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Dottheim, Steve

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From: Dottheim, Steve
Sent: Wednesday, May 02, 2012 10:23 AM
To: Jordan, Daniel
Cc: 'Roam, Brent E.'; Mills, Lewis; 'llangeneckert@sandbergphoenix.com'; Moore, Amy
Subject: File No. EU-2012-0027 Resolution Of Staff's Line Loss Charge Adjustment

Missouri Public
Service Commission

Judge Jordan:

In the Staff's Statement of Positions for Issue 4, the Staff identified an issue between Staff witness Jason D. Carter and Ameren Missouri witness Steven Wills characterized by the Staff as a line loss charge adjustment. Mr. Carter quantified the adjustment as amounting to \$428,250. The Staff and Ameren Missouri have agreed to a dollar settlement of this matter for the purposes of the pending case with no ratemaking or rate design principles being set. The dollar settlement is a positive adjustment of \$214,125 to Staff's pre-tax number and a negative adjustment of \$214,125 to Ameren Missouri's pre-tax number. Thus, the Staff and Ameren Missouri agree that the pre-tax quantification of the "fixed costs" (Ameren Missouri) / "lost revenues / profit" (Staff) amount which Ameren Missouri was unable to recover from Noranda due to the effects on Noranda's load of the January 2009 ice storm was \$35,561,503. Assuming a composite income tax rate of 38.3886%, the after-tax number is \$21,909,940.

The Staff has no need to cross-examine Mr. Wills and Ameren Missouri has no need to cross-examine Mr. Carter. The Staff and Ameren Missouri inquired by e-mail yesterday whether the other parties, MIEC, Public Counsel, and BJH would indicate whether they have any cross-examination for either Mr. Wills or Mr. Carter. MIEC, Public Counsel, and BJH responded that they had no cross-examination for either Mr. Wills or Mr. Carter. The Staff and Ameren Missouri would like to ask whether it might be possible to inquire if the Commissioners and Judge have questions for Mr. Wills or Mr. Carter or whether Mr. Wills and Mr. Carter may be excused from appearing at the evidentiary hearing.

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Joint Exhibit No. 1
Date 5-6-12 Reporter KF
File No. EU-2012-0027