

**BEFORE THE PUBLIC SERVICE COMMISSION
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-2016-0179**

**Staff's Response to Ameren Missouri's
Proposed Test Year**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and as directed by the Commission in its July 12, 2016, *Notice Of Hearing; Order Setting Conference Date, Directing Notice Of Action, Establishing Intervention Date, And Directing Filings* for its *Response to Ameren Missouri's Proposed Test Year*, states for its *Response to Ameren Missouri's Proposed Test Year* as follows:

Staff concurs with Ameren Missouri's proposed test year consisting of the twelve months ending March 31, 2016, with a true-up cutoff date of December 31, 2016, except that the cutoff is January 1, 2017, for certain items where appropriate.

Anticipated true-up items include changes to plant-in-service, depreciation reserve, all other rate base items, revenues (all categories), customer growth, net base energy costs (per FAC tariff), refined coal project revenues and expenses, Midcontinent Independent System Operator, Inc. ("MISO"), transmission revenues and expenses, pensions and other post-retirement employee benefit costs, payroll (including changes in pay rates and number of employees), payroll taxes, other employee benefits, storm costs, vegetation management and infrastructure inspection expenditures, renewable energy standard costs, insurance expense, depreciation expense, Missouri Public Service Commission and Office of the Public Counsel assessments, rate case

expense,¹ various amortizations, income taxes, property taxes, capital structure and other significant² items that must be considered in order to maintain a proper relationship of revenues, expenses and rate base.

No party should be precluded from proposing an additional item for true-up that causes a significant increase or decrease in Ameren Missouri's cost of service, i.e., in its revenues, expenses or investment, or from proposing that any item or items listed above not be trued-up. Certain items that occur on January 1, 2017, shall be trued-up, including changes in contractual commodity coal costs and coal transportation costs, wage and salary increases, and MISO Schedule 26-A rates, as long as a proper relationship of all other revenues, expenses and rate base is maintained. Each true-up item must be known and measurable, recorded in Ameren Missouri's accounting system and supported by documentation (including but not limited to invoices, inspections, general ledgers, operating reports, etc.) that demonstrate it has occurred; and, if the true-up item is rate-based capital investment, the investment is fully operational and used for service.

WHEREFORE, Staff prays that the Commission will accept its *Response to Ameren Missouri's Proposed Test Year*; and grant such other and further relief as is just in the circumstances.

¹ Rate case expense associated with Case No. ER-2016-0179 will be examined through the scheduled date for filing of reply briefs and adjustments will be proposed accordingly.

² Significant in this context will be measured by the smallest adjustment made during the true-up audit from the list of items indicated above.

Respectfully submitted,

/s/ Kevin A. Thompson

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Missouri Public Service Commission

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing was served electronically, or hand-delivered, or via First Class United States Mail, postage prepaid, on all parties of record herein on this 19th day of July, 2016.

/s/ Kevin A. Thompson