Exhibit No.:	
Issue(s):	Normalized Billing Units
Witness:	James R. Pozzo
Sponsoring Party:	Union Electric Company
Type of Exhibit:	Direct Testimony
Case No.:	ER-2012-0166
Date Testimony Prepared:	February 3, 2012

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2012-0166

DIRECT TESTIMONY

OF

JAMES R. POZZO

ON

BEHALF OF

UNION ELECTRIC COMPANY
d/b/a Ameren Missouri

St. Louis, Missouri
February, 2012

DIRECT TESTIMONY

OF

JAMES R. POZZO

CASE NO. ER-2012-0166

Q. Please state your name and business address.

A. James R. Pozzo, One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.

Q. By whom are you employed and in what position?

A. I am employed by Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") as a Rate Engineer in the Missouri Regulated Services Department.

Q. Please describe your educational background, work experience and the duties of your position.

A. I received the degree of Bachelor of Science in Mechanical Engineering from the University of Missouri-Rolla in December 1978. I began working at Union Electric Company in January 1979 in the Power Operations Department, working as an Engineer at the Ashley Plant for two years and at the Meramec Plant for five years. During this time I was responsible for operations and maintenance support for assigned plant equipment along with various other projects as assigned.

I transferred into Union Electric's Rate Engineering Department in September 1985. My current duties and responsibilities include assignments related to the Company's gas and electric rates. This includes participation in regulatory proceedings,

conducting rate analyses, developing and interpreting gas and electric tariffs, and performing other rate or regulatory projects as assigned.

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

A. The purpose of my direct testimony is to develop weather normalized test year billing units for the Company's Missouri jurisdictional electric operations, to adjust revenues to reflect the rate increase implemented on July 31, 2011 as a result of the Company's last rate proceeding, to adjust for the number of days in the billing year and to account for customer growth through the proposed true-up period in this case (through July 2012).

Q. Please explain what is meant by the term "billing unit."

A. A billing unit is a quantity of electric customers, and usage (kilowatt-hours), demand (kilowatts) or reactive demand (kilovar) data to which filed rates are applied in determining customers' bills.

Q. Please describe the billing units used by Ameren Missouri.

A. Ameren Missouri uses the following billing units: a) customer count; b) kilowatt-hours ("kWh"), which are energy units; c) kilowatts, which are demand units; and d) kilovars, which are units of reactive demand. Depending on a customer's rate class, two or more of these components are used to bill virtually all customers. The weather normalized billing units I developed in this case are a compilation of the individual customer billing units which occurred during the study period, adjusted to reflect normal weather. The study period is the test year consisting of the twelve months ending September 30, 2011. The weather normalized billing units were also adjusted for

customer growth to September 2011 and anticipated customer growth through July 2012, as noted earlier.

Q. What was the initial step you took in the development of the Company's billing units for each customer class?

A. Existing Company reports contain aggregate kilowatt-hour sales and revenues on a monthly basis for the Residential, Small General Service, Large General Service, Small Primary Service, Large Primary Service and Large Transmission Service rate classes. A more detailed monthly report provides the billing units that can be priced at the Company's filed rates to calculate customer revenues. This report provides billing data both by revenue month, which is the month for which the data was reported, and the primary month, which is the month the data should have been reflected in customer bills. I used this report to assemble the billing data in the proper primary month. I then applied the rates in effect during the test year for each specific rate class to the billing units for each class. This results in the "Calculated Revenue Prev" for each class.

Q. Do the revenues calculated from this process exactly match the revenues reported on the Company's books for the same time period?

A. While the comparison of calculated revenue and reported revenue match closely, there will always be some difference between the two. The difference results from billing adjustments which are made to a number of accounts each month due to corrected billings, and initial and final bills.

Q. Did you analyze all of the rate classes using the billing unit reports?

A. No, I analyzed all but two of the rate classes in the same way. I used more detailed data for the Large Primary Service class, obtaining individual customer data.

This was done because the Large Primary Service class contains only approximately seventy customers who are generally the largest customers. The Large Transmission Class contains only one customer so I used actual bills to complete the data for this class.

Q. Was there an adjustment made to reflect the rate increase on July 31, 2011?

A. Yes, as noted earlier, I priced the actual billing units for the test year at the rates that were in effect on June 21, 2010, and again at the rates for the increase implemented on July 31, 2011. The difference in these two amounts was the amount that the actual revenues were adjusted to annualize actual revenue for the rate increase.

Q. Was the Lighting class rate increase adjustment calculated using the same method as was used for the other rate classes?

A. No, the Lighting class rate increase adjustment was calculated using the Lighting percent increase for the months in the test year prior to the July 31 increase.

Q. After you verified the billing units associated with the Company's reported revenues and annualized the results to reflect the July 31, 2011 rate increase, how were these billing units and revenues adjusted to reflect normal weather?

A. I used weather adjustment ratios provided in the direct testimony of Company witness Steven M. Wills for each billing month to adjust the monthly reported sales to weather normalized sales. The kilowatt-hours in all of the rate blocks were adjusted by the weather ratios and the resulting units were priced at the July 2011 rates to develop normalized billing units and revenues.

Q. How were the billing units and revenues adjusted to a 365 day test year?

A. The annual kWh adjustment for each rate class provided by Ameren Missouri witness Steven Wills was used to factor all the kWhs in each rate class in order to adjust to a 365 day test year. The revenue impact from this adjustment was calculated from the kWh adjustments.

Q. How were the billing units and revenues adjusted for the test year demand-side management ("DSM") programs?

A. The monthly kWh adjustments for each rate class provided by Mr. Wills were used to factor all the kWhs in each month for each rate class in order to annualize sales and revenues to reflect the impact of energy efficiency programs implemented during the test year. The revenue impact from this adjustment was calculated from the adjusted kWhs.

Q. How were the billing units adjusted for customer growth?

A. The weather normalized billing units were adjusted for customer growth by multiplying the monthly usage per customer by the customer counts as of September 30, 2011, and then again using forecast customer counts for July 31, 2012, the end of the proposed true-up period. The resulting revenue, calculated from the 365-day adjustment, annualized for DSM programs and the growth adjusted billing units, was then used to adjust the normalized billing units to calculate the total growth adjusted revenues.

Q. Were there any other billing unit adjustments made to the test year data?

A. Yes, the Company will be adding the City of Owensville to the retail service area so an adjustment was made to the Residential and Small General Service customer counts and kWh sales with the resulting units priced at the current rates.

Q. Please describe the information contained on your schedules.

A, The growth adjusted normal monthly billing units were divided into the summer and winter billing periods for presentation on Schedules JRP-E1 through JRP-E6, attached hereto. Schedule JRP-E7 is a summary of the billing unit kilowatt-hours and revenues. These weather normalized and growth adjusted revenues and billing units are used by Company witness Wilbon L. Cooper in his development of the Company's proposed rates in this case. The normalized and growth adjusted revenues are also used by Company witness Gary S. Weiss as an adjustment to revenues in Mr. Weiss' cost of service study.

Q. What was the result of your billing units analysis?

A. My analysis provides the normal billing units to be used to develop proposed rates. Annualizing the rate increase implemented in July 31, 2011, accounted for a positive $139.9 million adjustment to revenues. The study also shows that revenues related to weather normalization must be decreased by $100.7 million. An adjustment of negative $8.8 million is required to adjust to a 365 day test year. An adjustment of negative $7.8 is needed to account for DSM programs. An adjustment of positive $10.3 million is needed to account for customer growth through July 2012. All of these adjustments were utilized by Mr. Weiss in his cost of service study.

Q. Does the Company intend to revise its billing units and associated test year revenue to reflect a more recent twelve month period as this case progresses?

A. Yes. In the Company's last two cases, both the Company and Staff moved the test year billing units forward in order to reflect a more current twelve month period. The Company anticipates that rather relying on the twelve months ended September 2011 data, a more current period (e.g., twelve months ended March 2012) will be utilized to allow the most current billing unit information possible to be used to set rates in this case.

Q. Does this conclude your direct testimony?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service.	)))	Case No. ER-2012-0166

AFFIDAVIT OF JAMES R. POZZO

STATE OF MISSOURI)
) **ss**
CITY OF ST. LOUIS)

James R. Pozzo, being first duly sworn on his oath, states:

1. My name is James R. Pozzo. I work in the City of St. Louis, Missouri, and I am employed by Union Electric Company d/b/a Ameren Missouri as a Rate Engineer in the Missouri Regulated Services Department.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Union Electric Company d/b/a Ameren Missouri consisting of 7 pages, and Schedules JRP-E1 through JRP-E 7, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

James R. Pozzo

Subscribed and sworn to before me this 2nd day of February, 2012.

Mary Hoyt
Notary Public

My commission expires: 4-11-2014

Mary Hoyt - Notary Public
Notary Seal, State of
Missouri - Jefferson County
Commission #10397820
My Commission Expires 4/11/2014

Residential Service Rate
Ameren Missouri
Weather Normalized-12 months ending September 2011
Growth to July 2012

Billing Components		Present
Summer (June - September)		
Customer Charge	Per Month	$8.00
Customer Charge TOD	Per Month	$16.81
Energy Charge:		
All Kwh	Cents per Kwh	10.59 ¢
TOD On Peak	Cents per Kwh	15.39 ¢
TOD Off Peak	Cents per Kwh	6.3 ¢
Energy Efficiency	Cents per Kwh	0.07 ¢
Winter (October - May)		
Customer Charge	Per Month	$8.00
Customer Charge TOD	Per Month	$16.81
Energy Charge:		
0- 750 Kwh	Cents per Kwh	7.53 ¢
All Kwh Over 750	Cents per Kwh	5.02 ¢
TOD On Peak	Cents per Kwh	9.08 ¢
TOD Off Peak	Cents per Kwh	4.49 ¢
Energy Efficiency	Cents per Kwh	0.04 ¢

Proof of Revenue

	Units	Rate	$1,000
Summer			
Customer Charge	4,143,519	$8.00	$33,148
Customer Charge TOD	136	$16.81	$2
Mwh	4,746,848	$0.10590	$502,691
TOD On Peak Mwh	68	$0.15390	$10
TOD Off Peak Mwh	111	$0.06300	$7
Energy Efficiency	4,747,027	$0.00070	$3,323
			$539,182
Winter			
Customer Charge	8,302,319	$8.00	$66,419
Customer Charge TOD	294	$16.81	$5
0-750 Mwh	4,864,166	$0.07530	$366,272
Over 750 Mwh	3,878,636	$0.05020	$194,708
TOD On Peak Mwh	123	$0.09080	$11
TOD Off Peak Mwh	266	$0.04490	$12
Energy Efficiency	8,743,191	$0.00040	$3,497
			$630,923
Total Res	13,490,218		$1,170,105

Small General Service Rate Comparison
Ameren Missouri
Weather Normalized-12 months ending September 2011
Growth to July 2012

Billing Components		Present
Summer (June - September)		
Customer Charge:		
Single Phase Service	Per Month	$9.74
Three Phase Service	Per Month	$19.49
Single Phase Service TOD	Per Month	$19.53
Three Phase Service TOD	Per Month	$39.05
Lighting Cust Chrg	Per Month	$5.76
Energy Charge:		
All Kwh	Cents per Kwh	9.66 ¢
TOD On Peak	Cents per Kwh	14.34 ¢
TOD Off Peak	Cents per Kwh	5.84 ¢
Energy Efficienc	Cents per Kwh	0.02 ¢
Winter (October - May)		
Customer Charge:		
Single Phase Service	Per Month	$9.74
Three Phase Service	Per Month	$19.49
Single Phase Service TOD	Per Month	$19.53
Three Phase Service TOD	Per Month	$39.05
Lighting Cust Chrg	Per Month	$5.76
Energy Charge:		
Base Use	Cents per Kwh	7.2 ¢
Seasonal Use	Cents per Kwh	4.17 ¢
TOD On Peak	Cents per Kwh	9.44 ¢
TOD Off Peak	Cents per Kwh	4.33 ¢
Energy Efficienc	Cents per Kwh	0.01 ¢

Proof of Revenue

	Units	Rate	1000's
Summer			
Customer Charge - Single Phase	360,503	$9.74	$3,511
Customer Charge - Three Phase	149,498	$19.49	$2,914
Single Phase Service TOD	2,320	$19.53	$45
Three Phase Service TOD	509	$39.05	$20
Lighting Cust Chrg	22,810	$5.76	$131
Mwh	1,205,245	$0.0966	$116,427
	-79		
TOD On Peak Mwh	10,055	$0.1434	$1,442
TOD Off Peak Mwh	17,677	$0.0584	$1,032
Energy Efficienc	1,232,898	$0.0002	$247
Opt Out EE	1,086	-$0.0002	$0
			$125,769
Winter			
Customer Charge - Single Phase	721,467	$9.74	$7,027
Customer Charge - Three Phase	299,918	$19.49	$5,845
Single Phase Service TOD	4,563	$19.53	$89
Three Phase Service TOD	1,002	$39.05	$39
Lighting Cust Chrg	45,641	$5.76	$263
Winter Base Mwh	1,757,179	$0.0720	$126,517
Winter Seasonal Mwh	458,983	$0.0417	$19,140
TOD On Peak Mwh	17,728	$0.0944	$1,674
TOD Off Peak Mwh	32,245	$0.0433	$1,396
Energy Efficienc	2,266,135	$0.0001	$227
Opt Out EE	2,141	-$0.0001	$0
			$162,216
Total	3,499,033		$287,985

Large General Service Rate Comparison
Ameren Missouri
Weather Normalized-12 months ending September 2011
Growth to July 2012

Billing Components		Present
Summer (June - September)		
Customer Charge	Per Month	$83.04
Customer Charge TOD	Per Month	$100.76
Energy Charge (¢ per kWh)		
First 150 kWh per KW		9.30 ¢
Next 200 kWh per KW		7.00 ¢
All over 350 kWh per KW		4.70 ¢
TOD On Peak Adjust. per Kwh		1.10 ¢
TOD Off Peak Adjust. per Kwh		-0.62 ¢
Energy Efficiency per Kwh		0.05 ¢
Demand		
Per KW of Billing Demand		$4.34
Winter (October - May)		
Customer Charge	Per Month	$83.04
Customer Charge TOD	Per Month	$100.76
Energy Charge (¢ per kWh)		
First 150 kWh per KW		5.86 ¢
Next 200 kWh per KW		4.34 ¢
All over 350 kWh per KW		3.41 ¢
Seasonal Energy Charge		3.41 ¢
TOD On Peak Adjust. per Kwh		0.33 ¢
TOD Off Peak Adjust. per Kwh		-0.19 ¢
Energy Efficiency per Kwh		0.03 ¢
Demand		
Per KW of Billing Demand		$1.61

Proof of Revenue

	Units	Rate	$1,000
Summer			
Customer Charge	40,280	$83.04	$3,345
Customer Charge TOD	136	$100.76	$14
Summer Energy Mwh			
0-150 hours	1,143,850	$0.0930	$106,378
151-350 hours	1,266,570	$0.0700	$88,660
Over 350 hours	529,880	$0.0470	$24,904
Seasonal	-105	$0.0000	$0
TOD On Peak	3,157	$0.0110	$35
TOD Off Peak	5,247	-$0.0062	-$33
Energy Efficiency	2,940,195	$0.0005	$1,470
Opt Out EE	7,261	-$0.0005	-$4
Demand	8,668,439	$4.34	$37,621
			$262,391
Winter			
Customer Charge	80,184	$83.04	$6,658
Customer Charge TOD	252	$100.76	$25
Winter Energy Mwh			
0-150 hours	1,907,046	$0.0586	$111,753
151-350 hours	2,060,884	$0.0434	$89,442
Over 350 hours	843,824	$0.0341	$28,774
Seasonal	395,837	$0.0341	$13,498
TOD On Peak	3,955	$0.0033	$13
TOD Off Peak	6,514	-$0.0019	-$12
Energy Efficiency	5,207,591	$0.0003	$1,562
Opt Out EE	13,930	-$0.0003	-$4
Demand	15,703,522	$1.61	$25,283
			$276,993
	8,147,786		$539,384

Small Primary Service Rate Comparison
Ameren Missouri
Weather Normalized-12 months ending September 2011
Growth to July 2012

Billing Components		Present	
Summer (June - September)			
Customer Charge	Per Month	$272.23	
Customer Charge TOD	Per Month	$289.95	
Energy Charge (¢ per kWh)			
First 150 kWh per KW		8.97	¢
Next 200 kWh per KW		6.76	¢
All over 350 kWh per KW		4.54	¢
TOD On Peak Adjust. per Kwh		0.80	¢
TOD Off Peak Adjust. per Kwh		-0.45	¢
Energy Efficiency per Kwh		0.06	¢
Demand			
Per KW of Billing Demand		$3.59	
Billing Kvars		32	¢
Rider B 34kv			
Per KW		104	¢
Rider B 138kv			
Per KW		123	¢
Winter (October - May)			
Customer Charge	Per Month	$272.23	
Customer Charge TOD	Per Month	$289.95	
Energy Charge (¢ per kWh)			
First 150 kWh per KW		5.65	¢
Next 200 kWh per KW		4.20	¢
All over 350 kWh per KW		3.29	¢
Seasonal Energy Charge		3.29	¢
TOD On Peak Adjust. per Kwh		0.30	¢
TOD Off Peak Adjust. per Kwh		-0.16	¢
Energy Efficiency per Kwh		0.03	¢
Demand			
Per KW of Billing Demand		$1.31	
Billing Kvars		32	¢
Rider B 34kv			
Per KW		104	¢
Rider B 138kv			
Per KW		123	¢

Proof of Revenue

	Units	Rate	$1,000
Summer			
Customer Charge	2,547	$272.23	$693
Customer Charge TOD	44	$289.95	$13
Summer Energy Mwh			
0-150 hours	419,282	$0.0897	$37,610
151-350 hours	514,909	$0.0676	$34,808
Over 350 hours	372,700	$0.0454	$16,921
Seasonal	0	$0.0000	$0
TOD On Peak	7,677	$0.0080	$61
TOD Off Peak	12,135	-$0.0045	($55)
Energy Efficiency	1,306,891	$0.0006	$784
Opt Out EE	70,916	-$0.0006	($43)
Demand	2,945,542	$3.59	$10,574
Billing Kvars	561,918	$0.32	$180
Rider B 34kv	319,567	$1.04	($332)
Rider B 138kv	0	$1.23	$0
			$101,215
Winter			
Customer Charge	5,081	$272.23	$1,383
Customer Charge TOD	80	$289.95	$23
Winter Energy Mwh			
0-150 hours	700,107	$0.0565	$39,556
151-350 hours	859,020	$0.0420	$36,079
Over 350 hours	626,671	$0.0329	$20,617
Seasonal	136,465	$0.0329	$4,490
TOD On Peak	13,294	$0.0030	$40
TOD Off Peak	21,262	-$0.0016	($34)
Energy Efficiency	2,322,263	$0.0003	$697
Opt Out EE	119,165	-$0.0003	($36)
Demand	5,138,621	$1.31	$6,732
Billing Kvars	868,764	$0.32	$278
Rider B 34kv	551,186	$1.04	($573)
Rider B 138kv	0	$1.23	$0
			$109,252
	3,629,154		$210,466

Large Primary Service Rate Comparison
Ameren Missouri
Weather Normalized-12 months ending September 2011
Growth to July 2012

Billing Components		Present
Summer (June - September)		
Customer Charge	Per Month	$272.23
Customer Charge TOD	Per Month	$289.95
Demand Charge	Per KW of Billing Demand	$18.16
Energy Charge:		
All Kwh	Cents per Kwh	3.04 ¢
TOD On Peak Adjust. per Kwh		0.59 ¢
TOD Off Peak Adjust. per Kwh		-0.33 ¢
Energy Efficiency per Kwh		0.01 ¢
Reactive Charge	Cents per kVar	32 ¢
Rider B 34kv	Per KW	104 ¢
Rider B 138kv	Per KW	123 ¢
Winter (October - May)		
Customer Charge	Per Month	$272.23
Customer Charge TOD	Per Month	$289.95
Demand Charge	Per KW of Billing Demand	$8.25
Energy Charge:		
All Kwh	Cents per Kwh	2.69 ¢
TOD On Peak Adjust. per Kwh		0.27 ¢
TOD Off Peak Adjust. per Kwh		-0.14 ¢
Energy Efficiency per Kwh		0.01 ¢
Reactive Charge	Cents per kVar	32 ¢
Rider B 34kv	Per KW	104 ¢
Rider B 138kv	Per KW	123 ¢

Proof of Revenue

	Units	Rate	1000's
Summer			
Customer Charge	288	$272.23	$78
Customer Charge TOD	12	$17.72	$0
Summer Mwh	1,386,315	$0.0304	$42,144
TOD On Peak	27,090	$0.0059	$160
TOD Off Peak	50,621	-$0.0033	-$167
Energy Efficiency	1,386,315	$0.0001	$139
Opt Out EE	454,857	-$0.0001	-$45
Demand	2,550,621	$18.16	$46,319
Billing Kvars	252,219	$0.32	$81
Rider B 34kv	716,422	$1.04	($745)
Rider B 138kv	165,838	$1.23	($204)
			$87,759
Winter			
Customer Charge	576	$272.23	$157
Customer Charge TOD	24	$17.72	$0
Winter Mwh	2,426,043	$0.0269	$65,261
TOD On Peak	46,492	$0.0027	$126
TOD Off Peak	92,598	-$0.0014	-$130
Energy Efficiency	2,426,043	$0.0001	$243
Opt Out EE	752,057	-$0.0001	-$75
Demand	4,617,087	$8.25	$38,091
Billing Kvars	441,180	$0.32	$141
Rider B 34kv	1,302,795	$1.04	($1,355)
Rider B 138kv	323,086	$1.23	($397)
			$102,061
	3,812,358		$189,820

Large Transmission Service Rate
Ameren Missouri
Weather Normalized-12 months ending September 2011
Growth to July 2012

Billing Components		Present
Summer (June - September)		
Customer Charge	Per Month	$272.23
Demand Charge	Per KW of Billing Demand	$13.420
Energy Charge:		
All Kwh	Cents per Kwh	2.547 ¢
Line Loss Kwh	Cents per Kwh	3.44 ¢
Reactive Charge	Cents per kVar	32 ¢
Winter (October - May)		
Customer Charge	Per Month	$272.23
Demand Charge	Per KW of Billing Demand	$5.120
Energy Charge:		
All Kwh	Cents per Kwh	2.243 ¢
Line Loss Kwh	Cents per Kwh	3.44 ¢
Reactive Charge	Cents per kVar	32 ¢

Proof of Revenue

	Units	Rate	1000's
Summer			
Customer Charge	4	$272.23	$1
Summer Mwh	1,390,930	$0.02547	$35,427
Line Loss Mwh	48,683	$0.03440	$1,675
Demand	1,919,663	$13.420	$25,762
Billing Kvars	0	0.32	$0
			$62,865
Winter			
Customer Charge	8	$272.23	$2
Winter Mwh	2,766,488	$0.02243	$62,052
Line Loss Mwh	96,827	$0.03440	$3,331
Demand	3,847,412	$5.12	$19,699
Billing Kvars	0	$0.32	$0
			$85,084
	4,157,418		$147,949
			$147,949

Ameren Missouri
Weather Normalized-12 months ending September 2011
Growth to July 2012

	Normal Bill Unit MWH	Billing Unit Revenue
Residential	13,490,218	$1,170,105,214
Small General Service	3,499,033	$287,985,051
Large General Service	8,147,786	$539,383,803
Small Primary Service	3,629,154	$210,466,012
Large Primary Service	3,812,358	$189,820,370
Large Transmission Service	4,157,418	$142,943,193
Lighting	224,156	$34,380,433
MSD	423	$68,501
Total	36,960,546	$2,575,152,577
Large Transmission Service Line Losses		$5,005,530
		$2,580,158,107