

Exhibit No.: 109
Issue: Financial Ability
Witness: David Murray, CFA
Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: EA-2018-0202
Date Testimony Prepared: September 28, 2018

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

FINANCIAL ANALYSIS

SURREBUTTAL TESTIMONY

OF

DAVID MURRAY, CFA

STAFF Exhibit No. 109
Date 10/31/18 Reporter SM
File No. EA-2018-0202

**UNION ELECTRIC COMPANY,
d/b/a AMEREN MISSOURI**

CASE NO. EA-2018-0202

*Jefferson City, Missouri
September 2018*

1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **DAVID MURRAY, CFA**

4 **UNION ELECTRIC COMPANY,**
5 **d/b/a AMEREN MISSOURI**

6 **CASE NO. EA-2018-0202**

7 Q. Please state your name.

8 A. My name is David Murray.

9 Q. Who is your employer?

10 A. The Missouri Public Service Commission.

11 Q. What is your current position with the Commission?

12 A. I am currently the Utility Regulatory Manager of Financial Analysis.

13 Q. What education, credentials and experience qualify you to provide an expert
14 opinion in regard to regulatory financial matters?

15 A. Please see Schedule DM-s1 for a full explanation of my experience, case
16 proceeding participation, education and credentials.

17 Q. What is the purpose of your surrebuttal testimony?

18 A. The purpose of my surrebuttal testimony is to affirm that the Applicant,
19 Union Electric Company, d/b/a Ameren Missouri (“Ameren Missouri”), per the “Tartan” criteria,
20 has the financial ability to purchase the High Prairie Wind Project (the “Project”) through the
21 Build Transfer Agreement (“BTA”).

22 Q. Has any party sponsored rebuttal testimony disputing Ameren Missouri’s
23 financial ability for purposes of the requested certificate of convenience and necessity (“CCN”)?

Surrebuttal Testimony of
David Murray, CFA

1 A. No. However, OPC witness Geoff Marke challenges the need for the project, and
2 the granting of a CCN for the project.¹ CCN requests are typically evaluated by five criteria,
3 known as the "Tartan" Criteria. As explained in the surrebuttal testimony of Staff witnesses
4 Jamie S. Myers and Claire M. Eubanks, CCNs are often granted upon a showing the project
5 meets the Tartan Criteria and is in the public interest. As stated above, my testimony affirms that
6 the project meets the financial ability criterion. It also provides a few more details regarding
7 Ameren Missouri's current financial situation as well as its plan for financing the purchase of the
8 project through the BTA.

9 Q. How does Ameren Missouri intend to finance the acquisition of the Project
10 through the BTA?

11 A. Ameren Missouri's application indicates that it intends to finance the BTA with a
12 mix of debt and equity consistent with its current authorized capital structure. Staff reviewed
13 projected financial statements Ameren Corporation and Ameren Missouri provided to rating
14 agencies and confirmed Ameren Missouri's projected balance sheets are consistent with its stated
15 intentions. Specifically, during the year in which the transaction is expected to close (2020),
16 Ameren Missouri expects to receive ** _____ ** from Ameren
17 Corporation and directly issue ** _____ ** during the same year.
18 Ameren Missouri's projected financial statements also indicate that it plans to retain all of its
19 income in 2020 to help finance its approximate ** _____ ** in capital expenditures, which is
20 ** _____ ** higher than Ameren Missouri's annual capital expenditures during the previous
21 two years. The retention of equity as well as the planned equity infusion will also cause
22 Ameren Missouri's capital structure to be rebalanced toward its authorized capital structure.

¹ Rebuttal Testimony of Geoff Marke, pages 2 and 11.

Surrebuttal Testimony of
David Murray, CFA

1 Q. Will Ameren Missouri need access to significant amounts of liquidity as is
2 typically the situation for self-built construction projects?

3 A. No. Due to the nature of the BTA transaction, TG High Prairie Holdings, LLC
4 ("TG Holdings"), owned by Terra-Gen, LLC, will incur the construction costs during the
5 development of the project. This will significantly reduce Ameren Missouri's financing risk
6 associated with the Project.

7 Q. Does this conclude your surrebuttal testimony?

8 A. Yes.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Union Electric)
 Company d/b/a Ameren Missouri for Permission) **Case No. EA-2018-0202**
 and Approval and a Certificate of Convenience)
 and Necessity Authorizing it to Construct a Wind)
 Generation Facility)

AFFIDAVIT OF DAVID MURRAY, CFA

State of Missouri)
) ss
 County of Cole)

COMES NOW David Murray, CFA, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony*; and that the same is true and correct according to his best knowledge and belief.

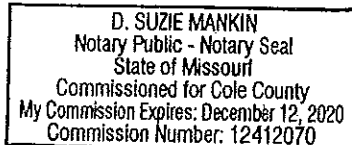
Further the Affiant sayeth not.

David Murray

 David Murray, CFA

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 27th day of September 2018.



D. Suzie Mankin

 NOTARY PUBLIC

DAVID MURRAY

Educational and Employment Background and Credentials

I am currently the Utility Regulatory Manager of the Financial Analysis Unit for the Missouri Public Service Commission (Commission). I accepted the position of a Public Utility Financial Analyst in June 2000 and my position was reclassified in August 2003 to an Auditor III. I was promoted to the position of Auditor IV, effective July 1, 2006. I was employed by the Missouri Department of Insurance in a regulatory position before I began my employment at the Missouri Public Service Commission.

I was authorized in October 2010 to use the Chartered Financial Analyst (CFA) designation. The use of the CFA designation requires the passage of three rigorous examinations addressing many investment related areas such as valuation analysis, portfolio management, statistical analysis, economic analysis, financial statement analysis and ethical standards. In addition to the passage of the examinations a CFA charterholder must have four years of relevant professional work experience.

In May 1995, I earned a Bachelor of Science degree in Business Administration with an emphasis in Finance and Banking, and Real Estate from the University of Missouri-Columbia. I earned a Masters in Business Administration from Lincoln University in December 2003.

In April 2007 I passed the test required to be awarded the professional designation Certified Rate of Return Analyst (CRRA) by the Society of Utility and Regulatory Financial Analysts (SURFA). I served as a board member on the SURFA Board of Directors from 2008 through 2016. I am not currently an active member of SURFA.

CASE PROCEEDING PARTICIPATION

DAVID MURRAY

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
8/7/2018	WR-2018-0170	Liberty Utilities (Missouri Water), LLC d/b/a Liberty Utilities	Surrebuttal	Rate of Return Capital Structure
8/3/2018	WR-2018-0170	Liberty Utilities (Missouri Water), LLC d/b/a Liberty Utilities	Rebuttal	Rate of Return Capital Structure
5/9/2018	GR-2018-0013	Liberty Utilities (Midstates Natural Gas) Corp., d/b/a Liberty Utilities	Surrebuttal	Rate of Return Capital Structure
4/13/2018	GR-2018-0013	Liberty Utilities (Midstates Natural Gas) Corp., d/b/a Liberty Utilities	Rebuttal	Rate of Return Capital Structure
3/2/2018	GR-2018-0013	Liberty Utilities (Midstates Natural Gas) Corp., d/b/a Liberty Utilities	Cost of Service Report	Rate of Return Capital Structure
11/21/2017	GR-2017-0215 & GR-2017-0216	Spire Missouri Inc. (LAC and MGE Divisions)	Surrebuttal	Rate of Return Capital Structure
10/17/2017	GR-2017-0215 & GR-2017-0216	Spire Missouri Inc. (LAC and MGE Divisions)	Rebuttal	Rate of Return Capital Structure
9/8/2017	GR-2017-0215 & GR-2017-0216	Spire Missouri Inc. (LAC and MGE Divisions)	Cost of Service Report	Rate of Return Capital Structure
1/27/2017	ER-2016-0285	Kansas City Power & Light Company	Surrebuttal	Capital Structure
1/20/2017	ER-2016-0179	Union Electric Company d/b/a Ameren Missouri	Rebuttal	Capital Structure
12/30/2016	ER-2016-0285	Kansas City Power & Light Company	Rebuttal	Capital Structure/Cost of Debt
12/09/2016	ER-2016-0179	Union Electric Company d/b/a Ameren Missouri	Cost of Service Report	Capital Structure
3/04/2016	WR-2015-0301	Missouri-American Water Company	Surrebuttal	Rate of Return Capital Structure
2/11/2016	WR-2015-0301	Missouri-American Water Company	Rebuttal	Rate of Return Capital Structure

CASE PROCEEDING PARTICIPATION

DAVID MURRAY

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
12/23/2015	WR-2015-0301	Missouri-American Water Company	Cost of Service Report	Rate of Return Capital Structure
10/21/2015	EA-2015-0146	Ameren Transmission Company of Illinois	Rebuttal	Financial Ability
8/24/2015	GF-2015-0181	Laclede Gas Company	Rebuttal	Financing
3/20/15	EO-2015-0055	Union Electric Company d/b/a Ameren Missouri	Rebuttal	Demand-Side Programs
2/6/2015	ER-2014-0258	Union Electric Company d/b/a Ameren Missouri	Surrebuttal	Rate of Return Capital Structure
1/16/2015	ER-2014-0258	Union Electric Company d/b/a Ameren Missouri	Rebuttal	Rate of Return Capital Structure
12/5/2014	ER-2014-0258	Union Electric Company d/b/a Ameren Missouri	Cost of Service Report	Rate of Return Capital Structure
9/15/2014	EA-2014-0207	Grain Belt Express Clean Line, LLC	Rebuttal	Financing
8/8/2014	GR-2014-0086	Summit Natural Gas of Missouri	Surrebuttal	Rate of Return Capital Structure
7/11/2014	GR-2014-0086	Summit Natural Gas of Missouri	Rebuttal	Rate of Return Capital Structure
5/30/2014	GR-2014-0086	Summit Natural Gas of Missouri	Cost of Service Report	Rate of Return Capital Structure
4/29/2013	SR-2013-0016	Emerald Pointe Utility Company	Surrebuttal	Rate of Return
1/30/2013	EA-2013-0098	KCP&L; KCP&L Greater Missouri Operations; Transource Missouri, LLC	Rebuttal	Financing
11/13/2012	ER-2012-0175	KCP&L Greater Missouri Operations Company	True-up Rebuttal	Rate of Return Capital Structure
11/13/2012	ER-2012-0174	Kansas City Power & Light Company	True-up Rebuttal	Rate of Return Capital Structure
10/10/2012	ER-2012-0175	KCP&L Greater Missouri Operations Company	Surrebuttal	Rate of Return Capital Structure
10/8/2012	ER-2012-0174	Kansas City Power & Light Company	Surrebuttal	Rate of Return Capital Structure

CASE PROCEEDING PARTICIPATION

DAVID MURRAY

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
9/12/2012	ER-2012-0175	KCP&L Greater Missouri Operations Company	Rebuttal	Rate of Return Capital Structure
9/7/2012	ER-2012-0166	Union Electric Company d/b/a Ameren Missouri	Surrebuttal	Rate of Return Capital Structure
9/5/2012	ER-2012-0174	Kansas City Power & Light Company	Rebuttal	Rate of Return Capital Structure
8/14/2012	ER-2012-0166	Union Electric Company d/b/a Ameren Missouri	Rebuttal	Rate of Return Capital Structure
8/9/2012	ER-2012-0175	KCP&L Greater Missouri Operations Company	Cost of Service Report	Rate of Return Capital Structure
8/2/2012	ER-2012-0174	Kansas City Power & Light Company	Cost of Service Report	Rate of Return Capital Structure
7/6/2012	ER-2012-0166	Union Electric Company d/b/a Ameren Missouri	Cost of Service Report	Rate of Return Capital Structure
04/15/2011	ER-2011-0028	Union Electric Company d/b/a Ameren Missouri	Surrebuttal	Rate of Return Capital Structure
03/25/2011	ER-2011-0028	Union Electric Company d/b/a Ameren Missouri	Rebuttal	Rate of Return Capital Structure
02/28/2011	ER-2010-0356	KCP&L Greater Missouri Operations Company	True-up Rebuttal	Rate of Return Capital Structure
02/28/2011	ER-2010-0355	Kansas City Power & Light Company	True-up Rebuttal	Rate of Return Capital Structure
02/22/2011	ER-2010-0356	KCP&L Greater Missouri Operations Company	True-up Direct	Rate of Return Capital Structure
02/22/2011	ER-2010-0355	Kansas City Power & Light Company	True-up Direct	Rate of Return Capital Structure
02/08/2011	ER-2011-0028	Union Electric Company d/b/a Ameren Missouri	Cost of Service Report	Rate of Return Capital Structure
1/12/2011	ER-2010-0356	KCP&L Greater Missouri Operations Company	Surrebuttal	Rate of Return Capital Structure
1/05/2011	ER-2010-0355	Kansas City Power & Light Company	Surrebuttal	Rate of Return Capital Structure

CASE PROCEEDING PARTICIPATION

DAVID MURRAY

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
12/15/2010	ER-2010-0356	KCP&L Greater Missouri Operations Company	Rebuttal	Rate of Return Capital Structure
12/08/2010	ER-2010-0355	Kansas City Power & Light Company	Rebuttal	Rate of Return Capital Structure
11/17/2010	ER-2010-0356	KCP&L Greater Missouri Operations Company	Cost of Service Report	Rate of Return Capital Structure
11/10/2010	ER-2010-0355	Kansas City Power & Light Company	Cost of Service Report	Rate of Return Capital Structure
05/06/2010	WR-2010-0131	Missouri-American Water Company	Surrebuttal	Rate of Return Capital Structure
04/15/2010	WR-2010-0131	Missouri-American Water Company	Rebuttal	Rate of Return Capital Structure
03/09/2010	WR-2010-0131	Missouri-American Water Company	Cost of Service Report	Rate of Return Capital Structure
03/05/2010	ER-2010-0036	Union Electric Company d/b/a AmerenUE	Surrebuttal	Rate of Return Capital Structure
02/11/2010	ER-2010-0036	Union Electric Company d/b/a AmerenUE	Rebuttal	Rate of Return Capital Structure
12/18/2009	ER-2010-0036	Union Electric Company d/b/a AmerenUE	Cost of Service Report	Rate of Return Capital Structure
10/14/2009	GR-2009-0355	Missouri Gas Energy	Surrebuttal	Rate of Return Capital Structure
09/28/2009	GR-2009-0355	Missouri Gas Energy	Rebuttal	Rate of Return Capital Structure
08/21/2009	GR-2009-0355	Missouri Gas Energy	Cost of Service Report	Rate of Return Capital Structure
04/09/2009	HR-2009-0092	KCP&L Greater Missouri Operations Company	Surrebuttal	Rate of Return Capital Structure
04/09/2009	ER-2009-0090	KCP&L Greater Missouri Operations Company	Surrebuttal	Rate of Return Capital Structure

CASE PROCEEDING PARTICIPATION

DAVID MURRAY

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
04/07/2009	ER-2009-0089	Kansas City Power & Light Company	Surrebuttal	Rate of Return Capital Structure
03/13/2009	HR-2009-0092	KCP&L Greater Missouri Operations Company	Rebuttal	Rate of Return Capital Structure
03/13/2009	ER-2009-0090	KCP&L Greater Missouri Operations Company	Rebuttal	Rate of Return Capital Structure
03/11/2009	ER-2009-0089	Kansas City Power & Light Company	Rebuttal	Rate of Return Capital Structure
02/13/2009	HR-2009-0092	KCP&L Greater Missouri Operations Company	Cost of Service Report	Rate of Return Capital Structure
02/13/2009	ER-2009-0090	KCP&L Greater Missouri Operations Company	Cost of Service Report	Rate of Return Capital Structure
02/11/2009	ER-2009-0089	Kansas City Power & Light Company	Cost of Service Report	Rate of Return Capital Structure
08/01/2008	HR-2008-0300	Trigen-Kansas City Energy Corporation	Cost of Service Report	Rate of Return Capital Structure
01/18/2008	GR-2008-0060	Missouri Gas Utility, Inc.	Cost of Service Report	Rate of Return Capital Structure
07/31/2007	WR-2007-0216	Missouri-American Water Company	Surrebuttal	Rate of Return Capital Structure
07/13/2007	WR-2007-0216	Missouri-American Water Company	Rebuttal	Rate of Return Capital Structure
06/05/2007	WR-2007-0216	Missouri-American Water Company	Direct	Rate of Return Capital Structure
12/27/2006	GR-2006-0422	Missouri Gas Energy	True-up Direct	Rate of Return Capital Structure
12/11/2006	GR-2006-0422	Missouri Gas Energy	Surrebuttal	Rate of Return Capital Structure
11/21/2006	GR-2006-0422	Missouri Gas Energy	Rebuttal	Rate of Return Capital Structure

CASE PROCEEDING PARTICIPATION

DAVID MURRAY

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
10/13/2006	GR-2006-0422	Missouri Gas Energy	Direct	Rate of Return Capital Structure
08/18/2006	ER-2006-0315	Empire District Electric Co.	Surrebuttal	Rate of Return Capital Structure
07/28/2006	ER-2006-0315	Empire District Electric Co.	Rebuttal	Rate of Return Capital Structure
06/23/2006	ER-2006-0315	Empire District Electric Co.	Direct	Rate of Return Capital Structure
12/13/2005	ER-2005-0436	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks-L&P	Surrebuttal	Rate of Return Capital Structure
11/18/2005	ER-2005-0436	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks-L&P	Rebuttal	Rate of Return Capital Structure
10/14/2005	ER-2005-0436	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks-L&P	Direct	Rate of Return Capital Structure
11/24/2004	ER-2004-0570	Empire District Electric Co.	Surrebuttal	Rate of Return Capital Structure
11/04/2004	ER-2004-0570	Empire District Electric Co.	Rebuttal	Rate of Return Capital Structure
09/20/2004	ER-2004-0570	Empire District Electric Co.	Direct	Rate of Return
07/19/2004	GR-2004-0209	Missouri Gas Energy	True-Up Direct	Rate of Return Capital Structure
06/14/2004	GR-2004-0209	Missouri Gas Energy	Surrebuttal	Rate of Return Capital Structure
05/24/2004	GR-2004-0209	Missouri Gas Energy	Rebuttal	Rate of Return Capital Structure
04/15/2004	GR-2004-0209	Missouri Gas Energy	Direct	Rate of Return Capital Structure
03/11/2004	IR-2004-0272	Fidelity Telephone Company	Direct	Rate of Return Capital Structure
02/13/2004	GR-2004-0072	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks-L&P	Rebuttal	Rate of Return Capital Structure

CASE PROCEEDING PARTICIPATION

DAVID MURRAY

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
02/13/2004	ER-2004-0034	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks-L&P	Surrebuttal	Rate of Return Capital Structure
02/13/2004	HR-2004-0024	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks-L&P	Surrebuttal	Rate of Return Capital Structure
01/26/2004	HR-2004-0024	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks L&P	Rebuttal	Rate of Return Capital Structure
01/26/2004	ER-2004-0034	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks L&P	Rebuttal	Rate of Return Capital Structure
01/09/2004	WT-2003-0563	Osage Water Company	Rebuttal	Rate of Return Capital Structure
01/09/2004	ST-2003-0562	Osage Water Company	Rebuttal	Rate of Return Capital Structure
01/06/2004	GR-2004-0072	Aquila, Inc.	Direct	Rate of Return Capital Structure
12/19/2003	ST-2003-0562	Osage Water Company	Direct	Rate of Return Capital Structure
12/19/2003	WT-2003-0563	Osage Water Company	Direct	Rate of Return Capital Structure
12/09/2003	ER-2004-0034	Aquila, Inc.	Direct	Rate of Return Capital Structure
12/09/2003	HR-2004-0024	Aquila, Inc.	Direct	Rate of Return Capital Structure
12/05/2003	WC-2004-0168	Missouri-American Water Co	Surrebuttal	Rate of Return Capital Structure
12/05/2003	WR-2003-0500	Missouri-American Water Co	Surrebuttal	Rate of Return Capital Structure
11/10/2003	WR-2003-0500	Missouri-American Water Company	Rebuttal	Rate of Return Capital Structure
11/10/2003	WC-2004-0168	Missouri-American Water Company	Rebuttal	Rate of Return Capital Structure
10/03/2003	WC-2004-0168	Missouri-American Water Company	Direct	Rate of Return Capital Structure

CASE PROCEEDING PARTICIPATION

DAVID MURRAY

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
10/03/2003	WR-2003-0500	Missouri-American Water Company	Direct	Rate of Return Capital Structure
03/17/2003	GM-2003-0238	Southern Union Co. dba Missouri Gas Energy	Rebuttal	Insulation
10/16/2002	ER-2002-424	The Empire District Electric Company	Surrebuttal	Rate of Return Capital Structure
09/24/2002	ER-2002-424	The Empire District Electric Company	Rebuttal	Rate of Return Capital Structure
08/16/2002	ER-2002-424	The Empire District Electric Company	Direct	Rate of Return Capital Structure
08/06/2002	TC-2002-1076	BPS Telephone Company	Direct	Rate of Return Capital Structure
01/22/2002	ER-2001-672	UtiliCorp United Inc. dba Missouri Public Service	Surrebuttal	Rate of Return Capital Structure
01/22/2002	EC-2002-265	UtiliCorp United Inc. dba Missouri Public Service	Surrebuttal	Rate of Return Capital Structure
01/08/2002	ER-2001-672	UtiliCorp United Inc. dba Missouri Public Service	Rebuttal	Rate of Return Capital Structure
01/08/2002	EC-2002-265	UtiliCorp United Inc. dba Missouri Public Service	Rebuttal	Rate of Return Capital Structure
12/06/2001	ER-2001-672	UtiliCorp United Inc. dba Missouri Public Service	Direct	Rate of Return Capital Structure
12/06/2001	EC-2002-265	UtiliCorp United Inc. dba Missouri Public Service	Direct	Rate of Return Capital Structure
05/22/2001	GR-2001-292	Missouri Gas Energy, A Division of Southern Union Company	Rebuttal	Rate of Return Capital Structure
04/19/2001	GR-2001-292	Missouri Gas Energy, A Division of Southern Union Company	Direct	Rate of Return Capital Structure
03/01/2001	TT-2001-328	Oregon Farmers Mutual Telephone Company	Rebuttal	Rate of Return Capital Structure
02/28/2001	TR-2001-344	Northeast Missouri Rural Telephone Company	Direct	Rate of Return Capital Structure
01/31/2001	TC-2001-402	Ozark Telephone Company	Direct	Rate of Return Capital Structure