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**MISSOURI PUBLIC SERVICE COMMISSION**

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

**REBUTTAL TESTIMONY**

**OF**

**RYAN P. RYTERSKI**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY**

**D/B/A AMEREN MISSOURI**

**St. Louis, Missouri  
January 2020**

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**REBUTTAL TESTIMONY**

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**RYAN P. RYTERSKI**

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1

**I. INTRODUCTION**

2

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

3

A. My name is Ryan P. Ryterski and my business address is One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.

4

5

**Q. Are you the same Ryan P. Ryterski that submitted direct testimony in this case?**

6

7

A. Yes, I am.

8

**II. PURPOSE OF TESTIMONY**

9

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

10

A. My rebuttal testimony responds to the Missouri Public Service Commission ("Commission") Staff's determination of normalized test year revenues, particularly for the Lighting rate classes, 5M and 6M. Although Union Electric Company d/b/a Ameren Missouri's ("Ameren Missouri" or "Company") and Missouri Public Service Commission's Staff's ("Staff") recommended billing units for the Lighting classes use the same general methodology for calculation, Staff did not incorporate a Light Emitting Diode ("LED") conversion

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1 annualization adjustment that the Company included in its case filing.<sup>1</sup> I explain the motivation  
2 behind annualizing the impacts of the Company's LED conversion program in the billing units  
3 for these classes, and calculate the corresponding effect on revenue. I also rebut a portion of the  
4 testimony filed by Steve Chriss, an employee of Walmart, Inc. ("Walmart"), filing on behalf of  
5 Midwest Energy Consumers Group ("MECG"), regarding Electronic Data Interchange ("EDI")  
6 bills and the relationship between when customer usage occurs and the seasonal rates that are  
7 applied to the usage. I provide background into the EDI process, as well as alternative methods  
8 that deliver the information requested by Mr. Chriss in a convenient manner.

9 **III. LIGHTING CLASS BILLING UNITS**

10 **Q. What Lighting class billing unit issues will you be addressing?**

11 A. I will be addressing the discrepancy of \$450,557 between the test year  
12 revenues associated with the Lighting class billing units filed by Staff and the Company.  
13 The units filed by Staff were 1.12% higher than the units filed by the Company for the two  
14 Lighting classes combined.<sup>2</sup>

15 **Q. What caused the difference in the test year Lighting revenues reflected**  
16 **in the direct filings by the Company and Staff?**<sup>3</sup>

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<sup>1</sup> As explained in Company witness Steven Wills' rebuttal testimony, Staff originally misunderstood the impact of the tax credit on the requested revenue requirement decrease, and such misunderstanding flowed into Staff's original direct billing units' calculation for the Lighting classes. Although Staff's supplemental rate design direct testimony filed on January 9, 2020 attempted to correct that misunderstanding, there were not any formulas or supporting data for the "Tax with August ADJ" or the "Total Annual Tax" fields that were used to reduce the Total MO Normalized Base Rate Revenue amount to allow rebuttal of the calculations that were used to develop the tax reduction presented by Staff.

<sup>2</sup> This difference excludes the effect of the tax reduction credit that was applied by the Company to its filed billing units to allow for an "apples to apples" comparison with Staff's originally calculated revenues, which did not account for the tax credit.

<sup>3</sup> The Company's Lighting revenues used are the revenues that were updated in response to DR MPSC-0284, and not those that were originally filed by the Company in this case.

1           A.     Staff did not consider the LED conversion program annualization  
2 adjustment proposed by the Company in its component counts when calculating Staff's  
3 billing units.

4           **Q.     What lighting component counts did Staff use for its billing unit**  
5 **calculation?**

6           A.     Staff used the June 2019 counts that were provided by Ameren Missouri in  
7 its billing unit workpapers, and in response to data request MPSC 0284, which included  
8 the update period that was not a part of the Company's original test year filing due to timing.

9           **Q.     How do those counts compare to the ones used by the Company?**

10          A.     As described in my direct testimony, the Company compared the June 2018  
11 component counts to the counts at the end of December 2018 to determine a standard rate  
12 at which LED conversions were taking place over a six-month period. The changes in  
13 component counts in either a positive or negative direction were then annualized to project  
14 what the counts would be at the end of the true-up period in December 2019. This typically  
15 resulted in a reduction of non-LED fixtures, and an increase in LED fixtures to account for  
16 the ongoing conversion program. The Company will update the December 2019 forecast  
17 with actual component counts in its true-up data.

18          **Q.     Why did Ameren Missouri feel it was important to annualize the**  
19 **anticipated LED conversions to the end of December 2019 when the case was filed in**  
20 **July of 2019?**

21          A.     I described why in my direct testimony, at page 5:

22                   Given the rapid transformation of the Company's street light system  
23 that is currently taking place, if the counts used in setting our lighting fixture  
24 rates become stale and too far removed from the up-to-date numbers, it will  
25 cause a disconnect in the revenues anticipated to be recovered from each of

1 the different types of fixtures. Also, because the LED fixtures are more  
2 efficient in terms of energy usage, the conversion program requires constant  
3 monitoring and adjusting to ensure all of the rates are fairly reflecting cost  
4 causation.

5 **Q. Did Staff calculate a tax reduction for the Lighting rate classes?**

6 A. No. Although Staff appears to have calculated an annualized tax credit  
7 amount to be used by Staff accountants in reconciling revenues, Staff did not incorporate  
8 any tax credit reductions into their billing units for the Lighting classes.

9 **Q. Can you explain the methodology used by the Company to calculate the**  
10 **5M and 6M tax reductions?**

11 A. Yes. The Company calculated the tax reductions in the same manner that  
12 total Revenues were calculated for the Lighting classes. This was accomplished by  
13 multiplying the tax credit rates for each class by the annual number of kilowatt-hours  
14 ("kWh"). This simple calculation is more accurate because these charges were applied  
15 strictly on a per kWh basis.

16 **Q. At the beginning of this section, you stated a difference in Lighting class**  
17 **revenues between the Company and Staff of \$450,557 when ignoring the tax**  
18 **reduction. Were you able to recalculate this delta assuming both parties used the**  
19 **Company's tax reduction methodology for comparison sake?**

20 A. Yes, but it is slightly more complicated than it would appear to be on the  
21 surface. The tax reduction amount based on Staff's billing units cannot simply be  
22 recalculated using the Company's method, and then subtracted from the Staff total  
23 Revenues for the 5M and 6M classes. This would overstate the municipal discount because  
24 it is calculated based on total revenues for the class that are higher than they would have  
25 been after the tax reduction was incorporated. That being said, the tax reduction must be

1 removed from the revenues prior to calculating the municipal discounts, and then the  
2 discounts can be recalculated for each class based on the identified discount percentages  
3 of 3.9423% for 5M and 5.3845% for 6M.

4 **Q. After you applied the Company's tax reduction methodology to Staff's**  
5 **billing units, what was the total Lighting revenue difference?**

6 A. After reducing Staff's revenues by the tax reduction amount, I calculated  
7 total Lighting class revenues of \$38,570,082. This number is 0.74% higher than the  
8 revenues that the Company filed of \$38,287,947. When the tax reduction methodology was  
9 aligned, it decreased the Staff and Company difference stemming from the LED forecast  
10 issue discussed above by 0.38%, from 1.12% to 0.74%, or a reduction of \$168,422.

11 **IV. EDI BILLING**

12 **Q. Please explain what EDI means.**

13 A. Electronic Data Interchange ("EDI") is a manual process setup by the  
14 Company's Treasury Technology department that gives non-residential customers the  
15 opportunity to have invoices sent electronically and/or paid electronically. Customers may  
16 choose to receive just an EDI invoice, or just to pay using EDI. Both options do not have  
17 to be combined.

18 **Q. What concerns were raised by Mr. Chriss regarding EDI bills?**

19 A. At page 20 of his testimony, Mr. Chriss states: "[T]here is no indication of  
20 the calculations used to determine the kWh usage blocks for each of the energy charges,  
21 nor is there any indication of 'base billing demand' or 'seasonal billing demand' on winter  
22 bills that assess the seasonal energy charge on a portion of usage."

23 **Q. How does the Company respond?**

1           A.    Mr. Chriss is correct regarding the information that is provided via the EDI  
2 portal; however, the Company is not able to easily modify these communications to fit  
3 individual customer requests, and there are alternative sources for this information  
4 available to the customers that Mr. Chriss represents.

5           **Q.    Why is the Company not able to easily adjust these communications?**

6           A.    The Company's billing professionals are not able to change the way the  
7 system communicates billing information to any individual customer. The EDI interface is  
8 "flat," meaning that it applies any changes made for one customer or group of customers,  
9 to all customers that receive EDI bills. Providing more detailed information for all  
10 customers would lead to more occurrences of confusion for a higher number of customers  
11 that do not need that level of detail to calculate their bills.

12          **Q.    You mentioned above that there were alternative sources of bill**  
13 **information available to customers. What are those alternative sources?**

14          A.    A customer can review their bills through setting up Summary Billing, or  
15 through the online portal on the Company's website using the Ameren e-Customer Billing  
16 services.

17          **Q.    What does Summary Billing allow a customer to do?**

18          A.    Summary Billing allows any customer with ten or more service accounts,  
19 and a three-year history of timely payments to receive a single summarized bill. A "Master  
20 Account" can be used to control the billing and financial activities of the subordinate  
21 accounts.

22          **Q.    Can you elaborate on e-Customer Billing services?**

1           A.     The single sign-in upgrade in Ameren Missouri's e-Customer site allows  
2 customers to manage their accounts directly on the site. Customers have a drop-down menu  
3 available to view all of their Ameren accounts, even if they cross Ameren operating  
4 companies. Customers can receive emails when a bill has been delivered, and can link to  
5 the Company's site from the e-Bill to view the details of the bill.

6           **Q.     Do the Summary Bills that are provided to Master Accounts and e-**  
7 **Customer Bills contain the level of detail that Mr. Chriss is requesting?**

8           A.     Yes. Summary bills provide the base billing demands for each account that  
9 can be used to calculate the customer's bills. Although the formats of these documents are  
10 slightly different than a typical online customer bill to save space, all of the same  
11 information is provided. The e-Customer Bills that allow a single e-Customer login to see  
12 all of the accounts being managed by that individual provide direct access to the online bill  
13 images that contain all of the information a customer would need to calculate their bills.

14           **Q.     Are there any alternative bill delivery options for a customer that uses**  
15 **the EDI Payment function to pay their bills?**

16           A.     The options presented above are also available for customers that still want  
17 to pay their bills through the EDI Payment system.

18           **Q.     Can customers continue to receive EDI bills if they elect to utilize one**  
19 **of the other methods of bill delivery presented in this testimony?**

20           A.     If a customer is currently setup as an "EDI-No" account in the system, they  
21 will only receive EDI bills; however, they can be switched to "EDI-Print" if they would  
22 like to enable the e-Customer bill services that were explained above. This would allow

1 them to log-in and see all of the relevant billing data for their different accounts as Mr.  
2 Chriss seems to want while still receiving EDI bills as they currently do.

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

4 **A. Yes, it does.**

