

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Tariff Filings of Union                    )  
Electric Company, d/b/a Ameren Missouri, to                    )            Case No. ER-2011-0028  
Increase Its Revenues for Retail Electric Service.            )

**MOTION TO PROVIDE ADDITIONAL CLARIFICATION OF REQUIREMENTS  
FOR THE PARTIES' CASES-IN-CHIEF AND DIRECT TESTIMONY**

COMES NOW Union Electric Company d/b/a Ameren Missouri (the “Company” or “Ameren Missouri”) and for its Motion, states as follows:

1.       Included in the revenue requirement reflected in the Company’s tariff filing that initiated this rate case is a major rate base addition consisting of new flue gas desulfurization units, or scrubbers, at the Company’s Sioux Plant (with a revenue requirement impact of approximately \$116 million annually). Consequently, this rate base addition is a major driver of this rate case in that it reflects approximately 43% of the rate increase sought in this case.<sup>1</sup>

2.       In 2008, Kansas City Power & Light Company (“KCP&L”) filed a rate case that was also driven to a significant degree by the addition of air quality improvement equipment (“AQI equipment”), including a scrubber, at KCP&L’s Iatan 1 Plant. In the subject KCP&L case, the Commission was presented with a set of difficult and contentious procedural issues concerning when parties are required to file their prudence audit results and direct testimony in support of proposed disallowances regarding the AQI equipment at issue. While the case was eventually settled with an agreement that called for the Commission’s Staff (“Staff”) to file its construction audit and prudence review reports as part of the Staff’s direct testimony in the next KCP&L rate case, much time, energy, and resources on the part of KCP&L, the Staff, the other parties, and the Commission itself was

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<sup>1</sup> Putting aside the re-basing of the Company’s net fuel costs, the revenue requirement associated with the scrubbers at the Sioux Plant reflects nearly 60% of the non-fuel related increase sought in this case.

consumed addressing this issue.

3. Given the substantial and very recently occurring controversy that arose in the referenced KCP&L case regarding this issue, the Company requests that the Commission clarify that all parties to this case are required to include the results of construction audits or reviews of the costs included in the Company's filed rate base for the scrubbers at the Sioux Plant in the parties' cases-in-chief and that proposed disallowances, if any, be properly supported by the parties' direct testimony. This is in keeping with the Commission's long-standing handling of large rate base additions in rate cases, whereby the Commission historically provided very specific direction to the parties respecting what must be included in direct testimony. *See, e.g., Second Suspension Order, Setting Schedule of Proceedings and Directing Responses*, Case No. ER-84-168 (May 11, 1984) (the "Callaway 1 Rate Case"). In that order, like many similar orders entered by the Commission during that last major construction cycle for Missouri's electric utilities in the 1970s and 1980s, the Commission routinely included the following (or very similar) language in a procedural order issued in the rate case at issue:

[Each party's direct testimony must include] all testimony and schedules asserting and explaining that party's proposed adjustments to the Company's book figures, as well as all testimony and schedules asserting and supporting that party's proposed rate base, proposed rate of return, proposed rate design, and any other proposed changes in or additions to the Company's tariffs. The "direct" testimony and schedules must also include all testimony and schedules regarding issues concerning the quality of service being provided by the Company. Each party shall file its entire "direct" case in accordance with the deadlines established by the Commission, and all direct testimony and schedules shall be prefiled. Witnesses will not be permitted to supplement the prefiled direct case at the hearing.

5. Given that this case is driven to a large extent by one large rate base addition arising from a multi-year construction project, and given the significant problems recently observed in the recent KCP&L case, the Company believes the parties and indeed the Commission itself would benefit from the clarity that would be provided by a similar order in this case. Consequently, the Company requests that the Commission enter an order containing the following language, which is a specific adaption of

the above-quoted language from Case No. ER-84-168:

Direct testimony and schedules will assert and fully support a party's proposed rate base (including proposed disallowances regarding rate base additions (e.g., the scrubbers at the Sioux Plant)), proposed rate of return, and any other proposed changes in or additions to the Company's proposed revenue requirement or tariffs, including any proposed change to the Company's fuel adjustment clause or its structure, terms, or operation (if tariff changes are proposed an exemplar tariff sheet containing the changes does not have to be included in direct testimony). With respect to the Staff, the term "direct testimony" shall be considered to be synonymous with the use of a "Staff Report."<sup>2</sup>

WHEREFORE, Ameren Missouri hereby requests that the Commission enter its order containing the requirements set forth in the immediately-preceding quote.

Respectfully submitted,

SMITH LEWIS, LLP

UNION ELECTRIC COMPANY,  
d/b/a Ameren Missouri

**/s/ James B. Lowery**

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<sup>2</sup> Included in this language is the same language agreed-upon by the parties and adopted by the Commission in the Company's last rate case respecting testimony relating to the Company's fuel adjustment clause.

**Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 5th day of November 2010.

**/s/ James B. Lowery**