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Issues: Cost of Service
Witness: Henry E. Warren
Sponsoring Party: MO PSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: ER-2014-0258
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MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION

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Service Commission

SURREBUTTAL TESTIMONY

OF

HENRY E. WARREN, Ph.D.

UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

CASE NO. ER-2014-0258

Staff Exhibit No. 239
Date 2-23-15 Reporter KF
File No. ER-2014-0258

*Jefferson City, Missouri
February 2015*

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

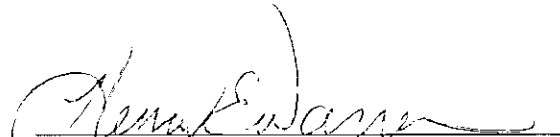
In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Tariff to Increase)
Its Revenues for Electric Service)

Case No. ER-2014-0258

AFFIDAVIT OF HENRY E. WARREN

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Henry E. Warren, of lawful age, on his oath states: that he has participated in the preparation of the following Surrebuttal Testimony in question and answer form, consisting of 4 pages of Surrebuttal Testimony to be presented in the above case, that the answers in the following Surrebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.


Henry E. Warren

Subscribed and sworn to before me this 6th day of February, 2015.

SUSAN L. SUNDERMEYER
Notary Public - Notary Seal
State of Missouri
Commissioned for Callaway County
My Commission Expires: October 28, 2018
Commission Number: 14942086


Notary Public

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SURREBUTTAL TESTIMONY

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UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

CASE NO. ER-2014-0258

Q. Please state your name and business address.

A. My name is Henry E. Warren and my business address is Missouri Public Service Commission, P. O. Box 360, Jefferson City, Missouri, 65102.

Q. Are you the same Henry E. Warren who contributed to Staff's *Cost-of-Service Report* filed December 5, 2014?

A. I am.

1. EXECUTIVE SUMMARY

Q. What is the purpose of your Surrebuttal Testimony?

A. My Surrebuttal Testimony will address issues regarding evaluations of Ameren Missouri's low income weatherization program as set forth in the Rebuttal Testimony of Ameren Missouri's witness, Mr. Gregg Lovett. My Surrebuttal Testimony will also address issues regarding the evaluation of Ameren Missouri's low income weatherization program as set forth in the Rebuttal Testimony of the Office of the Public Counsel witness Mr. Geoff Marke.

2. RESPONSE TO REBUTTAL TESTIMONY OF MR. GREGG LOVETT, AMEREN MISSOURI.

Q. To which portion of the Rebuttal Testimony submitted by Ameren Missouri Witness, Mr. Gregg Lovett, regarding Ameren Missouri funded low income weatherization do you wish to address first?

Surrebuttal Testimony of
Henry E. Warren

1 A. On page 3, line 6, of his Rebuttal Testimony, Mr. Lovett states:

2 4. Continue evaluations, but do so on a 5-year rather than 2-year basis.
3

4 Ameren Missouri does not object outright to these recommendations, with
5 the exception of the fourth one. Ameren Missouri does wish to confer with
6 Staff concerning the intent behind the recommendations, particularly No.
7 3, but has no objection to the principle of considering the benefits for
8 customers who also receive gas utility service (not necessarily confined to
9 Ameren Missouri gas customers).
10

11 Q. Did you misstate your recommendation in item 4?

12 A. Yes. The recommendation should have been stated as:

13 4. That the timing of any evaluation subsequent to the second biennial
14 evaluation should be at the discretion of the Company in consultation with
15 the stakeholder group, but **the period between evaluations should not be**
16 **less often than every two years or more often than five years.**

17 The words in bold type were inadvertently omitted from my direct testimony.

18 The last paragraph of my testimony states:

19 Staff does not support the continuous biannual evaluations of the Ameren
20 Missouri Weatherization Program. After the second evaluation the
21 stakeholder group should compare results of the two evaluations and
22 should determine if there is a significant difference in results. Staff
23 recommends that any subsequent evaluations should be at the discretion of
24 the Company in consultation with the stakeholder group.

25 So, Staff does supports the continuation of evaluations with the inclusion of the
26 effect on natural gas usage if possible, but believes the decision on the timing and breadth
27 of the evaluation should be made by the Company in consultation with the stakeholder
28 group on the basis of implementation of past recommendations, and changes in the
29 weatherization program. With the correction above and the final statement of my direct
30 testimony, Staff's position on the timing of future evaluations is not inconsistent with Mr.
31 Lovett's position on the timing of future evaluations.

1 **3. RESPONSE TO REBUTTAL TESTIMONY OF MR. GEOFF MARKE,**
2 **OFFICE OF PUBLIC COUNSEL.**

3 Q Do you wish to address OPC's position on the low-income weatherization
4 program?

5 A. Yes. On page 7, line 9, Mr. Marke states:

6 OPC is in support of continuing the program at its current funding level
7 and supports DE's suggestion that the low-income weatherization
8 evaluations should be discontinued. The need for future evaluations and
9 their context should be tabled until Ameren Missouri's next rate case.

10 I would refer to Staff's position above on further evaluations. Staff supports
11 further evaluations because the weatherization program is likely to keep changing and the
12 Company and stakeholder group should continue to address the need for evaluations.

13 One of Staff's recommendations was, "That the timing of any evaluation
14 subsequent to the second biennial evaluation should be at the discretion of the Company
15 in consultation with the stakeholder group, but the period between evaluations should not
16 be less often than every two years or more often than five years." This implied that any
17 additional evaluations of Ameren Missouri's low income weatherization program should
18 be done with due consideration of the marginal benefit of the evaluation and should be
19 considered by the stakeholder group. Staff recognizes that its requirement for future
20 evaluations is less restrictive than the OPC recommendation that additional evaluations
21 be determined in a future rate case. Staff continues to recommend that the decision to
22 conduct any evaluations beyond the second evaluation may be determined by Ameren
23 Missouri and the stakeholder group outside of a rate case.

24 **4. STAFF RECOMMENDATION**

25 Q. What is Staff's recommendation regarding the Rebuttal Testimony of
26 Ameren Missouri's witness Gregg Lovett and OPC witness Geoff Marke?

Surrebuttal Testimony of
Henry E. Warren

1 A. Staff's recommendation remains that the Commission order Ameren
2 Missouri to include in future evaluations of the low income weatherization program the
3 effect on natural gas usage as well as electric usage by customers receiving the
4 weatherization.

5 Staff also continues to recommend that any evaluations beyond the second
6 evaluation be the result of an Ameren Missouri decision based on the marginal value of
7 another evaluation determined in consultation with the Energy Efficiency stakeholder
8 group.

9 Q. Does this conclude your Surrebuttal Testimony?

10 A. Yes, it does.