true-up of Recovery Period 28), the total adjustment to be reflected in the FAR is -$636,644. That total, when using the estimated kilowatt-hour ("kWh") sales for the October 2019 to May 2020 Recovery Period, results in the following FAR amounts for the Company's customers during that Recovery Period, beginning with the billing month of October 2019:

Customer Voltage Level	**Cents per kWh Adjustment**
Secondary	-0.136 ¢/kWh
Primary	-0.132 ¢/kWh
Transmission	-0.128 ¢/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 1,041 kWh of usage per month for the average residential customer, this will result in a refund under the FAR of approximately $1.42 per month. The refund will be slightly smaller for the average residential customer than the $1.79 per month under the current FAR since the new FAR is slightly less negative.. The primary factors driving this change in the FAR were lower off-system sales margins and higher fuel costs for load in Accumulation Period 31 as compared to Accumulation Period 29 and the net base energy costs applicable to each period. Off-system sales margins decreased primarily as a result of less generation being available for sale in Accumulation Period 31 versus Accumulation Period 29 due to outages at several of our generation facilities, including Callaway Energy Center. Additionally, these outages caused fuel costs for load to increase as higher cost purchased power was used to supplement our lower cost generation in Accumulation Period 31.

Q: How did you develop 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 MA-FAR. This schedule contains all the information that is required by 4 CSR 240-20.090(8), and the workpapers that support the data contained in Schedule MA-FAR. I have also included Schedule MA-TU, which is a reproduction of Schedule MA-TU filed in the separate true-up docket for the twenty-eighth 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 4 CSR 240-20.090(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 (2016), 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 the first day of the October 2019, billing month (September 24, 2019).

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 31st Accumulation Period.	)))	File No. ER-2020-

AFFIDAVIT OF MARCI L. ALTHOFF

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

Marci L. Althoff, being first duly sworn on her oath, states:

1. My name is Marci L. Althoff. I work in the City of St. Louis, Missouri, and I am employed by Ameren Services as Manager, Finance Transformation.

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 6 pages and Schedule MA-FAR and MA-TU, all of which have been prepared in written form for filing in the above-referenced docket.

3. I hereby swear and affirm that the information contained in the attached testimony to the questions therein propounded is true and correct.

Marci L. Althoff

Subscribed and sworn to before me this 24th day of July, 2019.

Geri A. Best
Notary Public

My commission expires:

GERI A. BEST
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Louis County
My Commission Expires: February 15, 2022
Commission Number: 14839811