Exhibit No.:

Issue(s): Blocked Usage Witness: Kim Cox Sponsoring Party: MoPSC Staff

Type of Exhibit: Surrebuttal Testimony

Case No.: GR-2019-0077

Date Testimony Prepared: July 10, 2019

# MISSOURI PUBLIC SERVICE COMMISSION COMMISSION STAFF DIVISION TARIFF/RATE DESIGN

#### SURREBUTTAL TESTIMONY

**OF** 

KIM COX

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

**CASE NO. GR-2019-0077** 

Jefferson City, Missouri July 2019

1	SURREBUTTAL TESTIMONY					
2	OF					
3	KIM COX					
4 5		UNION ELECTRIC COMPANY, d/b/a AMEREN MISSOURI				
6		CASE NO. GR-2019-0077				
7	Q.	Please state your name and business address.				
8	A.	Kim Cox, 200 Madison Street, Jefferson City, MO 65102.				
9	Q.	By whom are you employed and in what capacity?				
10	A.	I am employed by the Missouri Public Service Commission ("Commission") as				
11	a Policy Analyst in the Tariff and Rate Design Department of the Commission Staff.					
12	Q.	Are you the same Kim Cox that previously filed direct testimony in Staff's				
13	Direct Rate Design and Class Cost of Service Report and rebuttal testimony?					
14	A.	Yes.				
15	Q.	What is the purpose of your surrebuttal testimony?				
16	A.	The purpose of my surrebuttal testimony is to address the Company's concern				
17	related to the determination of normalized first block sales and to provide an updated percent					
18	to first block sales for the Residential class.					
19	Q.	What is Ameren Missouri's concern with Staff's analysis of first block usage?				
20	A.	Ameren Missouri is concerned that Staff's first block, specifically March and				
21	December is	overstated, therefore potentially overstating the non-gas revenues for the				
22	Residential class.					
23	Q.	Has Staff reviewed the company's concern?				
24	A.	Yes. Staff's direct position in this case utilized the bill frequency provided by				
25	Ameren Misso	ouri to determine the percent of usage in the first block by month for the test year.				

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Staff did find an error in its calculation of the second block and the bill frequency did not capture the usage broken down before the first 30 Ccf's which resulted in inaccurate results. Therefore, Staff has used a regression to determine the normalized percent of usage in the first block by month for the test year.

What are the results from using the regression method? Q.

As seen in the table below<sup>1</sup>, the months of March and December (as well as the A. other months of the test year) are now below the 30 Ccf threshold for the average block 1 use per customer. The company noted in its rebuttal testimony that Ameren Missouri's block 1 and 2 billing units should be used. Staff is not aware that Ameren Missouri provided normalized and annualized first and second block usage.<sup>2</sup> Therefore, if the Commission orders blocked rates and/or the Volume Indifference Reconciliation to Normal Mechanism ("VIRN") in this rate case, Staff's updated first block usage below should be used.

25.36

29.19

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30.28

Customer Count	Block 1 Usage	Block 1 Usage/Customer	Direct Filed Block 1 Usage/Customer
119,149	3,570,125	29.96	28.12
119,879	3,546,167	29.58	29.42
119,247	3,479,401	29.18	30.61
118,890	3,204,934	26.96	24.02
118,446	2,372,108	20.03	18.23
117,784	1,712,915	14.54	15.85
117,533	1,320,971	11.24	11.25
117,420	1,206,790	10.28	10.13
117,509	1,352,164	11.51	11.82
117,686	1,633,616	13.88	15.17
	Count 119,149 119,879 119,247 118,890 118,446 117,784 117,533 117,420 117,509	Count         Usage           119,149         3,570,125           119,879         3,546,167           119,247         3,479,401           118,890         3,204,934           118,446         2,372,108           117,784         1,712,915           117,533         1,320,971           117,420         1,206,790           117,509         1,352,164	Count         Usage         Usage/Customer           119,149         3,570,125         29.96           119,879         3,546,167         29.58           119,247         3,479,401         29.18           118,890         3,204,934         26.96           118,446         2,372,108         20.03           117,784         1,712,915         14.54           117,533         1,320,971         11.24           117,420         1,206,790         10.28           117,509         1,352,164         11.51

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3,009,129

3,488,214

118,665

119,509

November

December

<sup>&</sup>lt;sup>1</sup> The updated first block usage percent has been provided to the auditors for the revenue requirement calculations.

<sup>&</sup>lt;sup>2</sup> Staff is aware that Ameren Missouri provided actual usage by block, but not normalized usage by block.

- 1 Q. Does this conclude your surrebuttal testimony?
- 2 A. Yes.

## 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 Natural Gas Service  Case No. GR-2019-0077
AFFIDAVIT OF KIM COX
STATE OF MISSOURI ) ) ss. COUNTY OF COLE )
COMES NOW KIM COX and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Surrebuttal Testimony; and that the same is true and correct according to her best knowledge and belief.  Further the Affiant sayeth not.  KIM COX
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 day of July 2019.
D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 12, 2020 Commission Number 12412070