

Exhibit No. 505

MIEC – Exhibit 505
Greg R. Meyer
Direct Testimony
File Nos. ER-2021-0240 & GR-2021-0241

Exhibit No.:
Issues: Revenue Requirement
Witness: Greg Meyer
Type of Exhibit: Direct Testimony
Sponsoring Party: Missouri Industrial Energy Consumers
Case No.: ER-2021-0240
Date Testimony Prepared: September 3, 2021

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

**In the Matter of Union Electric Company
d/b/a Ameren Missouri's Tariffs to Adjust
its Revenues for Electric Service**

)
)
) **Case No. ER-2021-0240**
)
)

Direct Testimony of

Greg R. Meyer

On behalf of

Missouri Industrial Energy Consumers

September 3, 2021



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

In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Tariffs to Adjust)
its Revenues for Electric Service)
_____)

Case No. ER-2021-0240

STATE OF MISSOURI)
)
COUNTY OF ST. LOUIS) SS


Affidavit of Greg R. Meyer

Greg R. Meyer, being first duly sworn, on his oath states:

1. My name is Greg R. Meyer. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by the Missouri Industrial Energy Consumers in this proceeding on their behalf.

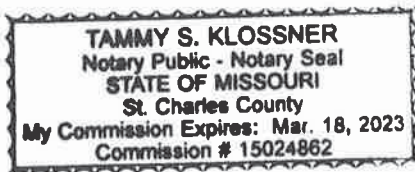
2. Attached hereto and made a part hereof for all purposes is my direct testimony which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. ER-2021-0240.

3. I hereby swear and affirm that the testimony is true and correct and that it shows the matters and things that it purports to show.



Greg R. Meyer

Subscribed and sworn to before me this 3rd day of September, 2021.





Notary Public

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

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In the Matter of Union Electric Company))	
d/b/a Ameren Missouri’s Tariffs to Adjust))	Case No. ER-2021-0240
its Revenues for Electric Service))	
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Direct Testimony of Greg R. Meyer

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, MO 63017.

4 **Q WHAT IS YOUR OCCUPATION?**

5 A I am a consultant in the field of public utility regulation and a Principal of Brubaker &
6 Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

7 **Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

8 A This information is included in Appendix A to this testimony.

9 **Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

10 A This testimony is presented on behalf of the Missouri Industrial Energy Consumers
11 ("MIEC"), a non-profit corporation that represents the interest of large customers in
12 Missouri utility matters. These companies purchase substantial quantities of electricity
13 from Ameren Missouri, and the outcome of this proceeding will have an impact on their
14 cost of electricity.

**Greg R. Meyer
Page 1**

1 **Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A My direct testimony includes:

- 3 ➤ An overview of Ameren Missouri's rate case history.
- 4 ➤ A discussion of the Meramec Plant retirement.
- 5
- 6 ➤ A discussion of the operational restrictions of Ameren Missouri's High Prairie Wind
- 7 Farm.
- 8 ➤ A discussion of Ameren Missouri's proposed level of Residential and Small General
- 9 Service ("SGS") revenues.
- 10 ➤ A discussion of Ameren Missouri's coal plant maintenance expenses.
- 11 ➤ A discussion of Ameren Missouri's proposed storm expenses.

12 The value of these adjustments is provided in the Overview section of my

13 testimony where I address all of the adjustments proposed by the MIEC.

14 It should be noted that the fact that an MIEC witness does not address a specific

15 cost of service (revenue requirement) issue should not be interpreted as accepting

16 Ameren Missouri's position. We reserve the right to accept and adopt other parties'

17 adjustments.

18 **Overview**

19 **Q WHAT INCREASE HAS AMEREN MISSOURI REQUESTED IN THIS RATE CASE?**

20 A The overall increase is \$299 million, or 12%.¹ Ameren Missouri witness Warren Wood

21 states that the major driver behind the rate increase is investments related to

22 implementing Ameren Missouri's Smart Energy Plan ("SEP") and its investment in two

23 major wind generation facilities in 2020 and 2021.

¹Warren Woods direct testimony, page 3, lines 17-18

1 In order to gain a more complete understanding of the requested increase in
2 Ameren Missouri's revenues, the Staff of the Missouri Public Service Commission
3 ("Staff") submitted Data Request MPSC 144.

4 "Please provide a complete issue reconciliation and quantification by each
5 separate issue and in total that supports Ameren Missouri's proposed
6 approximate \$299 million rate increase request. For each issue please
7 provide quantification and an explanation for each reconciliation amount.
8 Please contact the Staff with any questions regarding this data request.
9 Lisa Ferguson (Lisa, ferguson@psc.mo.gov)"

10 The response provided the following table:

TABLE 1	
Ameren Missouri	
MPSC Case No. ER-2021-0240 MPSC DR 0144	
Components of Rate Increase	
(in millions of \$)	
Net Infrastructure (including \$1,856 million increase in net plant)	
Return	\$ 132
Depreciation	163
Property Taxes	5
Income Tax (including PTCs)	(52)
Revenue Impact of Decreased Load	30
Decrease in NBEC Less Load Changes	(49)
RESRAM O&M Rebase	25
Pension & OPEB Rebase & Amortization	17
Amortization of Tax Reform Regulatory Liability	9
Rebase RES Tracker and Solar Rebates	6
Other	13
	<u>\$299</u>

11 The response to MPSC 144 provides a more complete description of the requested
12 revenue increase.

1 **Q** **BASED ON YOUR REVIEW OF AMEREN MISSOURI’S FILING, DO YOU BELIEVE**
2 **THAT a \$299 MILLION REVENUE INCREASE IS JUSTIFIED.**

3 **A** No. I believe Ameren Missouri’s claimed revenue deficiency is significantly overstated.
4 MIEC has performed an analysis of many of the significant aspects of the operations
5 of Ameren Missouri. Based on this analysis, MIEC believes that Ameren Missouri has
6 overstated its requested increase by at least \$56 million. This reduction to the
7 requested increase does not reflect other parties’ positions, which I may support after
8 reviewing their direct or rebuttal positions.

9 **Q** **PLEASE DISCUSS AMEREN MISSOURI’S PAST RATE INCREASES.**

10 **A** During the last 12 years, Ameren Missouri has increased retail rates by over \$1 billion,
11 or 41%. Table 2 lists the rate case, the revenue increase requested and the amount
12 allowed by the Missouri Public Service Commission (“Commission”) for each rate case
13 dating back to March 2009.

TABLE 2			
Ameren Missouri's Rate Case History			
Case No.	Amount Requested (\$/Millions)	Amount Allowed (\$/Millions)	Effective Date
ER-2008-0318	\$251	\$162	March 2009
ER-2010-0036	\$402	\$230	June 2010
ER-2011-0028	\$263	\$173	August 2011
ER-2012-0166	\$376	\$260	December 2012
ER-2014-0258	\$264	\$122	May 2015
ER-2016-0179	\$206	\$92	April 2017
ER-2019-0335	(\$1)	(\$32)	June 2020
Total	\$1,761	\$1,007	

1 If Ameren Missouri was granted the full rate relief it has requested in this case,
2 the total increase in base rates would be approximately \$1.3 billion on an annual basis
3 since March 2009.

4 In addition to the above rate increases, Ameren Missouri has collected an
5 approximate \$793 million in Fuel Adjustment Clause (“FAC”) revenues since the time
6 that it was authorized to implement the FAC in October 2009. This increase in
7 collections is in addition to the increases identified in Table 2.

8 **Q BESIDES YOURSELF, ARE ANY OTHER EXPERTS FILING DIRECT TESTIMONY**
9 **ON BEHALF OF THE MIEC? PLEASE DESCRIBE THE SUBJECT AREAS THEY**
10 **WILL BE SPONSORING.**

11 **A** Yes, the MIEC will also be sponsoring the direct testimony of Brian C. Andrews
12 regarding the depreciation rates for the Callaway nuclear plant. In addition, Maurice
13 Brubaker will be filing direct testimony on class cost of service/rate design on
14 September 17, 2021.

15 **Q PLEASE SUMMARIZE THE VALUE OF THE ADJUSTMENTS RECOMMENDED BY**
16 **MIEC WITNESSES.**

17 **A** I have prepared Table 3 which lists the values of the adjustments proposed by the
18 MIEC and the witness sponsoring the testimony for each issue.

TABLE 3		
MIEC's Adjustments to Ameren Missouri's Proposed Revenue Requirement		
Issue Description	Witness	Amount of Reduction (\$/Millions)
1. Callaway Nuclear Depreciation	Andrews	\$8.3
2. Meramec Plant Retirement	Meyer	7.4
3. High Prairie Wind Farm	Meyer	8.8
4. Residential Revenues	Meyer	12.5
5. Small General Service Revenues	Meyer	18.0
6. Coal Plant Maintenance Expense	Meyer	1.2
7. Normalize Storm Expense	Meyer	0.4
Total Reduction		\$56.6

1 **Q WHAT TEST YEAR DID AMEREN MISSOURI PROPOSE IN THIS RATE CASE AND**
2 **DID AMEREN MISSOURI ALSO PROPOSE A TRUE-UP?**

3 **A** Ameren Missouri proposed a test year of the 12 months ended December 31, 2020
4 and a true-up cut-off period of September 30, 2021.

5 **Q DID THE COMMISSION ACCEPT THE PROPOSED TEST YEAR AND TRUE-UP**
6 **CUT-OFF PERIOD?**

7 **A** Yes. On June 9, the Commission adopted the test year ended December 31, 2020
8 with a true-up cut-off date of September 30, 2021.

1 **Q DID THE PARTIES AGREE TO ANY PROCEDURES FOR THE TRUE-UP CUT-OFF**
2 **PERIOD?**

3 A Yes. In the Jointly Proposed Procedural Schedule and Procedures filed by the parties
4 to the rate case on May 13, 2021, the parties agreed to the following true-up cut-off
5 period process:

6 “No party shall revise or change that party’s methods or methodologies
7 for true-up issues.”

8 **Q WHAT IS THE IMPORTANCE OF A TEST YEAR AND TRUE-UP PERIOD?**

9 A The test year establishes a common 12-month period (December 31, 2020) for all
10 parties to audit the utility’s books and records and propose adjustments to Ameren
11 Missouri’s cost of service. A test year is analyzed to determine if certain adjustments
12 are necessary in order to develop relationships among revenues, expenses, and rate
13 base determined from historic data that will exist during the period rates are in effect.

14 A true-up is a period of time where the major elements of the cost of service
15 (plant, accumulated depreciation reserve, payroll, revenues, etc.) are brought forward
16 to a date closer to the operation of law date of a rate case. By adopting a true-up, the
17 effects of regulatory lag are reduced from the test year. The test year and true-up
18 period allow for all relevant factors to be analyzed during a common time period.

19 **Q IS IT IMPORTANT TO MAINTAIN THE PROPER RELATIONSHIP AMONG**
20 **REVENUES, EXPENSES AND RATE BASE IN EITHER A TEST YEAR OR TRUE-UP**
21 **PERIOD?**

22 A Yes, maintaining the proper relationship among expenses, revenues and rate base is
23 the primary reason why test years and true-ups have dates certain for cut-offs. If the
24 major components of cost of service are not measured from consistent dates, the

1 calculation of rates may not allow the utility the opportunity to earn its authorized rate
2 of return or may allow the utility to earn in excess of its authorized rate of return. Thus,
3 it is critical that all major components of cost of service be evaluated within the same
4 time period.

5 **Meramec Plant Retirement**

6 **Q WHEN IS THE MERAMEC PLANT SCHEDULED TO BE RETIRED?**

7 A The Meramec Plant is scheduled to be retired December 31, 2022, or ten months after
8 the operation of law date (February 28, 2022) in this rate case.

9 **Q HOW WOULD RATES NORMALLY BE SET IF MERAMEC WAS NOT RETIRED?**

10 A If Meramec was not planned for retirement, then all of the investment costs (including
11 depreciation) and return would be included in rates. For example, the Meramec
12 unrecovered investment (net plant) is approximately \$77.4 million at the true-up cut-off
13 period. A return on this level of investment would need to be included in customer rates
14 as well as the operating and maintenance expenses to operate Meramec. As the
15 Commission will recall, from the recent Evergy Sibley AAO docket, this leads to a
16 situation where Ameren Missouri would realize windfall profits once the unit is retired
17 and Ameren Missouri is no longer incurring these costs.

1 Q IS AMEREN MISSOURI PROPOSING TO ADDRESS THE EFFECTS OF THE
2 RETIREMENT IN THIS RATE CASE?

3 A Yes. Ameren Missouri has proposed to include one-fifth of the unrecovered investment
4 including return² and maintenance costs in rates and collect this amount for five years.
5 So, by way of example, if Meramec was not being retired Ameren Missouri would earn
6 a return on the remaining \$77.4 million of Meramec's rate base. Through its proposal,
7 Ameren Missouri is seeking one-fifth of a full year's return on the \$77.4 million. In
8 summary, Ameren Missouri is proposing the recovery of the following costs:

Description	Revenue Requirement
Investment	
Plant In-Service	\$137,466,573
Reserve	(\$121,933,105)
ADIT	(\$140,751)
Coal Inventory	\$1,172,141
Materials and Supplies	\$2,030,952
Allowed Return and Income Taxes	\$1,426,309
Maintenance Expense	\$517,589
Depreciation	\$11,920,211
Total Revenue Requirement	\$13,864,109
Note: \$1,426,309 + \$517,589 + \$11,920,211 = \$13,864,109. This total revenue requirement reflects one-fifth of the revenue requirement proposed by Ameren Missouri.	

²Return is calculated on the unrecovered investment, materials and supplies, coal inventory and ADIT.

1 As reflected in the note to the preceding table, Ameren Missouri is seeking a revenue
2 requirement of \$13.86 million associated with Meramec. This represents one-fifth of
3 the ratemaking for Meramec costs identified above that would occur in normal
4 ratemaking and absent the planned retirement. Ameren Missouri is then requesting
5 that the above revenue requirement be collected over five years from the operation of
6 law date in this rate case.

7 **Q DOES AMEREN MISSOURI CLAIM THIS METHODOLOGY IS CONSISTENT WITH**
8 **EVERGY'S PLANT RETIREMENT?**

9 A Yes. Ameren Missouri witness Lansford claims this approach is consistent with
10 principles that underlie the approach taken regarding the treatment of costs related to
11 Evergy's Sibley plant and its retirement (Case No. EC-2019-0200).

12 **Q DO YOU AGREE WITH MR. LANSFORD?**

13 A Not entirely. In the last Evergy Missouri West rate case (Case No. ER-2018-0146), all
14 of the costs to operate the Sibley plant were included in the revenue requirement.
15 Immediately prior to those rates going into effect, Sibley was retired. Nonetheless,
16 Evergy's rates reflected the normal ratemaking for Sibley. Therefore, Evergy realized
17 a significant windfall in profits once Sibley retired and those costs ceased to exist. Only
18 through a subsequent complaint filing were these excess post-retirement savings
19 deferred for future ratemaking treatment. In this case, the retirement of Meramec is
20 being addressed in advance of retirement and I believe a different approach is
21 warranted for retiring this plant. The goal of capturing the proper costs of plant
22 retirement can still be achieved without allowing the utility to realize windfall profits
23 associated with the plant's retirement.

1 **Q DO YOU AGREE WITH AMEREN MISSOURI'S \$13.8 MILLION REVENUE**
2 **REQUIREMENT PROPOSAL COLLECTED OVER FIVE YEARS?**

3 A No, I do not for several reasons. First, Ameren Missouri has overstated the
4 unrecovered investment in Meramec. Second, Ameren Missouri has proposed to
5 collect maintenance expenses for a full 12 months, when it projects that Meramec will
6 only operate for at most ten months beyond the operation of law date. Finally, Ameren
7 Missouri has included a full 12 months of return for a plant proposed to be retired in
8 only ten months.

9 **Q PLEASE DISCUSS YOUR CONTENTION THAT AMEREN MISSOURI HAS**
10 **OVERSTATED THE UNRECOVERED INVESTMENT IN MERAMEC.**

11 A Ameren Missouri has not properly reflected the unrecovered investment in Meramec at
12 the operation of law date in this rate case (February 22, 2022). In its calculations,
13 Ameren Missouri develops a revenue requirement using plant balances as of
14 September 30, 2021, the true-up cut-off period. In order to properly value the
15 unrecovered investment that Ameren Missouri seeks to recover over five years, these
16 calculations should be carried forward to the operation of law date. The failure to carry
17 forward to the operation of law date means that no recognition is given for the five
18 months (October 2021 – February 2022) of depreciation that Ameren Missouri is
19 currently collecting in rates and will collect over this five-month period. In its case,
20 Ameren Missouri claims that the unrecovered investment in Meramec is approximately
21 \$77.7 million. However, as of the operation of law date and given the amount of
22 depreciation that Ameren Missouri will collect in rates over the additional five-month
23 period, I have calculated the unrecovered plant balance to be approximately \$54.5
24 million, or an approximate \$23.2 million decrease from the claimed amount.

1 **Q WHY IS IT PROPER IN THIS ISSUE TO GO BEYOND THE TRUE-UP CUT-OFF**
2 **PERIOD OF SEPTEMBER 30, 2021?**

3 A To correctly address the retirement of Meramec in this rate case and avoid a future
4 docket to defer the non-recurring savings upon Meramec's retirement,
5 costs/investments must be evaluated beyond the true-up cut-off period. If, as Ameren
6 Missouri has proposed, you adhere strictly to the true-up cut-off period, you will require
7 Ameren Missouri's ratepayers to pay more in rates than what is justified.

8 **Q WHY IS INCLUDING 12 MONTHS OF MAINTENANCE COSTS IN AMEREN**
9 **MISSOURI'S REVENUE REQUIREMENT IMPROPER?**

10 A Including one-fifth of a full year of Meramec's maintenance costs in Ameren Missouri's
11 revenue requirement, overstates the collection of maintenance costs. As Ameren
12 Missouri has stated in different witnesses' testimonies, the Meramec plant will operate
13 for at most ten months beyond the operation of law date in this case. That means that
14 only ten months of maintenance expenses need to be recovered from customers. By
15 including a full 12 months of expenses, Ameren Missouri is seeking to collect excessive
16 maintenance costs from ratepayers.

17 **Q WHY ARE YOU OPPOSED TO A FULL YEAR OF RATE OF RETURN?**

18 A The argument against a full year of return is the same as the position stated regarding
19 recovery of maintenance costs. The Meramec plant will operate for, at most, ten
20 months beyond the operation of law date and, therefore, a return during the time when
21 the plant is operating is the proper ratemaking principle in this case. Ameren Missouri
22 has proposed to recover one-fifth of the full return on the Meramec plant over five years.
23 This proposed return assumes the investment level will remain the same for the entire

1 five-year period. This is simply a bad assumption. The unrecovered investment and
2 for that matter the level of coal inventory and materials and supplies will decrease if not
3 be eliminated entirely very soon after the plant retirement.

4 **Q PLEASE SUMMARIZE YOUR POSITION ON AMEREN MISSOURI'S PROPOSAL**
5 **TO RETIRE THE MERAMEC PLANT.**

6 A I believe Ameren Missouri has significantly overstated the costs remaining prior to the
7 retirement of the Meramec plant.

8 **Q HAVE YOU DEVELOPED AN ALTERNATIVE PROPOSAL TO ADDRESS THE**
9 **RETIREMENT OF THE MERAMEC PLANT?**

10 A Yes, I have.

11 **Q PLEASE DESCRIBE YOUR PROPOSAL TO RETIRE THE MERAMEC PLANT.**

12 A In essence, my proposal in this case is to include some recognition of all ratemaking
13 components (return on fuel inventory and materials and supplies, taxes and operating
14 costs), except for depreciation expense. Instead, the unrecovered investment amount
15 as of the operation of law date will be frozen and deferred for treatment (amortization)
16 in Ameren Missouri's next rate case. At that time, we will know the exact retirement
17 date and, therefore, the exact period of time that Meramec was "used and useful."
18 Therefore, we can determine the exact length of time over which Ameren Missouri
19 should have been permitted to earn a rate of return on the Meramec investment. We
20 will also then be able to determine the exact amount of operating costs and return on
21 fuel inventory and materials and supplies that was appropriate for the period that
22 Meramec operated. Any excess that was recovered by Ameren Missouri after the

1 retirement of Meramec should then be treated, in the next case, as an offset to the
2 undepreciated investment. The following portion of my testimony addresses my
3 retirement proposal in two sections. First, I will address the freezing and deferral of the
4 undepreciated investment, and then I will address the ratemaking in this case for the
5 non-depreciation expenses.

6 **Q PLEASE DESCRIBE THE INVESTMENT PORTION.**

7 A I propose to defer the unrecovered Meramec investment (plant in service less
8 accumulated depreciation reserve) remaining as of the operation of law date. As stated
9 above, this should be approximately \$54.5 million. This deferred unrecovered
10 investment will remain on the books of Ameren Missouri until its next rate case, and
11 will be subject to adjustment associated with Meramec's operating expenses and
12 return/taxes that are built into rates in this case but will cease upon its retirement.
13 These non-depreciation costs that are no longer being incurred post-Meramec
14 retirement should then be used to offset the unrecovered Meramec investment. In this
15 instance, I would propose that the deferred net plant balance as of the operation of law
16 date will be approximately \$54.5 million.

17 Materials and supplies balances should not be recognized at the levels
18 proposed by Ameren Missouri. It has been argued by various utilities that the materials
19 and supplies are obsolete and cannot be reused. Ameren Missouri should make every
20 effort to either transfer for use at other Ameren Missouri generating facilities or sell its
21 materials and supplies to other utilities. To the extent any materials and supplies
22 cannot be sold or assigned to another Ameren Missouri generating plant, Ameren
23 Missouri should be allowed to include that value in the deferred asset account.

1 Fuel inventory should be managed such that the coal pile is fully extinguished
2 as of the date of retirement. Ameren Missouri should have plans in effect to generate
3 enough energy to reduce the coal pile prior to retirement or, as other utilities have done,
4 transfer remaining inventory to another generating unit. Any unused coal inventory
5 should be written off by Ameren Missouri, or Ameren Missouri should be required to
6 justify why it could not reduce the coal inventory balance to zero.

7 In the current case, Ameren Missouri should be allowed a rate of return (pre-
8 tax) on the unrecovered investment, materials and supplies and fuel inventory, for the
9 approximate ten-month period that Meramec will operate until final retirement. This
10 return component will be included in Ameren Missouri's current revenue requirement.

11 **Q PLEASE DESCRIBE THE EXPENSE PORTION OF YOUR PROPOSAL..**

12 A Unlike the undepreciated investment component which is deferred for treatment in the
13 next rate case, the expense portion (consisting of all non-depreciation costs) is included
14 in the rates arising from this case. Specifically, I propose to include ten months for the
15 period until Meramec is retired. In its workpapers, Ameren Missouri has included
16 several months of maintenance expenses for the Meramec plant. I determined the
17 forecasted maintenance expenses for the period between the operation of law date and
18 the Meramec retirement date to be approximately \$2.0 million.

1 **Q WHY WOULD YOU ONLY INCLUDE TEN MONTHS OF MAINTENANCE**
2 **EXPENSES?**

3 A That is the amount of maintenance expenses that will be incurred during the period of
4 new rates before Meramec is retired. Therefore, I have included ten months of
5 maintenance expenses in my proposal.

6 **Q PLEASE SUMMARIZE YOUR PROPOSAL TO RETIRE MERAMEC AND INCLUDE**
7 **THE REVENUE REQUIREMENT IMPACTS.**

8 A I propose to defer the unrecovered net plant balance as of the operation of law date in
9 this case. This deferred amount should be handled in Ameren Missouri's next rate
10 case subject to various adjustments previously discussed. I also propose to include,
11 in this rate case, a ten-month return on the unrecovered plant balance, materials and
12 supplies, and coal inventory balance during the ten months that Meramec will operate
13 subsequent to the operation of law date in this case. I also propose to include ten
14 months of maintenance expenses for Meramec. I have developed Table 5 which shows
15 the revenue requirement impacts from my proposal.

TABLE 5	
Meramec Plant Retirement Cost Recovery	
Description	Amount
Rate of Return on Unrecovered Investment - 10 Months ⁽¹⁾	\$3,479,013
Rate of Return on M&S and Fuel Inventories - 10 Months ⁽²⁾	\$977,919
Maintenance Expenses - 10 Months	<u>\$1,961,165</u>
Total Revenue Requirement	\$6,418,097
⁽¹⁾ \$54,473,064 * 7.664% * 10/12 ⁽²⁾ \$15,311,888 * 7.664% * 10/12 \$15,311,888 = \$10,154,759 (M&S) + \$5,860,703 (Coal Inventory) + (\$703,574) (ADIT)	

1 **Q DO YOU PROPOSE TO ADJUST THE DEFERRED UNRECOVERED INVESTMENT**
 2 **IN BETWEEN RATE CASES?**

3 **A No.** However, I propose that a regulatory liability should be established to record those
 4 expenses and returns that are included in rates for the Meramec plant that will no longer
 5 be incurred due to its retirement. This regulatory liability will then be an offset to the
 6 regulatory asset consisting of the deferred unrecovered investment.

7 **Q WHAT EXPENSES ARE YOU REFERRING TO?**

8 **A Those expenses I identified in Table 5 should be recorded in a regulatory liability. In**
 9 **addition, all operating expenses to operate Meramec should be included in the**
 10 **regulatory liability. Finally, any reduction in property taxes should be included in the**
 11 **regulatory liability.**

1 **Q WHEN SHOULD THESE EXPENSES BEGIN TO BE RECORDED IN A**
2 **REGULATORY LIABILITY?**

3 A I propose that the regulatory liability begin on March 1, 2023. This would be almost
4 one year from the operation of law date in this rate case. By waiting one year, the costs
5 I identified in Table 5 would have been collected from ratepayers and those costs in
6 the future would represent costs that are not being incurred to operate Meramec. For
7 example, on March 31, 2023, \$535,000 would be recorded as a regulatory liability,
8 representing 1/12th of the \$6.4 million revenue requirement calculated in Table 5. In
9 addition to these amounts, 1/12th of the operating expenses to operate Meramec would
10 also be included in the liability. Finally, in December 2023 the regulatory liability would
11 be increased for the reduction in property taxes paid due to the Meramec retirement.

12 **Q ARE YOU AWARE THAT A VAST MAJORITY OF THE OPERATING EXPENSES**
13 **THAT AMEREN MISSOURI INCURS IS LABOR EXPENSE TO OPERATE THE**
14 **PLANT?**

15 A Yes, I am aware of this situation. In that regard, I would request that Ameren Missouri
16 be required to track on an employee-by-employee basis the change in status of each
17 employee. In many instances, utilities find alternative jobs for the displaced employees.
18 In this way, the only operating labor dollars that would be recorded in the liability would
19 be for those employees who retired or did not take on another position in Ameren
20 Missouri. The analysis must be performed only for those employees who currently
21 work at Meramec. A total Ameren Missouri employee analysis is not an acceptable
22 process. Those operating costs that are not labor-related and subject to the above
23 audit procedures would be recorded in the regulatory liability beginning on March 2023.

1 Q WHAT IS YOUR PROPOSAL FOR THE UNRECOVERED INVESTMENT AND THE
2 REGULATORY LIABILITY ASSOCIATED WITH THE MERAMEC PLANT
3 RETIREMENT?

4 A In Ameren Missouri's next case those two deferred balances would be an issue for the
5 parties and ultimately the Commission would need to decide the proper recovery and,
6 if necessary, an amortization period.

7 Q WHAT IS THE REVENUE REQUIREMENT EFFECT FROM YOUR PROPOSAL?

8 A My proposal would lower Ameren Missouri's revenue requirement by approximately
9 \$7.4 million.

10 **High Prairie Wind Farm**

11 Q PLEASE DESCRIBE THE HIGH PRAIRIE WIND FARM ("HIGH PRAIRIE") AND
12 WHEN IT BEGAN COMMERCIAL OPERATION.

13 A High Prairie is a wind farm located in Adair and Schuyler counties consisting of 175
14 turbines with a 400 MW nameplate capacity. High Prairie went into commercial
15 operation in December 2020.

16 Q HAS HIGH PRAIRIE EXPERIENCED ANY OPERATING DIFFICULTIES?

17 A Yes. It appears that High Prairie has encountered a significant number of bat and bird
18 deaths that can be traced back to the operation of the wind farm. As a result, on
19 April 19, 2021, Ameren Missouri voluntarily stopped all nighttime operations of the wind
20 farm. This nighttime restriction will continue through at least October 31, 2021.

1 **Q IS THERE A REASON WHY THE NIGHTTIME RESTRICTION IS IN PLACE?**

2 A Yes. The nighttime restriction through October 31, 2021 corresponds to the bat season
3 (April 1 - October 31). During this period of time, bats are prevalent in this area at
4 nighttime. By restricting High Prairie's operations during the night in bat season, it is
5 anticipated that these bat and bird deaths will be reduced.

6 **Q YOU STATED BEFORE THAT HIGH PRAIRIE HAD RESULTED IN BOTH BAT AND**
7 **BIRD KILLS. COULD YOU ELABORATE?**

8 A Yes. Based on a Stantec Consulting Services Inc.'s ("Stantec") report dated June 15,
9 2021, four bats and 52 birds have been killed during a monitoring period in the region
10 surrounding High Prairie. Of the bats killed, one was federally listed as endangered
11 and another one was a species of concern in Missouri. Of the 52 birds killed, one was
12 a bald eagle which is federally protected.

13 Stantec estimated that the mean bat kill during the monitoring period was
14 approximately 43 bats, based on statistical projections from the four bat kills actually
15 found.

16 **Q DOES THE LIMITED OPERATIONS OF HIGH PRAIRIE CREATE ANY CONCERNS**
17 **FROM A RATEMAKING PERSPECTIVE?**

18 A Yes. Ameren Missouri is requesting a full return on the High Prairie investment, yet
19 that investment is being curtailed from operations for a significant amount of time.

20 **Q HOW MANY HOURS IS HIGH PRAIRIE CURRENTLY BEING RESTRICTED?**

21 A High Prairie is being operationally restricted from 30 minutes before sunset to 30
22 minutes after sunrise each day from April 1 - October 31 (bat season).

1 **Q HOW MANY HOURS DOES THAT ENTAIL COMPARED TO THE TOTAL HOURS IN**
2 **A YEAR?**

3 A Currently, bat season hours equates to approximately 2,455 hours out of a total of
4 8,760 hours during the year, or approximately 28.03%.

5 **Q BESIDES THE HOURS OF OPERATION RESTRICTIONS, ARE THERE OTHER**
6 **FACTORS THAT SHOULD BE CONSIDERED?**

7 A Yes. During the day, the average wind speed is greater than at night. Therefore, the
8 current restriction to High Prairie's operations must also factor in the difference between
9 night and day time wind speeds. Data from the Kirksville Regional Airport weather
10 station located in Adair County finds that the average wind speed at night is
11 approximately 69% of the average wind speed during the day during bat season.

12 **Q ARE THOSE THE FACTORS CONSIDERED WITHIN YOUR PROPOSED**
13 **ADJUSTMENT?**

14 A Yes.

15 **Q PLEASE DESCRIBE YOUR PROPOSED ADJUSTMENT.**

16 A I propose to reduce the return portion paid by ratepayers for the High Prairie investment
17 to recognize the reduced output the wind farm is currently not generating. I recommend
18 applying Ameren Missouri's proposed rate of return (pre-tax) to the estimated net plant
19 balance of High Prairie at September 30, 2021 (true-up cut-off period).³ I recommend

³For illustrative purposes, I have used Ameren Missouri's proposed rate of return of 7.664%. This return would need to be changed to reflect the Commission's findings on capital structure and cost of debt and equity.

1 accounting for only those hours during bat season when High Prairie is off-line at night
2 and accounting for the difference in wind speeds between day and night.

3 I have prepared Table 6 which shows the calculation I have just described.

TABLE 6	
High Prairie Wind Farm Return Disallowance	
Description	Calculation
High Prairie Investment - September 30, 2021	\$617,391,409
Less Accumulated Depreciation Reserve	<u>(\$18,002, 992)</u>
High Prairie Net Plant	\$599,388,417
Pre-Tax Rate of Return	7.664%
Return on High Prairie	\$45,937,128
Production Restriction During Bat Season	28.030%
Day/Night Average Wind Speed Difference	68.637%
Disallowed High Prairie Return	\$8,837,844

4 **Q WHY IS THE PROPOSED ADJUSTMENT YOU ARE SPONSORING**
5 **APPROPRIATE?**

6 A Ameren Missouri's ratepayers should not be required to pay a full return on an
7 investment that is only available to produce power for 72% of the year.

8 **Q IS THERE AN ANALOGY WHERE HIGH PRAIRIE IS COMPARED TO A PEAKING**
9 **UNIT THAT OPERATES A SMALL PERCENTAGE OF TIME?**

10 A No. Presumably, the peaking unit is available to produce power but was not used for
11 economic reasons. Here, High Prairie is a zero fuel cost generating facility, yet its

1 hours of operation are restricted due to environmental concerns. Those are two
2 completely different situations.

3 **Q ARE THERE ANY OTHER CONCERNS YOU HAVE AT THIS TIME?**

4 A Yes. If the hours of operation continue to be restricted, and the depreciable life is not
5 extended due to less hours of operation, depreciation expense should be reviewed for
6 possible adjustment. In addition, the consultant services needed to monitor High
7 Prairie during this phase of its operations should be reviewed and a determination
8 should be made about the recovery of such expenses. Finally, the loss of Production
9 Tax Credits (“PTC”) and sale of Renewable Energy Credits (“REC”) will need to be
10 reviewed for adjustments.

11 **Revenues**

12 **Q HAVE YOU REVIEWED THE LEVEL OF REVENUES AMEREN MISSOURI IS**
13 **PROPOSING TO INCLUDE IN THIS RATE CASE?**

14 A Yes, I have reviewed the revenues proposed by Ameren Missouri.

15 **Q HOW DO REVENUES FACTOR INTO THE RATEMAKING FORMULA?**

16 A A utility’s revenue requirement is calculated by adding the utility’s expenses
17 (depreciation; taxes; operations and maintenance costs; and administrative and
18 general costs) to the return allowed on net investment. The utility’s normalized current
19 revenues are then subtracted from the revenue requirement to determine the
20 necessary revenue increase. Therefore, all else being equal, the failure to properly
21 calculate revenues will lead to the authorized revenue increase being wrong. If

1 revenues are understated, as I contend is occurring in this case, then the authorized
2 revenue increase will be overstated.

3 **Q HOW ARE REVENUES TYPICALLY CALCULATED?**

4 A Revenues are generally calculated by determining a normalized level of usage per
5 customer (in kWh's) for each rate class. This normalized level of usage is then
6 multiplied by the normalized number of customers to arrive at total usage. Thus, total
7 usage is then multiplied by the appropriate rates for each class to arrive at a normalized
8 level of revenues by class.

9 **Q DO YOU AGREE WITH THE LEVEL OF REVENUES PROPOSED BY AMEREN
10 MISSOURI?**

11 A No. The level of revenues for the Residential and SGS classes are significantly
12 understated.

13 **Residential Revenues**

14 **Q WHAT IS THE BASIS FOR YOUR POSITION?**

15 A I will start with the Residential Class (1M). Ameren Missouri is proposing a level of
16 13,311,574 MWh sales. I will show that this level of residential sales, and thus the level
17 of residential revenues, are understated when looking at the past ten years.

18 **Q IN ADDRESSING THE LEVEL OF MWH SALES, PLEASE PROVIDE THE
19 HISTORICAL LEVEL OF RESIDENTIAL SALES.**

20 A I have prepared Table 7 which shows the historical level of residential sales.

TABLE 7	
Historical Level of Residential Sales	
Year	MWh Sales
2011	13,830,310
2012	13,348,255
2013	13,525,023
2014	13,612,968
2015	12,867,827
2016	13,210,580
2017	12,611,697
2018	14,277,601
2019	13,488,328
2020	13,222,860
Rate Case	13,311,574

1 As can be seen from Table 7, Ameren Missouri is proposing a level of residential sales
2 that has been exceeded in six of the last ten years. In 2017 and 2016, where sales did
3 not exceed the level proposed by Ameren Missouri, there were over 18,000 fewer
4 residential customers.

5 **Q HAS THE RESIDENTIAL CLASS GROWN SINCE 2011?**

6 **A** Yes. Table 8 shows the growth in the residential class since 2011.

TABLE 8	
Historical Residential Growth	
Year	Average # of Residential Customers
2011	999,787
2012	1,036,182
2013	1,038,902
2014	1,041,059
2015	1,043,563
2016	1,048,064
2017	1,053,539
2018	1,060,403
2019	1,065,920
2020	1,071,891

1 Since 2011, the residential class has grown by over 72,000 customers.

2 **Q HAVE YOU TRACKED THE AVERAGE USAGE PER CUSTOMER OVER THIS TIME**
3 **PERIOD?**

4 **A Yes.** Table 9 shows the average annual usage per customer since 2011.

TABLE 9	
Historical Average Usage Per Residential Customer	
Year	Average Usage Per Customer - kWh
2011	13,833
2012	12,882
2013	13,019
2014	13,076
2015	12,331
2016	12,605
2017	11,971
2018	13,464
2019	12,654
2020	12,336
Rate Case	12,345

1 **Q WHAT LEVEL OF RESIDENTIAL SALES BY CUSTOMER DO YOU RECOMMEND**
2 **TO ANNUALIZE THE RESIDENTIAL REVENUES?**

3 A I propose to average the usage per customer for 2019 and 2020. This produces an
4 average usage per customer of 12,495 kWh per year. As demonstrated, this level of
5 usage has been exceeded in seven of the ten years dating back to 2011.

6 **Q WHAT LEVEL OF CUSTOMERS DO YOU PROPOSE TO ANNUALIZE REVENUES**
7 **FOR THE RESIDENTIAL CLASS?**

8 A I have accepted Ameren Missouri's estimated customer growth number at
9 September 30, 2021 of 1,078,334 customers. As mentioned, this is simply an estimate
10 at this time. Therefore, this customer level should be trued-up to an actual customer

1 level during the true-up phase of the rate case unless an unusual change in customer
2 levels occurs.

3 **Q WHAT LEVEL OF SALES RESULTS FOR THE RESIDENTIAL CLASS?**

4 A Applying the usage of 12,495 kWh per customer to the total number of residential
5 customers (approximately 1,078,000) results in a total residential sales level of
6 13,473,789 MWh.

7 **Q WHAT IS THE REVENUE REQUIREMENT VALUE FROM YOUR PROPOSED
8 RESIDENTIAL REVENUE ANNUALIZATION?**

9 A As mentioned, by understating current residential revenues, Ameren Missouri has
10 overstated its necessary level of revenue increase in this case. I have calculated that
11 the annualization of test year residential revenues using my proposed residential usage
12 level of 12,495 kWh per year would increase test year residential revenues by \$12.5
13 million. Therefore, for this issue alone, Ameren Missouri's rate increase should be
14 reduced by approximately \$12.5 million.

15 **Q PLEASE BRIEFLY DESCRIBE HOW YOU CALCULATED THE ADJUSTMENT.**

16 A I compared the annualized usage from my proposal (13,473,789 MWh) to the
17 annualized level proposed by Ameren Missouri (13,311,574 MWh). I then assigned
18 the increased usage to the winter and summer months using the same factor used by
19 Ameren Missouri. I then priced the winter usage using the second residential energy
20 block rate and priced the summer usage by the single residential energy block rate.
21 The value of this adjustment is conservative because I did not assume any of the
22 increased winter usage would fall within block one usage when the energy rate is higher

1 than the second block. A more precise calculation would need to be discussed among
2 the parties to properly recognize block one usage during the winter months.

3 **Small General Service Revenues**

4 **Q WHAT LEVEL OF KWH SALES HAS AMEREN MISSOURI PROPOSED FOR**
5 **PURPOSES OF ANNUALIZING SGS REVENUES?**

6 A Ameren Missouri is proposing a level of SGS sales of 3,080,833 MWh.

7 **Q HOW DOES THIS LEVEL OF SALES COMPARE WITH PAST YEARS?**

8 A I have prepared Table 10 that shows the historical level of SGS sales.

TABLE 10	
<u>Historical Level of SGS Sales</u>	
<u>Year</u>	<u>MWh Sales</u>
2011	3,560,189
2012	3,463,452
2013	3,471,995
2014	3,501,509
2015	3,388,319
2016	3,367,333
2017	3,278,893
2018	3,474,508
2019	3,317,436
2020	3,018,253
Rate Case	3,080,833

9 As can be seen from Table 10, the level of kWh sales proposed by Ameren Missouri
10 has been exceeded in all but one year, and that was 2020.

1 Q HAS THE SGS CLASS GROWN SINCE 2011?

2 A Yes. Table 11 shows the growth in the SGS class since 2011.

Historical SGS Growth	
Year	Average # of SGS Customers
2011	128,655
2012	130,102
2013	130,872
2014	131,335
2015	146,873
2016	147,715
2017	148,952
2018	149,856
2019	150,820
2020	151,553

3 Since 2011, the SGS class has steadily grown with an increase of approximately
4 23,000 customers.

5 Q HAVE YOU TRACKED THE AVERAGE USAGE PER CUSTOMER OVER THIS TIME
6 PERIOD?

7 A Yes. Table 12 shows the average usage per customer since 2011.

TABLE 12	
Historical Average Usage Per SGS Customer	
Year	Average Usage Per Customer - kWh
2011	27,672
2012	26,621
2013	26,530
2014	26,661
2015	23,070
2016	22,796
2017	22,013
2018	23,186
2019	21,996
2020	19,915

1 **Q WHAT LEVEL OF SGS SALES PER CUSTOMER DO YOU RECOMMEND TO**
2 **ANNUALIZE THE SGS REVENUES?**

3 A. I propose to use the usage per SGS customer during 2019 (21,996 kWh). It is obvious
4 that the 2020 usage per customer is unreasonably low. I have chosen 2019 and believe
5 that is still a conservative level when comparing to the historical usages listed in
6 Table 12.

7 **Q WHAT LEVEL OF CUSTOMERS DO YOU PROPOSE TO ANNUALIZE REVENUES**
8 **FOR THE SGS CLASS?**

9 A I have accepted Ameren Missouri's estimated SGS customer number as of
10 September 30, 2021 of 152,484 customers. Again, as with the Residential class, this
11 is simply an estimate. Therefore, I would note that the SGS customer level should be

1 trued-up to an actual customer level during the true-up phase of the rate case unless
2 an unusual; change in customer levels occurs.

3 **Q WHAT LEVEL OF SALES RESULTS FOR THE SGS CLASS?**

4 A The annualized level of sales is 3,354,038 MWh (152,484 x 21,996 kWh/customer).

5 **Q WHAT IS THE REVENUE REQUIREMENT VALUE FROM YOUR PROPOSED SGS**
6 **REVENUE ANNUALIZATION.**

7 A Again, by understating average usage per SGS customer, Ameren Missouri has
8 understated SGS's total usage and, therefore, SGS revenues. I have calculated that
9 the annualization of SGS class revenues using my proposed SGS usage level of
10 21,996 kWh per year would increase SGS revenues by \$18.0 million. Therefore, for
11 this issue alone, Ameren Missouri's rate increase is overstated by \$18 million.

12 **Q PLEASE BRIEFLY DESCRIBED HOW YOU CALCULATED THE ADJUSTMENT.**

13 A I compared the annualized level proposed by Ameren Missouri (3,080,833 MWh) to the
14 annualized usage from my proposal (3,354,038 MWh). I then assigned the increased
15 usage to the winter and summer months using the same factors used by Ameren
16 Missouri. I priced the winter usage using the second block rate and priced the summer
17 usage by the single energy block rate. As with the Residential revenue adjustment
18 described above, the value of the SGS revenue adjustment is conservative because I
19 did not assume any block one usage during the winter when the energy rate is higher
20 than the second block. A more precise calculation would need to be discussed among
21 the parties to properly recognize block one usage during the winter months.

1 Q YOU MENTIONED PREVIOUSLY THAT YOUR USAGE OF 2019 AVERAGE USAGE
2 PER CUSTOMER IS “CONSERVATIVE.” PLEASE EXPLAIN.

3 A The 2019 average usage per customer is the lowest usage per customer dating back
4 to 2011 except for 2020 that I contend was significantly impacted by the pandemic. A
5 multi-year average from the years 2011 - 2019 would have produced a larger usage
6 per customer total than I proposed.

7 **Power Plant Maintenance**

8 Q DID YOU REVIEW THE POWER PLANT MAINTENANCE NORMALIZATION
9 ADJUSTMENT PROPOSED BY AMEREN MISSOURI AND DO YOU AGREE WITH
10 THE ADJUSTMENT?

11 A I reviewed the Ameren Missouri adjustment and I have concerns with the Rush Island
12 normalization amount proposed by Ameren Missouri.

13 Q PLEASE PROVIDE THE POWER PLANT NORMALIZATION ADJUSTMENT
14 PROPOSED BY AMEREN MISSOURI.

15 A Ameren Missouri proposes to normalize power plant maintenance expenses over a six-
16 year period. Ameren Missouri first takes an average of the power plant maintenance
17 expenses incurred during the six-year period (2015 - 2020). Ameren Missouri then
18 adjusts the test year level of expense to match the six-year average. It should be noted
19 that these power plant maintenance expenses are non-labor since Ameren Missouri
20 labor expenses are separately annualized for purposes of this case.

1 Q DID YOU REVIEW THE POWER PLANT MAINTENANCE EXPENSES FOR THE
2 SIX-YEAR PERIOD FOR EACH POWER PLANT?

3 A Yes. I reviewed the six years of historical power plant maintenance expenses for the
4 Sioux, Labadie and Rush Island power plants.

5 Q WHAT WAS YOUR CONCLUSION BASED ON THAT REVIEW?

6 A I support using the six-year averages for both the Sioux and Labadie plants. I do not
7 agree with the result of the six-year normalization total for the Rush Island plant.

8 Q PLEASE DESCRIBE YOUR CONCERNS WITH THE RUSH ISLAND PLANT
9 NORMALIZATION TOTAL.

10 A In reviewing the six-year totals, relied on by Ameren Missouri, I noticed that for Rush
11 Island the maintenance costs for 2018 was over double the amount of expenses for
12 2017 and 2019. I have prepared Table 13 which shows the historical power plant
13 maintenance expenses for Rush Island for the past seven years.

TABLE 13	
Rush Island Power Plant Maintenance Expenses	
Year	Amount
2014	\$6,272,646
2015	\$8,223,735
2016	\$8,554,690
2017	\$6,216,913
2018	\$13,609,231
2019	\$5,930,145
2020	\$5,943,162

1 From the expense list in Table 13, it is clear that the level of expenses incurred in 2018
2 does not reflect a normal level of maintenance expenses for Rush Island. As with other
3 ratemaking adjustments, it is appropriate to eliminate numbers that are abnormal or
4 significantly different from normal operations.

5 **Q WHAT DO YOU RECOMMEND FOR NORMALIZING THE MAINTENANCE**
6 **EXPENSES FOR RUSH ISLAND?**

7 A I recommend that a six-year average still be used to normalize the maintenance
8 expenses for Rush Island. However, I would drop the 2018 figure and replace it with
9 the 2014 figure. With this adjustment, the six-year average power plant maintenance
10 expense for Rush Island is \$6,856,885. This average would still represent an increase
11 of \$913,720 over the 2020 test year level of Rush Island maintenance expenses.

12 **Q WHAT IS THE IMPACT OF YOUR ADJUSTMENT TO AMEREN MISSOURI'S**
13 **REVENUE REQUIREMENT?**

14 A My adjusted power plant maintenance expense level would reduce Ameren Missouri's
15 revenue requirement by \$1.2 million.

16 **Storm Expense**

17 **Q PLEASE DESCRIBE AMEREN MISSOURI'S STORM ADJUSTMENT.**

18 A Ameren Missouri proposes to normalize storm expense by taking a five-year average
19 of storm costs.

1 Q DO YOU AGREE WITH AMEREN MISSOURI'S STORM EXPENSE ADJUSTMENT?

2 A I agree that storm expenses should be normalized. However, I would recommend that
3 the storm expense normalization period match that of the vegetation management
4 normalization period. In this case, Ameren Missouri has proposed to normalize
5 vegetation management expenses over three years. As I will explain, I believe that it
6 is appropriate to also normalize storm costs over the same three years.

7 Q PLEASE LIST THE HISTORIC COSTS OF STORMS.

8 A I have prepared Table 14 which shows the level of storm expenses by year.

AMMO Storm Expense by Year	
Year	Amount
2016	\$4,116,414
2017	\$4,239,797
2018	\$4,557,070
2019	\$2,867,881
2020	\$2,440,117
Five-Year Average	\$3,644,255
Three-Year Average	\$3,288,356

9 Q WHY DO YOU THINK IT IS APPROPRIATE TO ALIGN THE NORMALIZATION
10 PERIOD FOR STORMS WITH THE VEGETATION MANAGEMENT
11 NORMALIZATION PERIOD?

12 A I believe the vegetation management program is directly related to the amount of storm
13 damage incurred on Ameren Missouri's system. A robust vegetation management
14 program that clears lines from tree limbs reduces the likelihood of electric lines being
15 taken out of service during a storm. Therefore, there is clearly a linkage between

1 vegetation management and storm expense that justifies the use of the same
2 normalization period in this case.

3 **Q WHAT IS THE IMPACT OF YOUR ADJUSTMENT ON AMEREN MISSOURI'S**
4 **REVENUE REQUIREMENT?**

5 A My adjustment would lower Ameren Missouri's revenue requirement by approximately
6 \$356,000.

7 **Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

8 A Yes, it does.

Qualifications of Greg R. Meyer

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, MO 63017.

4 **Q PLEASE STATE YOUR OCCUPATION.**

5 A I am a consultant in the field of public utility regulation and a Principal with the firm of
6 Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

7 **Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

8 A I graduated from the University of Missouri in 1979 with a Bachelor of Science Degree
9 in Business Administration, with a major in Accounting. Subsequent to graduation I was
10 employed by the Missouri Public Service Commission. I was employed with the
11 Commission from July 1, 1979 until May 31, 2008.

12 I began my employment at the Missouri Public Service Commission as a Junior
13 Auditor. During my employment at the Commission, I was promoted to higher auditing
14 classifications. My final position at the Commission was an Auditor V, which I held for
15 approximately ten years.

16 As an Auditor V, I conducted audits and examinations of the accounts, books,
17 records and reports of jurisdictional utilities. I also aided in the planning of audits and
18 investigations, including staffing decisions, and in the development of staff positions in
19 which the Auditing Department was assigned. I served as Lead Auditor and/or Case
20 Supervisor as assigned. I assisted in the technical training of other auditors, which
21 included the preparation of auditors' workpapers, oral and written testimony.

Greg R. Meyer
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1 During my career at the Missouri Public Service Commission, I presented
2 testimony in numerous electric, gas, telephone and water and sewer rate cases. In
3 addition, I was involved in cases regarding service territory transfers. In the context of
4 those cases listed above, I presented testimony on all conventional ratemaking
5 principles related to a utility's revenue requirement. During the last three years of my
6 employment with the Commission, I was involved in developing transmission policy for
7 the Southwest Power Pool as a member of the Cost Allocation Working Group.

8 In June of 2008, I joined the firm of Brubaker & Associates, Inc. as a Consultant.
9 Since joining the firm, I have presented testimony and/or testified in the state
10 jurisdictions of Florida, Idaho, Illinois, Indiana, Iowa, Maryland, Missouri, New Mexico,
11 Utah, Washington, Wisconsin and Wyoming. I have also appeared and presented
12 testimony in Alberta and Nova Scotia, Canada. In addition, I have filed testimony at
13 the Federal Energy Regulatory Commission ("FERC"). These cases involved
14 addressing conventional ratemaking principles focusing on the utility's revenue
15 requirement. The firm Brubaker & Associates, Inc. provides consulting services in the
16 field of energy procurement and public utility regulation to many clients including
17 industrial and institutional customers, some utilities and, on occasion, state regulatory
18 agencies.

19 More specifically, we provide analysis of energy procurement options based on
20 consideration of prices and reliability as related to the needs of the client; prepare rate,
21 feasibility, economic, and cost of service studies relating to energy and utility services;
22 prepare depreciation and feasibility studies relating to utility service; assist in contract
23 negotiations for utility services, and provide technical support to legislative activities.

24 In addition to our main office in St. Louis, the firm has branch offices in Phoenix,
25 Arizona and Corpus Christi, Texas.

Greg R. Meyer
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