

Exhibit No.:
Issues: Fuel Adjustment Clause - True-
Up of Third Recovery Period
Witness: Jeff L. Dodd
Sponsoring Party: Union Electric Co.
Type of Exhibit: Direct Testimony
Case No.: ER-2012-_____
Date Testimony Prepared: July 25, 2011

MISSOURI PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

JEFF L. DODD

**July, 2011
St. Louis, Missouri**

NP

DIRECT TESTIMONY

OF

JEFF L. DODD

Case No. ER-2012-_____

1 **Q: Please state your name and business address.**

2 A: My name is Jeff L. Dodd. My business address is One Ameren Plaza, St. Louis,
3 Missouri.

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

5 A: I am employed by Ameren Services Company (“Ameren Services”) as Manager,
6 Wholesale Power and Fuel Accounting. Ameren Services provides various corporate
7 support services to Union Electric Company d/b/a Ameren Missouri (“Company” or
8 “Ameren Missouri”), including settlement and accounting related to fuel, purchased
9 power and off-system sales.

10 **Q: What is the purpose of your testimony?**

11 A: My testimony supports the third true-up filing being made by Ameren Missouri under the
12 provisions in 4 CSR 240-20.090(5) and the Company’s approved fuel adjustment clause
13 (“FAC”). The terms of the FAC are reflected in the FAC tariff -- Rider FAC -- on file
14 with the Commission.

15 **Q: What is the purpose of a true-up filing in the context of Ameren Missouri’s FAC?**

1 A: The purpose of a true-up filing is to identify the calculated difference between Actual Net
2 Fuel Costs¹ and Net Base Fuel Costs that were over- or under-recovered from customers
3 during the third Recovery Period prescribed by the FAC.

4 **Q: Please briefly explain the FAC process, including the accumulation periods, filing**
5 **dates, recovery and true-up periods.**

6 A: The FAC process is outlined in the Company's FAC tariff. It begins with an
7 Accumulation Period which covers a four-month period in which the Company's Actual
8 Net Fuel Costs are accumulated and compared to the Net Base Fuel Costs calculated in
9 accordance with the FAC tariff. The difference between the Net Base Fuel Costs and the
10 Actual Net Fuel Costs is the amount recovered from or refunded to customers for the
11 Recovery Period at issue, based upon an estimate or projection of the kilowatt-hour
12 ("kWh") sales that are expected during the Recovery Period. This recovery, over the 12-
13 month Recovery Period at issue in this docket, occurs via application to customer bills of
14 a Fuel and Purchased Power Adjustment ("FPA") rate. A new FPA rate takes effect
15 every four months. After a Recovery Period, a true-up is filed which finalizes, based
16 upon actual kWh sales data from the Recovery Period at issue, the over-or under-
17 recovered amount for the Recovery Period at issue. That amount is then included in the
18 next FPA rate adjustment filing.

19 **Q: What was the timing of the accumulation and recovery relating to this true-up?**

20 A: The Accumulation Period was October 1, 2009 through January 31, 2010. The Recovery
21 Period for that Accumulation Period was June 1, 2010 through May 31, 2011.

¹ Capitalized terms not otherwise defined in this testimony have the meaning given them in the Company's FAC tariff, Rider FAC.

1 **Q: Why would there be a difference between the accumulated over- or under-recovery**
2 **and the amount collected during the Recovery Period?**

3 A: As noted earlier, the FPA rate is calculated based upon estimated kWh sales for the
4 Recovery Period. Since the FPA rate is based upon an estimated number, once actual
5 sales are recorded, a difference will always exist between the estimate and the actual
6 kWh billed.

7 **Q: What was the over- or under-recovery for the Recovery Period at issue in this**
8 **filing?**

9 A: There was an over-recovery from customers during the Recovery Period, which was
10 almost entirely offset by correcting the mistake which was the subject of Case No. ER-
11 2010-0274.² Accounting for the over-recovery, correction of the mistake and interest at
12 the Company's short-term borrowing rate, as provided for in the FAC tariff and the
13 Commission's FAC rules, the true-up adjustment arising from the true-up of the subject
14 Recovery Period requires an additional recovery from customers of \$1,018,872.
15 Schedule JD-1 and Attachment A to that schedule contain details of the calculations that
16 produce the sum to be recovered from customers.

17 **Q: How will that sum be recovered?**

18 A: It will be included as part of the adjustment to the FPA rate to be filed on or before
19 December 1, 2011.

20 **Q: Does this conclude your direct testimony?**

21 A: Yes, it does.

² The impact of the mistake has been included in these calculations because the Commission's Report and Order in Case No. ER-2010-0274 specifically directed the Company to correct this mistake in all remaining true-up filings that are impacted by the mistake.

*SCHEDULE JD-1 HAS BEEN DEEMED HIGHLY
CONFIDENTIAL IN ITS ENTIRETY AND
HAS THUS BEEN REMOVED*

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

AFFIDAVIT OF JEFF L. DODD

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

Jeff L. Dodd, being first duly sworn on his oath, states:

1. My name is Jeff L. Dodd. I work in the City of St. Louis, Missouri, and I am employed by Ameren Services as a Manager, Wholesale Power and Fuel 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 3 pages and Schedule JD-1, 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 are true and correct.



Jeff L. Dodd

Subscribed and sworn to before me this 25 day of July, 2011.



Notary Public

My commission expires:

