

Exhibit No.:
Issue: *Variances/RESRAM*
Witness: *Sarah L.K. Lange*
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

TARIFF/RATE DESIGN

SURREBUTTAL TESTIMONY

OF

SARAH L.K. LANGE

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

CASE NO. EA-2018-0202

*Jefferson City, Missouri
September 2018*

1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **SARAH L.K. LANGE**

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

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

7 Q. Please state your name and business address.

8 A. My name is Sarah L.K. Lange and my business address is Missouri Public Service
9 Commission, P. O. Box 360, Jefferson City, Missouri 65102.

10 Q. Who is your employer and what is your present position?

11 A. I am employed by the Missouri Public Service Commission (“Commission”) and my
12 title is Regulatory Economist III, Tariff and Rate Design Department of the Commission
13 Staff Division.

14 Q. What is your educational background and work experience?

15 A. I have testified in numerous cases before this Commission on the subjects of rate
16 design, class cost of service, transmission, and other tariff and tariff design issues.
17 I completed a Bachelor of Science degree in Historic Preservation from Southeast Missouri
18 University in Cape Girardeau, Missouri, and a Juris Doctorate degree from the University of
19 Missouri, Columbia. I have been employed by the Missouri Public Service Commission since
20 May 2006. Prior to transferring to the Economic Analysis Section in July 2013, I was a
21 Senior Counsel in the Staff Counsel’s Office. A copy of my credentials and case participation
22 is attached as Schedule SLKL-1.

23 Q. Have you reviewed Mr. Brubaker’s rebuttal testimony concerning the potential for
24 variance from 4 CSR 240-20.100(6)?

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1 A. Yes.

2 Q. What variance does Staff recommend to 4 CSR 240-20.100(6)?

3 A. 4 CSR 240-20.100(6) provides “In all RESRAM applications, the increase in utility
4 revenue requirements shall be calculated as the amount of additional RES compliance costs
5 incurred since the electric utility’s last RESRAM application or general rate proceeding, net
6 of any reduction in RES compliance costs . . . and any new RES compliance benefits.”

7 Staff and Ameren Missouri recommended the Commission grant a variance to allow
8 the market value at generation node/meter of the energy generated and associated capacity
9 sold from a renewable resource (a RES compliance benefit) to be included in the
10 determination of base and actual net energy costs in the Company’s fuel adjustment clause
11 instead of in the RESRAM.

12 Q. Is it important to consider the variance to 4 CSR 240-20.100(6) as recommended in
13 the Stipulation in conjunction with variance from 4 CSR 240-20.100(6)(A)10 which states
14 “The RESRAM charge will be calculated as a percentage of the customer’s energy charge for
15 the applicable billing period.”?

16 A. Yes. First, recall that the RESRAM Rule requires that all costs and all benefits be
17 passed through the RESRAM. Depending on the nature of constituent parts included in any
18 given RESRAM revenue requirement at any given point in time, those costs and benefits may
19 be allocated in base rates and billed through customer charges related to capacity
20 determinants, energy determinants, or something else entirely. As netted against each other,
21 the rule requires the net cost be collected from customers as a percentage of the
22 energy charge.

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1 However, under the RESRAM tariff design initially requested by Ameren Missouri,
2 and as modified in the Stipulation, a significant portion of the RESRAM benefits (as initially
3 reflected and as changes occur over time) are excluded from the RESRAM charge. Instead,
4 those benefits – and ongoing deviations in the level of those benefits – are largely reflected in
5 the FAC. Failure to consider variances to these rules in conjunction with one another would
6 result in a mismatch to the classes – and to customers – of RESRAM costs and benefits.

7 Q. Does this conclude your surrebuttal testimony?

8 A. Yes.

9

**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 SARAH L.K. LANGE

State of Missouri)
) ss
County of Cole)

COMES NOW Sarah L.K. Lange, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal Testimony*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Sarah L.K. Lange
Sarah L.K. Lange

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

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 12, 2020 Commission Number: 12412070
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