

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION
3
4 TRANSCRIPT OF PROCEEDINGS
5
6 On-the-Record Proceeding
7
8 March 2, 2017
9 Jefferson City, Missouri
10 Volume 15
11
12 In the Matter of Union Electric)
13 Company d/b/a Ameren Missouri's) Case No. ER-2016-0179
14 Tariffs to Increase its Revenues)
15 for Electric Service.)
16
17 JUDGE MORRIS WOODRUFF, presiding
18 CHIEF REGULATORY LAW JUDGE
19
20 COMMISSIONERS PRESENT:
21 Daniel Y. Hall, Chairman,
22 William P. Kenney (via telephone),
23 Scott T. Rupp,
24 COMMISSIONERS
25
26 REPORTED BY:
27 Monnie S. Mealy, CCR, CSR, RPR
28 Midwest Litigation Services
29 3432 W. Truman Boulevard, Suite 207
30 Jefferson City, MO 65109
31 (573) 636-7551

1 A P P E A R A N C E S
2 For Staff of the Missouri Public Service Commission:
3 Ms. Jamie S. Myers
4 Public Service Commission
5 200 Madison Street
6 P.O. Box 360
7 Jefferson City, MO 65102
8 (573) 526-6036
9
10 For Office of Public Counsel:
11 Mr. Marc Poston
12 Office of Public Counsel
13 200 Madison Street
14 P.O. Box 2230
15 Jefferson City, MO 65102
16 (573) 751-5558
17
18 For Union Electric Company d/b/a Ameren Missouri:
19 Mr. James L. Lowery
20 Smith Lewis, LLC
21 P.O. Box 918
22 111 S. Ninth Street, Suite 200
23 Columbia, MO 65201
24 (573) 442-3141
25 Ms. Wendy Tatro
 Attorney at Law
 1901 Chouteau Avenue
 St. Louis, MO 63103
 (314) 554-2237
26 For MEGC:
27 Mr. David Woodsmall
28 Attorney at Law
29 308 E. High Street, Suite 204
30 Jefferson City, MO 65101
31 (573) 797-0005
32
33
34
35

1 A P P E A R A N C E S (CONTINUED)

2

For MIEC:

3

Mr. Lewis Mills
Attorney at Law
221 Bolivar, Suite 101
Jefferson City, MO 65101

6

For Consumers Council of Missouri:

7

Mr. John Coffman
Attorney at Law
871 Tuxedo Boulevard
St. Louis, MO 63119
(573) 424-6779

10

11 For Division of Energy:

12

Mr. Brian Bear
Missouri Division of Energy
301 W. High Street, Room 680
Jefferson City, MO 65102
(573) 526-2423

13

14

15

For NRDC and Sierra Club:

16

Mr. Henry Robertson
Great Rivers Environmental Law Center
705 Olive Street, Suite 614
St. Louis, MO 63101
(314) 231-4181

17

18

19

20 For Renew Missouri:

21

Mr. David Cohen
Renew Missouri
1200 Rogers Street, Suite B
Columbia, MO 65203

22

23

24

25

1 P R O C E E D I N G S

2 JUDGE WOODRUFF: Good morning. Come to
3 order, please. We're here for an on-the-record
4 presentation regarding the Stipulation and
5 Agreement that has been filed in this case, which
6 is the matter of Ameren Missouri's request for a
7 rate increase. It's ER-2016-0179.

8 We'll begin today by taking entries of
9 appearance, and then we'll just go into questions
10 from Commissioners. So for entries for Ameren?

11 MS. TATRO: Wendy Tatro, 901 Chouteau
12 Avenue, St. Louis, Missouri, 63109.

13 MR. LOWERY: Jim Lowery, Smith Lewis, LLP,
14 P.O. Box 918, Columbia, Missouri, 65205, for Ameren
15 Missouri.

16 JUDGE WOODRUFF: Thank you. And for the
17 Staff?

18 MS. MYERS: For the Staff of Missouri
19 Public Service Commission, Jamie Myers, and my
20 information has been given to the court reporter.

21 JUDGE WOODRUFF: And for Public Counsel?

22 MR. POSTON: Marc Poston, Office of the
23 Public Counsel.

24 JUDGE WOODRUFF: For the Division of
25 Energy?

1 MR. BEAR: Brian Bear on behalf of the
2 Division of Energy. My contact information was
3 given to the reporter previously.

4 JUDGE WOODRUFF: For MECG?

5 MR. WOODSMALL: David Woodsmall on behalf
6 MECG.

7 JUDGE WOODRUFF: For MIEC?

8 MR. MILLS: Lewis Mills, 221 Bolivar,
9 Suite 101, Jefferson City, Missouri, appearing on
10 behalf of the MIEC.

11 JUDGE WOODRUFF: For Brightergy, Andy
12 Zellers sent me an e-mail this morning saying he
13 would not be here, so he was excused from
14 appearing. For Consumers Counsel?

15 MR. COFFMAN: On behalf of the Consumers
16 Council of Missouri, John B. Coffman.

17 JUDGE WOODRUFF: For NRDC?

18 MR. ROBERTSON: For NRDC and Sierra Club,
19 Henry Robertson, Great Rivers Environmental Law
20 Center, 319 N. 4th Street, Suite 800, St. Louis,
21 Missouri, 63102.

22 JUDGE WOODRUFF: And for Renew Missouri?

23 MR. COHEN: For Renew Missouri, David
24 Cohen, 1200 Rogers Street, Suite B, Columbia
25 Missouri, 65203.

1 JUDGE WOODRUFF: And I believe that's all
2 of the parties. And we are here to discuss the --
3 the Unanimous Stipulation and Agreement that was
4 filed by all the parties. And I'll start with
5 Commission -- Chairman Hall, any questions?

6 CHAIRMAN HALL: Good morning. I've got a
7 series of questions starting with revenue
8 requirement and then going into FAC and then going
9 into rate design.

10 So I think what I'll do is I'll -- I'll
11 ask my questions related to revenue requirement and
12 then see what other questions other Commissioners
13 -- is -- is Commissioner Kenney on the line?

14 JUDGE WOODRUFF: Commissioner Kenney is on
15 the line.

16 CHAIRMAN HALL: Okay. Any other
17 Commissioners?

18 JUDGE WOODRUFF: No.

19 CHAIRMAN HALL: Okay. So the settlement
20 includes a \$92 million increase to the revenue
21 requirement. What -- what was the revenue
22 requirement increase that the company sought?

23 MR. LOWERY: The initial filing sought an
24 increase of 206 million.

25 CHAIRMAN HALL: And what was Staff's

1 position on that?

2 MS. MYERS: Staff believed 52 million
3 revenue requirement at direct filing.

4 CHAIRMAN HALL: Is there a document
5 somewhere that -- that includes -- I mean, I was --
6 I was looking for a reconciliation. And maybe this
7 case settled before that was filed so there -- that
8 -- that does not exist; isn't that correct?

9 MR. LOWERY: That's right.

10 CHAIRMAN HALL: Okay. So -- so there's
11 not a document somewhere that -- that will answer
12 all of these types of questions? I'm going to have
13 do it this way; is that correct? Which is fine. I
14 don't want to -- okay.

15 And, OPC, your position on revenue
16 requirement increase?

17 MR. POSTON: I'm not aware that we had a
18 total position on total revenue requirement.

19 CHAIRMAN HALL: Okay. All right. Did any
20 other position -- any other -- any other party have
21 a position on that? Mr. Woodsmall?

22 MR. WOODSMALL: The only issue that we
23 filed testimony on was on ROE. So our ROE
24 unusually was higher than Staff's but still below
25 the company's. 9.2 was the mid point.

1 CHAIRMAN HALL: For -- for your ROE?

2 MR. WOODSMALL: Right. Any other -- any
3 other company? All right. Any other party?

4 MR. MILLS: MIEC didn't develop revenue
5 requirement in the case.

6 CHAIRMAN HALL: Okay. Let's turn to --
7 turn to ROE. What was the -- what was the
8 company's position on ROE?

9 MR. LOWERY: Our position was 9.9.

10 CHAIRMAN HALL: MECG at 9.2. Staff?

11 MS. MYERS: Staff was 8.75.

12 CHAIRMAN HALL: Any other party?

13 MR. WOODSMALL: 9.2 for Gorman.

14 MR. MILLS: That's -- Gorman testified for
15 both MIEC and MECG, so we had the same position.

16 CHAIRMAN HALL: Okay. The settlement is
17 silent on ROE. Is there any -- I mean, is there
18 any information that any party could give me to
19 give me any more information about what type of ROE
20 is involved in this settlement other than it's
21 somewhere between 8.75 and 9.9?

22 MR. LOWERY: I -- I don't really think
23 that there is. I mean, how -- how various parties
24 got to their number, you know, would vary among the
25 parties. So, you know, I -- I don't really think

1 you can -- you can say what the ROE is, per se.

2 MR. WOODSMALL: And from a consumers
3 standpoint, this case was somewhat unusual because
4 at the same time we were negotiating developing
5 this settlement, we were very cognizant of the fact
6 that we had a KCP&L case on the current track.

7 So we -- in my mind, when we were
8 negotiating, we never moved off of Gorman's 9.2
9 mid-point ROE.

10 CHAIRMAN HALL: Okay. Well, that's
11 actually somewhat helpful. So could any other
12 party provide any information on the ROE that it
13 believes it agreed to?

14 MS. MYERS: Yes. From staff's
15 perspective, we did move from our 8.75. We didn't
16 go all the way to the company's 9.9. I can say we
17 were looking at a range between 9.3 and 9.4 when we
18 were working on settlement documents.

19 CHAIRMAN HALL: Does the company have
20 anything further to add?

21 MR. LOWERY: I think -- I think that, you
22 know, our last approved ROE was 9.53. If you look
23 at what's happened in Treasuries and authorized
24 returns and so on since then, which have probably
25 remained similar to what they were at the last case

1 and I think they're trending up, we can't say
2 exactly. But it's probably within shouting
3 distance of that number.

4 CHAIRMAN HALL: Of which number?

5 MR. LOWERY: The 9.53. Somewhere within
6 shouting distance, give or take a little. I can't
7 give a point number. But probably somewhere in
8 that area from our perspective.

9 Again, others -- others -- Mr. Woodsmall
10 view it differently. Staff views it slightly
11 differently. But somewhere in that area.

12 CHAIRMAN HALL: Mr. Poston, do you have
13 anything to add on that?

14 MR. POSTON: No. We didn't have an ROE
15 witness in this case.

16 CHAIRMAN HALL: Okay. Would it really
17 kill you guys in these settlements to have some
18 kind of range on an ROE, something? I mean,
19 totally silent?

20 I mean, I think at least two or three or
21 maybe four Commissioners have made it real clear
22 that we are uncomfortable approving settlements
23 without an ROE.

24 MR. WOODSMALL: I understand your desire
25 for an ROE. Again, from our standpoint, it -- it

1 was a difficult scenario because KCP&L was right on
2 top of Ameren. And so for us to negotiate
3 something saying that it was a 9.2 ROE, company
4 wouldn't have felt comfortable with that.

5 For company to say it's a 9.6 ROE, we
6 wouldn't have felt comfortable for that because of
7 KCP&L. So implications on another utility was
8 always in our mind.

9 CHAIRMAN HALL: But a range could have
10 been.

11 MR. WOODSMALL: Well, and I -- probably --

12 CHAIRMAN HALL: How did -- how did we do
13 it in -- in the Missouri American case where we
14 asked -- I think we asked the parties to each
15 calculate the ROE that they believed that they
16 agreed to, and then we put a range in the order.
17 Is that -- that -- is that correct? Do you know?

18 MS. MYERS: Yes. That is correct.

19 CHAIRMAN HALL: Is that something that we
20 could do -- it is -- would anyone be opposed to
21 doing the same thing here?

22 MS. MYERS: Staff is not opposed.

23 CHAIRMAN HALL: Okay.

24 MR. POSTON: Chairman, I will say that we
25 did attempt to try to put into a range. I don't

1 want to get into the settlement discussions too
2 much.

3 CHAIRMAN HALL: That's fine.

4 MR. POSTON: But we tried, and we could
5 not come to an agreement on what could be the
6 appropriate range. So I'll put that out there.

7 MR. COFFMAN: In giving some historical
8 perspective of, you know, settlements --

9 CHAIRMAN HALL: Which is why you're here.
10 Historical perspective.

11 MR. COFFMAN: The old guy. No. You know,
12 settlements used to be a lot more common, black box
13 settlements, than they have been in recent years.
14 And this, you know, part of the reason.

15 To facilitate settlement, you know,
16 parties don't have to be definitive about their
17 ROE. That facilitates in resolving these cases.

18 CHAIRMAN ALL: There's a trade-off. And
19 there's a trade-off been facilitating settlement
20 and transparency. You're right. I understand
21 that.

22 MR. COFFMAN: Okay.

23 CHAIRMAN HALL: So --

24 MR. COFFMAN: That makes it --

25 CHAIRMAN HALL: And -- and under our

1 rules, and I believe maybe even case law,
2 settlements are favored. I mean, there's --
3 there's -- there's no question about that. But --
4 Mr. Lowery, did you have something to add?

5 MR. LOWERY: No.

6 CHAIRMAN HALL: So would the -- would the
7 company be willing to provide a calculation as to
8 how it figured the ROE on the --

9 MR. LOWERY: The -- the company could
10 provide a calculation of an ROE. I don't know that
11 -- I don't know that I could honestly represent
12 that it's how we figured the ROE because I don't
13 think that's -- I don't think that's really
14 possible to say there is the ROE from anybody's
15 perspective. It's --

16 CHAIRMAN HALL: Well, it's an ROE.

17 MR. LOWERY: It's an ROE.

18 CHAIRMAN HALL: Okay. Well, when is our
19 operation of law date?

20 JUDGE WOODRUFF: May 28th, I believe.

21 CHAIRMAN HALL: Plenty of time. Okay.
22 Well, I -- perhaps when this -- when this -- when
23 this comes up for -- for case discussions,
24 Commissioners can discuss whether or not we want to
25 require such a calculation be -- be performed.

1 It is clearly not my intent to, in
2 any way, unravel a settlement on -- on this basis.
3 But I do believe that there is value in an ROE
4 transparency, at least -- at least as it relates to
5 a range.

6 And it is -- it is -- it has happened
7 where there were settlements that included a range.
8 Wasn't -- wasn't there a range in the Empire
9 settlement as well?

10 MR. WOODSMALL: Yes.

11 CHAIRMAN HALL: Okay. So, I mean, that's
12 -- that is a concept that should -- should not be
13 anathema to the settlement process, and it is
14 something that at least I personally think is very
15 important.

16 MR. LOWERY: Mr. Chairman, if I could add
17 one thing?

18 CHAIRMAN HALL: Yes. Add two things.

19 MR. LOWERY: And I -- I don't want to -- I
20 don't want to breach settlement discussions because
21 I don't think that would be appropriate to do that.

22 CHAIRMAN HALL: That would be
23 inappropriate.

24 MR. LOWERY: But let me -- let me put it
25 this way. We didn't agree to a range, but we were

1 also not -- we were also aware of -- of the history
2 and aware of the Commissioners' views. But we did
3 agree, and I think you can probably surmise why we
4 didn't agree, because we couldn't agree.

5 And -- and I'm not sure how we -- how we
6 crack that nut. And I -- and I think it may have
7 been because of the reasons Mr. Woodsmall gave.

8 CHAIRMAN HALL: Okay.

9 MR. LOWERY: So we're not, -- I just want
10 to you know I don't think the company and I -- I'll
11 speak for the parties, and they'll -- they'll
12 disagree with me if I'm speaking out of school.

13 But I don't think we had any intention to
14 ignore the issue that you have or the desire for
15 the Commissioners to see that range. But we were
16 -- we didn't get there, so to speak.

17 CHAIRMAN HALL: Okay. Okay.

18 COMMISSIONER KENNEY: Mr. Chairman?

19 CHAIRMAN HALL: Yes, Commissioner Kenney.

20 COMMISSIONER KENNEY: After hearing this
21 discussion, I've been one of those ones who have
22 always wanted a review also as you discussed. But
23 after hearing the parties, I'm comfortable with no
24 range in this case for the reasons stated. I just
25 wanted to state that. Thank you.

1 CHAIRMAN HALL: Okay. Commissioner Rupp,
2 do you have anything you want to --

3 COMMISSIONER RUPP: Yeah.

4 MR. CHAIRMAN: Okay.

5 COMMISSIONER RUPP: Good morning,
6 everyone.

7 MR. LOWERY: Good morning.

8 COMMISSIONER RUPP: Again, I need to back
9 up for just a second because I believe that the
10 Chairman started off asking every single party in
11 this room if they could provide some type of a
12 range or some type of a ballpark, and he met with
13 crickets.

14 And then he individually went around and
15 asked, and Staff said 9.3 on to 9.4. The company
16 said 9.53, and MIEC and MECG said 9.25. So did I
17 hear that wrong?

18 Because like no one wouldn't wanted to
19 give a range. And then when specifically asked,
20 you all came up with -- with a number.

21 MR. WOODSMALL: You're correct.

22 COMMISSIONER RUPP: Okay. Thank you. I
23 just wanted to make sure I heard that. So,
24 Mr. Woodsmall, I want to direct this to you.
25 Please walk me through again how the KCP&L case is

1 affecting this ROE.

2 MR. WOODSMALL: Okay. The KCP&L case is
3 going on concurrently. They filed it at the same
4 time. In general, they are comparable companies in
5 each other's proxy group.

6 The worry is, from a customers standpoint
7 that if we agree to an ROE or even an implicit ROE
8 range on this case that that would be viewed in --
9 one way or the other in the KCP&L case.

10 So we were unwilling to negotiate, come
11 off of the 9.2 for any reason because of KCP&L,
12 because of fear that if we did it in Ameren, it
13 would lead to a higher increase in KCP&L.

14 COMMISSIONER RUPP: So it was a -- had
15 nothing do with the numbers. It was just how would
16 it possibly be perceived by the Commission?

17 MR. WOODSMALL: Correct.

18 COMMISSIONER RUPP: Okay. Even though
19 yesterday you quoted some Commissioners who were
20 saying that they were not the same company, they
21 are completely different and things of that nature?

22 MR. WOODSMALL: We agree with those
23 statements that they should be viewed -- obviously
24 if I was quoting them that they should be viewed
25 differently.

1 But the worry still exists. That's one
2 Commissioner. That other four might see it as if
3 one gets one, the other should get it.

4 I mean, you look at last case. Ameren got
5 9.53. KCP&L, even though they were getting a newly
6 implemented FAC, got 9.5. So the Commission has
7 tended to come in with comparable ROEs.

8 COMMISSIONER RUPP: Help me -- help
9 assuage my fears. Because every time I -- I see a
10 stipulation that no one can tell me what the ROE is
11 and everyone's kind of reluctant to even kind of
12 walk down this road, why do I always get the vision
13 of Nancy Polosi standing there saying, We won't
14 know what's in it until we pass it?

15 MR. WOODSMALL: I guess -- I understand
16 the concern. And -- and I would say this case is
17 somewhat unique because, as the Chairman pointed
18 out, this was negotiated and settled before even a
19 reconciliation was put out there.

20 So you don't have a document to look at
21 and say, Okay, here's the beginning point, here's
22 the end -- Staff's position. How can we look at
23 numbers to determine how reasonable 92 million is?

24 So I -- I think this case is unique. I
25 don't think other cases will present the same

1 challenge.

2 You know, I guess from another standpoint,
3 the comfort level with this ought to come from the
4 fact that you have so many parties in this case.
5 It's not an Empire case. There is a lot more
6 parties, and they were all able to agree.

7 If you have all the customers and the
8 company and the staff all agreeing, every interest
9 is represented, isn't the settlement number then
10 implicitly reasonable?

11 MR. LOWERY: Well, to echo that a little
12 bit, it's not just -- I mean, we've got customers
13 across the entire spectrum represented here, too,
14 from the little guy, so to speak, that I think one
15 would sort of associate with OPC to the bigger
16 guys.

17 We've got environmental groups involved.
18 We have -- we have Division of Energy involved. We
19 have a broad array of folks that came together and
20 agreed that that was a reasonable -- that the
21 settlement reached was a reasonable settlement.

22 And I think you probably would have a hard
23 time imagining that these folks would have agreed
24 to the number if the ROE was, you know, way out of
25 line one way or the other. Or that are we would

1 have, for that matter.

2 COMMISSIONER RUPP: All right. So, Staff,
3 you said 9.3 to 9.4.

4 MS. MYERS: Yes.

5 COMMISSIONER RUPP: On a scale of zero to
6 100 percent, how confident are you that that is
7 your -- that is where it's going to come in?

8 MS. MYERS: Well, we were a hundred
9 percent confident that that was our number. I
10 mean, when we were doing all of our analysis --

11 COMMISSIONER RUPP: Not that it was your
12 number.

13 MS. MYERS: That that's the number?

14 COMMISSIONER RUPP: When it comes out
15 miscalculated, how confident are you that it's
16 going to be within 9.3 to 9.4?

17 MS. MYERS: I'm not certain that I can
18 give you an answer on that personally. I mean, our
19 number we calculate, we're always going to come up
20 with 9.3 to 9.4. But, again, we have different
21 positions on different issues.

22 MR. WOODSMALL: I think to give you some
23 perspective, there -- just as an example, there was
24 after an issue in this case for Noranda loss
25 revenues that was \$7 million. We didn't come out

1 with a specific resolution of every issue. That
2 one issue is worth ten basis points of ROE. So to
3 determine -- how you determine umpteen different
4 issues will affect how you view the ROE.

5 COMMISSIONER RUPP: I understand. But I
6 just want to see. So if we continually get these
7 settlements and I'm continually told that this is
8 where we see it is, and if I could look back on a
9 history and say, You're continually wrong or you're
10 continually pretty much in the ballpark -- so can
11 you give me a ballpark of where -- how confident
12 you are that when everything is said and done that
13 that 9.3 to 9.4 number --

14 MS. MYERS: I mean, we certainly think it
15 would be close to that. I will say we filed direct
16 with numbers. We never filed true-ups, which is
17 why we don't have the reconciliation to look at and
18 compare numbers.

19 But we did do runs just for settlement
20 purposes, and we were consistently coming within
21 that range when -- when we settled on a number.

22 So, again, that's taking into
23 consideration that those are Staff's positions on
24 issues on revenue issues.

25 And, also, to kind of discuss some of your

1 concerns, Staff was not staying silent on this --

2 COMMISSIONER RUPP: I want to stop you
3 there.

4 MS. MYERS: Okay. Go ahead.

5 COMMISSIONER RUPP: Can you give me a
6 number?

7 MS. MYERS: A number in terms of you
8 want --

9 COMMISSIONER RUPP: A level of confidence
10 that the way you calculated is the way it's going
11 to come out? Yes? No? Can you give me a number?

12 MS. MYERS: How about 85 percent? A solid
13 B.

14 COMMISSIONER RUPP: Okay. Okay. Ameren?

15 MR. LOWERY: I don't -- I don't know how
16 to give you a number. I don't -- I think you're
17 asking a question --

18 COMMISSIONER RUPP: Okay. I'm going to
19 stop you right there. So you all have a reluctance
20 to even give me a confidence interval of where you
21 think your numbers are, but I'm supposed to have a
22 comfort level to approve something that you can't
23 even give me a factor of where you think it's going
24 to be in.

25 So if it makes you uncomfortable to even

1 say, We're 85 percent comfortable that this is
2 where we think it's going to be because of how it
3 might make you look if you're wrong, how am I
4 supposed to have a level of comfort that later on
5 it's going to come out and be calculated as
6 something that I'm not comfortable with and I have
7 to put a yes or no on it?

8 MR. LOWERY: Commissioner, may I ask you a
9 question? Because maybe I'm not understanding your
10 question.

11 There is no way for us to know if we were
12 right or wrong. If -- if what you're asking is
13 what will the company's actual earnings be the
14 first year after rates are in effect, I -- nobody
15 has any idea.

16 But it doesn't necessarily bear any
17 relationship to what we think was implicit in the
18 settlement because weather and other one-time -- I
19 mean, what happens in the real world and the actual
20 results may bear no relationship to -- to -- to
21 what somebody, in their mind, thinks, Well, I think
22 I came out about here on ROE when I settled this
23 case. They're two totally different things.

24 And so I don't know how to answer the
25 question when you say are we right or are we wrong

1 in terms of how we assessed the settlement at the
2 time we settled.

3 COMMISSIONER RUPP: No. No. My -- my --
4 my point was more of there was consternation on
5 every one of your guys' face when I tried say, How
6 comfortable are you that this is where you think --
7 when all the numbers come in that this is where
8 it's going to be?

9 And there was an uncomfortableness of at
10 least putting an number out there saying, Oh, I'm
11 not this confident, we don't know all this stuff.
12 But I'm here. But I have to take a black box
13 settlement, and then I have to stand there and say,
14 I believe this is in the best interest.

15 And if everything doesn't happen the way
16 we thought, for all the reasons that you've said
17 and it comes out, how am I supposed to have the
18 level of comfort to -- to say a yes or no on this
19 when you're not willing to have a level of comfort
20 to say, I'm 90 percent sure that the way we ran our
21 numbers is going to come into this range?

22 MR. MILLS: Commissioner Rupp, can I
23 answer that? Because I think one of the issues
24 we're having is we're singling out one issue, the
25 ROE issue, among all the other issues and trying to

1 put a number on that.

2 The way we approach settlement, there are
3 probably two or three dozen issues that would have
4 gone to hearing had we gone to hearing. ROE is
5 just one of them.

6 And so if you say, you know, Give me a
7 90 percent certainty that this particular point
8 number on ROE is X, you have to have a 90 percent
9 certainty on how all those other issues would
10 resolve.

11 COMMISSIONER RUPP: But I didn't ask you
12 for a 90 percent. I asked you for what is your
13 comfort level of how you calculated it and what you
14 think is it going to be.

15 MR. MILLS: And the only way that you can
16 get to that is by -- by coming up to an answer of
17 what the Commission would have decided every issue
18 in the case and what those dollars would have been
19 worth.

20 And then you can figure out how the ROE --
21 once you know all the other issues and you know the
22 \$92 million, then you can calculate the ROE on
23 that.

24 But without knowing 24 other issues, you
25 -- you can't calculate an ROE with any degree of

1 certainty.

2 COMMISSIONER RUPP: You know, I understand
3 that.

4 MR. MILLS: All it's all -- it's all a big
5 pool of dollars.

6 COMMISSIONER RUPP: I understand that.
7 But my point is, I'm supposed to take that this
8 settlement that everybody's agreed on it is going
9 to be fine. You wouldn't give us a range.

10 The Chairman asked you for a range. You
11 guys were silent. Then he specifically went around
12 and asked. So I'm looking at a range of 9.25 to
13 9.53 based off of the four answers that I have.
14 And --

15 MR. WOODSMALL: To get to your question,
16 since my witness appeared to be setting the low end
17 and I said because of KCP&L, I am a hundred percent
18 confident that the way that I negotiated, it based
19 on a 9.2 ROE, 100 percent.

20 COMMISSIONER RUPP: So like in the
21 American Water case, we had a range that was put
22 into the -- to the Stipulation, correct?

23 MS. MYERS: Yes.

24 COMMISSIONER RUPP: Okay. So if we had a
25 range that was put into this Stipulation, what

1 happens if it's -- if it's not that?

2 MR. LOWERY: Commissioner, from our
3 perspective, the -- if we were -- we would have
4 been willing to agree -- let me put it this way.

5 We would have been willing to agree in the
6 Stipulation to a range of 9.3 to 9.7. We would
7 have been willing to agree to that. Not everybody
8 was willing to agree to it, so it's not in the
9 Stipulation.

10 When I said within shouting distance of
11 9.53, that's what I was talking about, that's that
12 I was talking about, that range, 17 basis points on
13 either side of that range, roughly.

14 I'm not doing my math quite right. But
15 you get the idea. 9.3 to 9.7 was what was in our
16 minds.

17 And we -- we -- if you're asking about a
18 confidence interval with the caveat I gave, we feel
19 pretty comfortable that -- that that's where it is.

20 As Mr. Mills said, the reason that I'm
21 reluctant to give you these exact numbers is
22 because I don't want to misrepresent to you what
23 the number is.

24 And without knowing the 24 factors and how
25 they would have come out, I don't really know.

1 Nobody does. So that's my reluctance. It's not
2 that I'm not trying to be helpful to you, but I
3 don't want to misrepresent what the number is, that
4 it has some mathematical certainty that it -- that
5 it can't possibly have because of all the variables
6 that -- that are unknowable.

7 But that's what we would have been willing
8 to agree to. That's how we viewed the
9 settlement.

10 COMMISSIONER RUPP: Staff, do you want to
11 comment on that?

12 MS. MYERS: Well, I guess to just discuss
13 some of your fears you talked about earlier in
14 terms of silence and why we were silent, Staff was
15 not silent out of any concern for any other ongoing
16 case.

17 In isolation, we would have preferred to
18 have some sort of ROE listed or a range in this
19 agreement. But as discussed, that was not possible
20 for the parties to come to that sort of agreement.

21 And so I can say when we were working on
22 settlement documents and numbers to support
23 settlement, we were consistently 9.3 to 9.4. So
24 100 percent of the time, we came up with that
25 number.

1 Now, can I say given someone else's
2 position on an issue, would that be the number? I
3 can't say that because that was considering our
4 position on issues. So, you know, that's kind of
5 our -- our position.

6 COMMISSIONER RUPP: Mr. Woodsmall, do you
7 want to --

8 MR. WOODSMALL: I already stated. Our
9 position when we negotiated and came to a final
10 point, we didn't -- in our view, didn't move off of
11 9.2.

12 We might have changed based upon
13 litigation risk how we viewed other issues, but it
14 wasn't on ROE. It was on other issues. So it was
15 9.2.

16 COMMISSIONER RUPP: But, OPC, you couldn't
17 come to an agreement on ROE range?

18 MR. POSTON: You mean come up with our own
19 number for our own range?

20 COMMISSIONER RUPP: No. In the
21 Stipulation, I thought you stated that, no, you
22 could not come to an agreement for a settlement
23 range for ROE.

24 MR. POSTON: Well, the parties generally
25 -- you heard Ameren say 9.3 to 9.7, which is above

1 any calculation we saw. So that's why we couldn't
2 come to a range. And, you know, they were saying
3 the 9.25 was below the calculations that -- that
4 they were using.

5 So that's why -- we -- we tried because we
6 knew that, you know, the -- the Commission would
7 want this range. But we just couldn't come to an
8 agreement.

9 COMMISSIONER RUPP: So I have to
10 calculate, basically, my own range based off of
11 pushing you on -- on questions, which is looking
12 like 9.25 to 9.7.

13 MR. WOODSMALL: 9.2. Yeah.

14 JUDGE WOODRUFF: 9.2. Thank you.

15 MR. WOODSMALL: That was his mid-point.

16 COMMISSIONER RUPP: Thank you. Thank you.
17 9.2.

18 MR. POSTON: And that was -- like he said,
19 that was his mid-point. I think you're not getting
20 the low point in that range of 9.2 to 9.7.

21 COMMISSIONER RUPP: I have not heard
22 anyone say anything lower than 9.2. Staff was at
23 9.3 to 9.4. Company was 9.3 to 9.7. MIE -- MECG
24 was 9.2. And you didn't have a witness in this
25 case.

1 MR. POSTON: I guess the point I was
2 making was 9.25 was MIEC's mid-point, and 9.53
3 seemed to be Ameren's mid-point.

4 MR. LOWERY: I don't want to get in a big
5 discussion, but I think Mr. Poston is mixing apples
6 and oranges. Our mid-point is whatever the math is
7 between 9.9 and -- our mid-point was not 9 -- or
8 9.53, per se. The range we were willing to agree
9 to was 9.3 to 9.7. I think I'm going to leave it
10 at that.

11 COMMISSIONER RUPP: So how comfortable are
12 you all --

13 MR. MILLS: And --

14 COMMISSIONER RUPP: -- that the range is
15 going to come in between 9.2 and 9.7?.

16 MR. WOODSMALL: I think we're struggling
17 with your phrase come in. We gave you what we
18 believe was the implicit ROE when we negotiated.

19 There is no way from here on out to do --
20 for anybody to do any calculations to pinpoint it
21 with any more definition than that.

22 The first -- as Jim was saying, the first
23 year that rates are in effect, there will be an FAC
24 surveillance, a calculation of FAC. So that will
25 be and ROE that comes in, but that's not based on

1 the negotiation -- a hundred percent on the
2 negotiation in this case.

3 It's based upon whether it's based upon
4 customer case. It's based on -- if Noranda turned
5 back on tomorrow, there's going to be a huge spike
6 in revenues, and ROE will go up.

7 So there is umpteen different variables
8 that could affect what the ROE comes in. So it's
9 the phrase "comes in" that we we're struggling
10 with.

11 COMMISSIONER RUPP: But that's kind of my
12 whole point is how I have to either vote yes or no
13 on something that I don't know when the customer
14 count comes in everything that happens where --
15 where it's going to fall and what it -- when
16 everything -- so when somebody wants to file a
17 complaint against to say, Well, they're
18 over-earning on their ROE and everything.

19 And it comes back to, Well -- which is
20 what it was agreed to, but we didn't know what it
21 was. And it's -- to me, it's more -- I guess I'm
22 struggling with the difficulty from where we
23 started this conversation to no one wanted to say
24 anything to now you're starting to narrow it down.
25 And then -- and then I have to make a decision, you

1 know, based on that.

2 MR. LOWERY: Commissioner, let me try --
3 I'm -- I'm trying to be helpful, so let me try to
4 be helpful about this and maybe address what I
5 think you're quandry is.

6 Let's -- let's imagine that we had tried
7 this case and you're in the agenda room and you're
8 trying to decide what the ROE should be for
9 purposes of setting the revenue requirement.

10 You would have exactly the same issue in
11 that circumstance that you have right now because
12 you don't know, and neither do we, what's going to
13 happen once rates are set.

14 All -- all you would -- all you know at
15 that time is based on the evidence that's been
16 adduced what -- what the various capital witnesses
17 -- what their various opinions and what those
18 ranges are.

19 You have a range based on this discussion
20 of where various people in their own minds think
21 they were -- what they thought they were doing when
22 they settled it what the apples to apples number
23 that I just gave you.

24 You would have had that had we litigated
25 the case. But in terms of what happens later, you

1 would be in the same position.

2 Let me address the -- also, the comment
3 you made that if somebody, you know, later says,
4 Well, they're over-earning or maybe we say we're
5 under-earning or whatever.

6 If you -- if you look at the case and you
7 said, Ameren, you get a 9.7 ROE, let's say, and
8 then two years later Ameren's earning 10 or 10 and
9 a half or something, that 9.7 doesn't tell you
10 whether they -- Ameren's rates are too high or too
11 low necessarily because lots of things could have
12 changed in that year or two.

13 Treasuries could have gone up. Risks
14 could have changed. So there's all kinds of
15 things. So when somebody says there's over -- when
16 a utility said I'm, quote, under-earning and comes
17 in for a rate increase, it doesn't really have
18 anything to do with the last authorized ROE.

19 Or if Mr. Woodsmall comes in and says,
20 Ameren's rates are unjust and unreasonable because
21 they're earning 10 and a half now, that doesn't
22 have anything to do with the last ROE either.

23 What Mr. Woodsmall would be saying is
24 capital market conditions are such that their cost
25 of capital is 9 and a half, not 10 and half, and so

1 they're earning too much. But it wouldn't have
2 anything do with that last authorized ROE.

3 And I don't think the quandry you're in is
4 any different today is -- than what it would have
5 been if you were deliberating in agenda room after
6 the case has been tried. I think that's exactly
7 the same.

8 COMMISSIONER RUPP: See, and that's where
9 I disagree because I would have had the
10 information. I would have had the witnesses. I
11 would have had everything to base that number on
12 where I could say, This is where I believe -- based
13 off all the information that was provided to me,
14 this is what is in the best interest of -- of the
15 ratepayers and this is how things should be
16 calculated in moving forward. Now I'm faced with,
17 Trust us. We can't tell you, but it's going to be
18 okay.

19 MR. LOWERY: Well, I think we have told
20 you with the caveats of what the number represents.
21 And the evidence all the ROE testimony in this case
22 will be of record.

23 It will be admitted to the record. And
24 it's a record upon which you can make your decision
25 in approving the Stipulation.

1 So you do have evidence from all of these
2 witnesses that will be of record. You won't have
3 had them here for cross-examination, but you will
4 have their evidence.

5 COMMISSIONER RUPP: Right. So if I found
6 that the 8.75 witness was the most credible, and I
7 have confident -- then what should I do? Should I
8 vote no because I don't know if it's in the range?

9 MR. WOODSMALL: Definitely, vote no. I'm
10 kidding. The Commission always has the prerogative
11 to look at the evidence and reject the Stipulation.

12 COMMISSIONER RUPP: And you are saying I
13 should not reject it because everyone has agreed
14 upon it?

15 MR. WOODSMALL: I'm saying, from my
16 standpoint, you should not object it -- reject it
17 because of the over-arching issues. It's based, in
18 my mind, on a 9.2 ROE and a reasonable settlement
19 of all other issues.

20 Everybody else will get to their reason
21 for why it's reasonable for a different reason.
22 Boy, that's a lot of reasons in here.

23 MR. LOWERY: Okay. Let me try this. In
24 order for Mr. Woodsmall to say, in his mind, it's
25 9.2, but then 92 million is the right number and

1 let's say I say in my mind it's 9.7 and we get to
2 the same number, that means Mr. Woodsmall thought
3 the ROE issue would come out at 9.2, but he would
4 lose some other stuff, and that I thought ROE issue
5 would come out at 9.7 and I would win some other
6 stuff. Who knows? It's to --

7 MS. TATRO: Actually, that's backwards.

8 MR. LOWERY: Or I would lose some stuff.
9 But I think what you're hearing is that everyone,
10 within I think a narrow range, 40, 50 basis point
11 range, everyone in their mind thinks that's the
12 appropriate result somewhere in that 40, 50 basis
13 point range.

14 We think it's a little higher than
15 Mr. Woodsmall. He thinks it's a little lower. But
16 I think everyone is within that area.

17 As I said, our reluctance is I don't think
18 -- there's no -- there's not a real good science
19 behind that, and so we're a little concerned
20 representing that there is. At least I am.

21 And I think everybody agrees with that,
22 that we're just a little concerned with
23 representing -- attaching a weight to these
24 estimates that that -- that they don't deserve.

25 COMMISSIONER RUPP: And I understand that.

1 And I'm purposely belaboring this point just to
2 show how it -- it annoys me.

3 And so I'm purposely trying to call as
4 much attention to this because I am one of the
5 Commissioners that have stated that I don't like
6 these types of black box settlements moving --
7 moving forward. So I wanted to kind of just draw
8 attention to.

9 And then it doesn't help my level of
10 comfort that -- that the perception of what the
11 range -- or in this case, might appear to affect
12 another case that was running at the same time
13 based on different factors.

14 You know -- you know, it is not an exact
15 mathematical science because there's so many
16 variables and some people say it's more art than it
17 is science and stuff.

18 But if we're basing things off a
19 perception of what they -- they might be and how it
20 might affect another case, you know, that -- that
21 -- that sticks in my craw as well. So I think I've
22 voiced my displeasure enough.

23 CHAIRMAN HALL: What was the company's
24 position on -- on rate case expense?

25 MR. LOWERY: The company's position was

1 that all prudently and fair rate case expense
2 should recognized in rate case requirement.

3 CHAIRMAN HALL: Which I know that total
4 amount is usually set after the -- after the rate
5 case has concluded. But did -- is there testimony
6 that provided a number up to a certain date?

7 MR. LOWERY: Our testimony in direct had
8 an estimate.

9 CHAIRMAN HALL: Of what?

10 MR. LOWERY: I want to say a million three
11 to a million and a half. I'm pretty sure it's
12 close to that. I -- I could be off by a little.

13 CHAIRMAN HALL: And that -- that included
14 the depreciation study?

15 MR. LOWERY: There wasn't a depreciation
16 study in this case.

17 CHAIRMAN HALL: There wasn't. Okay.
18 Okay.

19 MR. LOWERY: We will have to -- in the
20 next couple of years, we'll have to file one.

21 CHAIRMAN HALL: And so your position was a
22 hundred percent of that 1.3 to 1.5?

23 MR. LOWERY: That's right. In the -- in
24 the -- in some past cases, we've agreed to a
25 normalization so that, you know, if there's

1 volatility in that number that, you know. You
2 might look at an average of three cases or
3 something.

4 And I -- we never got that far in the
5 testimony in terms of debating that. But -- but
6 our starting position was that the 1.3 to 1.5.
7 Yes.

8 CHAIRMAN HALL: And what was Staff's
9 position?

10 MS. MYERS: Staff believed in sharing of
11 rate case expense consistent with the order in the
12 KCP&L case ER-2014-0370.

13 CHAIRMAN HALL: Okay. And OPC?

14 MR. POSTON: I believe we were also
15 proposing a sharing consistent with the
16 Commission's past order.

17 CHAIRMAN HALL: Any other position -- any
18 other party take a position on that issue?

19 MR. WOODSMALL: We didn't file testimony,
20 but we supported what the Commission had done in
21 KCP&L. Our statement of positions was consistent
22 with that.

23 MR. LOWERY: And Mr. Chairman -- oh, I
24 apologize. Go ahead, Lewis.

25 MR. MILLS: We didn't -- we didn't file

1 testimony. If the case had gone to hearing and
2 that was an issue listed, we probably would have
3 said that our position is that there should be
4 sharing.

5 MR. LOWERY: Mr. Chairman, since folks
6 have brought up the KCP&L case, I did want to say
7 that, you know, when that case -- when that case
8 went to the Court of Appeals and the Commission, of
9 course, defended its decision in that case, the
10 Commission was very clear in that case that in that
11 Court of Appeals in its briefing that the
12 Commission wasn't setting a policy.

13 The Commission made the decision in terms
14 of how they handled rate case expense in KCP&L's
15 last rate case based upon the facts and
16 circumstances of that case.

17 And so, you know, I'm sort of hearing a
18 theme that folks sort of maybe were following what
19 they perceived to be a policy. We didn't perceive
20 that to be a policy.

21 CHAIRMAN HALL: Okay. Commissioner Rupp,
22 did you have any questions -- any other revenue
23 requirement issues? Otherwise, I was going to move
24 on to FAC.

25 COMMISSIONER RUPP: Yeah. I -- I'm okay

1 with revenue, and I guess move on to rate design.

2 CHAIRMAN HALL: All right. Turning to the
3 -- to the FAC, can somebody explain to me how the
4 settlement terms vary from the current FAC?

5 MR. LOWERY: Yes. I don't think -- I
6 think it's a very easy explanation. The FAC is
7 continuing as it is with two changes. And they're
8 both changes to what is included in fuel costs that
9 were run through the FAC.

10 CHAIRMAN HALL: Can you -- can you -- can
11 you point me to a page on the settlement?

12 MR. LOWERY: I can. It was around three
13 or four, but I'll tell you exactly what it is.

14 MR. POSTON: Four.

15 MR. LOWERY: It starts -- it's four or
16 five.

17 CHAIRMAN HALL: Are the two changes you're
18 talking about?

19 MR. LOWERY: Right. Now, you can't see
20 the two changes because what -- what we've done is
21 we've set forth definitions of fuel costs and
22 there's two things left out that used to be there.

23 CHAIRMAN HALL: Okay.

24 MR. LOWERY: But the -- the two things
25 that are left out are coal ash revenues and

1 expenses and what people generically refer to as
2 fuel additives, which they're -- they're
3 consumables, like activated carbon in our case that
4 are added to the fuel to be burned to the boiler
5 help with controlling emissions.

6 And I'm sure OPC -- and let me just give a
7 nuance because I'm sure OPC will if I don't. From
8 OPC's perspective, they felt like -- and we agreed
9 -- we agreed with this, where we ended up.

10 They felt like fuel costs in the fuel
11 adjustment clause should be those costs that are
12 within the listings in FERC Account 151, which is
13 an inventory account for fuel.

14 And so that's what we agreed to. And then
15 we agreed that those include --- and we have a
16 specific list, which is the same specific list
17 we've had in the tariff for many years with the
18 exception of the two items that I gave you.

19 CHAIRMAN HALL: Okay.

20 MR. LOWERY: Other than that -- well, and
21 I guess there's also a slice of transmission
22 revenue, I forgot about those, that OPC wanted
23 transmission revenues.

24 You know, we -- we have all transmission
25 revenue and costs in before, as you know. So

1 there's a slice of transmission revenues equate to
2 the slice of transmission costs that have always
3 been -- been in.

4 In our last case, the percentage of
5 transmission charges was, I believe, 3.86 percent.
6 It's now 1.71 percent. And the reason those
7 percentages changed is you run the fuel model and
8 you look -- and you look at the netting in each
9 area, what are purchases and sales. It's the same
10 calculation that's been done before.

11 CHAIRMAN HALL: So the change here is the
12 removal of certain transmission revenues?

13 MR. LOWERY: No. No. It's the inclusion
14 of transmission revenues.

15 CHAIRMAN HALL: I'm sorry.

16 MR. LOWERY: Yes. I mean, it's a very
17 minor change given the percentages. But -- but
18 whatever that number -- if that number had been 10
19 percent, the calculation, there would have been 10
20 percent of the transmission revenues and charges
21 in. It happens to be 1.71 percent based on this
22 case.

23 CHAIRMAN HALL: Okay. And so no other
24 range changes to transmission costs or expenses as
25 compared to last rate cases FAC?

1 MR. LOWERY: That is correct?

2 CHAIRMAN HALL: Okay.

3 MR. LOWERY: No changes on the power side
4 at all. I mean, it laterally comes down to an
5 agreement that we're going to -- we're going to
6 look to Account 151, the items within that listing
7 for fuel, and that meant that two things had to
8 come out that I mentioned and an agreement to
9 include the appropriate amount of transmission
10 revenues. That is the only difference that we
11 have.

12 CHAIRMAN HALL: I assume the company took
13 the position in its initial application to include
14 all transmission costs?

15 MR. LOWERY: No. We actually did not. We
16 -- we don't agree with your decision from our last
17 case, but we -- we chose to accept it.

18 And we asked for transmission charge and
19 revenue tracker, and -- and we did not -- we don't
20 have that in the settlement.

21 But no, we -- we -- the position reflected
22 in the settlement on transmission is exactly what
23 we filed in this case with the exception there's
24 some transmission revenues there now, too.

25 CHAIRMAN HALL: Okay. And we're still at

1 ninety-five?

2 MR. LOWERY: And we're still at
3 ninety-five five.

4 CHAIRMAN HALL: Okay.

5 MR. LOWERY: And maybe should mention,
6 this wasn't a change, so I was trying to describe
7 changes.

8 But the other component of fuel cost, as
9 it's always been, are those costs and revenues
10 reported in Account 518, which is the nuclear
11 account. But that -- there's no change about that
12 from the -- from the current tariff.

13 CHAIRMAN HALL: Okay. Commissioner Rupp,
14 any -- anything?

15 COMMISSIONER RUPP: No.

16 CHAIRMAN HALL: Okay. All right. Moving
17 on to rate design, could somebody, and maybe it's
18 Mr. Lowery or -- explain to me what we're doing on
19 the revenue neutral shifts?

20 MR. LOWERY: Yeah. I think I can. So
21 what we're doing is we're moving -- I believe it's
22 the LPS and SPS, Mr. Woodsmall will correct me.

23 MR. WOODSMALL: LGS and --

24 MR. LOWERY: LGS and SPS. We're moving
25 those two classes a little bit closer to the point

1 estimates that the cost of service studies indicate
2 that they should be. We're making a small shift
3 that moves them closer to that class cost of
4 service studies.

5 CHAIRMAN HALL: So -- so -- so the
6 \$92 million rate increase, we're -- you're starting
7 off with -- with hitting all the classes the same
8 but then you're adjusting LGS and small primary
9 service down .45 and residential up to .45?

10 MR. WOODSMALL: It doesn't come out to
11 exactly that. The way you start is revenue neutral
12 means assuming no revenue changes for the company.

13 So what you do is move LGS, SP down .45.
14 And that increases residential about up .32 because
15 I think -- they're a larger class.

16 CHAIRMAN HALL: Right. Okay.

17 MR. WOODSMALL: Once you've done that,
18 then you shift everybody up the entire 3.48
19 percent, which is the overall system increase.

20 So when you get done with that netting,
21 LGS SP will get approximately 3.03 percent increase
22 and Res. will get a 3.77 increase.

23 CHAIRMAN HALL: Give me those numbers
24 again, please.

25 MR. WOODSMALL: The overall increase is

1 3.48%. And depending on -- I haven't run it
2 through the latest set of agreed to billing
3 determinants, but it's roughly for LGS SP an
4 increase of 3.03 percent and an increase to Res.
5 of 3.77 percent. And all other classes -- I don't
6 know about lighting, so you'll have to --

7 MR. LOWERY: I can give you the numbers,
8 and I'm agreeing with Mr. Woodsmall's numbers. I
9 mean, we rounded them, but I'm -- to the nearest
10 tenth.

11 But -- and -- and the consequence, as I
12 indicated, of doing that is we're moving those two
13 classes a little closer to their cost of service,
14 and it also moves residential a little closer to
15 their cost of service because they -- the studies
16 generally would indicate that -- that residential
17 are below what -- what their cost of service would
18 -- would indicate as a general matter.

19 But I -- do you want the -- do you want
20 all the classes? I'll be happy to give them to
21 you. I have them here rounded to the nearest
22 tenth.

23 CHAIRMAN HALL: Sure. And then I want to
24 give people an opportunity to respond from there.

25 MR. LOWERY: Residential is 3.7. SGS is

1 3.7. LGS is 3. I think Mr. Woodsmall said three
2 3.03. Close. SPS is 2.9. LPS is 3.8. Lighting,
3 depending on whether it's company-owned or
4 customer-owned is 3.5 and 3.9 respectively. And
5 Metropolitan Sewer District is 3.9. For an overall
6 of 3.5, as Mr. Woodsmall indicated.

7 CHAIRMAN HALL: Okay. Mr. Poston?

8 MR. POSTON: Yeah. I just wanted to
9 respond to the statement that residential class was
10 not covered in the cost of service. We believe
11 they were. But for purposes of settlement, we
12 agreed to -- to move the way we did.

13 CHAIRMAN HALL: Okay.

14 MR. LOWERY: Yeah. I -- I probably should
15 have said that. I mean, I think from our studies
16 and their -- their studies that it would be the
17 other. But they have a different point of view of
18 how the study should come out. So I agree with
19 that.

20 CHAIRMAN HALL: And Staff's studies on
21 that point?

22 MS. MYERS: Yeah. We're more in line with
23 what Mr. Poston was saying. Our studies don't show
24 necessarily this. But because OPC and MIEC and
25 MECG were able to come to an agreement on this

1 issue, we were not going stand in the way.

2 CHAIRMAN HALL: So under this settlement,
3 are residential customers paying more than their
4 cost of service from Staff's position -- or from
5 Staff's perspective?.

6 MS. MYERS: Not necessarily more than
7 their cost of service. But this isn't necessarily
8 what we would have proposed outside of settlement.
9 It's more than what we would have proposed.

10 CHAIRMAN HALL: Okay. So then concerning
11 large general service and small primary service,
12 there's a -- there's a later provision that takes
13 40 percent of it -- of that increase and applies it
14 to the demand charge; is that correct?

15 MR. WOODSMALL: Correct. So what you just
16 heard was that LGS SP are getting roughly a 3
17 percent increase, which amounts, if you run through
18 billing determinants, in LGS SP getting an increase
19 of about 15.4 million overall.

20 Then you take 40 percent of that,
21 6.17 million, and run it through the demand charge.
22 The remainder will be run through the energy
23 charge. And that's to reflect, in our view, that
24 there is too much fixed costs being collected in
25 the energy charge currently. So this will collect

1 more of the fixed costs through the demand charges.

2 CHAIRMAN HALL: Does -- does Staff believe
3 that's good policy?

4 MS. MYERS: I don't -- I don't think we
5 were setting policy here. I think in combination
6 of the agreement as a whole, we were okay with
7 this. But I wouldn't take this in isolation to be
8 Staff's policy.

9 CHAIRMAN HALL: All right. But from --
10 from Staff's perspective, is it good policy to move
11 that 40 percent increase to the demand charge? I'm
12 not saying it's not. I'm just -- I'm curious as to
13 what Staff's position on that is.

14 MS. MYERS: I think in combination of the
15 entire rate design, we felt it was within our
16 reasonableness zone that we had. It was small
17 enough that we didn't think it would significantly
18 impact price signals.

19 CHAIRMAN HALL: Okay. And then we are
20 also increasing the residential and small general
21 service rate class by a dollar a month. It goes --
22 what is it currently?

23 MR. LOWERY: It's eight.

24 CHAIRMAN HALL: \$8 flat?

25 MR. LOWERY: Yes.

1 CHAIRMAN HALL: Which is definitely below
2 KCP&L and GMO's, and I believe it's also below
3 Empire's; is that correct?

4 MR. LOWERY: Yes. I believe they're all
5 north of ten. Maybe not a lot, but --

6 CHAIRMAN HALL: And so -- and this is
7 probably a stupid question. But -- it is, but I'm
8 not going to ask it.

9 COMMISSIONER RUPP: Are you calling for me
10 to ask it?

11 CHAIRMAN HALL: All right. So then moving
12 on -- I'm on -- I'm on Page 12. There appears to
13 be a movement towards inclining block rates here,
14 which -- which I personally applaud, and I think I
15 know other Commissioner so as well, unless I'm
16 misinterpreting it. But can someone explain
17 Section D, sub 2 on page 12?

18 MS. TATRO: I think, to put it simply, we
19 are flattening the rate differential slightly --
20 oh, you're talking about 2.

21 CHAIRMAN HALL: I am.

22 MS. TATRO: Okay.

23 MR. LOWERY: So what we did -- what we
24 did, as I understand it, is we took -- we took
25 revenues from the customer charge increase, and we

1 used those to flatten -- we used those to flatten
2 the -- the winter blocks somewhat.

3 CHAIRMAN HALL: Well -- okay.

4 MR. LOWERY: So the winter blocks became
5 flatter and --

6 CHAIRMAN HALL: Right now -- right now in
7 the winter, you have declining block rates, correct

8 MR. LOWERY: Yes.

9 CHAIRMAN HALL: Okay. And so you -- you
10 are -- you are flattening that decline?

11 MR. LOWERY: That's right. The slope got
12 flatter. The differential got less.

13 JUDGE WOODRUFF: So how many blocks do we
14 have in the winter?

15 MR. LOWERY: Two.

16 CHAIRMAN HALL: Two.

17 MR. LOWERY: Up to 750 kilowatt hours, I
18 believe, and then beyond.

19 CHAIRMAN HALL: And so it's -- it's not --
20 you don't anticipate that it will be flat yet this
21 change, but it will be closer to flat?

22 MR. LOWERY: It will be flatter, yes.

23 CHAIRMAN HALL: Okay.

24 MR. LOWERY: Yes.

25 CHAIRMAN HALL: Was this a provision that

1 the Division of Energy was involved in?

2 MR. BEAR: Yes, your Honor. And we did
3 file testimony to that regard. And, you know, I --
4 I'd agree with that characterization that it's a
5 flattening is the goal of that.

6 CHAIRMAN HALL: Okay. Okay. And then in
7 the next rate case, the company has agreed to
8 develop and file inclining block rates for the
9 summer and a further narrowing -- well, and a
10 narrowing of the winter; is that correct?

11 MS. TATRO: Right.

12 MR. LOWERY: Right. We're -- we're
13 actually going to calculate and file -- and I'm not
14 saying we will be advocating for or won't be
15 advocating for it, but we're going to file an
16 actual proposal that anyone can advocate for as-is
17 or oppose or modify.

18 But we're going to do all of the work so
19 that there's a concrete proposal for addressing the
20 inclining blocks in the next case.

21 CHAIRMAN HALL: And that would include, I
22 guess, an elasticity study or --

23 MR. LOWERY: Well, now you're getting a
24 little bit beyond -- beyond my -- my expertise, I
25 have to admit.

1 CHAIRMAN HALL: Okay.

2 MR. LOWERY: We are going to file --

3 CHAIRMAN HALL: That's the first time
4 that's happened, Mr. Lowery. This is kind of fun.
5 Let's keep talking about this a little bit.

6 MR. LOWERY: I'm a little weak on rate
7 design. I've got to admit it. We are going to
8 peak -- now, there's a stakeholder process we'll be
9 going through, and we will be filing a cost of
10 service study that is in support of that.

11 So if -- if elasticity would be normally
12 part of that, then I bet it's in there. And
13 Mr. Coffman is not nodding his head that it will
14 be, so --

15 CHAIRMAN HALL: This is -- this is a
16 movement that I personally think is very, very
17 important. Again, it's something that a number of
18 Commissioners have -- have advocated for.

19 So I -- I wish we could incorporate that
20 in this rate case. But I'm -- I -- I do appreciate
21 at least movement in that direction, not just in
22 terms of studying the next rate case, but the
23 flattening that -- that will occur as a result of
24 -- of this potential settlement in the winter
25 months.

1 Okay. And then turning to page 14, what
2 are we doing with -- on -- on the customers'
3 ability to aggregate use as cross meters?

4 MR. LOWERY: Well, I believe -- I believe
5 that we agreed that the stand-by service rider, as
6 it exists today and the one that will be adopted
7 here, it -- it doesn't limit the customers' ability
8 to consolidate those meters.

9 There are some rules and regulations in
10 the company's tariff generally that I don't know
11 that we believe they necessarily limit it.

12 But there's requirements you have to go
13 through in order to -- in order to get there. What
14 we're really trying to do with the stand by-service
15 rider -- and this was -- this was the result of a
16 broad collaboration. I mean, a lot of folks had
17 input on this, Division of Energy in particular,
18 but it wasn't just them.

19 What we're trying to do is -- is provide
20 more transparent price signals to customers that
21 have behind the meter generation to get in line
22 with best practices.

23 And we've agreed to collaborate and study
24 and try to come up with solutions to it if there
25 are -- if there are barriers, whatever they might

1 be, to -- to aggregating -- or, you know, to -- for
2 aggregation across meters.

3 So we're going to -- we're going to work
4 with DE in particular, but any other stakeholders.
5 And if we need to do something further, we're going
6 to study what -- what those kind of things may be.

7 MR. BEAR: And, Mr. Chairman, on behalf of
8 the Division of Energy, that's our understanding,
9 that this would provide some transparency and,
10 also, start to put that in front for potential
11 users on a going forward basis and that we'd
12 continue the dialogue as we start to go more
13 granular details on it in the future.

14 CHAIRMAN HALL: Okay. And I've got a few
15 more things, but I think I'm going to --
16 Commissioner Rupp, do you have a couple of
17 additional questions on rate design?

18 COMMISSIONER RUPP: Yeah. Bill, do you
19 have any questions or anything first before I go?
20 All right. I'm going to just go ahead. He's
21 probably still on mute.

22 Staff, you answered a question of -- of
23 the Chairman's with -- he asked you if -- if
24 residential customers are going to be paying more
25 than their cost of service. To me, your answer was

1 contradictor. So the cost of service for
2 residential was below what -- where it is at now
3 was below what -- what your position was.

4 MS. MYERS: Yeah. Let me clarify that.
5 So what I -- what I was trying to convey there is
6 the proposal here for the revenue shifts that shift
7 some cost to residential is not what Staff would
8 have proposed. That's more of a shift than Staff
9 would have proposed to residential.

10 That said, even with that shift in mind,
11 we don't believe that residential is paying more
12 than their cost of service. So hopefully that
13 clarifies my contradiction.

14 COMMISSIONER RUPP: That -- that does
15 clear it up. Thank you. I appreciate that
16 clarification.

17 In the inclining block rate section, the
18 company is going to file a proposal for
19 consideration in the next rate case. Is that to be
20 considered as the rate -- if the Commissioners move
21 forward, or would that be an optional rate for the
22 customers in addition to other rates that -- that
23 are -- that are set out?

24 MR. LOWERY: I don't know the answer to
25 that. But I -- I had understood that it would be

1 an alternative to essentially maybe leaving the
2 incline the way it is now, and Commissioners would
3 -- would probably be choosing between those. Or
4 something in between if the Commissioners thought
5 something between.

6 I -- but -- but -- but there's a collaborative
7 that's going to take place. I'm sure everybody in
8 this room just heard your question, so it seems
9 like that could be -- or maybe has a little
10 better --

11 MS. TATRO: I just want to make sure I
12 understand what you're saying. When you say an
13 optional rate, I don't think we're saying we're
14 going to have -- we're going to propose it and the
15 customer could opt into this rate instead of this
16 rate. I don't think that's what's being proposed.

17 At the end of the day, you will pick a
18 design. And it might be the inclining. It might
19 be something more flat. We'll have that
20 discussion, but it's not a, Here's an optional
21 thing they can opt into.

22 COMMISSIONER RUPP: That's what I wanted
23 to see is where it said in consideration because a
24 couple paragraphs down, it said these optional
25 rates. And I just wanted to make sure I was on the

1 -- on the same page.

2 MS. TATRO: I think when we said optional,
3 it meant Ameren is not bound to it if we decide
4 that's not what we want. But we are going to put
5 one out there. Maybe we support it. Maybe we
6 don't. I don't think at this point we know because
7 we haven't gone through that yet.

8 COMMISSIONER RUPP: So when you go to the
9 time of use rates, then you're going to say even if
10 Ameren is not in favor of it, it still would be an
11 option for the -- for the customers.

12 So it -- and then it also talks about
13 you're going to be doing studies -- I'm sorry.
14 I've got to get back to that page. It's on page
15 13. But it was -- talks about how you're going to
16 do the studies.

17 MS. TATRO: Yeah. You're talking about
18 bill impacts that are there in the middle of the
19 page?

20 COMMISSIONER RUPP: Yeah.

21 MS. TATRO: Yeah. That's so we all can
22 understand the impact of the change on customers.
23 For example, customers who use electric heat are
24 going to be impacted differently than customers who
25 do not.

1 COMMISSIONER RUPP: So if we're saying we
2 want to go ahead with an inclining block rate, when
3 will this collaborative workshop and the study --
4 when will all that take place? So how far after
5 the rate case would these rates go -- I was
6 confused on when you're going to have this
7 collaborative process.

8 MS. TATRO: Yeah. I think the
9 collaborative process working with all the
10 interested stakeholders -- I'm sorry. I can't see
11 you. Happens -- I think it's within a year after
12 this case.

13 MR. LOWERY: Well, I --

14 MS. TATRO: But the -- but we'll file it
15 -- we'll have it all completed and filed in the
16 next rate case. And so in that case, if that's
17 what's chosen, that will be the rate that comes out
18 of that next case. Does that make sense?

19 COMMISSIONER RUPP: Okay. Okay. When I
20 read through it the first time, I was unclear if it
21 was, yeah, if you want us to do this, we'll do
22 this, but then we're going to have to have a
23 workshop, and then it might be another year and a
24 half, you know, until we actually have, you know,
25 something.

1 MS. TATRO: It's my understanding that the
2 workshop -- the stakeholder process is going to
3 happen after this case.

4 COMMISSIONER RUPP: So when you come in
5 for the next rate case, everything has been done.
6 The feedback's been given. Here it is. Here's
7 what everybody has decided and --

8 MS. TATRO: My expert is nodding yes, so
9 I'm good.

10 COMMISSIONER RUPP: Thank you. Thank you.
11 And I believe I saw time of use rates in here. So
12 you're -- you're guaranteeing that the next time
13 you come in, you will have a time of use rate
14 option filed?

15 MR. LOWERY: Well, we have a -- we have a
16 run.

17 COMMISSIONER RUPP: You have a run right
18 now that nobody uses because it's just the way it
19 is. So you're going to come in with a good time of
20 use rate that is, you know, based off of input and
21 data and statistics with those goals outlined of
22 how it's going to be created?

23 So the next time you come in, there will
24 be a viable option for time of use rates for the
25 customers that choose to opt into that program that

1 actually has the proper incentives?

2 MR. LOWERY: We intend for -- to file a
3 time of use rate that would promote the four goals
4 that are listed there. That's right.

5 COMMISSIONER RUPP: Excellent. And do you
6 intend to file -- provide a good time of use rate
7 that has incentives, the proper motivation, for
8 instance?

9 MR. LOWERY: I think anything that
10 Mr. Davis and Mr. Wills design would certainly be
11 good.

12 COMMISSIONER RUPP: All right. That --
13 so, I mean, I -- and I will, you know, comment that
14 along the -- with -- echo Mr. Chairman's comments
15 about the inclining block rates, the time of use
16 rates, I am pleased to see you guys committing
17 yourselves to coming back the next time and -- and
18 you're studying it and you're going to actually
19 present something the next time that you come in.
20 And -- and I will say I was very pleased to -- to
21 see that. So kudos.

22 I didn't see anything in here on pays --
23 pays any type of programs. Is that silent what
24 your intentions are on that or --

25 MS. TATRO: I think that probably ends up

1 being handled through our MEEA programs rather than
2 -- because there wasn't anything specifically
3 decided in this.

4 COMMISSIONER RUPP: Okay.

5 MS. TATRO: But that should not be read
6 that it can't happen or won't happen.

7 COMMISSIONER RUPP: All right. That's all
8 I have at this point.

9 CHAIRMAN HALL: On page 16, there is some
10 discussion about the line extension policy. I
11 assume that because the only thing that's mentioned
12 is that there will be a study conducted that we're
13 keeping the current line extension policy or the
14 current line extension tariffs in place? Is that
15 correct?

16 MR. LOWERY: That -- that's correct.

17 CHAIRMAN HALL: But a study will be
18 conducted consistent with the testimony of company
19 witness Bill Davis. Could you give me a brief
20 summation as to what that testimony is?

21 MR. LOWERY: Mr. Davis could, but neither
22 of us are prepared -- have a good enough handle on
23 it to give you a fair -- I know what -- I know that
24 the -- that the goal was to -- there was a
25 recommendation from your under-utilized

1 infrastructure workshop regarding line extension
2 policies.

3 And the idea was to pick up on their
4 recommendation and study how -- how some of those
5 issues could be addressed.

6 CHAIRMAN HALL: Okay.

7 MR. LOWERY: But I know that's a very
8 general answer but that's the only understanding I
9 have.

10 CHAIRMAN HALL: Well, I understand there's
11 a -- there's a pretty significant difference in the
12 language on here where you're agreeing to study it
13 this. And then in a couple of other places you've
14 agreed to study it and file something. So here
15 you're going to study it but not necessarily file
16 anything in connection with that study; is that
17 correct?

18 MS. MYERS: I think it was Staff's
19 understanding of Mr. Davis' testimony, that it
20 would be a 12-month historical study. He was going
21 to compare the existing Ameren tariff on that issue
22 with GMO's.

23 And then I believe they were going to file
24 that in their direct filing in the next case. I
25 look to the company to correct me if I'm wrong

1 there, but that was our understanding.

2 CHAIRMAN HALL: Well, I like that more
3 than what's here.

4 MS. TATRO: I don't think we have an
5 objection to filing it. But you're right. The
6 stipulation is silent on it being filed.

7 CHAIRMAN HALL: Okay. Though -- though
8 if the -- if the testimony indicates a willingness
9 to file it in the next rate case, then that would
10 be incorporated in this provision?

11 MR. LOWERY: It absolutely would if that's
12 what the testimony says.

13 CHAIRMAN HALL: Okay. Well, I -- I do --
14 I do support a -- a movement towards the line
15 extension tariff that -- that GMO currently has.
16 So I appreciate that movement.

17 Concerning time of use rates, does it --
18 does Ameren currently have the technology to
19 implement time of use rates? Does it have the data
20 and analysis to do it?

21 MS. TATRO: Well, we don't have AMI rates
22 -- AMI meters which can impact some of that. But I
23 think we have the ability to do it to an -- to an
24 extent.

25 To the extent that we move to AMI meters

1 at some point in the future, then that would be
2 improved.

3 CHAIRMAN HALL: Does the -- does the
4 company intend to move towards AMI readers?

5 MS. TATRO: Right now, I think we're
6 looking at that. And I think if you're familiar
7 with the language that has been proposed at the
8 Legislature, that is one of the things we would
9 like do and we believe the Legislation is
10 consistent with being able to get that done.

11 CHAIRMAN HALL: What's it cost to fully
12 implement?

13 MS. TATRO: It's -- it's quite a bit. I
14 don't know that I know the number off the top of my
15 head.

16 CHAIRMAN HALL: I'll bet you he does.

17 MR. BYRNE: I think my recollection, we
18 filed a -- a -- an attachment that showed it was
19 about -- it was -- it was in the range of like
20 \$600 million to do the whole system.

21 MS. TATRO: That was in the regulatory
22 docket?

23 MR. BYRNE: Yeah. I think that was in the
24 regulatory docket.

25 CHAIRMAN HALL: Okay. Well, like

1 Commissioner Rupp, I -- I very much support a
2 movement towards time of use rates and appreciate
3 any -- any movement.

4 COMMISSIONER RUPP: Can I ask a quick
5 question?

6 CHAIRMAN HALL: Sure.

7 COMMISSIONER RUPP: If you have a time of
8 use rate but you don't have a smart meter and
9 someone wants to opt into that rate, are you going
10 to provide them a smart meter to -- to maximize the
11 program?

12 MS. TATRO: Okay. They get a time of use
13 meter.

14 COMMISSIONER RUPP: Okay. They would?

15 MS. TATRO: Yes.

16 COMMISSIONER RUPP: I don't have any
17 another questions.

18 CHAIRMAN HALL: I don't have any further
19 questions. I'll just make a quick note. I mean,
20 we started this -- this hearing off with
21 Commissioner Rupp and I expressing a significant
22 amount of displeasure with the lack of specificity
23 on an -- on an ROE. And I still have that concern.

24 But I will say that I do very much
25 appreciate all of the parties coming together and

1 -- and working out an agreement. And -- and even
2 though I do believe there is some transparency
3 lacking in black box settlements like this, there
4 is certainly some comfort that I have when all of
5 the parties can agree to a -- to a -- to a
6 settlement with a specific number.

7 So -- so, again, thank you to all the
8 parties for their hard work on putting this
9 agreement together. Thank you.

10 COMMISSIONER RUPP: And I want to echo the
11 same comments. I was -- to get everybody on the
12 same page for the same number, it -- it is a fight,
13 and you should be congratulated on that because the
14 point is well taken that many different interested
15 parties are represented here ranging the full
16 gamut.

17 I do not like that -- the ROE black box
18 settlement. I think I -- I said that. But I am
19 pleased with some of the other provisions that are
20 in here and the fact that -- that there's so many
21 different parties represented that all are on board
22 and it does speak to the -- to the difficulty of
23 getting -- of getting that done.

24 And I agree that -- that you should all be
25 commended for -- it makes it -- it would make it

1 very much difficult if this was a Non-unanimous --
2 or if there was people objecting.

3 But the fact that you guys were able to
4 come to pretty much an agreement. And there are
5 other things in here.

6 I do want to say I do enjoy these
7 on-the-record presentations of the Stipulations.
8 It does give us the opportunity to ask these
9 questions and come to a level of comfortability
10 with that.

11 So -- but overall, I just wanted to say
12 that I do appreciate the hard work. And -- and to
13 a certain extent, you should be said job well done
14 on -- on listening to everybody's viewpoints and
15 still being able to come up with some type of an
16 agreement.

17 JUDGE WOODRUFF: Mr. Lowery?

18 MR. LOWERY: Judge, there's a couple
19 things I wanted to take up on the record real --
20 real quickly. One is a typographical error in the
21 Stipulation on page 17 that I -- I'd move to amend
22 by interlineation if we could.

23 And it's in paragraph J on page 17. The
24 reference to 386.1075 should have been the
25 393.1075. I don't know how all of us missed it,

1 but we did.

2 The other thing I'd like to mention and
3 I'd like to make a request of the Commission is a
4 request that the company is making, but it's one to
5 which I think almost all of the parties have
6 indicated they -- they don't oppose. Nobody's
7 indicated that they oppose it.

8 The Stipulation calls for the parties to
9 use their best efforts to get new rates in effect
10 by March the 20th. Given the timing and giving
11 case the law that indicates that, presumptively,
12 you should put a 10-day effective date on any
13 order, we don't think that's probably realistic.

14 But we do think there's a path to get the
15 tariffs in effect, assuming that you are inclined
16 to approve the Stipulation, which we hope you are,
17 so that they would become effective on April 1st.

18 April 1st is also helpful in a couple
19 other respects. We have some owe other customers
20 on a calendar a month billing. It makes that
21 easier for our billing system, and it also lines up
22 with the accounting.

23 We're resetting some amortizations
24 starting on April 1. So it -- it's a practical
25 date that makes a lot of sense. And it's also

1 largely consistent with the agreement of the
2 parties.

3 So what we're going to ask you to do, if
4 possible, is to approve the Stipulation at your
5 agenda next week, or if there were deliberations,
6 but there was consensus that it should be approved
7 perhaps to delegate to your Honor to -- to go ahead
8 and approve it so that we can file our compliance
9 tariffs on or shortly after the 8th.

10 We -- we'd ask if you do approve the
11 Stipulation, the Stipulation Approval Order be made
12 effective April 1, that we then file our compliance
13 tariffs. That allows you to approve them on March
14 22nd, which is ten days before April 1st.

15 So you can put a more than 10-day
16 effective date on the Stipulation Approval Order or
17 you can put a 10-day effective date on the
18 compliance tariff order. And folks will have had
19 the compliance tariffs for quite a long while by
20 the time you do that on the 22nd.

21 And then everything could take effect on
22 -- on April 1. So we're making that request. And
23 my understanding is we don't have any parties that
24 have any issue or -- or oppose that in any way.

25 JUDGE WOODRUFF: Okay. To go back to your

1 -- your correction by interlineation, what page was
2 that on again?

3 MR. LOWERY: Page 17 in paragraph J,
4 which. The next to the last line in paragraph J,
5 there's a statutory reference that's incorrect.

6 JUDGE WOODRUFF: What is the correct
7 reference?

8 MR. LOWERY: 393.1075.

9 JUDGE WOODRUFF: Okay.

10 Mr. LOWERY: Reference to the MEEA
11 statute. It is not in Chapter 386. It's inter
12 393.

13 JUDGE WOODRUFF: All right. Anyone object
14 to that interlineation correction? Hearing no
15 objection, I'll grant that motion, and it is
16 corrected. Anyone else?

17 MS. MYERS: Judge, before we go off the
18 record, Staff had one thing to bring to your
19 attention. So on Page 9 of the Stipulation under C,
20 where industrial aluminum smelter is discussed the
21 signatories have all agree that the IAS rate
22 schedule should be eliminated.

23 But staff believes that, you know,
24 consistent with the Commission's order in
25 EO-2016-0203 where you cite that the IAS rate will

1 remain in effect until the Commission issues and
2 orders in the field, and it continues on that that
3 would necessitate that if the Commission should
4 choose to approve the Stipulation and Agreement
5 that a separate section would need to be in that
6 order specifying that statement that the IAS rate
7 was no longer in existence.

8 JUDGE WOODRUFF: Okay. So just be a
9 separate ordered provision in the Stipulation?

10 MS. MYERS: Exactly.

11 JUDGE WOODRUFF: Okay.

12 CHAIRMAN HALL: Judge, I have a couple
13 questions about that.

14 JUDGE WOODRUFF: Okay.

15 CHAIRMAN HALL: And I meant to ask this
16 earlier, and I'm sorry. I forgot. Why are we
17 getting rid of this -- this rate?

18 MR. LOWERY: Well, because --

19 CHAIRMAN HALL: Because Noranda -- because
20 Noranda no longer exists?

21 MR. LOWERY: Noranda doesn't exist any
22 longer. You know, the company's position in the
23 case was that the rate would continue. Others had
24 a different point of view. And we -- the
25 settlement reflects that the tariff goes away. So

1 I -- from our perspective, I'm not sure I could say
2 much more about it.

3 MR. WOODSMALL: In overview, your Honor,
4 when Noranda originally came on, they came on as an
5 LP customer because that was the schedule that was
6 in existence. They then moved to an LTS rate.

7 Only recently given the -- the Noranda
8 economics was the IAS put into place. This gets
9 rid of the IAS. But the LTS would still be
10 available if -- if someone did bring the smelter
11 back online.

12 So while it gets rid of the IAS, it still
13 has the beneficial pricing that was in the LTS
14 rate.

15 CHAIRMAN HALL: So if the current owner of
16 the -- of the smelter were to -- were to start
17 manufacturing aluminum again, they would do it
18 under -- under the LTS rates?

19 MR. LOWERY: Right. They have to meet the
20 load factor requirements. But -- but, presumably,
21 they would -- they would meet the requirements.

22 CHAIRMAN HALL: Okay. And the aluminum --
23 the industrial aluminum smelter rate had a
24 requirement of -- of load, employment and something
25 else. I can't remember,

1 MR. LOWERY: I think it was capital
2 investment, employment. But the load and the
3 operating characteristics in the IAS are the same
4 as in the LTS.

5 But there were these additional, I'm going
6 to call them, sort of economic-based provisions,
7 and, of course, had a lower -- had a lower rate.

8 CHAIRMAN HALL: Okay. What's the load
9 factor requirement for the -- for the LTS?

10 MR. WOODSMALL: 95 percent.

11 MR. LOWERY: I -- I believe that's
12 right.

13 CHAIRMAN HALL: 95 percent of -- of the
14 load that -- that Noranda was ---

15 MR. WOODSMALL: It's not based upon any
16 particular KW. Whatever their demand is, they need
17 to have a 95 percent load factor for that demand.

18 CHAIRMAN HALL: Okay. Okay.

19 MR. LOWERY: So if they bring one -- one
20 pot line back -- and, you know, I'm just making
21 this up. But if there were a 150 megawatts demand,
22 then they'd need to maintain 95 percent load
23 factor. At 150, they have don't have to be at 450.

24 CHAIRMAN HALL: Okay. Thank you.

25 JUDGE WOODRUFF: Anything else? All

1 right. Then we are adjourned. Thank you all.

2 (The proceedings were concluded at 11:00 a.m. on
3 March 2, 2017.)

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

ON-THE-RECORD PROCEEDING VOLUME 15 3/2/2017

A				
ability 64:3,7 74:23	aggregating 65:1	42:8,10,20	45:12 53:9	available 83:10
able 27:6 57:25 75:10 78:3,15	aggregation 65:2	American 19:13	Approval 80:11	Avenue 10:17 12:12
absolutely 74:11	agree 22:25 23:3 23:4,4 25:7,22	AMI 74:21,22	approve 30:22	average 48:2
accept 53:17	27:6 35:4,5,7,8	74:25 75:4	79:16 80:4,8	aware 15:17 23:1,2
account 51:12	36:8 39:8	amortizations 79:23	80:10,13 82:4	a.m 85:2
51:13 53:6	53:16 57:18	amount 47:4	approved 17:22	
54:10,11	62:4 77:5,24	53:9 76:22	80:6	B
accounting 79:22	81:21	amounts 58:17	approving 18:22	B 11:22 13:16,24
accurately 86:12	agreed 17:13	74:20	43:25	30:13
activated 51:3	19:16 27:20,23	anathema 22:13	approximately 55:21	back 24:8 29:8
actual 31:13,19	34:8 40:20	Andy 13:11	April 79:17,18	40:5,19 68:14
62:16	44:13 47:24	annoys 46:2	79:24 80:12,14	71:17 80:25
add 17:20 18:13	51:8,9,14,15	answers 15:11	80:22	83:11 84:20
21:4 22:16,18	56:2 57:12	28:18 31:24	area 18:8,11	backwards 45:7
added 51:4	62:7 64:5,23	32:23 33:16	45:16 52:9	ballpark 24:12
addition 66:22	73:14	65:25 66:24	array 27:19	29:10,11
additional 65:17	agreeing 27:8	73:8	art 46:16	barriers 64:25
84:5	56:8 73:12	answered 65:22	ash 50:25	base 43:11
additives 51:2	agreement 12:5	34:13	asked 19:14,14	based 34:13,18
address 41:4	14:3 20:5	answers 34:13	24:15,19 33:12	37:12 38:10
42:2	36:19,20 37:17	anticipate 61:20	34:10,12 53:18	39:25 40:3,3,4
addressed 73:5	37:22 38:8	anybody 39:20	65:23	41:1,15,19
addressing 62:19	53:5,8 57:25	anybody's 21:14	asking 24:10	43:12 44:17
adduced 41:16	59:6 77:1,9	apologize 48:24	30:17 31:12	46:13 49:15
adjourned 85:1	78:4,16 80:1	Appeals 49:8,11	35:17	52:21 70:20
adjusting 55:8	82:4	appear 46:11	assessed 32:1	84:15
adjustment 51:11	agrees 45:21	appearance 12:9	associate 27:15	basically 38:10
admit 62:25	ahead 30:4	appeared 34:16	assuage 26:9	basing 46:18
63:7	48:24 65:20	appearing 13:9	assume 53:12	basis 22:2 29:2
admitted 43:23	69:2 80:7	13:14	72:11	35:12 45:10,12
adopted 64:6	allows 80:13	appears 60:12	assuming 55:12	65:11
advocate 62:16	alternative 67:1	applaud 60:14	79:15	bear 11:12 13:1
advocated 63:18	aluminum 81:20	apples 39:5	as-is 62:16	13:1 31:16,20
advocating 62:14,15	83:17,22,23	41:22,22	attaching 45:23	62:2 65:7
affect 29:4 40:8	amend 78:21	application 53:13	attachment 75:18	beginning 26:21
46:11,20	Ameren 9:10	53:13	attempt 19:25	behalf 13:1,5,10
agenda 41:7	10:12 12:6,10	applies 58:13	attention 46:4,8	13:15 65:7
43:5 80:5	12:14 19:2	63:20 66:15	81:19	belaboring 46:1
aggregate 64:3	25:12 26:4	74:16 76:2,25	Attorney 10:17	believe 14:1
	30:14 37:25	78:12	10:21 11:4,8	21:1,20 22:3
	42:7 68:3,10	approach 33:2	authorized 17:23 42:18	24:9 32:14
	73:21 74:18	appropriate 20:6 22:21	43:2	39:18 43:12
	Ameren's 39:3			48:14 52:5
				54:21 57:10

59:2 60:2,4 61:18 64:4,4 64:11 66:11 70:11 73:23 75:9 77:2 84:11 believed 15:2 19:15 48:10 believes 17:13 81:23 beneficial 83:13 best 32:14 43:14 64:22 79:9 bet 63:12 75:16 better 67:10 beyond 61:18 62:24,24 big 34:4 39:4 bigger 27:15 bill 65:18 68:18 72:19 billing 56:2 58:18 79:20,21 bit 27:12 54:25 62:24 63:5 75:13 black 20:12 32:12 46:6 77:3,17 block 60:13 61:7 62:8 66:17 69:2 71:15 blocks 61:2,4,13 62:20 board 77:21 boiler 51:4 Bolivar 11:4 13:8 Boulevard 9:23 11:8 bound 68:3 box 10:4,9,14 12:14 20:12 32:12 46:6 77:3,17 Boy 44:22	breach 22:20 Brian 11:12 13:1 brief 72:19 briefing 49:11 Brightergy 13:11 bring 81:18 83:10 84:19 broad 27:19 64:16 brought 49:6 burned 51:4 BYRNE 75:17 75:23 by-service 64:14	27:5 28:24 31:23 33:18 34:21 36:16 38:25 40:2,4 41:7,25 42:6 43:6,21 46:11 46:12,20,24 47:1,2,5,16 48:11,12 49:1 49:6,7,7,9,10 49:14,15,16 51:3 52:4,22 53:17,23 62:7 62:20 63:20,22 66:19 69:5,12 69:16,16,18 70:3,5 73:24 74:9 79:11 82:23 cases 20:17 26:25 47:24 48:2 52:25 caveat 35:18 caveats 43:20 CCR 9:22 86:20 Center 11:17 13:20 certain 28:17 47:6 52:12 78:13 certainly 29:14 71:10 77:4 certainty 33:7,9 34:1 36:4 CERTIFICA... 86:1 Certified 86:6,7 certify 86:9 Chairman 9:18 14:5,6,16,19 14:25 15:4,10 15:19 16:1,6 16:10,12,16 17:10,19 18:4 18:12,16 19:9 19:12,19,23,24	20:3,9,18,23 20:25 21:6,16 21:18,21 22:11 22:16,18,22 23:8,17,18,19 24:1,4,10 26:17 34:10 46:23 47:3,9 47:13,17,21 48:8,13,17,23 49:5,21 50:2 50:10,17,23 51:19 52:11,15 52:23 53:2,12 53:25 54:4,13 54:16 55:5,16 55:23 56:23 57:7,13,20 58:2,10 59:2,9 59:19,24 60:1 60:6,11,21 61:3,6,9,16,19 61:23,25 62:6 62:21 63:1,3 63:15 65:7,14 72:9,17 73:6 73:10 74:2,7 74:13 75:3,11 75:16,25 76:6 76:18 82:12,15 82:19 83:15,22 84:8,13,18,24 Chairman's 65:23 71:14 challenge 27:1 change 52:11,17 54:6,11 61:21 68:22 changed 37:12 42:12,14 52:7 changes 50:7,8 50:17,20 52:24 53:3 54:7 55:12 Chapter 81:11 characteristics	84:3 characterizati... 62:4 charge 53:18 58:14,21,23,25 59:11 60:25 charges 52:5,20 59:1 CHIEF 9:14 choose 70:25 82:4 choosing 67:3 chose 53:17 chosen 69:17 Chouteau 10:17 12:11 circumstance 41:11 circumstances 49:16 cite 81:25 City 9:7,23 10:5 10:10,22 11:5 11:13 13:9 clarification 66:16 clarifies 66:13 clarify 66:4 class 55:3,15 57:9 59:21 classes 54:25 55:7 56:5,13 56:20 clause 51:11 clear 18:21 49:10 66:15 clearly 22:1 close 29:15 47:12 57:2 closer 54:25 55:3 56:13,14 61:21 Club 11:15 13:18 coal 50:25 Coffman 11:7
--	---	---	---	--

ON-THE-RECORD PROCEEDING VOLUME 15 3/2/2017

13:15,16 20:7 20:11,22,24 63:13 cognizant 17:5 Cohen 11:21 13:23,24 collaborate 64:23 collaboration 64:16 collaborative 67:6 69:3,7,9 collect 58:25 collected 58:24 Columbia 10:15 11:22 12:14 13:24 combination 59:5,14 come 12:2 20:5 25:10 26:7 27:3 28:7,19 28:25 30:11 31:5 32:7,21 35:25 36:20 37:17,18,22 38:2,7 39:15 39:17 45:3,5 53:8 55:10 57:18,25 64:24 70:4,13,19,23 71:19 78:4,9 78:15 comes 21:23 28:14 32:17 39:25 40:8,9 40:14,19 42:16 42:19 53:4 69:17 comfort 27:3 30:22 31:4 32:18,19 33:13 46:10 77:4 comfortability 78:9 comfortable	19:4,6 23:23 31:1,6 32:6 35:19 39:11 coming 29:20 33:16 71:17 76:25 commended 77:25 comment 36:11 42:2 71:13 comments 71:14 77:11 Commission 9:1 10:2,3 12:19 14:5 25:16 26:6 33:17 38:6 44:10 48:20 49:8,10 49:12,13 79:3 82:1,3 Commissioner 14:13,14 23:18 23:19,20 24:1 24:3,5,8,22 25:14,18 26:2 26:8 28:2,5,11 28:14 29:5 30:2,5,9,14,18 31:8 32:3,22 33:11 34:2,6 34:20,24 35:2 36:10 37:6,16 37:20 38:9,16 38:21 39:11,14 40:11 41:2 43:8 44:5,12 45:25 49:21,25 54:13,15 60:9 60:15 65:16,18 66:14 67:22 68:8,20 69:1 69:19 70:4,10 70:17 71:5,12 72:4,7 76:1,4,7 76:14,16,21 77:10	Commissioners 9:17,19 12:10 14:12,17 18:21 21:24 23:2,15 25:19 46:5 63:18 66:20 67:2,4 Commission's 48:16 81:24 committing 71:16 common 20:12 companies 25:4 company 9:10 10:12 14:22 16:3 17:19 19:3,5 21:7,9 23:10 24:15 25:20 27:8 38:23 53:12 55:12 62:7 66:18 72:18 73:25 75:4 79:4 company's 15:25 16:8 17:16 31:13 46:23,25 64:10 82:22 company-own... 57:3 comparable 25:4 26:7 compare 29:18 73:21 compared 52:25 complaint 40:17 completed 69:15 completely 25:21 compliance 80:8 80:12,18,19 component 54:8 concept 22:12 concern 26:16 36:15 76:23	concerned 45:19 45:22 concerning 58:10 74:17 concerns 30:1 concluded 47:5 85:2 concrete 62:19 concurrently 25:3 conditions 42:24 conducted 72:12 72:18 confidence 30:9 30:20 35:18 confident 28:6,9 28:15 29:11 32:11 34:18 44:7 confused 69:6 congratulated 77:13 connection 73:16 consensus 80:6 consequence 56:11 consideration 29:23 66:19 67:23 considered 66:20 considering 37:3 consistent 48:11 48:15,21 72:18 75:10 80:1 81:24 consistently 29:20 36:23 consolidate 64:8 consternation 32:4 consumables 51:3 consumers 11:6 13:14,15 17:2	contact 13:2 continually 29:6 29:7,9,10 continue 65:12 82:23 CONTINUED 11:1 continues 82:2 continuing 50:7 contradiction 66:13 contradictor 66:1 controlling 51:5 conversation 40:23 convey 66:5 correct 15:8,13 19:17,18 24:21 25:17 34:22 53:1 54:22 58:14,15 60:3 61:7 62:10 72:15,16 73:17 73:25 81:6 corrected 81:16 correction 81:1 81:14 cost 42:24 54:8 55:1,3 56:13 56:15,17 57:10 58:4,7 63:9 65:25 66:1,7 66:12 75:11 costs 50:8,21 51:10,11,25 52:2,24 53:14 54:9 58:24 59:1 Council 11:6 13:16 Counsel 10:7,8 12:21,23 13:14 count 40:14 COUNTY 86:4 couple 47:20
---	---	---	---	--

MIDWEST LITIGATION SERVICES

65:16 67:24 73:13 78:18 79:18 82:12 course 49:9 84:7 court 12:20 49:8 49:11 86:7 covered 57:10 crack 23:6 craw 46:21 created 70:22 credible 44:6 crickets 24:13 cross 64:3 cross-examina... 44:3 CSR 9:22 86:20 curious 59:12 current 17:6 50:4 54:12 72:13,14 83:15 currently 58:25 59:22 74:15,18 customer 40:4 40:13 60:25 67:15 83:5 customers 25:6 27:7,12 58:3 64:2,7,20 65:24 66:22 68:11,22,23,24 70:25 79:19 customer-own... 57:4	days 80:14 DE 65:4 debating 48:5 decide 41:8 68:3 decided 33:17 70:7 72:3 decision 40:25 43:24 49:9,13 53:16 decline 61:10 declining 61:7 defended 49:9 definitely 44:9 60:1 definition 39:21 definitions 50:21 definitive 20:16 degree 33:25 delegate 80:7 deliberating 43:5 deliberations 80:5 demand 58:14 58:21 59:1,11 84:16,17,21 depending 56:1 57:3 depreciation 47:14,15 describe 54:6 deserve 45:24 design 14:9 50:1 54:17 59:15 63:7 65:17 67:18 71:10 desire 18:24 23:14 details 65:13 determinants 56:3 58:18 determine 26:23 29:3,3 develop 16:4 62:8	developing 17:4 dialogue 65:12 difference 53:10 73:11 different 25:21 28:20,21 29:3 31:23 40:7 43:4 44:21 46:13 57:17 77:14,21 82:24 differential 60:19 61:12 differently 18:10,11 25:25 68:24 difficult 19:1 78:1 difficulty 40:22 77:22 direct 15:3 24:24 29:15 47:7 73:24 direction 63:21 disagree 23:12 43:9 discuss 14:2 21:24 29:25 36:12 discussed 23:22 36:19 81:20 discussion 23:21 39:5 41:19 67:20 72:10 discussions 20:1 21:23 22:20 displeasure 46:22 76:22 distance 18:3,6 35:10 District 57:5 Division 11:11 11:12 12:24 13:2 27:18 62:1 64:17 65:8 docket 75:22,24	document 15:4 15:11 26:20 documents 17:18 36:22 doing 19:21 28:10 35:14 41:21 54:18,21 56:12 64:2 68:13 dollar 59:21 dollars 33:18 34:5 dozen 33:3 draw 46:7 d/b/a 9:10 10:12	81:22 else's 37:1 emissions 51:5 Empire 22:8 27:5 Empire's 60:3 employment 83:24 84:2 ended 51:9 ends 71:25 energy 11:11,12 12:25 13:2 27:18 58:22,25 62:1 64:17 65:8 enjoy 78:6 entire 27:13 55:18 59:15 entries 12:8,10 environmental 11:17 13:19 27:17 EO-2016-0203 81:25 equate 52:1 error 78:20 ER-2014-0370 48:12 ER-2016-0179 9:10 12:7 essentially 67:1 estimate 47:8 estimates 45:24 55:1 everybody 35:7 44:20 45:21 55:18 67:7 70:7 77:11 everybody's 34:8 78:14 everyone's 26:11 evidence 41:15 43:21 44:1,4 44:11 exact 35:21
<hr/> E <hr/>				
E 10:1,1,22 11:1 11:1 12:1,1 earlier 36:13 82:16 earning 42:8,21 43:1 earnings 31:13 easier 79:21 easy 50:6 echo 27:11 71:14 77:10 economics 83:8 economic-based 84:6 effect 31:14 39:23 79:9,15 80:21 82:1 effective 79:12 79:17 80:12,16 80:17 efforts 79:9 eight 59:23 either 35:13 40:12 42:22 elasticity 62:22 63:11 electric 9:10,11 10:12 68:23 eliminated				

46:14 exactly 18:2 41:10 43:6 50:13 53:22 55:11 82:10 example 28:23 68:23 Excellent 71:5 exception 51:18 53:23 excused 13:13 exist 15:8 82:21 existence 82:7 83:6 existing 73:21 exists 26:1 64:6 82:20 expense 46:24 47:1 48:11 49:14 expenses 51:1 52:24 expert 70:8 expertise 62:24 explain 50:3 54:18 60:16 explanation 50:6 expressing 76:21 extension 72:10 72:13,14 73:1 74:15 extent 74:24,25 78:13 e-mail 13:12	facilitating 20:19 fact 17:5 27:4 77:20 78:3 factor 30:23 83:20 84:9,17 84:23 factors 35:24 46:13 facts 49:15 fair 47:1 72:23 fall 40:15 familiar 75:6 far 48:4 69:4 favor 68:10 favored 21:2 fear 25:12 fears 26:9 36:13 feedback's 70:6 feel 35:18 felt 19:4,6 51:8 51:10 59:15 FERC 51:12 field 82:2 fight 77:12 figure 33:20 figured 21:8,12 file 40:16 47:20 48:19,25 62:3 62:8,13,15 63:2 66:18 69:14 71:2,6 73:14,15,23 74:9 80:8,12 filed 12:5 14:4 15:7,23 25:3 29:15,16 53:23 69:15 70:14 74:6 75:18 filing 14:23 15:3 63:9 73:24 74:5 final 37:9 fine 15:13 20:3 34:9 first 31:14 39:22	39:22 63:3 65:19 69:20 five 50:16 54:3 fixed 58:24 59:1 flat 59:24 61:20 61:21 67:19 flatten 61:1,1 flattening 60:19 61:10 62:5 63:23 flatter 61:5,12 61:22 folks 27:19,23 49:5,18 64:16 80:18 following 49:18 forgot 51:22 82:16 form 27:14 forth 50:21 86:10,13 forward 43:16 46:7 65:11 66:21 found 44:5 four 18:21 26:2 34:13 50:13,14 50:15 71:3 front 65:10 fuel 50:8,21 51:2 51:4,10,10,13 52:7 53:7 54:8 full 77:15 fully 75:11 86:12 fun 63:4 further 17:20 62:9 65:5 76:18 future 65:13 75:1	56:18 58:11 59:20 73:8 generally 37:24 56:16 64:10 generation 64:21 generically 51:1 getting 26:5 38:19 58:16,18 62:23 77:23,23 82:17 give 16:18,19 18:6,7 24:19 28:18,22 29:11 30:5,11,16,20 30:23 33:6 34:9 35:21 51:6 55:23 56:7,20,24 72:19,23 78:8 given 12:20 13:3 37:1 52:17 70:6 79:10 83:7 giving 20:7 79:10 GMO 74:15 GMO's 60:2 73:22 go 12:9 17:16 30:4 40:6 48:24 64:12 65:12,19,20 68:8 69:2,5 80:7,25 81:17 goal 62:5 72:24 goals 70:21 71:3 goes 59:21 82:25 going 14:8,8 15:12 25:3 28:7,16,19 30:10,18,23 31:2,5 32:8,21 33:14 34:8 39:9,15 40:5 40:15 41:12	43:17 49:23 53:5,5 58:1 60:8 62:13,15 62:18 63:2,7,9 65:3,3,5,11,15 65:20,24 66:18 67:7,14,14 68:4,9,13,15 68:24 69:6,22 70:2,19,22 71:18 73:15,20 73:23 76:9 80:3 84:5 good 12:2 14:6 24:5,7 45:18 59:3,10 70:9 70:19 71:6,11 72:22 Gorman 16:13 16:14 Gorman's 17:8 grant 81:15 granular 65:13 Great 11:17 13:19 group 25:5 groups 27:17 guaranteeing 70:12 guess 26:15 27:2 36:12 39:1 40:21 50:1 51:21 62:22 guy 20:11 27:14 guys 18:17 27:16 32:5 34:11 71:16 78:3
F				H
FAC 14:8 26:6 39:23,24 49:24 50:3,4,6,9 52:25 face 32:5 faced 43:16 facilitate 20:15 facilitates 20:17		G		half 42:9,21,25 42:25 47:11 69:24 Hall 9:18 14:5,6 14:16,19,25 15:4,10,19
		G 12:1 gamut 77:16 general 25:4		

16:1,6,10,12 16:16 17:10,19 18:4,12,16 19:9,12,19,23 20:3,9,23,25 21:6,16,18,21 22:11,18,22 23:8,17,19 24:1 46:23 47:3,9,13,17 47:21 48:8,13 48:17 49:21 50:2,10,17,23 51:19 52:11,15 52:23 53:2,12 53:25 54:4,13 54:16 55:5,16 55:23 56:23 57:7,13,20 58:2,10 59:2,9 59:19,24 60:1 60:6,11,21 61:3,6,9,16,19 61:23,25 62:6 62:21 63:1,3 63:15 65:14 72:9,17 73:6 73:10 74:2,7 74:13 75:3,11 75:16,25 76:6 76:18 82:12,15 82:19 83:15,22 84:8,13,18,24	hard 27:22 77:8 78:12 head 63:13 75:15 hear 24:17 heard 24:23 37:25 38:21 58:16 67:8 hearing 23:20 23:23 33:4,4 45:9 49:1,17 76:20 81:14 heat 68:23 help 26:8,8 46:9 51:5 helpful 17:11 36:2 41:3,4 79:18 Henry 11:16 13:19 hereof 86:10 high 10:22 11:13 42:10 higher 15:24 25:13 45:14 historical 20:7 20:10 73:20 history 23:1 29:9 hitting 55:7 honestly 21:11 Honor 62:2 80:7 83:3 hope 79:16 hopefully 66:12 hours 61:17 huge 40:5 hundred 28:8 34:17 40:1 47:22	73:3 ignore 23:14 imagine 41:6 imagining 27:23 impact 59:18 68:22 74:22 impacted 68:24 impacts 68:18 implement 74:19 75:12 implemented 26:6 implications 19:7 implicit 25:7 31:17 39:18 implicitly 27:10 important 22:15 63:17 improved 75:2 inappropriate 22:23 incentives 71:1 71:7 incline 67:2 inclined 79:15 inclining 60:13 62:8,20 66:17 67:18 69:2 71:15 include 51:15 53:9,13 62:21 included 22:7 47:13 50:8 includes 14:20 15:5 inclusion 52:13 incorporate 63:19 incorporated 74:10 incorrect 81:5 increase 9:11 12:7 14:20,22 14:24 15:16 25:13 42:17	55:6,19,21,22 55:25 56:4,4 58:13,17,18 59:11 60:25 increases 55:14 increasing 59:20 indicate 55:1 56:16,18 indicated 56:12 57:6 79:6,7 indicates 74:8 79:11 individually 24:14 industrial 81:20 83:23 information 12:20 13:2 16:18,19 17:12 43:10,13 infrastructure 73:1 initial 14:23 53:13 input 64:17 70:20 instance 71:8 intend 71:2,6 75:4 intent 22:1 intention 23:13 intentions 71:24 inter 81:11 interest 27:8 32:14 43:14 interested 69:10 77:14 interlineation 78:22 81:1,14 interval 30:20 35:18 inventory 51:13 investment 84:2 involved 16:20 27:17,18 62:1 isolation 36:17	59:7 issue 15:22 23:14 28:24 29:1,2 32:24 32:25 33:17 37:2 41:10 45:3,4 48:18 49:2 58:1 73:21 80:24 issues 28:21 29:4,24,24 32:23,25 33:3 33:9,21,24 37:4,13,14 44:17,19 49:23 73:5 82:1 items 51:18 53:6
handle 72:22 handled 49:14 72:1 happen 32:15 41:13 70:3 72:6,6 happened 17:23 22:6 63:4 happens 31:19 35:1 40:14 41:25 52:21 69:11 happy 56:20	<hr/> I <hr/> IAS 81:21,25 82:6 83:8,9,12 84:3 idea 31:15 35:15	incorporated 74:10 incorrect 81:5 increase 9:11 12:7 14:20,22 14:24 15:16 25:13 42:17	isolated 55:14 isolation 36:17 isolate 55:14 55:25 56:4,4 58:13,17,18 59:11 60:25 isolates 55:14 56:16,18 isolated 56:12 57:6 79:6,7 isolates 74:8 79:11 isolate 24:14 isolation 81:20 83:23 isolate 12:20 13:2 16:18,19 17:12 43:10,13 isolate 73:1 isolate 14:23 53:13 isolate 64:17 70:20 isolate 71:8 isolate 71:2,6 75:4 isolate 22:1 isolate 23:13 isolate 71:24 isolate 81:11 isolate 27:8 32:14 43:14 isolate 69:10 77:14 isolate 78:22 81:1,14 isolate 30:20 35:18 isolate 51:13 isolate 84:2 isolate 16:20 27:17,18 62:1 isolate 36:17	<hr/> J <hr/> J 78:23 81:3,4 James 10:13 Jamie 10:3 12:19 Jefferson 9:7,23 10:5,10,22 11:5,13 13:9 Jim 12:13 39:22 job 78:13 John 11:7 13:16 Judge 9:14,14 12:2,16,21,24 13:4,7,11,17 13:22 14:1,14 14:18 21:20 38:14 61:13 78:17,18 80:25 81:6,9,13,17 82:8,11,12,14 84:25
				<hr/> K <hr/> KCP&L 17:6 19:1,7 24:25 25:2,9,11,13 26:5 34:17 48:12,21 49:6 60:2

ON-THE-RECORD PROCEEDING VOLUME 15 3/2/2017

<p>KCP&L's 49:14 keep 63:5 keeping 72:13 Kenney 9:18 14:13,14 23:18 23:19,20 kidding 44:10 kill 18:17 kilowatt 61:17 kind 18:18 26:11,11 29:25 37:4 40:11 46:7 63:4 65:6 kinds 42:14 knew 38:6 know 16:24,25 17:22 19:17 20:8,11,14,15 21:10,11 23:10 26:14 27:2,24 30:15 31:11,24 32:11 33:6,21 33:21 34:2 35:25 37:4 38:2,6 40:13 40:20 41:1,12 41:14 42:3 44:8 46:14,14 46:20 47:3,25 48:1 49:7,17 51:24,25 56:6 60:15 62:3 64:10 65:1 66:24 68:6 69:24,24 70:20 71:13 72:23,23 73:7 75:14,14 78:25 81:23 82:22 84:20 knowing 33:24 35:24 knows 45:6 kudos 71:21 KW 84:16</p>	<p align="center">L</p> <p>L 10:13 lack 76:22 lacking 77:3 language 73:12 75:7 large 58:11 largely 80:1 larger 55:15 laterally 53:4 latest 56:2 law 9:14 10:17 10:21 11:4,8 11:17 13:19 21:1,19 79:11 lead 25:13 leave 39:9 leaving 67:1 left 50:22,25 Legislation 75:9 Legislature 75:8 let's 16:6 41:6,6 42:7 45:1 63:5 level 27:3 30:9 30:22 31:4 32:18,19 33:13 46:9 78:9 Lewis 10:13 11:3 12:13 13:8 48:24 LGS 54:23,24 55:8,13,21 56:3 57:1 58:16,18 lighting 56:6 57:2 limit 64:7,11 line 14:13,15 27:25 57:22 64:21 72:10,13 72:14 73:1 74:14 81:4 84:20 lines 79:21 list 51:16,16 listed 36:18 49:2</p>	<p>71:4 listening 78:14 listing 53:6 listings 51:12 litigated 41:24 litigation 9:22 37:13 little 18:6 27:11 27:14 45:14,15 45:19,22 47:12 54:25 56:13,14 62:24 63:5,6 67:9 LLC 10:13 LLP 12:13 load 83:20,24 84:2,8,14,17 84:22 long 80:19 longer 82:7,20 82:22 look 17:22 26:4 26:20,22 29:8 29:17 31:3 42:6 44:11 48:2 52:8,8 53:6 73:25 looking 15:6 17:17 34:12 38:11 75:6 lose 45:4,8 loss 28:24 lot 20:12 27:5 44:22 60:5 64:16 79:25 lots 42:11 Louis 10:18 11:9 11:18 12:12 13:20 low 34:16 38:20 42:11 lower 38:22 45:15 84:7,7 Lowery 10:13 12:13,13 14:23 15:9 16:9,22</p>	<p>17:21 18:5 21:4,5,9,17 22:16,19,24 23:9 24:7 27:11 30:15 31:8 35:2 39:4 41:2 43:19 44:23 45:8 46:25 47:7,10 47:15,19,23 48:23 49:5 50:5,12,15,19 50:24 51:20 52:13,16 53:1 53:3,15 54:2,5 54:18,20,24 56:7,25 57:14 59:23,25 60:4 60:23 61:4,8 61:11,15,17,22 61:24 62:12,23 63:2,4,6 64:4 66:24 69:13 70:15 71:2,9 72:16,21 73:7 74:11 78:17,18 81:3,8,10 82:18,21 83:19 84:1,11,19 LP 83:5 LPS 54:22 57:2 LTS 83:6,9,13 83:18 84:4,9</p> <p align="center">M</p> <p>Madison 10:4,9 maintain 84:22 making 39:2 55:2 79:4 80:22 84:20 manufacturing 83:17 Marc 10:8 12:22 March 9:7 79:10 80:13 85:3 market 42:24</p>	<p>math 35:14 39:6 mathematical 36:4 46:15 matter 9:10 12:6 28:1 56:18 maximize 76:10 Mealy 9:22 86:6 86:20 mean 15:5 16:17 16:23 18:18,20 21:2 22:11 26:4 27:12 28:10,18 29:14 31:19 37:18 52:16 53:4 56:9 57:15 64:16 71:13 76:19 means 45:2 55:12 meant 53:7 68:3 82:15 MECG 10:20 13:4,6 16:10 16:15 24:16 38:23 57:25 MEEA 72:1 81:10 meet 83:19,21 megawatts 84:21 mention 54:5 79:2 mentioned 53:8 72:11 met 24:12 meter 64:21 76:8,10,13 meters 64:3,8 65:2 74:22,25 Metropolitan 57:5 mid 15:25 middle 68:18 Midwest 9:22 mid-point 17:9</p>
---	---	--	---	---

MIDWEST LITIGATION SERVICES

ON-THE-RECORD PROCEEDING VOLUME 15 3/2/2017

38:15,19 39:2 39:3,6,7 MIE 38:23 MIEC 11:2 13:7 13:10 16:4,15 24:16 57:24 MIEC's 39:2 million 14:20,24 15:2 26:23 28:25 33:22 44:25 47:10,11 55:6 58:19,21 75:20 Mills 11:3 13:8,8 16:4,14 32:22 33:15 34:4 35:20 39:13 48:25 mind 17:7 19:8 31:21 44:18,24 45:1,11 66:10 minds 35:16 41:20 minor 52:17 miscalculated 28:15 misinterpreting 60:16 misrepresent 35:22 36:3 missed 78:25 Missouri 9:1,7 10:2,12 11:6 11:12,20,21 12:12,14,15,18 13:9,16,21,22 13:23,25 19:13 86:3,8 Missouri's 9:10 12:6 mixing 39:5 MO 9:23 10:5 10:10,15,18,22 11:5,9,13,18 11:22 model 52:7	modify 62:17 Monnie 9:22 86:6,20 month 59:21 79:20 months 63:25 morning 12:2 13:12 14:6 24:5,7 MORRIS 9:14 motion 81:15 motivation 71:7 move 17:15 37:10 49:23 50:1 55:13 57:12 59:10 66:20 74:25 75:4 78:21 moved 17:8 83:6 movement 60:13 63:16,21 74:14 74:16 76:2,3 moves 55:3 56:14 moving 43:16 46:6,7 54:16 54:21,24 56:12 60:11 mute 65:21 Myers 10:3 12:18,19 15:2 16:11 17:14 19:18,22 28:4 28:8,13,17 29:14 30:4,7 30:12 34:23 36:12 48:10 57:22 58:6 59:4,14 66:4 73:18 81:17 82:10	narrow 40:24 45:10 narrowing 62:9 62:10 nature 25:21 nearest 56:9,21 necessarily 31:16 42:11 57:24 58:6,7 64:11 73:15 necessitate 82:3 need 24:8 65:5 82:5 84:16,22 negotiate 19:2 25:10 negotiated 26:18 34:18 37:9 39:18 negotiating 17:4 17:8 negotiation 40:1 40:2 neither 41:12 72:21 netting 52:8 55:20 neutral 54:19 55:11 never 17:8 29:16 48:4 new 79:9 newly 26:5 ninety-five 54:1 54:3 Ninth 10:14 Nobody's 79:6 nodding 63:13 70:8 Non-unanimous 78:1 Noranda 28:24 40:4 82:19,20 82:21 83:4,7 84:14 normalization 47:25	normally 63:11 north 60:5 note 76:19 NRDC 11:15 13:17,18 nuance 51:7 nuclear 54:10 number 16:24 18:3,4,7 24:20 27:9,24 28:9 28:12,13,19 29:13,21 30:6 30:7,11,16 32:10 33:1,8 35:23 36:3,25 37:2,19 41:22 43:11,20 44:25 45:2 47:6 48:1 52:18,18 63:17 75:14 77:6,12 numbers 25:15 26:23 29:16,18 30:21 32:7,21 35:21 36:22 55:23 56:7,8 nut 23:6	23:17 24:1,4 24:22 25:2,18 26:21 30:4,14 30:14,18 34:24 43:18 44:23 47:17,18 48:13 49:21,25 50:23 51:19 52:23 53:2,25 54:4 54:13,16 55:16 57:7,13 58:10 59:6,19 60:22 61:3,9,23 62:6 62:6 63:1 64:1 65:14 69:19,19 72:4 73:6 74:7 74:13 75:25 76:12,14 80:25 81:9 82:8,11 82:14 83:22 84:8,18,18,24 old 20:11 Olive 11:17 once 33:21 41:13 55:17 ones 23:21 one-time 31:18 ongoing 36:15 online 83:11 on-the-record 9:5 12:3 78:7 OPC 15:15 27:15 37:16 48:13 51:6,7 51:22 57:24 OPC's 51:8 operating 84:3 operation 21:19 opinions 41:17 opportunity 56:24 78:8 oppose 62:17 79:6,7 80:24 opposed 19:20 19:22 opt 67:15,21
	N		O	
	N 10:1 11:1 12:1 13:20 Nancy 26:13			

MIDWEST LITIGATION SERVICES

ON-THE-RECORD PROCEEDING VOLUME 15 3/2/2017

70:25 76:9 option 68:11 70:14,24 optional 66:21 67:13,20,24 68:2 oranges 39:6 order 12:3 19:16 44:24 48:11,16 64:13,13 79:13 80:11,16,18 81:24 82:6 ordered 82:9 orders 82:2 originally 83:4 OSAGE 86:4 other's 25:5 ought 27:3 outlined 70:21 outside 58:8 overall 55:19,25 57:5 58:19 78:11 overview 83:3 over-arching 44:17 over-earning 40:18 42:4 owe 79:19 owner 83:15	particular 33:7 64:17 65:4 84:16 parties 14:2,4 16:23,25 19:14 20:16 23:11,23 27:4,6 36:20 37:24 76:25 77:5,8,15,21 79:5,8 80:2,23 party 15:20 16:3 16:12,18 17:12 24:10 48:18 pass 26:14 path 79:14 paying 58:3 65:24 66:11 pays 71:22,23 peak 63:8 people 41:20 46:16 51:1 56:24 78:2 perceive 49:19 perceived 25:16 49:19 percent 28:6,9 30:12 31:1 32:20 33:7,8 33:12 34:17,19 36:24 40:1 47:22 52:5,6 52:19,20,21 55:19,21 56:4 56:5 58:13,17 58:20 59:11 84:10,13,17,22 percentage 52:4 percentages 52:7,17 perception 46:10,19 performed 21:25 personally 22:14 28:18 60:14 63:16 86:9	perspective 17:15 18:8 20:8,10 21:15 28:23 35:3 51:8 58:5 59:10 83:1 phrase 39:17 40:9 pick 67:17 73:3 pinpoint 39:20 place 67:7 69:4 72:14 83:8 places 73:13 please 12:3 24:25 55:24 pleased 71:16,20 77:19 Plenty 21:21 point 15:25 18:7 26:21 32:4 33:7 34:7 37:10 38:20 39:1 40:12 45:10,13 46:1 50:11 54:25 57:17,21 68:6 72:8 75:1 77:14 82:24 pointed 26:17 points 29:2 35:12 policies 73:2 policy 49:12,19 49:20 59:3,5,8 59:10 72:10,13 Polosi 26:13 pool 34:5 position 15:1,15 15:18,20,21 16:8,9,15 26:22 37:2,4,5 37:9 42:1 46:24,25 47:21 48:6,9,17,18 49:3 53:13,21 58:4 59:13	66:3 82:22 positions 28:21 29:23 48:21 possible 21:14 36:19 80:4 possibly 25:16 36:5 Poston 10:8 12:22,22 15:17 18:12,14 19:24 20:4 37:18,24 38:18 39:1,5 48:14 50:14 57:7,8,23 pot 84:20 potential 63:24 65:10 power 53:3 practical 79:24 practices 64:22 preceding 86:13 preferred 36:17 prepared 72:22 prerogative 44:10 present 9:17 26:25 71:19 86:9 presentation 12:4 presentations 78:7 presiding 9:14 presumably 83:20 presumptively 79:11 pretty 29:10 35:19 47:11 73:11 78:4 previously 13:3 price 59:18 64:20 pricing 83:13 primary 55:8 58:11	probably 17:24 18:2,7 19:11 23:3 27:22 33:3 49:2 57:14 60:7 65:21 67:3 71:25 79:13 Proceeding 9:5 proceedings 9:3 85:2 86:9,11 process 22:13 63:8 69:7,9 70:2 Professional 86:7,21 program 70:25 76:11 programs 71:23 72:1 promote 71:3 proper 71:1,7 proposal 62:16 62:19 66:6,18 propose 67:14 proposed 58:8,9 66:8,9 67:16 75:7 proposing 48:15 provide 17:12 21:7,10 24:11 64:19 65:9 71:6 76:10 provided 43:13 47:6 provision 58:12 61:25 74:10 82:9 provisions 77:19 84:6 proxy 25:5 prudently 47:1 Public 9:1 10:2 10:3,7,8 12:19 12:21,23 purchases 52:9 purposely 46:1
P				
P 9:18 10:1,1 11:1,1 12:1 page 50:11 60:12,17 64:1 68:1,14,14,19 72:9 77:12 78:21,23 81:1 81:3,19 pages 86:13 paragraph 78:23 81:3,4 paragraphs 67:24 part 20:14 63:12				

MIDWEST LITIGATION SERVICES

46:3 purposes 29:20 41:9 57:11 pushing 38:11 put 19:16,25 20:6 22:24 26:19 31:7 33:1 34:21,25 35:4 60:18 65:10 68:4 79:12 80:15,17 83:8 putting 32:10 77:8 P.O 10:4,9,14 12:14	24:19 25:8 29:21 32:21 34:9,10,12,21 34:25 35:6,12 35:13 36:18 37:17,19,23 38:2,7,10,20 39:8,14 41:19 44:8 45:10,11 45:13 46:11 52:24 75:19 ranges 41:18 ranging 77:15 rate 12:7 14:9 42:17 46:24 47:1,2,4 48:11 49:14,15 50:1 52:25 54:17 55:6 59:15,21 60:19 62:7 63:6,20,22 65:17 66:17,19 66:20,21 67:13 67:15,16 69:2 69:5,16,17 70:5,13,20 71:3,6 74:9 76:8,9 81:21 81:25 82:6,17 82:23 83:6,14 83:23 84:7 ratepayers 43:15 rates 31:14 39:23 41:13 42:10,20 60:13 61:7 62:8 66:22 67:25 68:9 69:5 70:11,24 71:15 71:16 74:17,19 74:21 76:2 79:9 83:18 reached 27:21 read 69:20 72:5 readers 75:4	real 18:21 31:19 45:18 78:19,20 realistic 79:13 really 16:22,25 18:16 21:13 35:25 42:17 64:14 reason 20:14 25:11 35:20 44:20,21 52:6 reasonable 26:23 27:10,20 27:21 44:18,21 reasonableness 59:16 reasons 23:7,24 32:16 44:22 recognized 47:2 recollection 75:17 recommendati... 72:25 73:4 reconciliation 15:6 26:19 29:17 record 43:22,23 43:24 44:2 78:19 81:18 refer 51:1 reference 78:24 81:5,7,10 reflect 58:23 reflected 53:21 reflects 82:25 regard 62:3 regarding 12:4 73:1 Registered 86:7 86:21 regulations 64:9 regulatory 9:14 75:21,24 reject 44:11,13 44:16 related 14:11 relates 22:4	relationship 31:17,20 reluctance 30:19 36:1 45:17 reluctant 26:11 35:21 remain 82:1 remainder 58:22 remained 17:25 remember 83:25 removal 52:12 Renew 11:20,21 13:22,23 reported 9:21 54:10 reporter 12:20 13:3 86:6,7,8 86:21 REPORTER'S 86:1 represent 21:11 represented 27:9,13 77:15 77:21 representing 45:20,23 represents 43:20 request 12:6 79:3,4 80:22 require 21:25 requirement 14:8,11,21,22 15:3,16,18 16:5 41:9 47:2 49:23 83:24 84:9 requirements 64:12 83:20,21 Res 55:22 56:4 resetting 79:23 residential 55:9 55:14 56:14,16 56:25 57:9 58:3 59:20 65:24 66:2,7,9	66:11 resolution 29:1 resolve 33:10 resolving 20:17 respectively 57:4 respects 79:19 respond 56:24 57:9 result 45:12 63:23 64:15 results 31:20 returns 17:24 revenue 14:7,11 14:20,21 15:3 15:15,18 16:4 29:24 41:9 49:22 50:1 51:22,25 53:19 54:19 55:11,12 66:6 revenues 9:11 28:25 40:6 50:25 51:23 52:1,12,14,20 53:10,24 54:9 60:25 review 23:22 rid 82:17 83:9 83:12 rider 64:5,15 right 15:9,19 16:2,3 19:1 20:20 28:2 30:19 31:12,25 35:14 41:11 44:5,25 47:23 50:2,19 54:16 55:16 59:9 60:11 61:6,6 62:11,12 65:20 70:17 71:4,12 72:7 74:5 75:5 81:13 83:19 84:12 85:1 right.The 61:11	
Q					
quandry 41:5 43:3 question 21:3 30:17 31:9,10 31:25 34:15 60:7 65:22 67:8 76:5 questions 12:9 14:5,7,11,12 15:12 38:11 49:22 65:17,19 76:17,19 78:9 82:13 quick 76:4,19 quickly 78:20 quite 35:14 75:13 80:19 quote 42:16 quoted 25:19 quoting 25:24	R				
R 10:1 11:1 12:1 ran 32:20 range 17:17 18:18 19:9,16 19:25 20:6 22:5,7,8,25 23:15,24 24:12					

ON-THE-RECORD PROCEEDING VOLUME 15 3/2/2017

risk 37:13	28:2,5,11,14	section 60:17	20:12,13 21:2	83:10,16,23
Risks 42:13	29:5 30:2,5,9	66:17 82:5	22:7 29:7 46:6	Smith 10:13
Rivers 11:17	30:14,18 32:3	see 14:12 23:15	77:3	12:13
13:19	32:22 33:11	26:2,9 29:6,8	Sewer 57:5	solid 30:12
road 26:12	34:2,6,20,24	43:8 50:19	SGS 56:25	solutions 64:24
Robertson 11:16	36:10 37:6,16	67:23 69:10	sharing 48:10	somebody 31:21
13:18,19	37:20 38:9,16	71:16,21,22	48:15 49:4	40:16 42:3,15
ROE 15:23,23	38:21 39:11,14	sense 69:18	sheet 86:10	50:3 54:17
16:1,7,8,17,19	40:11 43:8	79:25	shift 55:2,18	somewhat 17:3
17:1,9,12,22	44:5,12 45:25	sent 13:12	66:6,8,10	17:11 26:17
18:14,18,23,25	49:21,25 54:13	separate 82:5,9	shifts 54:19 66:6	61:2
19:3,5,15	54:15 60:9	series 14:7	Shorthand 86:6	sorry 52:15
20:17 21:8,10	65:16,18 66:14	service 9:1,11	shortly 80:9	68:13 69:10
21:12,14,16,17	67:22 68:8,20	10:2,3 12:19	shouting 18:2,6	82:16
22:3 25:1,7,7	69:1,19 70:4	55:1,4,9 56:13	35:10	sort 27:15 36:18
26:10 27:24	70:10,17 71:5	56:15,17 57:10	show 46:2 57:23	36:20 49:17,18
29:2,4 31:22	71:12 72:4,7	58:4,7,11,11	showed 75:18	84:6
32:25 33:4,8	76:1,4,7,14,16	59:21 63:10	side 35:13 53:3	sought 14:22,23
33:20,22,25	76:21 77:10	64:5 65:25	Sierra 11:15	SP 55:13,21 56:3
34:19 36:18		66:1,12	13:18	58:16,18
37:14,17,23	S	Services 9:22	signals 59:18	speak 23:11,16
39:18,25 40:6	S 9:22 10:1,3,14	set 41:13 47:4	64:20	27:14 77:22
40:8,18 41:8	11:1 12:1 86:6	50:21 56:2	signatories	speaking 23:12
42:7,18,22	86:20	66:23 86:10,13	81:21	specific 29:1
43:2,21 44:18	sales 52:9	setting 34:16	significant	51:16,16 77:6
45:3,4 76:23	saw 38:1 70:11	41:9 49:12	73:11 76:21	specifically
77:17	saying 13:12	59:5	significantly	24:19 34:11
ROEs 26:7	19:3 25:20	settled 15:7	59:17	72:2
Rogers 11:22	26:13 32:10	26:18 29:21	silence 36:14	specificity 76:22
13:24	38:2 39:22	31:22 32:2	silent 16:17	specifying 82:6
room 11:13	42:23 44:12,15	41:22	18:19 30:1	spectrum 27:13
24:11 41:7	57:23 59:12	settlement 14:19	34:11 36:14,15	spike 40:5
43:5 67:8	62:14 67:12,13	16:16,20 17:5	71:23 74:6	SPS 54:22,24
roughly 35:13	69:1	17:18 20:1,15	similar 17:25	57:2
56:3 58:16	says 42:3,15,19	20:19 22:2,9	simply 60:18	ss 86:3
rounded 56:9,21	74:12	22:13,20 27:9	single 24:10	St 10:18 11:9,18
RPR 9:22	scale 28:5	27:21,21 29:19	singling 32:24	12:12 13:20
rules 21:1 64:9	scenario 19:1	31:18 32:1,13	slice 51:21 52:1	staff 10:2 12:17
run 50:9 52:7	schedule 81:22	33:2 34:8 36:9	52:2	12:18 15:2
56:1 58:17,21	83:5	36:22,23 37:22	slightly 18:10	16:10,11 18:10
58:22 70:16,17	school 23:12	44:18 50:4,11	60:19	19:22 24:15
running 46:12	science 45:18	53:20,22 57:11	slope 61:11	27:8 28:2 30:1
runs 29:19	46:15,17	58:2,8 63:24	small 55:2,8	36:10,14 38:22
Rupp 9:19 24:1	Scott 9:19	77:6,18 82:25	58:11 59:16,20	48:10 59:2
24:3,5,8,22	se 17:1 39:8	settlements	smart 76:8,10	65:22 66:7,8
25:14,18 26:8	second 24:9	18:17,22 20:8	smelter 81:20	81:18,23

MIDWEST LITIGATION SERVICES

ON-THE-RECORD PROCEEDING VOLUME 15 3/2/2017

<p>staff's 14:25 15:24 17:14 26:22 29:23 48:8 57:20 58:4,5 59:8,10 59:13 73:18</p> <p>stakeholder 63:8 70:2</p> <p>stakeholders 65:4 69:10</p> <p>stand 32:13 58:1 64:14</p> <p>standing 26:13</p> <p>standpoint 17:3 18:25 25:6 27:2 44:16</p> <p>stand-by 64:5</p> <p>start 14:4 55:11 65:10,12 83:16</p> <p>started 24:10 40:23 76:20</p> <p>starting 14:7 40:24 48:6 55:6 79:24</p> <p>starts 50:15</p> <p>state 9:1 23:25 86:3,8</p> <p>stated 23:24 37:8,21 46:5</p> <p>statement 48:21 57:9 82:6</p> <p>statements 25:23</p> <p>statistics 70:21</p> <p>statute 81:11</p> <p>statutory 81:5</p> <p>staying 30:1</p> <p>stereotype 86:11</p> <p>sticks 46:21</p> <p>stipulation 12:4 14:3 26:10 34:22,25 35:6 35:9 37:21 43:25 44:11 74:6 78:21 79:8,16 80:4</p>	<p>80:11,11,16 81:19 82:4,9</p> <p>Stipulations 78:7</p> <p>stop 30:2,19</p> <p>Street 10:4,9,14 10:22 11:13,17 11:22 13:20,24</p> <p>struggling 39:16 40:9,22</p> <p>studies 55:1,4 56:15 57:15,16 57:20,23 68:13 68:16</p> <p>study 47:14,16 57:18 62:22 63:10 64:23 65:6 69:3 72:12,17 73:4 73:12,14,15,16 73:20</p> <p>studying 63:22 71:18</p> <p>stuff 32:11 45:4 45:6,8 46:17</p> <p>stupid 60:7</p> <p>sub 60:17</p> <p>Suite 9:23 10:14 10:22 11:4,17 11:22 13:9,20 13:24</p> <p>summation 72:20</p> <p>summer 62:9</p> <p>support 36:22 63:10 68:5 74:14 76:1</p> <p>supported 48:20</p> <p>supposed 30:21 31:4 32:17 34:7</p> <p>sure 23:5 24:23 32:20 47:11 51:6,7 56:23 67:7,11,25 76:6 83:1</p>	<p>surmise 23:3</p> <p>surveillance 39:24</p> <p>system 55:19 75:20 79:21</p> <hr/> <p align="center">T</p> <hr/> <p>T 9:19</p> <p>take 18:6 32:12 34:7 48:18 58:20 59:7 67:7 69:4 78:19 80:21</p> <p>taken 77:14</p> <p>takes 58:12</p> <p>talked 36:13</p> <p>talking 35:11,12 50:18 60:20 63:5 68:17</p> <p>talks 68:12,15</p> <p>tariff 51:17 54:12 64:10 73:21 74:15 80:18 82:25</p> <p>tariffs 9:11 72:14 79:15 80:9,13,19</p> <p>Tatro 10:16 12:11,11 45:7 60:18,22 62:11 67:11 68:2,17 68:21 69:8,14 70:1,8 71:25 72:5 74:4,21 75:5,13,21 76:12,15</p> <p>technology 74:18</p> <p>telephone 9:18</p> <p>tell 26:10 42:9 43:17 50:13</p> <p>ten 29:2 60:5 80:14</p> <p>tended 26:7</p> <p>tenth 56:10,22</p> <p>terms 30:7 32:1</p>	<p>36:14 41:25 48:5 49:13 50:4 63:22</p> <p>testified 16:14</p> <p>testimony 15:23 43:21 47:5,7 48:5,19 49:1 62:3 72:18,20 73:19 74:8,12</p> <p>thank 12:16 23:25 24:22 38:14,16,16 66:15 70:10,10 77:7,9 84:24 85:1</p> <p>theme 49:18</p> <p>they'd 84:22</p> <p>thing 19:21 22:17 67:21 72:11 79:2 81:18</p> <p>things 22:18 25:21 31:23 42:11,15 43:15 46:18 50:22,24 53:7 65:6,15 75:8 78:5,19</p> <p>think 14:10 16:22,25 17:21 17:21 18:1,20 19:14 21:13,13 22:14,21 23:3 23:6,10,13 26:24,25 27:14 27:22 28:22 29:14 30:16,21 30:23 31:2,17 31:21 32:6,23 33:14 38:19 39:5,9,16 41:5 41:20 43:3,6 43:19 45:9,10 45:14,16,17,21 46:21 50:5,6 54:20 55:15 57:1,15 59:4,5</p>	<p>59:14,17 60:14 60:18 63:16 65:15 67:13,16 68:2,6 69:8,11 71:9,25 73:18 74:4,23 75:5,6 75:17,23 77:18 79:5,13,14 84:1</p> <p>thinks 31:21 45:11,15</p> <p>thought 32:16 37:21 41:21 45:2,4 67:4</p> <p>three 18:20 33:3 47:10 48:2 50:12 57:1</p> <p>time 17:4 21:21 25:4 26:9 27:23 32:2 36:24 41:15 46:12 63:3 68:9 69:20 70:11,12,13,19 70:23,24 71:3 71:6,15,17,19 74:17,19 76:2 76:7,12 80:20 86:11</p> <p>timing 79:10</p> <p>today 12:8 43:4 64:6</p> <p>told 29:7 43:19</p> <p>tomorrow 40:5</p> <p>top 19:2 75:14</p> <p>total 15:18,18 47:3</p> <p>totally 18:19 31:23</p> <p>track 17:6</p> <p>tracker 53:19</p> <p>trade-off 20:18 20:19</p> <p>transcribed 86:12</p> <p>TRANSCRIPT</p>
--	--	---	--	---

ON-THE-RECORD PROCEEDING VOLUME 15 3/2/2017

<p>9:3 transmission 51:21,23,24 52:1,2,5,12,14 52:20,24 53:9 53:14,18,22,24 transparency 20:20 22:4 65:9 77:2 transparent 64:20 Treasuries 17:23 42:13 trending 18:1 tried 20:4 32:5 38:5 41:6 43:6 true-ups 29:16 Truman 9:23 Trust 43:17 try 19:25 41:2,3 44:23 64:24 trying 32:25 36:2 41:3,8 46:3 54:6 64:14,19 66:5 turn 16:6,7 turned 40:4 turning 50:2 64:1 Tuxedo 11:8 two 18:20 22:18 31:23 33:3 42:8,12 50:7 50:17,20,22,24 51:18 53:7 54:25 56:12 61:15,16 type 16:19 24:11 24:12 71:23 78:15 types 15:12 46:6 typographical 78:20</p> <hr/> <p align="center">U</p> <p>umpteen 29:3</p>	<p>40:7 Unanimous 14:3 unclear 69:20 uncomfortable 18:22 30:25 uncomfortabl... 32:9 understand 18:24 20:20 26:15 29:5 34:2,6 45:25 60:24 67:12 68:22 73:10 understanding 31:9 65:8 70:1 73:8,19 74:1 80:23 understood 66:25 under-earning 42:5,16 under-utilized 72:25 Union 9:10 10:12 unique 26:17,24 unjust 42:20 unknowable 36:6 unravel 22:2 unreasonable 42:20 unusual 17:3 unusually 15:24 unwilling 25:10 use 64:3 68:9,23 70:11,13,20,24 71:3,6,15 74:17,19 76:2 76:8,12 79:9 users 65:11 uses 70:18 usually 47:4 utility 19:7 42:16</p>	<p align="center">V</p> <p>value 22:3 variables 36:5 40:7 46:16 various 16:23 41:16,17,20 vary 16:24 50:4 viable 70:24 view 18:10 29:4 37:10 57:17 58:23 82:24 viewed 25:8,23 25:24 36:8 37:13 viewpoints 78:14 views 18:10 23:2 vision 26:12 voiced 46:22 volatility 48:1 Volume 9:8 vote 40:12 44:8 44:9</p> <hr/> <p align="center">W</p> <p>W 9:23 11:13 walk 24:25 26:12 want 15:14 20:1 21:24 22:19,20 23:9 24:2,24 29:6 30:2,8 35:22 36:3,10 37:7 38:7 39:4 47:10 49:6 56:19,19,23 67:11 68:4 69:2,21 77:10 78:6 wanted 23:22,25 24:18,23 40:23 46:7 51:22 57:8 67:22,25 78:11,19 wants 40:16 76:9</p>	<p>wasn't 22:8,8 37:14 47:15,17 49:12 54:6 64:18 72:2 Water 34:21 way 15:13 17:16 22:2,25 25:9 27:24,25 30:10 30:10 31:11 32:15,20 33:2 33:15 34:18 35:4 39:19 55:11 57:12 58:1 67:2 70:18 80:24 weak 63:6 weather 31:18 week 80:5 weight 45:23 Wendy 10:16 12:11 went 24:14 34:11 49:8 we'll 12:8,9 47:20 63:8 67:19 69:14,15 69:21 we're 12:3 23:9 28:19 31:1 32:24,24 39:16 40:9 42:4 45:19,22 46:18 53:5,5,25 54:2 54:18,21,21,24 55:2,6 56:12 57:22 62:12,12 62:15,18 64:14 64:19 65:3,3,5 67:13,13,14 69:1,22 72:12 75:5 79:23 80:3,22 we've 27:12,17 47:24 50:20,21 51:17 64:23 William 9:18</p>	<p>willing 21:7 32:19 35:4,5,7 35:8 36:7 39:8 willingness 74:8 Wills 71:10 win 45:5 winter 61:2,4,7 61:14 62:10 63:24 wish 63:19 witness 18:15 34:16 38:24 44:6 72:19 witnesses 41:16 43:10 44:2 WOODRUFF 9:14 12:2,16 12:21,24 13:4 13:7,11,17,22 14:1,14,18 21:20 38:14 61:13 78:17 80:25 81:6,9 81:13 82:8,11 82:14 84:25 Woodsmall 10:21 13:5,5 15:21,22 16:2 16:13 17:2 18:9,24 19:11 22:10 23:7 24:21,24 25:2 25:17,22 26:15 28:22 34:15 37:6,8 38:13 38:15 39:16 42:19,23 44:9 44:15,24 45:2 45:15 48:19 54:22,23 55:10 55:17,25 57:1 57:6 58:15 83:3 84:10,15 Woodsmall's 56:8 work 62:18 65:3</p>
--	--	---	---	---

MIDWEST LITIGATION SERVICES

ON-THE-RECORD PROCEEDING VOLUME 15 3/2/2017

working 17:18 36:21 69:9 77:1	#0538 86:7,20	24 33:24 35:24	6	28:3,16,20
workshop 69:3 69:23 70:2 73:1	1	28th 21:20	6.17 58:21	29:13 35:6,15
world 31:19	1 79:24 80:12,22	3	614 11:17	36:23 37:25
worry 25:6 26:1	1st 79:17,18	3.57:1 58:16	63101 11:18	38:23,23 39:9
worth 29:2 33:19	80:14	3.03 55:21 56:4	63102 13:21	9.4 17:17 24:15
wouldn't 19:4,6 24:18 34:9	1.3 47:22 48:6	57:2	63103 10:18	28:3,16,20
43:1 59:7	1.5 47:22 48:6	3.48 55:18 56:1	63109 12:12	29:13 36:23
wrong 24:17 29:9 31:3,12	1.71 52:6,21	3.5 57:4,6	63119 11:9	38:23
31:25 73:25	10 42:8,8,21,25	3.7 56:25 57:1	636-7551 9:24	9.5 26:6
X	52:18,19	3.77 55:22 56:5	65101 10:22	9.53 17:22 18:5
X 33:8	10-day 79:12	3.8 57:2	11:5	24:16 26:5
Y	80:15,17	3.86 52:5	65102 10:5,10	34:13 35:11
Y 9:18	100 28:6 34:19	3.9 57:4,5	11:13	39:2,8
yeah 24:3 38:13	36:24	301 11:13	65109 9:23	9.6 19:5
49:25 54:20	101 11:4 13:9	308 10:22	65201 10:15	9.7 35:6,15
57:8,14,22	11:00 85:2	314 10:18 11:18	65203 11:22	37:25 38:12,20
65:18 66:4	111 10:14	319 13:20	13:25	38:23 39:9,15
68:17,20,21	12 60:12,17	32 55:14	65205 12:14	42:7,9 45:1,5
69:8,21 75:23	12-month 73:20	3432 9:23	680 11:13	9.9 16:9,21
year 31:14 39:23	1200 11:22	360 10:4	7	17:16 39:7
42:12 69:11,23	13:24	386 81:11	705 11:17	90 32:20 33:7,8
years 20:13 42:8	13 68:15	386.1075 78:24	750 61:17	33:12
47:20 51:17	14 64:1	393 81:12	751-5558 10:10	901 12:11
yesterday 25:19	15 9:8	393.1075 78:25	797-0005 10:23	918 10:14 12:14
Z	15.4 58:19	81:8	8	92 26:23 44:25
Zellers 13:12	150 84:21,23	4	8th 80:9	95 84:10,13,17
zero 28:5	151 51:12 53:6	4th 13:20	8.75 16:11,21	84:22
zone 59:16	16 72:9	40 45:10,12	17:15 44:6	
\$	17 35:12 78:21	58:13,20 59:11	800 13:20	
\$600 75:20	78:23 81:3	424-6779 11:9	85 30:12 31:1	
\$7 28:25	1901 10:17	442-3141 10:15	871 11:8	
\$8 59:24	2	45 55:9,9,13	9	
\$92 14:20 33:22	2 9:7 60:17,20	450 84:23	9 39:7 42:25	
55:6	85:3	5	81:19	
#	2.9 57:2	50 45:10,12	9.2 15:25 16:10	
	20th 79:10	518 54:10	16:13 17:8	
	200 10:4,9,14	52 15:2	19:3 25:11	
	2017 9:7 85:3	526-2423 11:14	34:19 37:11,15	
	204 10:22	526-6036 10:5	38:13,14,17,20	
	206 14:24	554-2237 10:18	38:22,24 39:15	
	207 9:23	573 9:24 10:5,10	44:18,25 45:3	
	22nd 80:14,20	10:15,23 11:9	9.25 24:16 34:12	
	221 11:4 13:8	11:14	38:3,12 39:2	
	2230 10:9		9.3 17:17 24:15	
	231-4181 11:18			

MIDWEST LITIGATION SERVICES