

**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 Increase Its Revenues for)
Natural Gas Service) **Case No. GR-2019-0077**

**STAFF RESPONSE TO AMEREN MISSOURI’S MOTION TO STRIKE
STAFF’S DEPRECIATION STUDY AND CORRESPONDING TESTIMONY**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Response* to Ameren Missouri’s motion to strike Staff Witness David Buttig’s depreciation study and corresponding testimony, states as follows:

1. On June 14, 2019, Ameren Missouri filed its *Motion to Strike Staff’s Depreciation Study and Corresponding Testimony* (“Motion”) requesting, among other things, that Staff respond to the Company’s Motion by June 20, 2019. On June 19th, the Commission issued its *Order Directing Staff File A Response* no later than June 24th.

2. Ameren’s Motion is predicated on the argument that the use of “placeholders” is an improper practice. Specifically, Ameren takes issue with Staff filing its depreciation study in its rebuttal testimony. Ameren believes Staff should have had all the company data it needed for it to have prepared and filed its depreciation study in Staff’s direct report on April 19th. Staff disagrees with Ameren’s notion that the use of “placeholders” is an improper practice. The use of “placeholders” in testimony occurs necessarily and frequently in rate cases because the appropriate data is not available at the time testimony is prepared and filed.

3. Ameren asserts “*Staff was provided Ameren Missouri’s current depreciation study in 2014.*” (Ameren Motion, p.2, para. 4.a.) In the next sentence, Ameren

states “...*this depreciation study covered gas plant through December 31, 2014.*” (Ameren Motion, p. 2. Para. 4.a.) The depreciation study was attached to the direct testimony of John F. Wiedmayer and on page 3 of 138, Schedule JFW-D1, there is a letter dated June 19, 2015, which shows the time required to conduct a depreciation study after the data becomes available. Staff points out that this is the date when the study was provided to Ameren, not to Staff.

4. Ameren wrongly asserts “*Staff issued no data requests related to depreciation for three months after Ameren Missouri filed its rate case.*” (Ameren Motion, p. 2, para. 4.c.) Staff notes Ameren filed its rate case on December 3, 2018.

5. Ameren’s Motion overlooks the fact that Staff had issued its first depreciation Data Request, Staff DR204 in three subparts, to the Company on February 8, 2019. Two of the three DR subparts included requests for information through December 31, 2018. It would be impossible for Ameren to produce data through December 31, 2018 at the time of its December 3rd filing because the data did not exist then. Likewise, there is always some lag between the end of a given month, when the company’s books are closed, and the time that data can be shared with other parties. Staff submitted three additional data requests (DRs 238, 239, and 240) on March 8, 2019. The two data requests (DRs 239 and 240) asking for data through December 31, 2018, which was the basis for Staff’s depreciation study, were ultimately responded to on April 11, 2019, just 8 days before Staff’s direct filing.

6. In paragraph 5 of its Motion, Ameren states that Staff “has not provided any workpapers ‘showing his work’ for Schedule DTB-r1. Schedule DTB-r1 was already attached to the Staff’s testimony, and no additional workpapers were available.

7. In evaluating Ameren’s Motion as it pertains to the depreciation issue, Staff recognizes it is very close to the Company in terms of the ultimate dollar value of the issue. Staff chiefly differs with Ameren on the matter of methodology – specifically, Staff does not agree with Ameren’s methodology as it pertains to the appropriate time period and determining balances.

8. In recognition that Staff and the Company are close on the ultimate value of the depreciation issue, while maintaining its position that “placeholders” are a necessary part of the rate case process, Staff withdraws certain portions of Mr. Buttig’s testimony, including Schedule DTB r-1, except for the portions of Mr. Buttig’s testimony to be retained as listed below:

Retain Page 1, lines 9 through 18, Rebuttal Testimony of David Buttig, PE:

- Q. Please state your name and business address.
- A. My name is David Buttig and my business address is 200 Madison Stree, Jefferson City, Missouri 65102.
- Q. Who is your employer and what is your present position?
- A. I am employed by the Missouri Public Service Commission (“Commission”) as a Utility Regulatory Engineer I in the Engineering Analysis Department of the Commission Staff Division.
- Q. Are you the same David Buttig who prepared the Negative Accumulated Reserve section and the Depreciation Summary section of Staff’s Cost of Service Report?
- A. Yes, I am.

Retain Page 4, lines 8 through 13, Rebuttal Testimony of David Buttig, PE:

- Q. Are there any issues with using the Company’s methodology?

A. The Commission gave direction in Case No. ER-2004-0570 (The Empire District Electric Company) regarding the parameters that should be part of the computation of depreciation for utilities. The parameters delineated by the Commission included the book value of an asset, average service life, and net salvage. The use of remaining life was not included in the direction given by the Commission.

WHEREFORE, in response to Ameren Missouri's Motion and for the reasons stated above, Staff withdraws the rebuttal testimony of Mr. David Buttig, PE, including Schedule DTB-r1, *except* for the delineated portions of Mr. Buttig's rebuttal to be retained on page 1, lines 9 through 18, and page 4, lines 8 through 13.

Respectfully submitted,

/s/ Robert S. Berlin

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record this 24th day of June, 2019.

/s/ Robert S. Berlin