

Exhibit No.:
Issue(s): Weather Normalization
Witness: Steven M. Wills
Sponsoring Party: Union Electric Company
Type of Exhibit: Rebuttal Testimony
Case No.: ER-2008-0318
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MISSOURI PUBLIC SERVICE COMMISSION

Case No. ER-2008-0318

REBUTTAL TESTIMONY

OF

STEVEN M. WILLS

ON

BEHALF OF

**UNION ELECTRIC COMPANY
d/b/a AmerenUE**

**St. Louis, Missouri
October, 2008**

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **STEVEN M. WILLS**

4 **CASE NO. ER-2008-0318**

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

6 A. My name is Steven M. Wills. My business address is One Ameren Plaza,
7 1901 Chouteau Avenue, St. Louis, Missouri 63103.

8 **Q. By whom and in what capacity are you employed?**

9 A. I am employed by Ameren Services Company as Managing Supervisor,
10 Quantitative Analytics.

11 **Q. Are you the same Steven M. Wills who filed direct testimony in this case?**

12 A. Yes, I am.

13 **Q. What is the purpose of your rebuttal testimony?**

14 A. The purpose of my rebuttal testimony is to comment on the Missouri Public
15 Service Commission Staff's ("Staff") weather normalization adjustment and provide my
16 understanding of the agreed upon resolution of the differences between Union Electric
17 Company d/b/a AmerenUE ("AmerenUE" or "Company") and Staff on this issue.

18 **Q. Did Staff use substantially the same methodology as the Company to**
19 **weather normalize test year sales in their direct case?**

20 A. For most customer classes, yes. The one exception was the Large Primary
21 Service Class ("LPS"). For this class, Staff chose in its direct case to bypass the class level
22 analysis based on daily load research for a customer specific approach based on billing data
23 from the test year.

1 **Q. Other than the LPS class, were there any differences between Staff's**
2 **weather normalization adjustment and the Company's?**

3 A. Yes. There were two other notable differences.

4 **Q. What was the first difference?**

5 A. At the time the Company filed its case, some of the actual temperature data
6 from the test year was still preliminary data. That means that it had not been through the
7 thorough screening process that the National Climatic Data Center uses to verify and correct
8 temperature readings. By the time of Staff's direct filing, the finalized data was available
9 and was subsequently used in Staff's analysis. The Company agreed that it is appropriate to
10 use this final data in the analysis for this case.

11 **Q. What was the other difference you noted above?**

12 A. The other difference surrounded the handling of the extra day in the test year
13 that comes as a result of 2008 being a "leap year." In both the procedure for calculating the
14 normal weather temperature series and the method chosen by Staff to perform the "days'
15 adjustment," the handling of the leap day was different than the method adopted by the
16 Company.

17 **Q. Has this issue been worked out between the parties?**

18 A. Yes. The Company has agreed for purposes of this case to use Staff's normal
19 weather series and days' adjustment. Although the Company prefers the methodology it used
20 in this case, it believes that Staff's method was not unreasonable.

21 **Q. Now please discuss the issue over the LPS class in more detail.**

22 A. The LPS class is made up of many of the Company's largest commercial and
23 industrial accounts. Staff chose to review each customer's test year bills individually to

1 determine if the customer was weather sensitive, and then performed a weather adjustment at
2 the customer level. The Company followed a similar methodology to what it used for its
3 other classes, employing class level daily load research to evaluate the weather response of
4 the entire class as a whole, and make an adjustment based on that weather response function.

5 **Q. How have the two parties agreed to resolve this issue?**

6 A. It is my understanding from conversations with Staff that they have agreed to
7 use the Company's methodology for the LPS class along with their actual weather and
8 treatment of leap day as discussed above.

9 **Q. Did any other parties address weather normalization in their direct**
10 **cases?**

11 A. No, they did not.

12 **Q. So are there any remaining issues to be resolved on the subject of weather**
13 **normalization?**

14 A. I am not aware of any remaining issues. Subject to Staff's confirmation, I
15 consider the issue resolved.

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

17 A. Yes, it does.

