

Exhibit No.:
Issues: Fuel Adjustment Clause - True-
Up of Fourth Recovery Period
Witness: Jeff L. Dodd
Sponsoring Party: Union Electric Co.
Type of Exhibit: Direct Testimony
Case No.: ER-2012-_____
Date Testimony Prepared: November 28, 2011

MISSOURI PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

JEFF L. DODD

**November 28, 2011
St. Louis, Missouri**

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 fourth true-up filing being made by Ameren Missouri under 4
12 CSR 240-20.090(5) and the Company’s approved fuel adjustment clause (“FAC”). The
13 terms of the FAC are reflected in the FAC tariff -- Rider FAC -- on file with the
14 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 fourth Recovery Period² 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 Fuel and Purchased Power Adjustment ("FPA_c") rates (which are differentiated by
15 voltage, as provided for in the FAC tariff). New FPA_c rates take effect every four
16 months. After a Recovery Period, a true-up is filed which finalizes, based upon actual
17 kWh sales data from the Recovery Period at issue, the over-or under-recovered amount
18 for the Recovery Period at issue. That amount is then included in the next FPA_c rates
19 adjustment filing.

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

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

² This sum has been included in the new FPA_c rates filed in the 8th Accumulation Period docket filed concurrently with this filing, as described in my direct testimony filed in that docket.

1 A: The Accumulation Period was February 1, 2010 through May 31, 2010. The Recovery
2 Period for that Accumulation Period was October 1, 2010 through September 30, 2011.

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

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

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

11 A: There was an under-recovery from customers during the Recovery Period due to the
12 difference between actual and estimated kWh sales and, in addition, there are sums
13 relating to this Recovery Period that must be recovered from customers due to the
14 correction of the mistake which was ordered by the Commission in Case No. ER-2010-
15 0274.³ Accounting for the under-recovery due to the variance between estimated and
16 actual kWh sales, correction of the mistake and interest at the Company's short-term
17 borrowing rate, as provided for in the FAC tariff and the Commission's FAC rules, the
18 total true-up adjustment arising from the true-up of the subject Recovery Period requires
19 an additional recovery from customers of \$3,854,238. Schedule JD-TU 1 to this
20 testimony (and Attachment A to that schedule) contains details of the calculations that
21 produce the sum to be recovered from customers.

³ 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 the impact of this mistake in all remaining true-up filings that are impacted by the mistake.

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

2 A: As earlier noted, it has been included as part of the adjustment to the FPA_c rates being
3 filed concurrently with the initiation of this docket.

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

5 A: Yes, it does.

In the Matter of the True-Up of Union Electric Company)
d/b/a Ameren Missouri's Fuel Adjustment Clause for the) ER-2012-
4th Recovery Period)

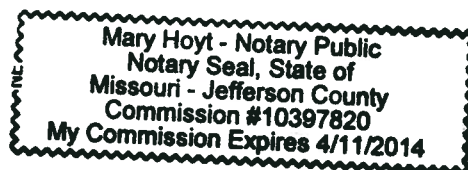
STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

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.

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

Subscribed and sworn to before me this 28th day of November, 2011.

My commission expires: 4-11-2014



**SCHEDULE JD-TU 1
HAS BEEN MARKED
HIGHLY CONFIDENTIAL
IN ITS ENTIRETY**