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Association Pilot Program
Witness: Timothy L. Eggers
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File No.: GR-2021-0241
Date Testimony Prepared: March 31, 2021

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. GR-2021-0241

DIRECT TESTIMONY

OF

TIMOTHY L. EGGERS

ON

BEHALF OF

UNION ELECTRIC COMPANY

d/b/a Ameren Missouri

**St. Louis, Missouri
March 2021**

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OF

TIMOTHY L. EGGERS

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I. INTRODUCTION

1

Q. Please state your name and business address.

2

3 A. My name is Timothy L. Eggers and my business address is One Ameren
4 Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.

4

Q. What is your position with Ameren Missouri?

5

6 A. I am the Manager of Gas Supply for Union Electric Company d/b/a Ameren
7 Missouri ("Ameren Missouri" or "the Company").

7

**Q. Please describe your educational background and employment
9 experience.**

8

9

10 A. I received a Bachelor of Sciences degree in Chemical Engineering from the
11 University of Missouri – Columbia in 1990. I worked for Spire Missouri, formerly Laclede
12 Gas Company, from 1991 to 2001 in various Engineering roles, including natural gas
13 system design, system maintenance, and code compliance. I also managed new customer
14 connections, and supervised construction and maintenance teams. In 2001, I was hired by
15 Ameren Missouri as a District Engineer in the Central Ozarks Division, and promoted to
16 Superintendent of Gas Operations and Engineering in 2003. While in the Central Ozarks
17 Division, I managed the Construction, Service, and Engineering Departments. I moved to
18 Gas Supply for Ameren Services in 2005 and was promoted to Manager of Gas Supply in
19 2008. In the summer of 2020, I moved to Ameren Missouri to manage Gas Supply within

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1 the Energy Management & Trading function. While in Gas Supply roles, I have managed
2 all facets of the Gas Supply function, including procuring gas supply and pipeline capacity
3 and storage. I have led short- and long-term supply planning, risk management efforts,
4 daily operations, and end user transport functions. I have also presented gas supply plans
5 in front of Illinois Commerce Commission ("ICC") Commissioners and Staff and the
6 Missouri Public Service Commission ("MPSC") Staff.

7 **Q. Have you testified before any Regulatory Bodies previously?**

8 A. Yes. I have filed testimony in a Federal Energy Regulatory Commission
9 Section 4 pipeline rate case and been involved in numerous pre-filing settlements and rate
10 proceedings. I have also filed testimony in multiple Purchased Gas Adjustment dockets
11 before the ICC and filed testimony in a General Service rate adjustment proceeding at the
12 ICC.

13 **II. PURPOSE OF TESTIMONY**

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

15 A. I will discuss the results from the Missouri School Board Association
16 ("MSBA") pilot program outlined in the MSBA stipulation put in place in our previous rate
17 case settlement¹ and support a limited extension of the pilot program through May 1, 2022.
18 The MSBA stipulation provides for certain changes to Ameren Missouri's special school
19 aggregation transportation customer cash out provisions that are in force until the revised
20 rates in this docket are implemented.

¹ File No. GR-2019-0077, *Nonunanimous Stipulation and Agreement as to MSBA Issues*, filed July 23, 2019.

1 **Q. Please explain the pilot program.**

2 A. The pilot program was established under the MSBA stipulation in the
3 Company's last natural gas general rate case, File No. GR-2019-0077. It changed the
4 financial disposition, or cash out, of monthly imbalances that are greater than 5% of
5 monthly nominations for MSBA schools. It eliminated the Purchased Gas Adjustment
6 element of the Ameren Missouri transportation tariff cash out mechanism. The pilot
7 program requires Ameren Missouri to provide a wealth of data related to the imbalances
8 and usage of non-MSBA schools and MSBA schools in the pilot program, along with
9 forecast and actual load data for the Ameren Missouri system. Ameren Missouri also
10 calculated imbalance charges under the tariff mechanism and the mechanism outlined in
11 the stipulation.

12 **Q. Can you summarize the results of the pilot program?**

13 A. Yes. The pilot program has been in place for one complete winter (2019-
14 2020, and is currently operating this winter (2020-2021). As shown in confidential
15 Schedule TLE-D1, Ameren Missouri calculated the winter 2019-2020 cash out charges for
16 imbalances exceeding the 5% threshold under the pilot and the previous cash out
17 mechanism, and found that the pilot saved schools **** _____ **** over the entire winter.
18 This equates to about **** ___ **** per school per month. Data for November 2020 through
19 January 2021 indicate pilot schools have saved **** _____ **** for that period as shown in
20 confidential Schedule TLE-D2.

21 **Q. What were the costs to implement and maintain the pilot program?**

22 A. The cost to implement the pilot program exceeded \$29,000, largely due to
23 the Company's time spent by the Digital Department to change the billing system and create

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1 the mandated reports coupled with expenses within Energy Management & Trading to
2 collect other data, develop reports, and administer the pilot program. Ameren Missouri's
3 annual expense for ongoing activities is estimated to be \$3,000 per year as shown in
4 confidential Schedule TLE-D1.

5 ** _____
6 _____ **
7 ** _____
8 _____

9 _____ ** I recommend that the pilot program be extended for another winter.

10 **Q. Why are you recommending that the pilot program be extended?**

11 A. The stipulation provides for the pilot program to run through the effective
12 date of rates in the Company's next natural gas general rate case.² However, paragraph 4(e)
13 of the stipulation contemplated a necessary contingency: "The Signatories recognize that
14 extreme circumstances (e.g., major pipeline force majeure events, curtailments, or extreme
15 weather events) could render the information gained by this pilot program insufficient upon
16 which to recommend a permanent solution in the Company's next natural gas rate case."
17 We currently have two winter seasons' worth of data to evaluate, that being the winters of
18 2019-2020 and the first three months of the 2020-2021 winter. The data for the second
19 winter were most certainly impacted by extreme circumstances. First, I expect winter 2020-
20 2021 to be atypical for school systems as the COVID-19 pandemic caused many schools
21 to operate remotely, meaning there was likely significantly less heating required. As shown
22 in Schedule TLE-D3, which is a map and summary of the patterns of instructions for local

² File No. GR-2019-0077, *Nonunanimous Stipulation and Agreement as to MSBA Issues*, filed July 23, 2019, at paragraph 4.

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1 education agencies ("LEAs"),³ as of December 1, 2020, a majority of schools were offering
2 something other than only the traditional, in-person learning for all students. In addition,
3 the polar vortex extreme cold weather event in February of 2021 will impact the second
4 winter's results. The cost of natural gas jumped 100 times pre-storm levels during the cold
5 weather event and supplies to many parts of Missouri were very limited due to production
6 curtailments from well freeze-off and power failures impacting gas processing facilities.
7 MSBA pilot school gas suppliers may have had limited tools to appropriately manage gas
8 supplies during the cold weather event. These events made it inappropriate, in my opinion,
9 for a determination to be made on whether to make the pilot permanent.

10 For these reasons, Ameren Missouri recommends extending the pilot to include the
11 next winter (2021-2022) and terminate on May 1, 2022. This extension will allow parties
12 to gather another, hopefully more "normal", winter's data for a better evaluation of the pilot
13 program's benefits, while limiting the extent of the ongoing costs for the pilot program. I
14 recommend the Commission approve using a termination date, rather than just extension
15 to a future rate case, in recognition of the fact that the timing of such cases is highly
16 variable.

³ This map is provided on the Missouri Department of Elementary and Secondary Education's website at: <https://dese.mo.gov/communications/coronavirus-covid-19-information>. Schedule TLE-D3 shows 74 LEAs were providing "Distanced" instruction (defined as "All students are receiving instruction away from campus to support social distancing."); 76 LEAs were providing "Blend Onsite/Distanced" instruction (defined as "Some students are receiving instruction on campus while others are taking part in distanced learning. Grade levels may be receiving different patterns of instruction, or students may be splitting time between onsite and distanced learning."); 220 of the LEAs were providing "Onsite with Distanced Option" instruction (defined as "Students are receiving instruction on campus, while the school is also providing families an option for distanced instruction."); and 187 LEAs were providing "Onsite" instruction (defined as "All students receiving instruction on campus.").

1 **Q. What would happen after the pilot program terminates under the**
2 **Company's proposal?**

3 A. As it has done so far, Ameren Missouri will share the data from the pilot
4 with the Staff, the Office of the Public Counsel, and the Missouri School Board
5 Association. Each party will be allowed to address this matter and make its own
6 recommendation on the pilot program in the next general rate review. As Company witness
7 Michael Harding describes in his direct testimony, Ameren Missouri's gas tariff sheet
8 number 16 is being revised to indicate that the MSBA pilot program will terminate on May
9 1, 2022. Thereafter, MSBA schools will be added back to the "Experimental Tariff
10 Provisions Applicable to School Entities" on the Company's Transportation Service tariff.

11 **Q. Does this conclude your direct testimony?**

12 A. Yes, it does.

Schedule TLE-D1

is

CONFIDENTIAL

in its entirety

Schedule TLE-D2

is

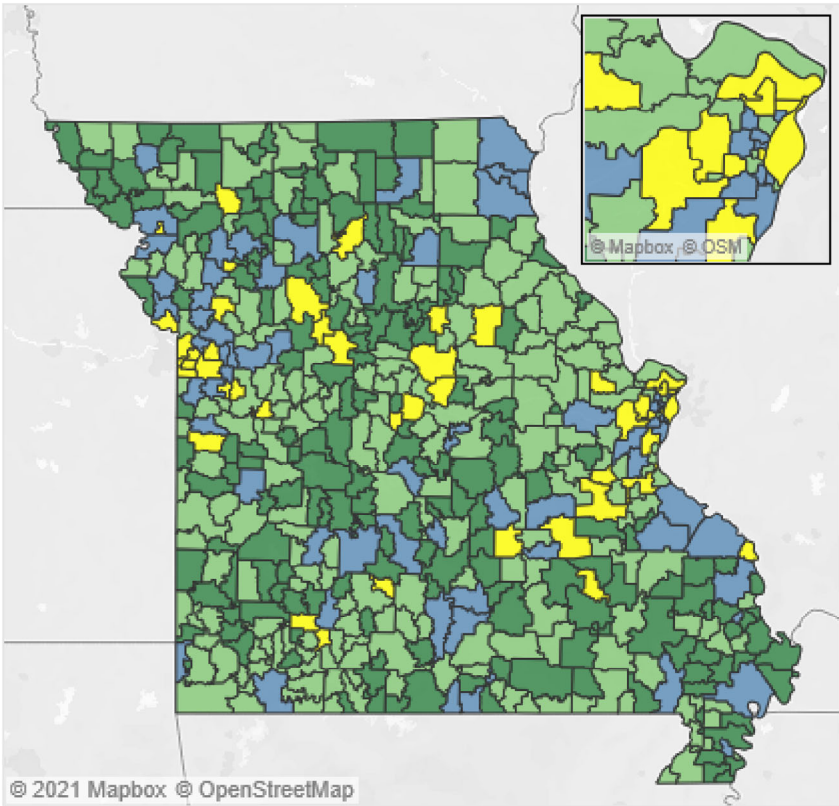
CONFIDENTIAL

in its entirety

Statewide Patterns of Instruction

<
Patterns of Instruction Map
Enrollment and LEAs by Pattern of Instruction
LEAs by Day of Instruction
Enrollment by Day of Instruction
Patterns of Instruction Changes
>

December 01, 2020



Day of Instruction

<
December 01, 2020
>

<
■
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Number of LEAs

Onsite	187
Onsite w/ Distanced Option	220
Blend Onsite/Distanced	76
Distanced	74
Closed	0

Number of 2020 K-12 Students in LEAs by Pattern of Instruction

Onsite	88,008
Onsite w/ Distanced Option	302,776
Blend Onsite/Distanced	213,669
Distanced	274,174
Closed	0

Pattern of Instruction Definitions

LEAs not on the map

Academie Lafayette	Blend Onsite/Distanced	■
Academy For Integrated Arts	Onsite w/ Distanced Option	■
Allen Village	Distanced	■
Brookside Charter School	Distanced	■
Citizens Of The World Charter	Distanced	■
City Garden Montessori	Distanced	■

**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) Case No. GR-2021-0241
Its Revenues for Gas Service.)

AFFIDAVIT OF TIMOTHY L. EGGERS

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

Timothy L. Eggers, being first duly sworn on his oath, states:

My name is Timothy L. Eggers, and on his oath declare that he is of sound mind and lawful age; that he has prepared the foregoing *Direct Testimony*; and further, under the penalty of perjury, that the same is true and correct to the best of my knowledge and belief.

/S/ Timothy L. Eggers
Timothy L. Eggers

Sworn to me this 30th day of March, 2021.