

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF THE MISSOURI**

In the Matter of the Union Electric Company d/b/a)
Ameren Missouri's Tariffs to Decrease Its) File No. ER-2019-0335
Revenues for Electric Service)

**PUBLIC COUNSEL'S RESPONSE TO PROPOSED HISTORICAL
TEST YEAR AND ADJUSTMENT PERIOD**

COMES NOW, the Office of the Public Counsel (OPC), by and through and counsel, and responds as follows to Union Electric Company d/b/a Ameren Missouri's (Ameren Missouri) proposed test year and adjustment period:

1. Ameren Missouri initiated the above captioned rate case, with an application for a rate decrease, filed on July 3, 2019.
2. Included in that application is a requested test year of the twelve months ending December 31, 2018, with a true-up adjustment period accounting for known and measurable items through December 31, 2019.
3. On July 9, 2019, the Public Service Commission (Commission) ordered parties to respond to the proposed historical test year and adjustment period no later than July 22, 2019.
4. Accordingly, the OPC takes no issue as to the employed test year, but sees no justification as to the adjustment period thereafter. There are no apparent expenses, events, or other cost drivers that rationalize an accounting of expenses through the end of 2019. Such cost drivers are not apparent because Ameren Missouri fails to identify a single, specific one.
5. The policy justification for an adjustment period is to ensure the most accurate rates by accounting for foreseeable events and expenses that impact the company, but nonetheless fall outside the test year or are otherwise not represented by that period.

6. However, Ameren Missouri’s witness testimony on the matter states that Ameren Missouri is seeking the true-up to account for such mundane and recurring utility matters as “plant-in-service, depreciation reserve, materials and supplies,” and other items that are just as adequately represented by the test year ending in 2018 alone.¹

7. Using an adjustment period without targeting any specific, foreseeable major events or expenses invites speculation and ironically can make an adjustment an agent of inaccurate ratemaking.

8. OPC notes further that a full year adjustment period will prolong the rate case process, increase administrative burdens, and impede an efficient reconciliation of issues. The final positions of parties cannot be truly known until after true-up if an adjustment period is used, and therefore settlement discussions cannot effectively occur until far later in the rate case process, approaching the threshold of the hearing dates.

9. Using just a test year, especially with no identified expenses or events warranting an adjustment, is more than justified to ensure accurate rates and an efficient resolution results from this case.

WHEREFORE, the OPC responds to Ameren Missouri’s proposed test year and adjustment period, and pray that the Commission employ the historical year without the adjustment period when setting Ameren Missouri’s electric rates.

¹ See *Direct Testimony of Laura M. Moore*, ER-2019-0335 p. 3 (July 3, 2019).

Respectfully,

OFFICE OF THE PUBLIC COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this 22nd Day of July, 2019, with notice of the same being sent to all counsel of record.

/s/ Caleb Hall