

Exhibit No. 417

Exhibit No.:

417

Issue(s):

DCA/Customer Bills

Witness/Type of Exhibit:

Mantle/Surrebuttal

Sponsoring Party:

Public Counsel

Case No.:

GR-2021-0241

SURREBUTTAL TESTIMONY

OF

LENA M. MANTLE

Submitted on Behalf of the Office of the Public Counsel

**UNION ELECTRIC COMPANY
D/B/A AMEREN MISSOURI**

FILE NO. GR-2021-0241

November 5, 2021

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SURREBUTTAL TESTIMONY

OF

LENA M. MANTLE, P.E.

UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

CASE NO. GR-2021-0241

1 **Q. What is your name?**

2 A. Lena M. Mantle.

3 **Q. Are you the same Lena M. Mantle who provided both direct and rebuttal**
4 **testimony in this case?**

5 A. Yes, I am.

6 **Q. What is the purpose of your surrebuttal testimony?**

7 A. In this testimony I provide a respond to Ameren Missouri witness Michael W.
8 Harding regarding providing bills to Ameren Missouri's combination electric and
9 gas service customers showing the total cost of each service separately on their
10 bills.

11 I also respond to Mr. Harding's rebuttal testimony regarding Ameren
12 Missouri's request for continued usage of its Delivery Charge Adjustment
13 ("DCA") rider.

14 **Q. What recommendations do you make in this testimony?**

15 A. I recommend the Commission order Ameren Missouri to provide, by its June
16 billing month, customer bills with the total cost of electric and gas service stated
17 separately on the bill to its combination electric and gas customers.

18 I also recommend the Commission reject Ameren Missouri's request for
19 the continuation of its DCA and not approve any other mechanism for Ameren
20 Missouri.

1 **Combination Bill Formatting**

2 **Q. What was Ameren Missouri's response to your recommendation that**
3 **combined gas and electric customer bills have the totals for each service**
4 **shown separately on customers' bills?**

5 A. Ameren Missouri witness Michael W. Harding provided rebuttal testimony in
6 both this case and Ameren Missouri's electric rate case, ER-2021-0240, stating
7 that the request was reasonable but that it would take some time for Ameren
8 Missouri to implement. He provided no date by which Ameren Missouri would
9 commit to providing bills for combination customers that showed the cost of their
10 electric service separate from gas service. He only stated that Ameren Missouri
11 may need time past the end of this rate case.¹

12 **Q. What date do you recommend the Commission require the change to be**
13 **complete?**

14 A. Given that Ameren Missouri does not need a Commission order to implement this
15 change, I recommend the Commission require Ameren Missouri to issue bills by
16 at least its June 2022 billing cycles for its combination gas and electric customers
17 with the total cost of the electric service separate from the gas service.

18 **The Delivery Cost Adjustment Rider Charge Should Be Discontinued**

19 **Q. Would you summarize Mr. Harding's response to your recommendation that**
20 **the DCA rider be discontinued?**

21 A. Mr. Harding's rationale for continuation of the DCA rider is basically that the
22 DCA is not full decoupling and is allowed by Section 386.266. He then justifies
23 the use of the DCA because the mechanism before the DCA was confusing to the

¹ ER-2021-0240 Rebuttal testimony of Michael W. Harding, page 6; GR-2021-0241 Rebuttal testimony of Michael W. Harding, page 8.

1 customers. Mr. Harding labels this mechanism the “less customer-friendly split
2 block rate design.”²

3 **Q. What has occurred since the filing of Mr. Harding’s rebuttal testimony that
4 impacts the DCA?**

5 A. On October 27, 2021 the Commission, in its Report and Order in the Spire, Inc.
6 (“Spire”) rate case GR-2021-0108,³ rejected the request of Spire, Inc. for a partial
7 decoupling mechanism modeled off of Ameren Missouri’s DCA rider. It found
8 that Spire’s proposed rate normalization adjustment (“RNA”) rider “would
9 essentially decouple the revenues received from the residential and SGS
10 customers from their usage thus removing almost all of the risk from the
11 Company and placing that risk on customers.”⁴ The Commission also stated that
12 Spire’s proposed RNA did “not directly address either conservation or weather. It
13 only addresse[d] the difference between rate case revenue requirement and the
14 revenue actually collected.”⁵ In its decision in that case, the Commission found
15 that Spire’s proposal was not authorized by statute and could not be authorized by
16 the Commission.⁶

17 **Q. Is Mr. Harding correct that your logic of comparing Spire’s request with
18 Ameren Missouri’s DCA rider was faulty?**

19 A. No. From the description in his rebuttal testimony,⁷ it seems that Mr. Harding
20 was looking at the mechanism that Spire filed in its previous cases,⁸ not the most
21 recent case GR-2021-0108. In case GR-2021-0108, Spire was not asking for a

² Page 8.

³ *In the Matter of Spire Missouri Inc.’s d/b/a Spire Request for Authority to Implement a General Rate Increase for Natural Gas Service Provided in the Company’s Missouri Service Areas.*

⁴ *Report and Order*, Finding of Fact 25, page 15.

⁵ *Id.*, Finding of Fact 31, page 16.

⁶ *Id.*, Decision Regarding WNAR and Two Proposed RNAs – Issue 30, page 19.

⁷ Page 3.

⁸ Case Nos. GR-2017-0215 and GR-2017-0216.

1 mechanism that compared average customer use to actual customer use. In fact,
2 Spire justified its proposed RNA mechanism in GR-2021-01078 with testimony
3 that its proposed mechanism was a “nearly identical mechanism” to the DCA.⁹

4 **Q. Mr. Harding proposes alternative mechanisms if the Commission**
5 **discontinues the DCA.¹⁰ What is your response to his proposals?**

6 A. There is no support in this case for the weather and conservation mechanism
7 alternative proposed by Mr. Harding. His only support for this mechanism
8 provided in this case is a reference to testimony in a past case in a footnote in Mr.
9 Harding’s rebuttal testimony.¹¹ There is no testimony as to why this is an
10 appropriate mechanism, or how it should be implemented in this case.

11 As for the other alternative mechanism that Mr. Harding labeled “the less
12 customer-friendly split block rate design,” Mr. Harding provided rebuttal
13 testimony about the problems with this mechanism¹² with the only solution being
14 the implementation of the DCA that the Commission found unlawful in the Spire
15 case.

16 **Q. Should the Commission approve any alternative mechanism if it discontinues**
17 **the DCA?**

18 A. No.

19 **Q. Why not?**

20 A. As I testified to in my direct testimony, the Commission should not approve a
21 mechanism for Ameren Missouri because Ameren Missouri did not provide
22 testimony on why the Commission should allow the DCA or any mechanism to
23 continue. In its rebuttal testimony, Mr. Harding did not provide testimony on why

⁹ GR-2021-0108, Direct Testimony of Spire, Inc. witness Wesley E. Selinger, page 30.

¹⁰ Rebuttal testimony, page 8.

¹¹ Footnote 6.

¹² Rebuttal testimony, pages 6-7.

1 the DCA should continue rather he filed testimony that Ameren Missouri did not
2 have to provide a justification because a justification was not required for
3 continuation under statute.

4 **Q. Do you agree with Mr. Harding?**

5 A. While I am not an attorney, I agree with Mr. Harding that the statute does not
6 require Ameren Missouri to request continuation of a mechanism that accounts for
7 fluctuations in weather, conservation, or both. However, that does not mean that
8 it is wise to not provide justification. Section 386.266.4 does state that the
9 Commission has the power to approve, modify, or reject such mechanisms.
10 Absent justification for continuation, it is easier to reject mechanisms. In this case
11 Ameren Missouri provided no testimony that the Commission should approve or
12 modify a mechanism in general; only that it should continue the current DCA.

13 **Q. What is your recommendation regarding the DCA?**

14 A. I recommend the Commission discontinue the DCA because it, like the RNA
15 proposed by Spire constitutes decoupling and decoupling is not authorized by
16 statute and cannot be authorized by the Commission.

17 Further, the Commission should not authorize any other mechanism
18 because Ameren Missouri has not shown that it needs a mechanism and the record
19 in this case does not provide support for any other mechanism.

20 **Q. Does this conclude your surrebuttal testimony?**

21 A. Yes, it does.