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Witness: Marci L. Althoff  
Type of Exhibit: Rebuttal Testimony  
Sponsoring Party: Union Electric Company  
File No.: ER-2019-0335  
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**MISSOURI PUBLIC SERVICE COMMISSION**

**FILE NO. ER-2019-0335**

**REBUTTAL TESTIMONY**

**OF**

**MARCI L. ALTHOFF**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY**

**D/B/A AMEREN MISSOURI**

**St. Louis, Missouri  
January 2020**

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**REBUTTAL TESTIMONY**

**OF**

**MARCI L. ALTHOFF**

**FILE NO. ER-2019-0335**

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**I. INTRODUCTION**

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

A. My name is Marci L. Althoff. My business address is One Ameren Plaza, 1901 Chouteau Ave., St. Louis, Missouri.

**Q. Are you the same Marci Althoff that submitted Direct Testimony in this case?**

A. Yes, I am.

**Q. What is the purpose of your rebuttal testimony?**

A. The purpose of my rebuttal testimony is to address certain aspects of the Missouri Public Service Commission ("Commission") Staff Report's recommendations to change certain requirements regarding the provision of information about Union Electric Company d/b/a Ameren Missouri's ("Ameren Missouri" or "Company") fuel adjustment clause ("FAC"). The proposed recommendations that I will address are:

- Staff's recommendation to include the Company's managerial accounting in the FAC tariff;
- Staff's recommendation to require the inclusion of additional information in the FAC monthly reports filed under the Company's FAC to aid Staff in performing FAC tariff prudence and true-up reviews; and



1 Company's general ledger. Attachment C also contains certain managerial accounting  
2 designations (subaccounts, activity codes, and resource types) used by the Company for  
3 further identification of FAC components.<sup>2</sup> Attachment C is included in each of the  
4 Company's current FAC monthly reports in section 5I, pages 1-5.

5 **Q. What benefit is there to including Attachment C in the tariff or as an**  
6 **attachment to the FAC tariff?**

7 A. There is no benefit to including Attachment C in the tariff itself or as an  
8 attachment. Indeed, the Commission's rules specifically contemplate reporting of this  
9 information in the required FAC monthly reports instead of including it in the tariff itself.  
10 See 20 CSR 4240-20.090(5)(I).

11 **Q. Why does the Company disagree with including Attachment C in or**  
12 **attached to the FAC tariff?**

13 A. As indicated, there is no benefit to doing so because the detail provided in  
14 Attachment C is provided each and every month as part of the periodic reporting  
15 requirements under the FAC rules. Including this information in the tariff is problematic  
16 because subaccounts or other managerial designations may be added, adjusted, or deleted  
17 as a result of internal or external requirements. Such additions or changes, however, do not  
18 impact the proper inclusion of the costs and revenues included in the FAC as defined by  
19 the FERC accounts described in the Company's FAC tariff. While changes to this  
20 managerial accounting have occurred from time-to-time in the past, I expect that there will  
21 be more managerial accounting changes as a result of initiatives currently underway at the

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<sup>2</sup> As prescribed by the FERC Uniform System of Accounts for Electric Utilities. Commission Rule 20 CSR 4240-20.030 requires Missouri electric utilities to keep their books and records in accordance with this FERC System of Accounts.

1 Company that are designed to improve and streamline the Company's managerial  
2 accounting and reporting, and reduce accounting and reporting costs to the ultimate benefit  
3 of Ameren Missouri customers. By including detailed managerial accounting in or attached  
4 to the FAC tariff, the Company would effectively be prevented from making desirable  
5 changes in its managerial accounting between general rate proceedings because, as I  
6 understand it, FAC tariffs cannot be changed except in a general rate proceeding.

7 **Q. How will the Company notify of any changes to managerial accounting**  
8 **that impact FERC accounts included in Ameren Missouri's FAC?**

9 A. By including notice of those changes in its monthly reports as the rule  
10 requires.

11 **Q. Turning to Staff's recommendation about the inclusion of additional**  
12 **information in the FAC Monthly Reports in order to aid Staff in performing FAC**  
13 **tariff prudence and true-up reviews, including supplemental pages and appendices**  
14 **included in the monthly report before the 2018 FAC rule change, do you agree with**  
15 **that recommendation?**

16 A. Yes, in principle, I have no concern about making sure Staff has the  
17 information it needs. However, I would like to clarify the additional information to be  
18 provided.

19 **Q. What additional information does the Company agree to provide?**

20 A. The Company agrees to provide the managerial accounting detail  
21 previously provided in Supplemental pages 2-9 prior to the 2018 FAC rule change. The  
22 information previously provided in Supplemental page 1 is included in the new monthly  
23 report as part of section 5D and a summary of Supplemental page 10 is now included in

1 the Fuel Adjustment Rate ("FAR") workpapers section 8.2(A).VII, which is appropriate as  
2 the MISO settlement kilowatt-hours in the monthly report are preliminary. The information  
3 previously provided in the appendices A and B of the Company's pre-December 2018  
4 monthly reports is already provided to Staff through other monthly submissions apart from  
5 the FAC monthly report. The Company agrees to continue those monthly submissions. The  
6 information previously provided in appendix C is included in the new monthly reports in  
7 section 5(I), as I noted earlier.

8 **Q. Will the supplemental detail be provided in the same format as in the**  
9 **FAC Monthly Reports filed prior to the 2018 FAC rule change?**

10 A. No, because in part as a result of additional requirements imposed by the  
11 2018 FAC rule change, the Company now uses the Oracle Hyperion Financial Management  
12 ("HFM") reporting system to review and report this level of managerial accounting detail.  
13 Put another way, the information formerly provided in Supplemental pages 2-9 used to be  
14 generated through a manual process that has now been automated with this tool.  
15 Consequently, while we can provide the same information, it will not be in the same format.  
16 Instead, the Company is agreeable to providing the HFM reports used to review sections  
17 5D, 5E, and 5F of the FAC monthly report as additional pages in the FAC Monthly Report.  
18 The reports include all managerial accounting detail for each FERC account included in  
19 the Ameren Missouri FAC.

20 **Q. Does this additional information provide Staff with the ability to**  
21 **perform FAC tariff prudence and true-up reviews with the consistent level of detail**  
22 **as they did prior to the 2018 FAC rule change?**

1           A.     Yes, I see no reason that it would not. As noted, Staff will be getting all the  
2 information it indicated it needs to conduct FAC tariff, prudence, and true-up reviews, just  
3 in a different format.

4           **Q.     Do you agree with Staff witness Alan Bax's calculation of the**  
5 **appropriate Voltage Adjustment Factors ("VAF") for the FAC?**

6           A.     No, I do not. The VAF is used to adjust the FAR based on the voltage at  
7 which customers are served. Customers served at primary voltages and above are  
8 responsible for causing fewer line losses, and therefore, have a slightly lower FAR than  
9 customers served at secondary voltages. These primary customers – those taking service  
10 on rate schedules 4(M) – Small Primary Service or 11(M) – Large Primary Service – do  
11 not all take service at identical voltage levels, though. Mr. Bax appears to have calculated  
12 the VAF applicable to primary customers as if they all took service at the lowest primary  
13 voltage level, which is incorrect. Some 4(M) or 11(M) customers connect directly to the  
14 system at sub-transmission or transmission voltages. It is appropriate for the VAF  
15 applicable to primary customers to reflect a weighted average of the actual voltages at  
16 which primary customers are served. When factoring in the more than a quarter of load  
17 served on the 4(M) and 11(M) rates that is served at these higher voltages, and employing  
18 the appropriate loss factors from the Company's loss study (which both the Company and  
19 Staff relied on to develop VAFs), the Primary VAF should be approximately a half percent  
20 lower than the value calculated by Staff, as reflected in the Company's original filing.

21           **Q.     Does this conclude your rebuttal testimony?**

22           A.     Yes.

