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Service Commission**

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Issue(s): Accounting Authority Order
Witness: Lynn M. Barnes
Sponsoring Party: Union Electric Company
Type of Exhibit: Surrebuttal Testimony
Case No.: EU-2012-0027
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MISSOURI PUBLIC SERVICE COMMISSION

Case No. EU-2012-0027

SURREBUTTAL TESTIMONY

OF

LYNN M. BARNES

ON

BEHALF OF

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

**St. Louis, Missouri
April, 2012**

Ameren Exhibit No. 3
Date 5-03-12 Reporter KF
File No. EU-2012-0027

1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **LYNN M. BARNES**

4 **CASE NO. EU-2012-0027**

5 **Q. Please state your name and business address.**

6 A. My name is Lynn M. Barnes. My business address is One Ameren Plaza,
7 1901 Chouteau Avenue, St. Louis, Missouri 63103.

8 **Q. By whom and in what capacity are you employed?**

9 A. I am employed by Union Electric Company d/b/a Ameren Missouri as Vice
10 President Business Planning and Controller.

11 **Q. Are you the same Lynn M. Barnes who filed direct testimony in this case?**

12 A. Yes, I am.

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

14 A. The purpose of my surrebuttal testimony is to explain the Uniform System of
15 Accounts ("USoA") standards relating to Accounting Authority Orders ("AAOs"), and to
16 respond to the assertions made in the rebuttal testimony of Staff witnesses Lena Mantle and
17 Mark Oligschlaeger and Missouri Industrial Energy Consumers ("MIEC") witness Maurice
18 Brubaker.

19 **Q. Please summarize your surrebuttal testimony.**

20 A. The Staff and MIEC witnesses contend that this request does not represent a
21 typical request for an AAO made to the Commission and they are correct. This request is
22 unusual because the costs we are requesting to defer were not recovered due to an
23 extraordinary event that occurred years rather than months ago. The delay between the

1 occurrence of that extraordinary event and the Company's application for this AAO is
2 attributable to the fact that Ameren Missouri's initial efforts to recover those costs without
3 seeking an AAO were unsuccessful.¹ But regardless of the uniqueness of Ameren Missouri's
4 application, the financial impact of the extraordinary event is the same as it is in every other
5 AAO application that has been presented to the Commission for decision — as a result of an
6 extraordinary event and the limitations of the regulatory process, the Company's earnings
7 have been placed in jeopardy. More specifically, because Ameren Missouri was unable to
8 collect \$36 million in fixed costs that had been allocated to a specific customer, Noranda,
9 during the period that customer's usage was severely curtailed due to an extraordinary event,
10 the Company's earnings were adversely affected, and unless the Commission grants this
11 request for an AAO those adverse affects will be made permanent.

12 The uniqueness of this request does not mean that the Commission is powerless to
13 remedy this adverse financial consequence as other parties imply. Not only does the
14 Commission have the power to fix the situation I just described, but the principles underlying
15 AAOs, as found in both the USoA and past decisions of this Commission, strongly suggest
16 that the Commission should exercise that power. The Commission should issue an AAO that
17 would allow the Company to defer the \$36 million of fixed costs that were allocated to
18 Noranda that could not be recovered during the period Noranda's usage was affected so that
19 recovery of those costs can be considered in Ameren Missouri's pending rate case, Case No.
20 ER-2012-0166.

¹That our efforts were unsuccessful assumes two things, as follows: first, that the courts do not overturn the Commission's decision in Case No. EO-2010-0255 and second, that the Commission does not reach a different result in the pending fuel adjustment clause prudence review (or even if it reaches the same conclusion that the courts do not overturn such a conclusion). If those assumptions turn out to be incorrect, the Company would not seek recovery of sums deferred via the AAO requested in this case. In summary, the Company agrees that it should not both obtain recovery of those sums and also retain the revenues from the AEP and Wabash sales.

1 **Q. What specific accounting entries are you requesting the Commission to**
2 **authorize?**

3 A. The Commission should order the following accounting: a debit to Account
4 182.3 to create a regulatory asset and a credit to Account 407.4. Generally Accepted
5 Accounting Principles and the USoA each recognize the Commission's authority to order
6 such an accounting and the Commission should exercise that authority in this unusual
7 situation.

8 **Q. Mr. Oligschlaeger's testimony refers to the USoA as the authoritative**
9 **literature defining AAOs. Do you agree?**

10 A. Yes. As the Commission has consistently held, Section 393.140(4), RSMo,
11 provides the legal basis for a utility to request an AAO and for the Commission to exercise
12 its authority to grant relief when appropriate, but the USoA provides the basis for, and the
13 principles governing, the treatment of extraordinary items in Account 182.3. The
14 Commission has specifically adopted the Uniform System of Accounts. See 4 CSR 240-
15 20.030.

16 **Q. What portions of the USoA are applicable to this application?**

17 A. The specific portions of the USOA that are applicable to our AAO application
18 are: 1) the description of Account 182.3, which is entitled "Other Regulatory Assets," 2) the
19 definition of "Regulatory Assets and Liabilities" (USoA Definition 31), and 3) General
20 Instruction No. 7.

21 The USoA description of "Other Regulatory Assets" provides that "regulatory-
22 created assets, not includable in other accounts . . ." that result "from the ratemaking actions

1 of regulatory agencies" shall be recorded in Account 182.3, Other Regulatory Assets. The
2 description further provides that:

3 The amounts included in this account are to be established by those
4 charges which have been included in net income...determinations
5 in the current period under the general requirements of the
6 Uniform System of Accounts but for it being probable that such
7 items will be included in a different period(s) for purposes of
8 developing rates that the utility is authorized to charge for its
9 utility services. When specific identification of the particular
10 source of a regulatory asset cannot be made...account 407.4,
11 regulatory credits, shall be credited.
12

13 Definition No. 31, which is referenced in the description of "Other Regulatory
14 Assets" in Account 182.3 defines the phrase "Regulatory Assets and Liabilities" as follows:

15 Assets and liabilities that result from rate actions of regulatory
16 agencies. Regulatory assets and liabilities arise from specific
17 revenues, expenses, gains, or losses that would have been included
18 in net income determination in one period under the general
19 requirements of the Uniform System of Accounts but for it being
20 probable:
21

22 A. that such items will be included in a different period(s)
23 for purposes of developing the rates the utility is authorized to
24 charge for its utility services; or
25

26 B. in the case of regulatory liabilities, that refunds to
27 customers not provided in other accounts, will be required.
28

29 Finally, General Instruction No. 7 provides the definition of "Extraordinary
30 Items." That definition states, in relevant part:

31 It is the intent that net income shall reflect all items of profit and
32 loss during the period...[which are] related to the effects of events
33 and transactions which have occurred during the current period and
34 which are of unusual nature and infrequent occurrence shall be
35 considered extraordinary items. Accordingly, they shall be events
36 and transactions of significant effect which are abnormal and
37 significantly different from the ordinary and typical activities of
38 the company, and which would not reasonably be expected to recur
39 in the foreseeable future.

1
2 That definition goes on to state, "[to] be considered as extraordinary under the above
3 guidelines, an item should be more than approximately 5 percent of income, computed before
4 extraordinary items."

5 **Q. What is the significance of the portions of the USoA that you just quoted?**

6 A. Considered together, the provisions of the USoA that I quoted create both a
7 means for determining whether an event that affects a utility's earnings is "extraordinary"
8 and also a means for dealing with the effects of such events outside of the normal rate case
9 process.

10 **Q. Based on the USoA provisions cited above, does the Commission have the**
11 **authority to grant the Company's AAO request?**

12 A. Yes. In my opinion the USoA provisions clearly provide such authority, and
13 counsel also advises me that the Commission's enabling statutes provide that authority as
14 well.

15 **Q. Under the USoA, how does the Commission determine if an event that**
16 **affects a utility's earnings is "extraordinary"?**

17 A. This determination is made by reference to the USoA's definition of that term.
18 This is obvious given that the Commission has adopted the USoA in its own regulations, and
19 the Commission has also recognized the USoA as the basis for AAOs in its own past
20 decisions. See, for example, *Re: Missouri Public Service*, Case Nos. EO-91-358 and
21 EO-91-360, *Report and Order* issued December 20, 1991.

22 **Q. Then why would Staff witness Lena Mantle look to the dictionary as a**
23 **source of the meaning of "extraordinary" in the context of an AAO request for a public**
24 **utility regulated by the Commission?**

1 A. I don't know why Ms. Mantle chose the dictionary as her source for a
2 definition of the word "extraordinary," but her decision to do so makes no sense given that
3 the USoA guidance already includes a definition of that term, and the storm that triggered the
4 Company's inability to recover its fixed costs from Noranda most certainly qualifies as
5 "extraordinary" under that definition. In his surrebuttal testimony in this case, Company
6 witness David Wakeman provides numerous details showing the extraordinary nature of the
7 storm event and how it compares to other storms that have been determined by this
8 Commission to be extraordinary events under the USoA's definition. And while, as the
9 Commission has recognized, it has the authority to grant AAOs without consideration of
10 whether a storm's impact had a material financial effect on a utility, the effect of the 2009 ice
11 storm on Ameren Missouri was in fact material. The \$36 million of unrecovered fixed costs
12 (approximately \$22.5 million after-tax) represented nearly 8.5 percent of the Company's net
13 income in 2009 even when including the revenues from the AEP and Wabash contracts that
14 were put in place to mitigate this loss in net income. Consequently, the testimony of MIEC's
15 witness, Maurice Brubaker, that the storm did not have a material financial impact on
16 Ameren Missouri is demonstrably wrong.

17 **Q. Despite the assertion in testimony that the Company is seeking to recover**
18 **fixed costs, isn't the reality that the Company is really seeking "lost revenues" as**
19 **suggested in Mr. Oligschlaeger's testimony?**

20 A. Irrespective of what the parties want to call the request, the USoA clearly
21 states in its definition of regulatory assets and liabilities that "specific *revenues*, expenses,
22 gains or losses that would have been included in net income" qualify as items that can be
23 recognized and deferred through an AAO (emphasis added). The other parties' witnesses

1 provide no authority for the concept – which in fact is directly rebutted by the USOA itself –
2 that an AAO cannot address revenue shortfalls due to extraordinary events. So whether you
3 characterize Ameren Missouri's request as involving revenues or fixed costs, the Company's
4 application still meets the USOA's criteria for deferral through an AAO.

5 **Q. Why would the USOA allow recovery of revenues?**

6 A. The reason the USOA contemplates deferral of revenues is because the
7 purpose of a deferral is to preserve earnings that would otherwise be affected by an
8 extraordinary event, and revenues are a component of earnings. A utility's revenues affect
9 net earnings because revenues are the means by which a utility collects from its customers
10 the costs it incurs to provide service. If because of an extraordinary event like the 2009 ice
11 storm a customer the size of Noranda is significantly curtailed or out of service for an
12 extended period of time, the utility loses a significant portion of the revenues expected by
13 both the Company and the ratemaking process to help pay the cost of providing service. That
14 is because the fixed costs of providing service do not go away when a large customer is
15 significantly curtailed or out of service. And if customer-generated revenues are not
16 available to pay those fixed costs, the burden shifts to the Company's shareholders, who pay
17 those unrecovered costs through reduced earnings.

18 When the January 2009 storm occurred resulting in the loss of power to Noranda, the
19 result was not the same as if the same event would have impacted another customer. Sales to
20 Noranda constitute over 10 percent of the Company's system-wide native load sales. Sales
21 to Noranda are approximately equal to the sales of all of the rest of the Company's industrial
22 customers combined. Noranda is such a large and significant customer that it is in its own
23 rate class. That means that the Company was unable to recover all of the fixed costs

1 allocated to that entire rate class. Between rate cases it was impossible for Ameren Missouri
2 to shift any part of the costs allocated to Noranda's rate class to any or all of the other rate
3 classes, thereby making it impossible to recover those costs at all.²

4 **Q. Do you agree with the assertion in Mr. Oligschlaeger's and**
5 **Mr. Brubaker's testimonies that since Ameren Missouri generated positive net income**
6 **during the period in question, its fixed costs were recovered?**

7 A. No. If that were the standard for issuing AAOs, utilities would seldom, if
8 ever, qualify. That has never been the standard that the Commission has applied in previous
9 AAO cases. As the Commission is well aware, the revenue derived from rates is not simply
10 to cover operating and maintenance costs, depreciation and taxes, but is also to cover another
11 key component of a utility's costs – its legitimate cost of capital (which is sometimes also
12 referred to as giving the Company an opportunity to earn a reasonable return, as determined
13 by the Commission). Simply looking to see whether or not revenues are greater than
14 expenses on the income statement is a gross understatement of the financial support that
15 customer revenues are supposed to provide a utility. Mr. Oligschlaeger implies that simply
16 earning \$1 means that a utility is not financially harmed by an extraordinary event such as the
17 2009 ice storm. As acknowledged in Schedule 2 of Mr. Oligschlaeger's testimony, at no
18 time during 2009 or 2010 – when Noranda's usage was affected by the ice storm – did the
19 Company earn anywhere close to its allowed return. This illustrates that simply having an
20 ROE above 0% doesn't mean that the Company has adequately covered its costs, including

² It is noteworthy to point out that as a result of the January 2009 storm and the consequential drop in Noranda's usage, in the Company's next rate case (Case No. ER-2010-0036), the parties in the case agreed to and the Commission approved the addition of the 'N' Factor to the FAC calculation, which allows the Company to retain revenues from off-system sales in an amount equal to the fixed costs not recovered from Noranda in the event a significant reduction in usage would occur similar to the drop that occurred February 2009-May 2010. In adopting that provision, the parties and the Commission implicitly acknowledged that it is not appropriate for the Company to suffer a loss in this situation.

1 its capital costs, or that it was not financially harmed from this extraordinary event. As I
2 noted earlier, the purpose of authorizing deferrals to Account 182.3 is to protect a utility's
3 earnings from the adverse effects of extraordinary events. That doesn't mean a utility is not
4 harmed and cannot obtain a deferral through an AAO unless and until it has exhausted every
5 dollar of earnings – as Messrs. Oligschlaeger and Brubaker suggest – but, instead, means use
6 of regulatory mechanisms, including where appropriate an AAO, so that the utility will in
7 fact have a reasonable opportunity to earn a fair rate of return as determined in the utility's
8 most recent rate case.

9 Additionally, if (as Mr. Oligschlaeger suggests) the USoA does not contemplate that
10 utilities will be able to defer the financial effects of an extraordinary event unless their
11 financial viability is in jeopardy such that they are forced to request emergency interim rate
12 relief, there would be no need for AAOs to exist at all. And again, that has never been the
13 standard applied by this Commission in the many previous cases in which it has granted
14 AAOs.

15 **Q. In the testimony of Messrs. Oligschlaeger and Brubaker, reference is**
16 **made to the timing of the AAO request. Do you agree with their conclusion that**
17 **Ameren Missouri's request for an AAO shouldn't be granted because it was filed too**
18 **late or because it constitutes retroactive ratemaking?**

19 A. No. The USoA does not require that an application for an AAO be filed in the
20 same year that the extraordinary event occurs. The history of AAOs in Missouri shows that
21 so long as an application for an AAO is filed within a reasonable time of the date when the
22 application could be filed, the application will be viewed as timely. Moreover, from an
23 accounting perspective, no entries are made in the financial statements until an AAO is

1 issued, and it is rare that an event, application for an AAO, and related order granting the
2 application all will occur within the same fiscal year. I would direct you to a specific
3 instance that illustrates this point. In November 2007, the Company filed a request for an
4 AAO (Case No. EU-2008-0141) to recover extraordinary storm costs incurred from the ice
5 storm that occurred in January of that year. The Commission issued an order granting the
6 Company's request for an AAO in May 2008. At that time, an accounting entry was made in
7 the financial statements to record the regulatory asset. Therefore, even though the amount in
8 question was included as an expense in the 2007 financial statements, it still could be
9 reflected as a reduction to expense in the 2008 financial statements, after the Company had
10 closed its books for the 2007 fiscal year. Should the Commission grant our request for an
11 AAO in this case, the same accounting would apply with the regulatory asset created in a
12 different fiscal year than the year of the original extraordinary event. This timing is in
13 accordance with Generally Accepted Accounting Principles.

14 In this case, it would have been inappropriate for the Company to request an AAO to
15 address this matter while it was simultaneously arguing in another Commission proceeding
16 that it was entitled to retain revenues to recover the same costs through sales to Wabash and
17 AEP. The Commission and other parties would have quite properly criticized the Company
18 for attempting to double recover the costs. Once the Commission ruled that the Company
19 had to refund the revenues from the Wabash and AEP sales to customers through the FAC,
20 and it was clear for the first time that the Company would experience a significant under-
21 recovery of its costs, the Company promptly filed its application—certainly within a
22 reasonable time. As a practical matter the Company had no choice but to delay the filing of
23 this application and it should not be punished for doing so.

1 In addition, counsel advises me that granting Ameren Missouri's application in this
2 case would not constitute "retroactive rate making" as both Messrs. Brubaker and
3 Oligschlaeger suggest. No past rates will be changed if the AAO is granted. In fact, as is
4 typical in AAO cases, I am sure the Commission will not adopt any ratemaking treatment in
5 this case for the costs to be deferred. In fact, in a recent case involving an AAO request by
6 The Empire District Electric Company (in Case No. EU-2011-0387) the Commission's final
7 order concludes "[t]he AAO technique protects the utility from earnings shortfalls" and
8 "[t]his is not retroactive ratemaking, because the past rates are not being changed so that
9 more money can be collected from services that have already been provided; instead past
10 costs are being considered to set rates to be charged in the future." In support of its
11 conclusions, the order cites numerous times to a 2010 decision of the Missouri Court of
12 Appeals, which held, among other things, that Commission orders granting AAOs do not
13 constitute retroactive ratemaking. In addition, my counsel advises me that there are several
14 other decisions of the Court of Appeals that reach the same conclusion, but not a single
15 decision supporting the contention made by Messrs. Brubaker and Oligschlaeger. It is
16 noteworthy that neither Mr. Brubaker nor Mr. Oligschlaeger cite any authority for their
17 "opinion" that an AAO here would constitute retroactive ratemaking.

18 **Q. Is the purpose of an AAO to determine ratemaking treatment?**

19 A. No. As the witnesses for both Staff and MIEC suggest in their respective
20 testimonies, the purpose of the AAO is to defer costs on a utility's balance sheet until the
21 recovery of such amounts can be determined in a rate proceeding. The Commission does not
22 have to decide how the costs will be dealt with in subsequent rate proceeding in order to
23 grant the AAO.

1 **Q. Is there a correlation between the Commission's order in Case No.**
2 **EO-2010-0255 and this AAO request, as Mr. Oligschlaeger suggests?**

3 A. Yes, but not in the way that Mr. Oligschlaeger implies. As the Commission
4 may recall from my direct testimony, the Company believed that the power sales to AEP and
5 Wabash were excluded from the operation of the FAC under the then-effective FAC tariff
6 and that therefore those contracts would provide a means to recover the fixed costs that could
7 not be recovered by Noranda's usage. This would have negated the need for this AAO
8 request, as the Company is simply seeking to recover fixed costs, not take advantage of an
9 extraordinary event by recovering the fixed costs twice. However, when the Commission
10 issued the order in Case No. EO-2010-0255 stating that the AEP and Wabash sales needed to
11 be reflected as off-system sales and 95% of the revenues flowed through the FAC, the
12 Company's only course of action to protect its earnings from the effects of the 2009 ice storm
13 on Noranda and the subsequent loss of revenues designed to cover a portion of fixed costs
14 was to request an AAO for recovery of those fixed costs, which was filed within 2 months of
15 the Order Denying Applications for Rehearing issued in Case No. EO-2010-0255.

16 **Q. Hasn't the Commission already determined, in a recent Missouri Gas**
17 **Energy ("MGE") case, that lost revenues designed to recover a portion of fixed costs**
18 **should not be deferred via an AAO?**

19 A. Yes and no. The Commission denied MGE's request to recover the fixed
20 costs in its Report and Order in Case No. GU-2011-0392 because the Commission concluded
21 that MGE's overall revenues did not decrease despite the devastation of the storm event that
22 gave rise to MGE's AAO request. But that is not the case here. In 2009, even when
23 including the revenues recorded from the AEP and Wabash contracts that the Commission

1 subsequently ordered to be flowed through the Company's FAC, Ameren Missouri's electric
2 revenues decreased by \$56 million compared to 2008. And, as I have stated previously, the
3 majority of those revenue losses is attributable to the loss of the Noranda load.

4 **Q. Mr. Oligschlaeger suggests that a loss of sales or customers is not a**
5 **sufficient reason to grant a utility's request for an AAO. How do you respond?**

6 A. If Ameren Missouri's request for an AAO in this case were based on the kinds
7 of normal fluctuations in customers or customer revenue that occur between rate cases then
8 perhaps Mr. Oligschlaeger's suggestion would have merit. But that is not the basis for the
9 Company's request. Noranda, which is by far Ameren Missouri's largest customer, lost
10 service in January 2009 as a direct result of an extraordinary event -- the 2009 ice storm that
11 struck Southeastern Missouri. As a result of that service outage, Noranda was unable to
12 return to full operation for approximately 14 months after the storm. During that period, the
13 Company lost a significant portion of the revenues it expected to collect from Noranda
14 during that period. Because the overwhelming majority of those revenues represented the
15 recovery of fixed costs necessary to provide service to customers -- fixed costs that Ameren
16 Missouri continued to incur despite the Noranda outage and that the Company could not
17 collect from other rate classes or customers -- Ameren Missouri's earnings were significantly
18 and adversely affected. This adverse effect on earnings far exceeds any effect that could be
19 attributable to the normal ebb and flow of either customer numbers or customer revenues
20 between rate cases. Consequently, because the loss of the fixed cost support represented by
21 the Noranda revenues was so significant and also because it was the result of an
22 extraordinary event, deferral of those lost fixed costs through an AAO is appropriate in this

1 case even though similar action might not be appropriate for other types of customer or
2 revenue shortfalls.

3 **Q. Mr. Brubaker also suggests that the after tax financial impact of \$22.5**
4 **million is not significant. Would you agree?**

5 A. Again, no. The \$36 million of fixed costs that we couldn't recover (\$34 million
6 of which was lost in the first 12 months after the event) represented approximately 8.5
7 percent of Ameren Missouri's net income in 2009. While Mr. Brubaker argues here that the
8 loss of almost 60 basis points of earnings is insignificant, I've observed in several of the
9 Company's recent rate cases the exact opposite argument when the parties are arguing over
10 the appropriate allowed return on equity. For example, it's doubtful that Mr. Brubaker would
11 consider the difference between a 10 percent return on equity and a 10.6 percent return on
12 equity to be insignificant – his clients certainly have argued just the opposite via testimony
13 from Mr. Gorman of Mr. Brubaker's firm – but that, too, represents a difference of 60 basis
14 points. In addition, I would direct the Commission to multiple AAOs that have been
15 awarded for financial impacts that were significantly less than even the 8.5 percent impact
16 that Ameren Missouri suffered as a result of the Noranda outage--the most recent example
17 being the Report and Order in a case involving Missouri Gas Energy (Case No.
18 GU-2011-0392).

19 **Q. Do you have any closing comments?**

20 A. Yes. To summarize my testimony, I would just like to recap four points. First,
21 the January 2009 ice storm and the resulting loss in usage by Noranda clearly meet the
22 USoA's definition of an extraordinary event. Second, the Company is not asking for relief
23 from the consequences of the normal ebb and flow of business and prior to filing this request

Surrebuttal Testimony of
Lynn M. Barnes

1 for an AAO Ameren Missouri did try to mitigate its loss of fixed cost support from Noranda
2 by using other means. Third, there is no question that the Commission has the ability to
3 grant the Company's request under the USoA, and that the USoA's procedures for allowing
4 deferrals to Account 182.3 were specifically designed to allow a utility to protect its earnings
5 from the adverse effects of extraordinary events. Fourth, the fact that the Company's sales to
6 Noranda are so much greater than sales to any other customer and that they are the only
7 customer in their rate class adds a unique aspect to this request, making it impossible for the
8 Company to recover the fixed costs allocated to Noranda's rate class from any other
9 customer. Moreover, because Noranda took service at such a high load factor
10 (approximately 98%), it is easy for the Commission to quantify the financial consequences to
11 Ameren Missouri of the loss of this customer, and appreciate just how seriously the loss of
12 this single customer affected the Company's ability to recover its fixed costs of providing
13 service. If the Commission does not grant this AAO, it will in effect be saying that the fixed
14 costs that were allocated to Noranda and couldn't be recovered due to this extraordinary
15 storm should be borne by shareholders through a reduction in earnings. My understanding is
16 that is simply not how the regulatory compact is supposed to work.

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

18 **A. Yes, it does.**

**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 the Issuance of an Accounting) Case No. EU-2012-0027
Authority Order Relating to its Electrical)
Operations.)

AFFIDAVIT OF LYNN M. BARNES

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

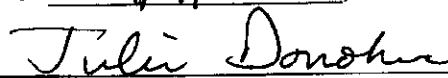
Lynn M. Barnes, being first duly sworn on her oath, states:

1. My name is Lynn M. Barnes. I am employed by Union Electric Company d/b/a Ameren Missouri as Vice President Business Planning and Controller.
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Union Electric Company, d/b/a AmerenUE, consisting of 15 pages which has 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.



Lynn M. Barnes

Subscribed and sworn to before me this 12th day of April, 2012.



Notary Public

My commission expires: 2/17/2013

