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and BenefitsWitness:Kelly S. HasenfratzType of Exhibit:Direct Testimony
Union Electric Company
File No.:ER-2019-0335Date Testimony Prepared:July 3, 2019

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ER-2019-0335

DIRECT TESTIMONY

OF

KELLY S. HASENFRATZ

ON

BEHALF OF

UNION ELECTRIC COMPANY d/b/a Ameren Missouri

<u>DENOTES CONFIDENTIAL INFORMATION</u>

St. Louis, Missouri July 2019

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1		DIRECT TESTIMONY	
2		OF	
3		KELLY S. HASENFRATZ	
4		FILE NO. ER-2019-0335	
5		I. INTRODUCTION	
6	Q.	Please state your name and business address.	
7	A.	My name is Kelly S. Hasenfratz. My business address is One Ameren	
8	Plaza	, 1901 Chouteau Avenue, St. Louis, Missouri 63103.	
9	Q.	By whom are you employed and what is your position?	
10	A.	I am employed by Ameren Services Company ("Ameren Services") as	
11	Direc	tor, Compensation & Performance. Ameren Services Company provides	
12	vario	us corporate support services to Ameren and its subsidiaries, including Union	
13	Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company"),		
14	such as accounting, human resources, legal, financial, and treasury services.		
15	Q.	Please describe your educational background and employment	
16	expe	rience.	
17	A.	I was awarded a Bachelor of Science in Business Administration in 1985	
18	from	the University of Missouri-Columbia. In addition, I have over 25 years of	
19	exper	ience with Ameren in increasingly responsible roles-18 of which were	
20	focus	ed on total rewards and human-resources related activities. ¹ I have been in	
21	my cu	urrent role since December 2016.	

¹ References to "Ameren" in my testimony refer to Ameren Corporation or its affiliates.

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Q. Please describe your additional qualifications.

2 In addition to my education and experience as described above, I also A. 3 attend continuing education programs related to human resources, total rewards and 4 compensation. I am a member of the Compensation & Benefits Council for The 5 Conference Board, a network of professional peers focusing on key trends, metrics, and 6 challenges in compensation and employee benefits. I also participate in the Compensation Affinity Group sponsored by Willis Towers Watson, which gives compensation 7 8 professionals an avenue to share ideas and stay up to date on new and relevant trends. 9 Further, throughout my career I have successfully managed many strategic projects, 10 including compensation structure design and implementation, incentive plan re-design, 11 benefit plan redesign, total rewards strategy, benefits administration outsourcing, and 12 technology implementations.

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Q. What are your responsibilities in your current position?

A. As Director of Compensation & Performance, I am responsible for overseeing the strategy, design, and delivery of broad-based compensation and executive compensation programs for employees of Ameren subsidiary companies. This includes base pay infrastructure, merit, short- and long-term incentive programs, paid time off, and recognition programs. In addition, I am responsible for providing relevant information and supporting materials for the Human Resources Committee of the Ameren Board of Directors.

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II. PURPOSE OF TESTIMONY

Q. What is the purpose of your direct testimony in this proceeding?

A. The purpose of my direct testimony is to describe Ameren's compensation and benefits philosophies and how we design and manage compensation programs to ensure that employee wages, salaries, and benefits are aligned and competitive with the market.

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III. COMPENSATION

Q. Please describe the overall employee compensation philosophy.

8 We utilize a market-based compensation philosophy. The objective is to A. 9 provide a package that attracts, retains, and motivates a talented workforce and reinforces 10 strong performance, in a financially sustainable manner. Ameren's compensation programs 11 are designed to align with similarly situated companies and jobs in the broader labor 12 market, balance business priorities with co-worker expectations, comply with federal and 13 state regulations, and recognize that experience and performance are the basis for individual compensation. With this approach, we can be confident that our pay is 14 competitive and aligned with the market. Ameren sets pay levels for non-bargaining unit 15 16 represented positions using this market-based philosophy.



1 Q. How do you know if this compensation structure is appropriately 2 aligned with the market?

3 А. Determining the appropriate competitive range of pay for a particular job is 4 a detailed and disciplined process of gathering competitive national, regional, and local 5 market pay data from a number of reliable, reputable third-party survey sources, and then 6 using the data to set competitive pay levels. The survey process is completed annually to 7 ensure a good understanding of current market data for a given role. This approach is 8 common in the marketplace and is considered a best practice among our many peers within 9 the industry. A summary of the third-party compensation surveys that we have utilized to 10 gain insight into external market-based pay and compensation practices is reflected below 11 in Table 1:

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**Table 1

1	**
2	Once all survey responses are received from participating companies, the survey
3	provider summarizes and normalizes data submissions to ensure data consistency and
4	integrity. This process ensures that the benchmarked roles are comparable from company
5	to company. On a regular and on-going basis, we evaluate non-bargaining unit represented
6	salaries both individually and in the aggregate to ensure that we are abiding by our market-
7	based compensation philosophy. **
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17	Q. How do you align your benefits with the market?
18	A. Similar to our compensation philosophy, our benefits philosophy is to
19	provide a competitive benefits package with an overall value at approximately the overall
20	market average. By benchmarking benefit offerings against comparable peer utilities, we

21 are able to ensure our benefits programs are consistent with this philosophy.

1	We participate in benchmarking services where the value of Ameren benefits is
2	compared to the benefits programs offered by other participating companies. These
3	benchmarking results provide a quantitative evaluation of each company's benefits
4	provisions and overall benefits program, and facilitate a comparison of these benefits
5	values from company to company.
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14	These results are consistent with our philosophy to provide market-based benefits
15	programs.
16	Q. Does this conclude your direct testimony?

17 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Decrease Its Revenues for Electric Service.

) File No. ER-2019-0335

AFFIDAVIT OF KELLY S. HASENFRATZ

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

Kelly S. Hasenfratz, being first duly sworn on her oath, states:

1. My name is Kelly S. Hasenfratz. I work in the City of St. Louis, Missouri, and I am employed by Ameren Services Company as a Director of Compensation and Performance.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Union Electric Company d/b/a Ameren Missouri consisting of $\stackrel{6}{_}$ pages and Schedule(s) <u>no schedules</u>, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

Subscribed and sworn to before me this 27 day of

My commission expires:

GERI A. BEST
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Notary Public - Notary Seal
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State of Missouri
Come of Missouri
Commissioned for St. Louis County
M. Commission of OL LOUIS COUNTY
WY UUIIIIIISSING FYDIRES' February 15 ASAA
Commission Expires, repridary 10, 2022
Commission Number 14920044
Commission Number: 14839811