

*Exhibit No.:*  
*Issue:* *Class Cost of Service*  
*Witness:* *Robin Kliethermes*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Direct Testimony*  
*Case No.:* *ER-2021-0240*  
*Date Testimony Prepared:* *September 17, 2021*

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF**

**INDUSTRY ANALYSIS DIVISION**

**ENERGY ANALYSIS DEPARTMENT**

**DIRECT TESTIMONY**

**OF**

**ROBIN KLIETHERMES**

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

**CASE NO. ER-2021-0240**

*Jefferson City, Missouri*  
*September 17, 2021*

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**TABLE OF CONTENTS OF  
DIRECT TESTIMONY OF  
ROBIN KLIETHERMES  
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d/b/a AMEREN MISSOURI  
CASE NO. ER-2021-0240**

EXECUTIVE SUMMARY .....1  
CCOS REPORT .....2



1           A.     Based on Staff's Accounting Schedules filed on September 3, 2021, in  
2 conjunction with the Staff Cost of Service Report ("COS Report"), Ameren Missouri's  
3 gross revenue requirement is \$3.38 billion, annually. However, this amount is offset by  
4 \$242.9 million related to tax impacts and prepayment of taxes by ratepayers, and further offset  
5 by \$422 million in other revenues.<sup>1</sup> Netting these values results in an annual amount of revenues  
6 to be collected from ratepayers of \$2,715,258,037.<sup>2</sup> Staff's Class Cost of Service Study  
7 separately assigns (where possible) and allocates (when necessary) the gross revenue  
8 requirement, net tax impacts, and other revenues to Ameren Missouri's various classes in order  
9 to find the approximate net revenue requirement associated with each class of customers.

10     **CCOS REPORT**

11           Q.     What are Staff's recommendations regarding CCOS and rate design in this case?

12           A.     Based on the results of Staff's CCOS Studies and its expert judgement  
13 considering the precision of such studies in general and known shortcomings of these studies  
14 in particular as described within this Report, Staff recommends that the approximate  
15 \$221,386,208, or 8.88%, be allocated to the classes as an equal percentage increase, based on  
16 Staff's direct revenue requirement as constituted and analyzed as described in this Report.

17 Staff makes the following rate design recommendations:

- 18           1. Retention of existing customer charges, except that the LPS customer charge should  
19           be increased to approximately \$515.00 from its current charge of \$323.82.

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<sup>1</sup> Other revenues includes sales of energy and capacity through the integrated marketplace, rental proceeds, and what are typically referred to as "miscellaneous revenues" which are the product of tariff charges such as disconnection charges, bad check charges, and other charges that are not contained on class rate schedules.

<sup>2</sup> Including lighting revenue, but not including miscellaneous revenues.

1           2. That the residential revenue requirement increase ordered in this case be  
2           implemented as an equal percent adjustment to all energy charges on all rate  
3           schedules, except that the existing time-of-use rate differentials for the  
4           Daytime/Overnight schedule be increased to \$0.01 for summer energy usage and  
5           \$0.005 for non-summer energy usage.

6           3. Except as identified above, Staff recommends that all charges for service on each  
7           non-residential rate schedules be increased by an equal percentage increase to  
8           recover the revenue requirement ordered for that customer class.

9           4. Staff recommends Ameren Missouri require on a non-optional basis that as  
10          non-residential customers obtain AMI metering equipment, they participate in  
11          Rider I, which incorporates a time of use element to customers' billing.

12          5. Staff recommends that unless the costs of primary customer dedicated substation  
13          equipment are specifically assigned to the bills of primary customers, that the  
14          discounts provided to primary customers under Rider B be suspended until  
15          Ameren Missouri provides the information necessary to include the cost of  
16          primary customer substations in the bills of primary customers and such costs are  
17          so included.

18          Additional recommendations include:

19          1. Staff recommends the Commission order Ameren Missouri to undertake data  
20          collection to facilitate more reasonable allocation or assignment of labor and  
21          non-labor distribution expenses in future rate cases.

- 1           2. Staff recommends Ameren Missouri continue the rate structure modernization  
2           process by retaining billing determinants in a manner that facilitates the  
3           establishment of shoulder month rates to more accurately reflect the disparity in  
4           cost-causation between peak-winter months of December, January, and February,  
5           and the shoulder months that are currently included in the “winter” billing season.
  
- 6           3. Staff is aware that Ameren Missouri has marketed its Residential rate  
7           schedule options not under the tariffed names, but rather under promotional  
8           names. Staff recommends adoption of more objective or informative names for  
9           Ameren Missouri’s use in education and promotional materials.
  
- 10          4. Staff recommends the Commission order that Ameren Missouri perform a full study  
11          of the reasonableness of the calculations and assumptions underlying Rider B and  
12          Rider C to be filed as part of its direct filing in its next general rate case.
  
- 13          5. Staff recommends the Commission order Ameren Missouri to update the  
14          Renewable Energy Standard Rate Adjustment Mechanism (“RESRAM”) Tariff  
15          Sheet No. 93.4 to reflect the RESRAM base amount determined in this case.
  
- 16          6. Staff recommends the Commission order Ameren Missouri to update the  
17          MEEIA margin rates used for calculating the throughput disincentive within the  
18          MEEIA mechanism.
  
- 19          7. Staff recommends the Solar Facilities Charge rate be adjusted by the percentage  
20          change to the relevant residential and SGS volumetric rates.

1           8. Staff recommends the Commission order Ameren Missouri to take the following  
2           data retention measures:

- 3                   • Track customer information by service classification and voltage level and  
4                   collect, retain, and provide to Staff upon request the following data collected  
5                   from AMI for load research purposes.
- 6                   • File for Commission approval no later than June 1, 2022, proposed record  
7                   keeping and data accessibility policies that Ameren Missouri will follow in  
8                   order to implement record keeping and data accessibility practices to  
9                   associate distribution system costs with the voltage of energy distributed and  
10                  whether distribution system costs are used for network purposes or  
11                  customer-specific purposes.
- 12                  • Study and retain determinants associated with the creation of a coincident  
13                  peak demand charge for all classes.

14           Q.     What are Staff's recommendations regarding Ameren Missouri's Fuel  
15           Adjustment Clause (FAC) tariff?

16           A.     Staff proposes the Base Factor (BF) rates be rebased as follows: summer  
17           BF \$1.147 and winter BF \$0.991 cents/kWh<sup>3</sup> based upon an analysis of data compiled during  
18           the 12 months ending June 30, 2021. Staff will true-up its recommended BF summer and  
19           winter rates in its True-up surrebuttal testimony to be filed on November 5, 2021.

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<sup>3</sup> Months included in each corresponding BF: Summer (June – September); Winter (October – May).

1 In addition, Staff recommends the following changes to Ameren Missouri's FAC tariffs:

- 2 • Order Ameren Missouri to include language in its FAC tariff that any retirement  
3 and/or decommissioning costs related to the retirement of the Meramec Plant be  
4 removed from the FAC after the official retirement date, and no other costs will  
5 be included for recovery in the FAC after that date;
- 6 • Order Ameren Missouri to include language in its FAC tariff that all wind  
7 revenues associated with High Prairie and Atchison Wind Farms will be  
8 included for recovery in the FAC; and
- 9 • Order Ameren Missouri to change the FAC tariff Fuel Cost definition to state:  
10 "Fuel costs incurred to support sales and revenues associated with the  
11 Company's in service generating plants consisting of the following".

12 Q. What is Staff's recommendation regarding Ameren Missouri's Community  
13 Solar pilot program?

14 A. Although Staff is not recommending any tariff changes at this time, Staff  
15 recommends Ameren Missouri implement a system to track customer feedback  
16 regarding participation in the program in order to get a better idea of how to improve  
17 the program in the future.

18 Q. Does this conclude your Direct Testimony?

19 A. Yes it does.



