

Exhibit No.:
Issue(s): *Billing Determinants*
Witness: *Michael L. Stahlman*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal Testimony*
Case No.: *ER-2022-0337*
Date Testimony Prepared: *March 13, 2023*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRIAL ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

SURREBUTTAL TESTIMONY

OF

MICHAEL L. STAHLMAN

**UNION ELECTRIC COMPANY,
d/b/a AMEREN MISSOURI**

CASE NO. ER-2022-0337

Jefferson City, Missouri
March 2023

1 A. No. Because Dr. Bowden did not properly specify Staff's model on page 15,
2 line 6, he erroneously concludes that Staff's model is based on a singular relationship
3 between only two variables.

4 However, this critique of Staff's model is confusing considering Dr. Bowden's
5 individual monthly regressions were all based on a singular relationship except for May
6 which included a cooling degree day variable. Dr. Bowden's analysis of October did not
7 even consider heating degree days, and most of his own regressions were largely
8 insignificant with adjusted R-squares as low as 0.118 for SGS and 0.533 for Residential.⁴

9 Q. On page 18, lines 10 through 15 of his rebuttal, Dr. Bowden states that Staff's
10 model "requires that an increase in average usage in every month have the same probability
11 of increasing Block 1 usage." Is this correct?

12 A. No. The context of Dr. Bowden's analysis on pages 16 through 18 is specific
13 to the residential class. Again, Dr. Bowden draws this erroneous conclusion because he
14 ignored the polynomial used to account for the curved relationship.

15 Q. Do you agree with Dr. Bowden's characterization of Staff's procedure on
16 page 18 lines 16 through page 19 line 11 of his rebuttal testimony?

17 A. No. Dr. Bowden does not appear to understand that Staff used two different
18 procedures for the residential and SGS classes, and is mixing the two procedures up.

19 Q. Why did Staff use two different procedures?

⁴ Dr. Bowden did not provide regression statistics in his workpapers but only performed a line estimate procedure. Staff verified the coefficients used with regression analysis which also provided the regression statistics.

1 A. Staff used two different procedures because the cumulative frequency data
2 was representative of the Residential Anytime Service but the cumulative frequency data of
3 the SGS class was not representative of the subset of SGS customers that had blocked rates.
4 Residential and SGS classes both have optional rate designs, but the cumulative frequency
5 data was not split into these alternative rate designs. For residential, the estimated Block 1
6 usage based on the cumulative frequency data closely aligned with the actual Block 1 usage
7 percent prior to any weather normalization. For SGS however, the estimated Block 1 usage
8 was much higher, thus Staff used the actual summer, base, and seasonal kWh for its analysis.

9 Q. On page 19 lines 9 through 10 of his rebuttal testimony, Dr. Bowden states
10 that there is “no reasonable logic that supports” a decision to use 100% in Block 1. What is
11 the logic that supports this decision?

12 A. There is no blocking in the summer months. Although he claims that this
13 was done for “several months”, this was only for three months for the residential class only,
14 July, August, and September. The winter rates are only applicable for October through May.
15 Because the summer period begins on June 1 and bill cycles are approximately thirty (30)
16 days each, there should not be much, if any winter usage in these summer months, and any
17 potential usage should be relatively small to make usage in the second block unlikely for a
18 residential customer.

19 Additionally, as noted in my rebuttal testimony, Dr. Bowden did not even provide
20 any analysis for these months or for the month of June.

21 Q. Does this conclude your surrebuttal testimony?

22 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 Adjust)
Its Revenues for Electric Service) Case No. ER-2022-0337

AFFIDAVIT OF MICHAEL L. STAHLMAN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW MICHAEL L. STAHLMAN and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony of Michael L. Stahlman*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



MICHAEL L. STAHLMAN

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 8th day of March 2023.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070



Notary Public