Exhibit No. 45

Ameren Missouri – Exhibit 45
Michael W. Harding
Rebuttal Testimony
File Nos. ER-2021-0240 & GR-2021-0241

Exhibit No.:	045
Issue(s):	Rate Design
Witness:	Michael W. Harding
Type of Exhibit:	Rebuttal Testimony
Sponsoring Party:	Union Electric Company
File No.:	ER-2021-0240
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MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ER-2019-0240

REBUTTAL TESTIMONY

OF

MICHAEL W. HARDING

ON

BEHALF OF

UNION ELECTRIC COMPANY

D/B/A AMEREN MISSOURI

St. Louis, Missouri
October 15, 2021

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REBUTTAL TESTIMONY

OF

MICHAEL W. HARDING

FILE NO. ER-2021-0240

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Michael W. Harding and my business address is One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.

Q. By whom and in what capacity are you employed?

A. I am the Manager of Rates and Analysis for Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company").

Q. Are you the same Michael W. Harding that submitted direct testimony in this case?

A. Yes, I am.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your rate design rebuttal testimony in this proceeding?

A. The purpose of my rebuttal testimony is to address:

1) The various class revenue allocation recommendations presented by Missouri Public Service Commission Staff ("Staff"), the Missouri Industrial Energy Consumers ("MIEC"), and the Midwest Energy Consumers Group ("MECG");

2) Rate design proposals from Staff and MECG; and

3) Combination bill formatting changes proposed by the Office of Public Counsel ("OPC").

III. CLASS REVENUE ALLOCATIONS

Q. Please summarize the proposed revenue increase allocations.

A. Ameren Missouri's Recommendation:

As presented in direct testimony, the Company has proposed a two-step process similar to what the Commission approved in Ameren Missouri's last rate case: first, increase/decrease the current base retail revenue on a revenue-neutral basis to various classes of customers, including within the Lighting class; and next, determine the amount of revenue increase/decrease and allocate to customer classes as an equal percent of current base revenues.

Staff's Recommendation:

Staff recommends an increase in the Company's revenue requirement of approximately 8.88% allocated to all classes on an equal percentage basis, relative to current tariff rates.[1]

MIEC's Recommendation:

MIEC recommends a revenue-neutral revenue allocation adjustment that would move each class 50% toward the class' total recommended adjustment based on an equal rate of return under its class cost of service study ("CCOSS") before applying the remaining required increase on an equal percentage basis across the classes.

[1] Case No. ER-2021-0240, Staff CCOS Report, p. 48, l. 21.

MECG's Recommendation:

At the Company's proposed revenue requirement, MECG recommends an equal percentage increase to all classes. If the Commission were to award a revenue requirement increase lower than that proposed by the Company, MEGC recommends the Commission allocate the revenue requirement by applying half the difference between the approved revenue requirement and the Company's proposed revenue requirement as a reduction to SGS, LGS, SP, LPS, and Company-Owned Lighting based on the proportional contribution of each class to the overall revenue neutral shift to cost of service from the Company's proposed CCOSS; and apply the remaining half of this same difference on an equal percentage basis to all customer classes.

Q. What is the Company's recommendation after reviewing the positions submitted by others?

A. I continue to recommend the Commission to approve the Company's proposed two-step process. The Company's proposal is consistent with prior Commission orders and Commission-approved stipulations. Should the Commission approve a rate increase less than what was proposed by the Company in direct testimony, then I recommend that the Commission approve the Company's proposed revenue shifts to better align rates between the two lighting service offerings. Additionally, the Company does not oppose the general direction of the proposed revenue neutral shifts proposed by MIEC and MECG should the Commission decide to order these adjustments in this case.

IV. RATE DESIGN

Q. Please summarize the rate design recommendations made in this case to existing rates.

A. Staff's Recommendation:

With a few exceptions noted below, Staff has recommended that all charges for service on each rate class be increased by an equal percentage increase to recover the revenue requirement ordered for that customer class. Staff's exceptions are as follows:

1. The LPS class customer charge should be increased to approximately $515;[2]
2. Non-residential customers that receive AMI metering equipment should participate in Rider I on a non-optional basis, which incorporates a time-of-use element to customers' billing;[3,4] and,
3. Staff alleges adjustments listed under Rider C are not consistent with loss factors provided by Ameren Missouri in this case.[5]

MECG's Recommendation:

Concerning the LGS and SPS classes, MECG accepts Ameren Missouri's proposed customer charges, TOU adjustments, Rider B credits and reactive charges. MECG recommends increasing the summer and winter demand charges for both LGS and SPS by three times the percent class increases with the remaining proposed class increases being applied on an equal percentage basis to the summer and winter energy charges. In other words, MECG seeks to shift a large portion to the LGS and SPS demand charges.

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[2] File No. ER-2021-0240, Staff CCOS Report, p.49, ll. 8-10.
[3] File No. ER-2021-0240, Staff CCOS Report, p. 4, ll. 1-3.
[4] Company witness Steven Wills opposes Staff's Rider B credits discontinuation recommendation in his concurrently filed rebuttal testimony.
[5] File No. ER-2021-0240, Staff CCOS Report, p. 55, ll. 1-2.

Q. What is the Company's position concerning Staff's request to require non-residential customers that receive AMI metering equipment to participate in Rider I?

A. The Company agrees and is already automatically applying Rider I to customers' bills once they have AMI equipment installed and metering their usage. This ensures customers automatically receive any benefit provided by Rider I without the requirement to opt-in.

Q. How does the Company respond to Staff's allegations that Rider C is not consistent with the Loss Factors provided in this case?

A. They are not the same, and comparison of them is not appropriate. The adjustments provided under Rider C simply adjust for the placement of a meter relative to the service point due to losses associated with transformation and is not derived from the system loss study. The power flow model employed by Ameren Missouri engineers to inform the system loss study and determine system losses at the time of peak demand is a much more holistic approach that considers a multitude of complexities on the system. To put another way, the Rider C adjustment is a tiny subset of losses included in the system loss study, and these are not separately identified, which provides no way to make a useful comparison between the loss study and the Rider C adjustment percentage.

Q. What does Ameren Missouri recommend to the Commission concerning Staff's and MECG's other rate design proposals?

A. The Company recommends the Commission approve the Company's proposed rate design as presented in its direct testimony; however, the Company does not oppose Staff's recommended increase of the LPS class customer charge increase, which would move such charge closer in line with the Company's CCOSS results.

V. COMBINATION BILL FORMATTING

Q. Please summarize the billing presentation changes that OPC is requesting.

A. OPC witness Lena Mantle has requested that combined gas and electric customer bills have the usages and totals for each service separated on the bill.[6]

Q. Does Ameren object to this proposal?

A. No, the request is reasonable. However, the Company would still need to determine the resources required to reprogram the billing presentation, vet test bills, and determine the timeframe for completion. As such, the Company may need additional time to implement any changes ordered by the Commission as to the combining of gas and electric bills beyond the effective date of rates, at the conclusion of this case.

Q. Does this conclude your rate design rebuttal testimony?

A. Yes, it does.

[6] ER-2021-0240, Direct Testimony of Lena Mantle, on behalf of OPC, p. 3, ll. 10-18.

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	**)**	Case No. ER-2021-0240
Its Revenues for Electric Service.	**)**	

AFFIDAVIT OF MICHAEL W. HARDING

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

Michael W. Harding, being first duly sworn on his oath, states:

My name is Michael W. Harding, and on his oath declare that he is of sound mind and lawful age; that he has prepared the foregoing *Rebuttal Testimony*; and further, under the penalty of perjury, that the same is true and correct to the best of my knowledge and belief.

/s/ Michael W. Harding
Michael W. Harding

Sworn to me this 15th day of October, 2021.