

# Exhibit No. 101P

Staff – Exhibit 101P  
Jane C. Dhority  
Rebuttal Testimony  
File No. EA-2022-0245

*Exhibit No.:*  
*Issue(s):* *Plant-In-Service  
Accounting,  
Recordkeeping Issues,  
Revenue Tracker*  
*Witness:* *Jane C. Dhority*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Rebuttal Testimony*  
*Case No.:* *EA-2022-0245*  
*Date Testimony Prepared:* *December 21, 2022*

**MISSOURI PUBLIC SERVICE COMMISSION**

**FINANCIAL & BUSINESS ANALYSIS DIVISION**

**AUDITING DEPARTMENT**

**REBUTTAL TESTIMONY**

**OF**

**JANE C. DHORITY**

**UNION ELECTRIC COMPANY,  
d/b/a Ameren Missouri**

**CASE NO. EA-2022-0245**

*Jefferson City, Missouri  
December 2022*

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REBUTTAL TESTIMONY**

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**UNION ELECTRIC COMPANY,  
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**CASE NO. EA-2022-0245**

**REVENUE TRACKER.....2**

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**RECORDKEEPING ISSUES.....5**



1 Q. What is Staff's overall position regarding the Boomtown Solar Facility?

2 A. As discussed in various Staff witnesses' rebuttal testimony, Staff is opposing  
3 the granting of a CCN for the Boomtown Solar Project and the associated Renewable  
4 Solutions Program.

5 Q. If Staff is opposed to Ameren Missouri's proposal, why is Staff proposing  
6 certain recommendations regarding revenue tracking, PISA, and record keeping associated with  
7 the Project and Program?

8 A. In the event the Commission should order Ameren Missouri to go forward with  
9 the Boomtown Project and/or the Renewable Solutions Program, Staff would like certain  
10 accounting of the revenue, expense and investment related to both items for the ability to  
11 analyze them in future rate proceedings.

12 **REVENUE TRACKER**

13 Q. Please explain the Company's request for a tracking mechanism as part of  
14 this case.

15 A. Ameren Missouri witness Steven M. Wills discusses on page 20 lines 13-23 and  
16 page 21 lines 1-5 the Company's request for a tracking mechanism to track all Program  
17 revenues (based on the net bill of subscribers, reflecting both charges and credits) so that the  
18 revenues can be reflected in base rates in future rate cases in order to ensure that all benefits of  
19 the Program accrue to all customers in order to assist with rate affordability. Otherwise the  
20 revenues associated with the Program would be subject to regulatory lag and annualized as  
21 other cost of service revenues are rather than all Program revenues being recognized through  
22 an amortization.

1 Q. Please explain how the tracking mechanism would work in this case.

2 A. As described in the response to Staff Data Request 83 in this case,  
3 Ameren Missouri has proposed that “all net subscriber revenues of the Program, including those  
4 resulting from the Renewable Resource Charge, the Renewable Resource Credit, and any  
5 termination fees, would be compared to any base amount of net Program revenues that were  
6 reflected in the revenue requirement used to set base retail rates in the most recent rate review.  
7 At the Program outset until the first rate review that incorporates any Program impacts directly  
8 in the revenue requirement, the base amount for the comparison would be zero. The difference  
9 between the actual net revenues and the base net revenues included in the revenue requirement  
10 of the most recent rate review would be deferred in the month realized to a regulatory liability  
11 or asset as appropriate. In the case of a regulatory liability, deferred amounts would be booked  
12 to account 254. Any regulatory asset would be booked to account 182. In each rate review  
13 where there was a regulatory liability or asset balance, an amortization of that amount would  
14 be included in the revenue requirement, and the asset or liability balance would be reflected in  
15 rate base. The Company has not proposed an amortization period at this time, but a reasonable  
16 amortization period would be selected in each rate review, likely between 2 and 5 years, based  
17 on the size of the regulatory liability/asset that existed at that time. The tracker would operate  
18 for the life of the Program and until there was no remaining base amount of net Program  
19 revenues reflected in the revenue requirement underlying then-current base rates, and the full  
20 regulatory liability/asset balance had been amortized or rolled into another regulatory deferral.”

21 Q. Does Staff agree with Ameren Missouri’s proposed revenue tracking mechanism  
22 in the event that the Commission would order the Company to proceed with the Boomtown  
23 Solar Facility and Renewable Solutions Program?

1           A.     In the event that the Commission would order Ameren Missouri to proceed  
2 with the Project and Program, Staff is not opposed to the Company implementing a  
3 revenue tracking mechanism. However, any ratemaking associated with the tracking  
4 mechanism should be deferred to Ameren Missouri's next general rate case and all parties will  
5 be free to propose its own positions regarding inclusion and amortization of the tracker in the  
6 cost of service at that time.

7     **PLANT-IN-SERVICE ACCOUNTING (PISA)**

8           Q.     What is plant-in-service ("PISA") accounting?

9           A.     On June 1, 2018, Senate Bill 564 was signed into law, which allowed  
10 investor owned utilities in the State of Missouri the option of deferring 85% of all  
11 depreciation expense and return associated with qualifying electric plant that was recorded to  
12 plant-in-service as a regulatory asset on or after the date the utility elects the PISA option.  
13 Qualifying plant for the purposes of the PISA deferral are all rate base additions that are  
14 not new nuclear, coal, or gas-fired generation or investment for new services. During a general  
15 rate case after the PISA election, the regulatory asset must be amortized over twenty years  
16 and the unamortized balance is included in rate base and allowed a return. Any utility that  
17 elects the PISA deferral must file every year a five-year capital investment plan with  
18 the Commission on February 28th with specific capital investment detailed within the plan.  
19 Additionally, in the years after filing the first capital investment plan, the utility must submit  
20 an annual report detailing the actual capital investment from the prior year.

21           Q.     Does Ameren Missouri intend to utilize plant-in-service accounting for the  
22 Boomtown Project?

1           A.     Yes. According to Ameren Missouri's response to Staff Data Request 92, the  
2 Company intends to apply Plant in Service Accounting to the investment in the Boomtown solar  
3 facility. Since the Project is not required for Renewable Energy Standard (RES) compliance,  
4 no costs or revenues of the Project will be included in the Renewable Energy Standard Rate  
5 Adjustment Mechanism (RESRAM).

6           Q.     Does Staff agree with Ameren Missouri that the costs of the Boomtown Project  
7 should be included in PISA?

8           A.     Staff is not proposing any ratemaking recommendation as part of this Certificate  
9 of Convenience and Necessity (CCN) filing. However, it is Staff's understanding from meeting  
10 with Company personnel, as well as responses to Staff data requests, that the Program revenue  
11 is currently designed to fully offset all Program expenses and investment related costs for the  
12 life of the Program. Staff will address the appropriateness of any cost recovery for the revenue,  
13 expense, and investment related to the Boomtown Project and Renewable Solutions Program  
14 as part of Ameren Missouri's next rate proceeding.

15           However any future ratemaking adjustments are dependent on the Commission's  
16 determination regarding the Project and Program in this current CCN proceeding.

17 **RECORDKEEPING ISSUES**

18           Q.     Has Ameren Missouri provided Staff information on what FERC accounts it  
19 intends to record aspects of the revenue, expense and investment for the Boomtown Project and  
20 the Renewable Solutions Program?



1           A.     Yes. Based upon data request responses and discussions with Company  
2 personnel, Ameren Missouri intends to record the Boomtown Solar Project capital costs into  
3 the following accounts:

<b>FERC Account</b>	<b>Account Description</b>
340	Land and Land Rights
341	Structures and Improvements
344	Solar Generation
345	Accessory Electric Equipment

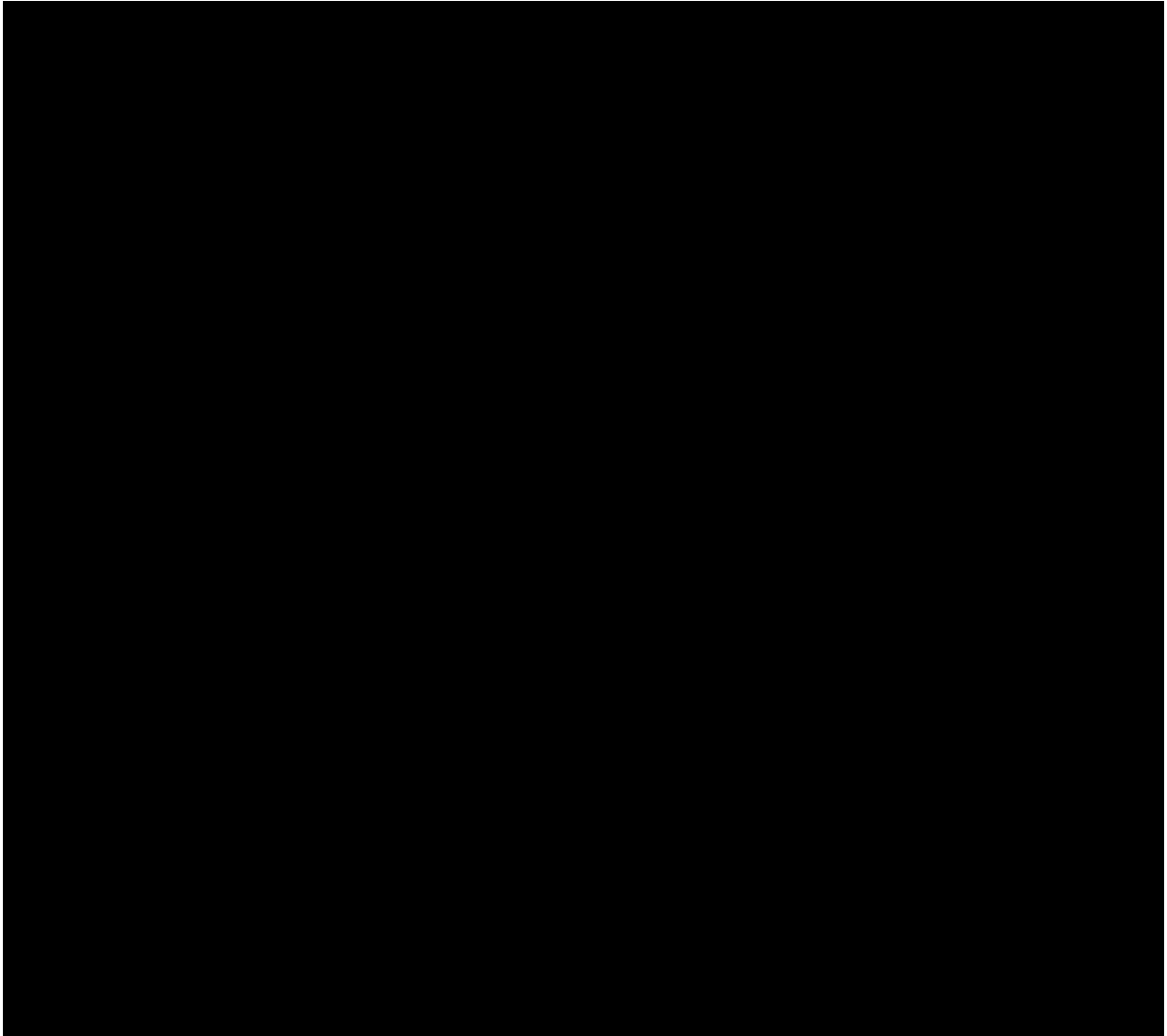
4 Inventory that is associated with the Project and any customer deposits that may be found to be  
5 necessary during the Program customer vetting process will be recorded in rate base with any  
6 expense related to customer deposits recorded in FERC account 903.

7           The Company also intends to record the Program revenues (and netted credits) to  
8 the operating revenue accounts depending upon the rate class that is participating in the RSP.  
9 The rate classes that are included in the RSP are 3M (Large General Service), 4M (Small  
10 Primary Service), and 11M (Large Primary Service). Rate classes 1M (Residential) and 2M  
11 (Small General Service) can only participate in this Program if they are an affiliate to a 3M,  
12 4M, or 11M customer. The Program termination fees will be recorded in FERC account 451,  
13 Miscellaneous Service Revenues.

14           The expenses related to the asset will be recorded in the following accounts as described  
15 below:

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3 The chart above does not take into account any capacity revenue and expense, transmission  
4 expense (there is no transmission revenue due to the location of the Project) or purchased power  
5 and energy sales. These items will be recorded in FERC accounts 447, 555, and 565 with  
6 standard fuel adjustment clause (FAC) 95/5 sharing and ratemaking recovery treatment. In  
7 addition, any income tax impacts will be recorded within FERC accounts 409 and 410.

1 Q. Does Staff have a recommendation regarding the manner in which Ameren  
2 Missouri is to account for the Boomtown Solar Generation Facility and the Renewable  
3 Solutions Program in its books and records?

4 A. Yes. Staff recommends that Ameren Missouri specifically delineate within each  
5 FERC account with unique general ledger coding and/or record into sub-accounts, all revenues,  
6 investments, and expenses associated with the Boomtown Solar Project, as well as the  
7 Renewable Solutions Program. These items should also be separated by labor and non-labor.  
8 This separation within the FERC major accounts is necessary in order for Staff to analyze and  
9 propose ratemaking treatment for this Project and Program in future rate cases. Since Ameren  
10 Missouri is requesting a tracking mechanism for Program revenue, the revenue related to the  
11 RSP will need to be removed from ongoing operating revenue accounts prior to the  
12 annualization of operating revenue in a future rate case, as the RSP revenue and other operating  
13 revenue will be recorded into the same FERC account.

14 The specific delineation of the Project and Program should also include a reasonable  
15 allocation of all items related to the Project and Program in which the amount cannot be directly  
16 determined to be directly attributable to the Project or Program such as property taxes,  
17 insurance, or income taxes and income tax credits, though this list may not be all inclusive. The  
18 unique general ledger recording for these items is to be available for Staff's review during future  
19 Ameren Missouri general rate cases.

20 Q. Does this conclude your rebuttal testimony?

21 A. Yes it does.



## Jane C. Dhority

### Present Position:

I am a Senior Utility Regulatory Auditor, Auditing Department, Financial & Business Analysis Division of the Missouri Public Service Commission. As a Senior Utility Regulatory Auditor, I assist in research and analysis of the financial aspects of public utility operations.

### Educational Credentials and Work Experience:

I received a Bachelor of Science in Accounting from the University of Missouri - St. Louis in December 2018. I have been employed by the Missouri Public Service Commission since April 2019. Prior to joining the Commission, I worked in several positions for Jimmy's Café on the Park from 2011 to 2016. I was also employed by Hilton St. Louis Downtown as a bartender from 2009 to 2011. From 2007 to 2009 I was employed as a bartender and manager for Square One Brewery.

### Past Rate Case Proceedings:

<u>Company Name</u>	<u>Case No.</u>	<u>Issue(s)</u>
Ameren UE (ELEC)	EO-2019-0391	Asset Sale
Ameren UE (ELEC)	ER-2019-0335	Plant in Service, Depreciation Reserve, Other Rate Base Items, Interest on Customer Deposits, Capitalized O&M Depreciation, PSC Assessment, Advertising
Ameren UE (ELEC)	ER-2021-0240	Advertising, Promotional Giveaways, Rents & Leases, Lobbying, Dues & Donations, Miscellaneous Expense, Expense Reports, Capitalized O&M Depreciation, Cash Working Capital, Board of Directors Fees, Customer Convenience Fees

<u>Company Name</u>	<u>Case No.</u>	<u>Issue(s)</u>
Ameren UE (GAS)	GR-2021-0241	Advertising, Promotional Giveaways, Rents & Leases, Lobbying, Dues & Donations, Miscellaneous Expense, Expense Reports, Capitalized O&M Depreciation, Cash Working Capital, Board of Directors Fees, Customer Convenience Fees
Liberty MNG (Gas)	GT-2022-0118	ISRS Filing
Spire Missouri Inc. (Gas)	GR-2022-0179	Payroll, Payroll Taxes, Overtime, Employee Benefits, Pensions & OPEBs, SERP, Rate Case Expense, External Audit/Overhead Study Fees