

Exhibit No.:
Issue: Complaint Case – Rate Levels
Witness: John P. Cassidy
Sponsoring Party: MoPSC Staff
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MISSOURI PUBLIC SERVICE COMMISSION

**REGULATORY REVIEW DIVISION
UTILITY SERVICES - AUDITING**

Reclassified REBUTTAL TESTIMONY

OF

JOHN P. CASSIDY

NORANDA ALUMINUM, INC., ET AL, COMPLAINANTS

v.

**UNION ELECTRIC COMPANY,
d/b/a AMEREN MISSOURI, RESPONDENT**

CASE NO. EC-2014-0223

*Jefferson City, Missouri
June 2014*

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**** Denotes Highly Confidential Information ****

1 Q. What knowledge, skills, experience, training and education do you have in the
2 areas about which you are testifying as an expert witness?

3 A. I have been employed by this Commission as a Utility Regulatory Auditor for
4 over twenty-three years and have submitted testimony and testified on ratemaking issues
5 numerous times before the Commission. I have also been responsible for the supervision of
6 other Commission employees in rate cases and other regulatory proceedings. Since the time
7 I began my employment with the Commission, I have received continuous training with
8 regard to technical ratemaking matters both in-house and through attending National
9 Association of Regulatory Utility Commissioners (“NARUC”) sponsored regulatory
10 seminars as well as other regulatory symposiums and conferences.

11 Q. Have you participated in the Commission Staff’s review of Noranda
12 Aluminum Inc.’s (“Complainants”) excess earnings complaint filed against Union Electric
13 Company, d/b/a Ameren Missouri (“Ameren Missouri” or “Company”)?

14 A. Yes, I have, in conjunction with other members of the Staff.

15 Q. Please provide a summary of your rebuttal testimony in this proceeding.

16 A. In summary, Staff concludes that the Complainants’ proposal to reduce
17 Ameren Missouri’s electric rates does not take into consideration changes in all of the
18 relevant factors that must be reviewed prior to requesting that the Commission change
19 Ameren Missouri’s permanent rates. In this proceeding, Staff completed a limited review of
20 Ameren Missouri’s rates, and has concluded that Ameren Missouri’s current level of
21 earnings do not warrant opening an extensive earnings investigation at this time. Staff has
22 not had an opportunity to conduct a full cost-of-service review of the relevant factors that
23 would normally be examined by Staff in order to make a meaningful recommendation

1 regarding the appropriateness of Ameren Missouri's current rates. On March 21, 2014,
2 Ameren Missouri submitted a notice of its intent to file an electric rate case which the
3 Commission designated as Case No. ER-2014-0258. During a May 8, 2014 "earnings call"
4 and presentation, President and Chief Executive Officer of Ameren Corporation, Warner
5 Baxter represented to investors that Ameren Missouri plans to file a rate case by July 15,
6 2014. When Ameren Missouri files this general rate request, Staff will conduct an audit that
7 takes into consideration all of the relevant factors in that rate case. If the Staff's audit in that
8 rate case reveals that Ameren Missouri is indeed significantly overearning, Staff will file a
9 complaint case against Ameren Missouri and pursue that complaint within the eleven-month
10 timeframe established for Case No. ER-2014-0258.

11 My rebuttal testimony will specifically address the allegations contained within
12 paragraph 12 of the complaint that was filed by the Complainants as instructed by the
13 Commission in its *Order Establishing Procedural Schedule* that was issued in Case No.
14 EC-2014-0223 on April 16, 2014, by addressing the following items:

15 **1. Previous Earnings Complaint Cases:** I will provide a brief background of my
16 involvement in previous earnings complaint cases before this Commission and describe how
17 those cases were handled.

18 **2. Time Period:** Staff will indicate why it selected the time period for which it
19 reviewed cost-of-service information during this proceeding.

20 **3. Relevant Criteria:** Staff will address the relevant criteria and standards that
21 should be applied for the determination of the appropriateness of Ameren Missouri's current
22 rates in this proceeding.

1 **4. Scope Limitations:** Staff will list any scope limitations in this proceeding that
2 prevented the Staff from performing a complete analysis of Ameren Missouri's current cost
3 of service as would be completed in a traditional rate case audit.

4 **5. Documentation:** Staff will discuss the types of documentation that were available
5 under the constraints of the procedural schedule established in this proceeding and that Staff
6 used to analyze the appropriateness of Ameren Missouri's current rates.

7 **6. Rate of Return:** Staff will provide an explanation for why the current
8 Commission authorized return on equity ("ROE") of 9.8% represents the appropriate rate of
9 return that should be used to determine if Ameren Missouri's current rates are excessive.

10 **7. Complainants' Analysis and Proposal:** Staff will discuss the conclusions
11 that can be drawn from the Complainants' analysis and proposal to reduce Ameren
12 Missouri's rates.

13 **8. Staff Analysis of Ameren Missouri's Calendar Year 2013 Earnings:** Staff will
14 explain and describe the nature of its analysis of Ameren Missouri's reported earnings during
15 calendar year 2013 for purposes of this proceeding. I will also discuss some additional
16 analysis that Staff has performed on areas that were not addressed by the Complainants in
17 their direct testimony filing.

18 **9. Staff's Opinion:** I will provide a conclusion summarizing the Staff's opinion
19 regarding the appropriateness of Ameren Missouri's current rates.

20 Q. What areas will other Staff witnesses address in rebuttal testimony?

21 A. As part of his rebuttal testimony in this case, Staff witness Mark L.
22 Oligschlaeger will provide an overview of Staff's customary approach to addressing potential
23 utility overearnings and will provide a further discussion of the relevant criteria that should

1 be applied to Ameren Missouri's rates in this proceeding. Mr. Oligschlaeger will also
2 address all policy matters related to how Staff approaches an earnings investigation and
3 review. Mr. Oligschlaeger's rebuttal testimony will also address the appropriate rate of
4 return to be used in this proceeding. In addition, Mr. Oligschlaeger will discuss the impact of
5 revenues and expenses associated with the Missouri Energy Efficiency Investment Act
6 ("MEEIA") program on Ameren Missouri's earnings during the calendar year ending
7 December 31, 2013.

8 Staff witnesses Shawn E. Lange and Dr. Seoung Joun Won will provide an
9 explanation of their review and estimated calculations to remove the impact of abnormal
10 weather and to reflect a "365-days" adjustment for usage and revenues on Ameren
11 Missouri's reported revenues during the calendar year ending December 31, 2013.

12 **PREVIOUS EARNINGS COMPLAINT CASES**

13 Q. Have you previously presented testimony in any earnings complaint cases that
14 were filed before this Commission that resulted in a reduction in utility rates?

15 A. Yes. A review of Schedule 1 attached to this testimony reflects that I have
16 sponsored testimony in the following Staff initiated earnings complaint cases:

17 Southwestern Bell Telephone Company ("SWBT") TC-93-224 & TO-93-192

18 Union Electric Company d/b/a/ AmerenUE ("Ameren Missouri") EC-2002-1

19 I have also sponsored testimony in a rate case initiated by Missouri-American Water
20 Company ("MAWC") to increase its rates in Case No. WR-2003-0500. After conducting an
21 audit the Staff determined that MAWC was instead overearning and then proceeded to file an
22 overearnings complaint against MAWC based on its audit findings. Staff's earnings

1 complaint was established by the Commission as Case No. WC-2004-0168 and combined
2 with the rate case into one docket with one evidentiary hearings schedule. I have also
3 previously sponsored testimony in an earnings complaint case initiated by the Office of
4 Public Counsel (“OPC”) against Imperial Utility Corporation (“Imperial”) in Case No.
5 SC-96-247.

6 It is important to realize that in each of these complaint cases, the Staff was permitted
7 to conduct a complete audit, taking into consideration all of the relevant factors, in order to
8 develop a thoroughly supported cost-of-service calculation as it traditionally performs in the
9 context of any utility rate increase request case that is filed before the Commission. In Case
10 No. TC-93-224 et al, (SWBT), the Commission issued a *Report and Order* authorizing a
11 permanent rate reduction. In Case Nos. SC-96-427 (Imperial), EC-2002-1(Ameren Missouri)
12 and WR-2003-0500 & WC-2004-0500 (MAWC), the parties entered into stipulations and
13 agreements that resulted in overall permanent rate reductions for each of these utilities.

14 I have also filed testimony in two of the six Experimental Alternative Regulatory Plan
15 (“EARP”) “credits” cases involving Ameren Missouri as part of Case Nos. EC-2000-795 and
16 EC-2002-1025, and participated in the review of a third credits case that was settled before
17 Staff’s testimony was filed. The EARP was a two-phase experimental sharing plan that was
18 established for Ameren Missouri for a period covering July 1, 1996 through June 30, 2001.
19 The EARP provided for an annual measurement of Ameren Missouri’s earnings. Under this
20 arrangement, the Company was allowed to keep all earnings under a ROE floor, and was
21 required to share earnings with its customers that were between the ROE floor and the ROE
22 ceiling of the plan and was required to return to customers all earnings above the ROE
23 ceiling. Each year, during the EARP, Staff followed a reconciliation process that was

1 established in Ameren Missouri Case No. EM-96-149 to determine what amount of one-time
2 credits should be returned to Ameren Missouri's customers. It is important to note that in
3 each of the EARP annual reviews, permanent rates were not changed but rather one time
4 credits on customer's bills were used to return the earnings amounts that Ameren Missouri
5 was required to share with customers under the structure of this plan. The EARP expired on
6 June 30, 2001, and Staff filed an earnings complaint case against Ameren Missouri
7 immediately thereafter to address the level of Ameren Missouri's permanent rates in Case
8 No. EC-2002-1.

9 Q. How long did it take to process each of the earnings complaint cases you were
10 involved in, and how long did it take from the beginning of the process until rates were
11 actually reduced?

12 A. After completing a high level preliminary analysis of SWBT's earnings, the
13 Staff began an on-site earnings investigation audit in May 1992 which involved ten auditors.
14 Many other members of Staff were involved in this investigation as well and Staff filed direct
15 testimony supporting its complaint case on February 3, 1993. The Commission issued a
16 *Report and Order* in Case Nos. TC-93-224 & TO-93-192 in December 1993 that authorized
17 a reduction in SWBT rates beginning on January 1, 1994. Approximately 20 months passed
18 from the beginning of Staff's on-site audit until the time that rates were reduced.

19 Staff conducted an on-site earnings investigation audit of Ameren Missouri in Case
20 No. EC-2002-1 that lasted nine months prior to the Staff's initial direct testimony filing
21 indicating that Ameren Missouri was overearning and requesting that the Commission reduce
22 its rates. Staff's review and audit in that case began in October 2000 and its direct testimony
23 was not filed until July 2, 2001. Further delays resulted from disputes regarding the need to

1 re-establish the test year, which required a second direct testimony filing from Staff in March
2 2002. In total Staff had 26 witnesses sponsor testimony, 11 of which were members of the
3 Auditing Unit. Rates were not actually reduced until September 26, 2002, as part of that case.
4 Almost two years had passed from the time the Staff initiated its audit until rates were
5 re-established. Had a stipulation and agreement not been reached during July 2002 regarding
6 Ameren Missouri's rates, this earnings complaint case would have lasted even longer.

7 Regarding the MAWC case, because Staff's earnings complaint was initiated within
8 the context of its review of a rate increase request, that utility's rates were reduced within
9 11 months. The Company filed its case on May 19, 2003, and lower rates took effect on
10 April 16, 2004.

11 Q. Have you also participated in any Staff earnings audits that ultimately did not
12 result in the filing of an earnings complaint case against a utility?

13 A. Yes. In 1990-91, I participated in an audit and review of Continental
14 Telephone Company's earnings that was approximately two to three months in duration.
15 I also participated in a review of Alltel Corporation's Missouri Telephone earnings during
16 1994. Upon completion of each those reviews Staff determined that those utilities' rates did
17 not require adjustment.

18 **TIME PERIOD USED FOR STAFF'S ANALYSIS**

19 Q. What time period did the Staff analyze as part of its review of Ameren
20 Missouri's earnings in this case?

21 A. Staff's examination in this case primarily involved the twelve month period
22 ending December 31, 2013. The Commission authorized a rate increase of approximately
23 \$259.6 million which took effect on January 2, 2013, in Ameren Missouri's last general rate

1 case (Case No. ER-2012-0166). Staff believes that an analysis of Ameren Missouri's current
2 rates should be based on a full year of revenue data reflecting those new rates. The twelve
3 months ending December 31, 2013 is only one day short of that criteria and essentially
4 represents the first twelve month period of data that takes into account the rate change from
5 the Company's previous rate case and therefore avoids the need to estimate the revenues for
6 some period of time when the new rates were not in effect.

7 **RELEVANT CRITERIA**

8 Q. What are the relevant criteria and standards to be applied to determine the
9 appropriateness of Ameren Missouri's rates in this proceeding?

10 A. The Missouri Supreme Court ruling in State ex rel. United Consumers Council
11 of Missouri v. Public Service Commission, 585 S.W. 2d 41 (Mo. banc 1979) ("UCCM")
12 established an "all relevant factors" requirement that must be applied in the context of any
13 general rate case whether it is a "file and suspend" rate increase request case or an earnings
14 complaint case.

15 The Commission previously addressed the need to include all relevant factors and to
16 establish a time period to examine rates. In its *Report and Order* in a 1983 general rate case
17 involving Kansas City Power & Light Company ("KCPL"), Case No. ER-83-49, the
18 Commission concisely stated the purpose of using a test year:

19 The purpose of using a test year is to create or construct a reasonable
20 expected level of earnings, expenses and investments during the future
21 period in which the rates, to be determined herein, will be in effect. All
22 of the aspects of the test year operations may be adjusted upward or
23 downward to exclude unusual or unreasonable items, or include unusual
24 items, by amortization or otherwise, in order to arrive at a proper
25 allowable level of all of the elements of the Company's operations. The
26 Commission has generally attempted to establish those levels at a time

1 as close as possible to the period when the rates in question will be in
2 effect.¹

3 In the KCPL rate case referenced above, regarding the need for a true-up, the
4 Commission stated that it would not “consider a true-up of isolated adjustments, but will
5 examine only a package of adjustments designed to maintain the proper revenue-expense-rate
6 base match at a proper point in time.”² This concept of developing a revenue requirement
7 calculation based on a consideration of all relevant factors has been a long-standing approach
8 to ratemaking in Missouri.

9 It is the Staff’s view that in order to meet the *UCCM* standard and long-standing
10 directives provided by this Commission, a complete review and audit of the Company’s
11 books and records and an assessment of its operations that takes into account all revenues,
12 expenses, investment and rate of return must be addressed when attempting to re-establish
13 permanent rates. Anything less than this type of review that takes into consideration all of
14 the relevant factors in the determination of permanent rates might represent a form of
15 “single-issue” ratemaking, which is prohibited barring specific legislation which permits
16 special rate treatment of certain items. Examples of exceptions to this “all relevant factors”
17 requirement are the Missouri statutes which allow gas companies and certain water
18 companies to collect a temporary surcharge to recover the cost of eligible investment items
19 between rate cases through the Infrastructure System Replacement Surcharge (“ISRS”)
20 procedure, and the Fuel Adjustment Charge (“FAC”) procedure which allows electric
21 companies to collect temporary surcharges for changes in fuel costs between rate cases. The
22 Missouri legislature enacted laws to specifically allow for these very restrictive procedures.
23 ISRS and FAC surcharges are included on customers’ bills between general rate cases and

¹ *In the Matter of Kansas City Power & Light Company*, 26 Mo.P.S.C.(N.S.) 104, 109 (1983).

² *Id.*, at 110

1 are eventually eligible for inclusion in permanent rates as part of a subsequent general rate
2 case when all of the relevant factors can be re-evaluated. In addition, utilities have at times
3 requested that the Commission allow for implementation of “interim” rates absent a full
4 consideration of all the relevant factors prior to the completion of a concurrent or subsequent
5 general rate case filing. However, interim rates have always been set subject to refund, in the
6 event the Commission subsequently grants the utility a permanent rate increase that is less
7 than the amount of interim relief previously granted. The Commission has generally
8 restricted the use of interim rate increases to utilities facing “emergency” situations.

9 Q. For this excess earnings complaint case that the Complainants have filed
10 against Ameren Missouri, what criteria should be applied to determine whether the
11 Company’s rates should be reduced?

12 A. The Complainants’ case is fashioned as a general rate case, more specifically,
13 as an earnings complaint case seeking a permanent rate reduction in Ameren Missouri’s
14 rates. As such, Staff asserts that a full and complete audit that takes into consideration all of
15 the relevant factors in determining an overall cost-of-service recommendation must occur
16 prior to any change in Ameren Missouri’s current rates. Furthermore, the Complainants have
17 not given any indication to date that they are seeking an interim rate reduction based upon
18 any emergency criteria. Instead they are seeking a permanent rate reduction based upon an
19 extremely accelerated time schedule. This time schedule allows for only a substantially
20 abbreviated analysis. It is a much more accelerated schedule than the procedural schedules
21 in the earnings complaint cases noted earlier in this testimony.

1 Q. What criteria, standards and approaches does the Staff consider when
2 determining whether or not to conduct a full audit of a company that Staff believes may be
3 overearning?

4 A. Generally, Staff approaches potential overearnings investigations through a
5 three-stage process which Staff witness Oligschlaeger discusses in more detail from a policy
6 perspective in his rebuttal testimony in this proceeding. Stage one involves a few Staff
7 members, mainly from the Auditing Unit, performing a very abbreviated, high-level analysis
8 of the utility's actual reported earnings as provided to the Staff in surveillance data,
9 Securities and Exchange Commission ("SEC") filings and other financial data. Staff would
10 examine and adjust earnings to take into account a handful of the largest known significant
11 changes in factors that may have occurred since the time that a company's rates were last
12 established by the Commission, including any impact of abnormal weather and non-recurring
13 events on the actual earnings results.

14 If, after conducting this type of analysis, the Staff believed that the results warranted
15 further investigation, the Staff would begin a more detailed review phase. In this second
16 stage, Staff would still not perform a full traditional audit which takes into account all of the
17 relevant factors. In my experience, additional Staff and more areas of inquiry will be
18 involved in the second phase of an earnings review than the first phase. In this scenario,
19 Staff would meet with company officials and conduct discovery into additional issues in an
20 effort to determine whether the utility's reported earnings should be subject to major
21 annualizations, normalizations or disallowance adjustments using the most recent relevant
22 financial information. In this phase, Staff would assess changes in the company's revenues,
23 expenses and investment areas not only since the time that rates were last established but also

1 looking forward into the near-term future. This type of review process could take two to
2 three months to complete and would allow Staff to better assess a company's potential
3 overearnings situation in terms of the quantification, causes and expected duration of the
4 overearnings. This type of review would also assist Staff's upper-level management in
5 making a determination of whether or not they should devote the necessary resources to a full
6 earnings investigation audit.

7 If Staff's second phase review pointed to an expectation of significant and continuous
8 overearnings for the near-term future, it has been my experience that Staff would progress to
9 the third stage of an earnings review and go on-site at the utility to conduct a full earnings
10 investigation audit that would involve numerous Staff participants. However, if as a result of
11 the earlier phases of its earnings investigation process, Staff believed that the utility was not
12 likely to experience significant and continuous overearnings, Staff would not make a full
13 commitment of its resources to pursue a full earnings investigation audit.

14 Stage three work of an earnings investigation would, of course, represent a full
15 commitment of Staff resources, from a variety of disciplines (auditors, financial analysts,
16 engineers, economists, management services specialists, experts in rate design, and
17 attorneys), in order to conduct an earnings investigation audit which would take into
18 consideration all of the relevant factors in the development of a fully-supportable revenue
19 requirement. In rate cases, this type of review lasts approximately five months and during
20 earnings investigation cases, this review can take much longer as I indicated earlier in this
21 rebuttal testimony. If, upon the completion of that phase of the earnings audit, the result
22 showed an insignificant level or no level of overearnings, Staff would likely move to close
23 the earnings investigation case. However, if the audit revealed substantial overearnings and

1 the near-term outlook suggested no change in that circumstance, Staff would proceed with
2 filing a complaint against the company seeking a rate reduction and would present its
3 revenue requirement and rate design findings to the Commission for its consideration in
4 making a determination of rates.

5 Q. What stage of review has the Staff conducted in this proceeding?

6 A. The Staff has conducted a stage one review with some of the aspects of a
7 stage two review in this proceeding. Staff has conducted some very limited discovery of the
8 Company and has performed some analysis of required disallowance adjustments, as well as
9 normalizations and annualization adjustments pertaining to some of the major drivers to
10 Ameren Missouri's current actual earnings levels. In the next section of this testimony, I will
11 discuss the scope limitations that have prevented Staff from performing a full cost-of-service
12 calculation and rate design proposal in this proceeding as is traditionally conducted in a
13 general rate case.

14 **SCOPE LIMITATIONS**

15 Q. Does Staff have adequate time or resources in this proceeding to prepare a full
16 cost-of-service analysis that takes into consideration all of the relevant factors that would
17 traditionally be performed in a general rate case?

18 A. No. Staff has not had adequate time or resources to perform an audit and
19 review to develop a cost-of-service calculation and rate design proposal that appropriately
20 takes into account all of the relevant factors in this proceeding. On April 16, 2014, the
21 Commission established a procedural schedule in this proceeding and provided direction to
22 the Staff regarding the type of analysis and investigation that was expected. Staff has worked
23 hard to meet the Commissions' expectations. The established schedule allowed Staff

1 approximately seven calendar weeks to conduct discovery and prepare rebuttal testimony.
2 Since that time Staff has assigned four members, two of which are members of the Auditing
3 Unit, to participate in this review and sponsor testimony in this case.

4 As a basis of comparison to the resources that Staff was able to dedicate to this case,
5 Staff also examined the staffing that was dedicated to its review and investigation in Ameren
6 Missouri's last rate increase request, Case No. ER-2012-0166. In that rate case, 29 Staff
7 witnesses sponsored testimony, seven of which were auditors. At least an additional 11 Staff
8 members provided support and administrative assistance with the processing of that rate case.
9 Staff members dedicated approximately 9,094 hours to that rate case during the five and
10 one-half month time span between the Company's direct testimony filing on February 3,
11 2012 through Staff's rate design direct testimony filing on July 19, 2012. In total, Staff
12 reported approximately 16,305 hours of time in order to process the Ameren Missouri
13 ER-2012-0166 rate case over the 11-month statutory rate case process duration, including the
14 evidentiary hearings, submission of briefs and implementation of the Commission ordered
15 tariffs. In addition, during that rate case Staff performed 665 adjustments to revenues,
16 expenses, plant in service and depreciation reserve in addition to calculating an appropriate
17 rate of return and capital structure, examining the Company's depreciation rates, analyzing
18 its tariffs, and developing an appropriate rate design. The Staff members assigned to this
19 case cannot possibly perform this type of thorough and fully-supported review that takes into
20 consideration all relevant factors in the interval allotted.

1 **DOCUMENTATION**

2 Q. What types of documentation did Staff review under the constraints of the
3 procedural schedule in this case in an attempt to analyze the appropriateness of Ameren
4 Missouri's current rate levels?

5 A. The Staff first reviewed the complaint filed by the Complainants and all
6 supporting documentation, including workpapers relating to its complaint. The Staff
7 conducted discovery specific to Ameren Missouri's operations. The Staff reviewed all
8 Ameren Missouri 8K, 10Q and 10K filings submitted to the SEC during the period covering
9 October 1, 2012 through March 31, 2014. Staff also listened to all representations Ameren
10 Corporation and Ameren Missouri executives made during "earnings calls" and other similar
11 presentations regarding earnings outlooks via webcasts for the most recent 12-month time
12 frame and reviewed all reports made to credit-rating agencies during the calendar year ending
13 December 31, 2013. Staff examined all relevant external auditor workpapers applicable to
14 Ameren Missouri for calendar year 2013. Staff reviewed responses to data requests issued
15 by Staff and other parties to this case and reviewed all testimony filed to this point in this
16 case. Staff also reviewed relevant information from Ameren Missouri's last general rate case
17 (Case No. ER-2012-0166), other previous Ameren Missouri general rate cases, as well as the
18 non-unanimous stipulation and agreement in Case No. ET-2014-0085 (Ameren Missouri's
19 application to suspend solar rebates). Staff also reviewed certain Company data request
20 responses in Case No. EO-2014-0070 concerning Staff's audit of Ameren Missouri's
21 installation of pollution control equipment at the Labadie energy center. Staff reviewed
22 filings made in Ameren Missouri's certificate of convenience and necessity request in Case
23 No. EA-2014-0136 where the Commission granted Ameren Missouri the authority to

1 construct a solar generation facility, subject to certain conditions. Staff also conducted
2 meetings with Ameren Missouri officials to gain a basic understanding of any significant
3 changes that would affect earnings during the calendar year ending December 31, 2013, and
4 for the near-term future. Finally, Staff reviewed the quarterly surveillance monitoring
5 information provided by Ameren Missouri as a condition of the approval of their FAC.

6 **RATE OF RETURN**

7 Q. What is the appropriate ROE that should be used to determine whether
8 Ameren Missouri's current rates are excessive in this proceeding?

9 A. Staff asserts that the ROE that the Commission authorized when it took into
10 account all of the relevant factors that were presented to them by all of the participating
11 parties in the Company's last rate case should be used in this proceeding to assess the
12 appropriateness of Ameren Missouri's current rate levels. In that case, the Commission
13 authorized a 9.8% ROE. Ameren Missouri's current rates are driven by this ROE percentage
14 and all but one day of calendar 2013 actual earnings for the year is based on the 9.8%
15 authorized ROE level. Staff believes this ROE level is the appropriate return to use until
16 Ameren Missouri's next general rate case, when all information can be appropriately
17 considered for revenues, expenses, and investment along with a full rate-of-return analysis
18 pertaining to cost of capital and capital structure. Mr. Oligschlaeger's rebuttal testimony will
19 have a further discussion of the rationale for using the most recent Commission authorized
20 ROE for purposes of Staff's review in this proceeding.

1 **COMPLAINANTS' ANALYSIS AND PROPOSAL**

2 Q. What is the basis for the Complainants' allegation of excess earnings by
3 Ameren Missouri in this proceeding?

4 A. In their *Excess Earnings Complaint And Request For Review and Expedited*
5 *Relief* filing on February 12, 2014, the Complainants stated in paragraph 12:

6 Ameren Missouri has obtained approval of the Commission for a Fuel
7 Adjustment Clause ("FAC"), a mechanism that allows Ameren Missouri
8 to shift ninety-five percent of the risk of fuel cost increases onto its
9 customers. As one condition of that approval the Commission required
10 Ameren Missouri to submit to the Commission Staff and other parties,
11 on a calendar quarter basis, a 'Surveillance Monitoring Report.' Ameren
12 Missouri's 'Actual Earned Return on Equity' was 10.32 percent for the
13 12 month period ending September 30, 2013. Similar reports for prior
14 recent quarters show even higher returns on equity. This is in contrast
15 to Ameren Missouri's authorized rate of return on equity of 9.8 percent.

16 Q. Has Staff reviewed the surveillance monitoring reports referenced by the
17 Complainants?

18 A. Yes. Staff has reviewed these reports and the following chart reflects Ameren
19 Missouri's actual unadjusted ROE's which would compare to their Commission-authorized
20 9.8% ROE subsequent to January 1, 2013. From July 31, 2011 through January 1, 2013, the
21 Commission had authorized a 10.2% ROE for Ameren Missouri in Case No. ER-2011-0028
22 and from June 21, 2010 through July 30, 2011 the Commission had authorized a 10.1% ROE
23 for Ameren Missouri in Case No. ER-2010-0036. It is also important to note that these
24 reported ROEs reflect unadjusted reported earnings;

25	Twelve Months Ending December 31, 2013	10.34%
26	Twelve Months Ending September 30, 2013	10.32%
27	Twelve Months Ending June 30, 2013	** _____ **

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Reclassified Rebuttal Testimony of
John P. Cassidy

1 Twelve Months Ending March 30, 2013 ** _____ **
2 Twelve Months Ending December 31, 2012 ** _____ **
3 Twelve Months Ending September 30, 2012 ** _____ **
4 Twelve Months Ending June 30, 2012 ** _____ **

5 Q. Do these reported earnings automatically mean that Ameren Missouri is
6 overearning and that permanent rates should be reduced?

7 A. On the surface it may appear that way but reported book earnings only have
8 limited relevance to ratemaking findings. These reported earnings require in-depth analysis
9 and adjustment through the completion of a full cost-of-service calculation that takes into
10 account all of the relevant factors for the time period being examined. Rates are not set in
11 Missouri using booked or actual results. Rather, through detailed analysis, rates are
12 established using actual historic information to complete normalization, annualization and
13 disallowance adjustments to develop the expected cost of service. The impacts of weather
14 are considered in determining the level of revenues and the amount of fuel costs to include in
15 rates. Increases and decreases in costs for payroll, fuel, insurance, property taxes, income
16 taxes and many other expenses are considered in the revenue-requirement calculation along
17 with rate base investment, inventory costs, depreciation, and amortization expense. The rate
18 case review involves significant analysis of the per-book amounts used as a starting point of
19 a rate review before any recommendation can be made for the Commission’s consideration.

20 Q. Please summarize the earnings analysis and rate reduction proposal presented
21 in the Complainants’ direct testimony.

22 A. In his direct testimony on page 2, lines 15 through 16, Complainants’ witness
23 Greg R. Meyer states that “Ameren Missouri is earning above a reasonable rate of return by

1 approximately \$67 million.” This \$67 million overearnings calculation is derived by using
2 the twelve months ending September 30, 2013, actual unadjusted ROE of 10.32% reported
3 by Ameren Missouri in FAC surveillance as a starting point. Mr. Meyer then calculates the
4 difference between the actual twelve months ending September 30, 2013, ROE and the
5 Commission-authorized ROE in Ameren Missouri’s last rate case of 9.8%. Mr. Meyer then
6 applies 14 additional “adjustments” to this calculated difference. These adjustments are
7 summarized in Table 1 found on page 5 of Mr. Meyer’s direct testimony.

8 Q. Please comment on the earnings adjustments performed by Complainants’
9 witness Mr. Meyer to determine the difference between the Company’s actual reported ROE
10 during the twelve months ending September 30, 2013, and the Commission-authorized ROE
11 from the Company’s last rate case.

12 A. Mr. Meyer begins with a calculation of the value of Ameren Missouri’s
13 earnings at a 10.32 % ROE that are in excess of the Commission’s 9.8% authorized ROE.
14 Ameren Missouri’s actual reported 10.32% ROE for the twelve months ending September
15 30, 2013, would need to be reduced by approximately \$29.19 million in order to restate those
16 earnings to reflect the Commission-authorized 9.8% ROE in Ameren Missouri’s last case.
17 This \$29.19 million reflects the starting point of overearnings to which Mr. Meyer makes
18 further adjustments. The Staff does not have an issue with the calculation of this adjustment
19 in the context of the time period of Mr. Meyer’s analysis.

20 Q. Does the Complainants’ case further increase the level of overearnings in its
21 calculation by adjusting ROE to a new recommended level?

22 A. Yes. To the Complainants’ rate recommendation, Mr. Meyer then proceeds to
23 add an additional calculation of the value of reducing Ameren Missouri’s earnings from a

1 9.8% ROE to a 9.4% ROE recommendation that is sponsored by Complainants' witness
2 Michael P. Gorman in his direct testimony. Mr. Meyer calculates that a reduction from a
3 9.8% ROE earnings level to a 9.4% earnings level is worth \$22.49 million. As previously
4 mentioned, the Staff believes that the Commission-authorized 9.8% return should be adhered
5 to for purposes of the analysis in this case (until a full rate of return analysis can be
6 conducted in the upcoming rate case) and takes issue with this proposed adjustment for
7 reasons discussed in Staff witness Oligschlaeger's rebuttal testimony.

8 Lastly, Mr. Meyer proposes that several adjustments be made to Ameren Missouri's
9 reported earnings for the 12 months ending September 30, 2013. The value of these
10 adjustments increase the Company's calculated overearnings amount by approximately
11 \$15 million. Staff will comment on each of these adjustments in turn.

12 Q. Please discuss the additional adjustments, sponsored by Mr. Meyer, to
13 Ameren Missouri's actual earnings results for the twelve months ending September 30, 2013.

14 A. Because the twelve-month period that Mr. Meyer has examined does not
15 include a full year of revenues that reflect the new rates that went into effect on January 2,
16 2013, from Case No. ER-2012-0166, he has attempted to calculate an estimated value for the
17 time period that rates were not in effect (i.e. the fourth quarter of calendar year 2012).
18 Mr. Meyer estimates that the revenues that Ameren Missouri collected during the twelve
19 months ending September 30, 2013, should be increased by an additional \$28.21 million in
20 order to restate what its actual revenues would have been had they collected new rates for the
21 entire 12 months of his review period ending September 30, 2013. The Staff has instead
22 examined the data for 12 months ending December 31, 2013, which essentially takes into

1 account a full year of the rate increase and which eliminates the need to make
2 this adjustment.

3 Mr. Meyer then proposes an adjustment to remove \$25.55 million of FAC related
4 rate refunds that were recorded during 2013 and which occurred during the 12 months
5 ending September 30, 2013. Staff believes the removal of this non-recurring financial impact
6 is appropriate.

7 Next, Mr. Meyer proposes to restate the twelve months ending September 30, 2013,
8 level of expenses to remove \$12.7 million in order to normalize the maintenance costs and
9 incremental overtime costs associated with the Callaway refueling that occurred during the
10 spring of 2013, by using Staff's adjustment in the last rate case for the Callaway refueling
11 that occurred during fall of 2011. Staff agrees with Mr. Meyer that an adjustment to
12 normalize the spring 2013 Callaway refueling is necessary, but proposes a minor difference
13 in the quantification of the amount. This difference occurs because Staff's normalization is
14 based on the actual costs associated with the spring of 2013 refueling in comparison to
15 refueling cost that are from over two and one-half years ago, that Mr. Meyer relies upon.

16 Mr. Meyer included two normalization adjustments to address his assessment that
17 both steam production maintenance and distribution maintenance expense levels appeared
18 low in his review period in comparison to the levels Ameren Missouri experienced in prior
19 years. To account for this, Mr. Meyer proposes to increase steam production expense by
20 \$28.2 million and increase distribution maintenance expense by \$18.2 million. It is
21 important to note that the levels being adjusted by Mr. Meyer include labor costs. It is the
22 customary practice of Staff to remove all labor costs from steam production maintenance and
23 distribution maintenance expense in order to better isolate and assess those costs areas.

1 The Staff maintains that the labor cost components are more appropriately addressed in the
2 context of the Staff's payroll analysis. Staff has investigated the steam production
3 maintenance and distribution maintenance expense levels and is proposing significantly
4 different treatment for these items than did Mr. Meyer.

5 Mr. Meyer proceeds to calculate estimated adjustments to Ameren Missouri's
6 September 30, 2013, expense levels by using Staff's workpapers from Case No.
7 ER-2012-0166 for payroll expense, related payroll taxes and healthcare expense as a
8 starting point. He begins with the annualized levels sponsored by Staff from that case and
9 attempts to factor up those annualized levels for estimates of some of the known and
10 measurable changes to those specific costs during the twelve months ending September 30,
11 2013. Based on his estimated calculations, he proposes to increase labor and payroll tax
12 expense by \$7.0 million and to increase healthcare expense by \$656,000.

13 Similarly, Mr. Meyer removes \$13.9 million of incentive compensation and restricted
14 stock from the twelve months ending September 30, 2013, results by using Staff's adjustment
15 amount to remove incentive compensation and restricted stock expense from the test year
16 ending September 30, 2011, in Case No. ER-2012-0166, as a starting point, and then adding
17 Staff's calculation of the disallowed capitalized portion of incentive compensation. Staff
18 proposes to remove the actual twelve months ending December 31, 2013, balances for the
19 expense component of these items and the last known capitalized balance from the last
20 rate case.

21 For pension and OPEB costs, Mr. Meyer proposes to increase the twelve months
22 ending September 30, 2013, amount of expense by \$5.7 million to estimate increases in those
23 cost items since the time of Ameren Missouri's last rate case. Mr. Meyer also increases

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1 September 30, 2013, results by \$5.4 million to reflect his estimated annualization for
2 depreciation expense, taking into account actual plant additions through September 30, 2013,
3 and estimated plant additions through December 31, 2013. He also includes an additional
4 \$1.1 million adjustment to annualize expense amortizations that were reset in the 2012
5 Ameren Missouri rate case but which were not fully expensed within the twelve-month time
6 period that he examined.

7 Mr. Meyer also proposes a \$2.0 million adjustment to remove certain miscellaneous
8 expenses and advertising expenses by using the same adjustment amount for advertising and
9 miscellaneous expense items that Staff proposed for disallowance from the test year ending
10 September 30, 2011, in Ameren Missouri's last rate case. Mr. Meyer supports this approach
11 by explaining that the Commission has recognized the elimination of these types of expenses
12 in previous cases and that it is reasonable to assume that the Company would continue to
13 incur similar levels of these types of expenses during his selected period of examination.
14 Finally, he includes an adjustment to increase results to annualize interest expense on
15 customer deposits at September 30, 2013, for \$727,000. The following chart summarizes
16 Mr. Meyer's adjustments, for ease of reference:

Description	Amount of Rate Increase/(Decrease) (\$000)
Ameren Missouri's Earnings in Excess of 9.8%	(\$29,191)
<u>Adjustments to Reported Results</u>	
1. Rate of Return at 9.4%	(\$22,491)
2. Rate Case Revenue Annualization	(\$28,208)
3. Elimination of Rate Refunds	(\$25,548)
4. Callaway Refueling Normalization	(\$12,700)
5. LT Incentive and Stock Compensation Disallowance	(\$13,927)
6. Certain Misc. and Advertising Expense Disallowances	(\$ 2,009)
7. Steam Production Maintenance Expense Normalization	\$28,161
8. Distribution Maintenance Expense Normalization	\$18,189

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1	9. Pension and OPEB Expense	\$ 5,722
2	10. Depreciation Expense Annualization	\$ 5,353
3	11. Labor Expense Annualization	\$ 7,010
4	12. Healthcare Expense	\$ 656
5	13. Amortization Expense Annualization	\$ 1,126
6	14. Interest on Customer Deposits	<u>\$ 727</u>
7	Complainants Adjusted Ameren MO 9/30/13 Surveillance Earnings	(\$67,130)

8 Q. What is Staff's assessment of the Complainants' proposed adjustments that do
9 not pertain to ROE?

10 A. The approach taken by Mr. Meyer to calculate the elimination of rate refunds,
11 the annualization of amortization expense and the annualization for the interest on customer
12 deposits would be appropriate within the context of a rate case for the period he has
13 examined. However, since Mr. Meyer does not have actual information for many of the
14 items in the period he is examining, he is forced to rely on disallowance adjustments,
15 annualization and normalization adjustments developed by Staff in Ameren Missouri's prior
16 rate case, relevant to a different time period than the one that he is examining in this
17 proceeding. Therefore, some of his adjustments relate to time periods that extend back
18 almost three years. This was the sole basis for his adjustments to Callaway refueling,
19 advertising expense, miscellaneous expense, incentive compensation and restrictive stock
20 expense. For pensions and OPEBs expense, depreciation expense, labor expense and
21 healthcare expense, Mr. Meyer performs some calculations to estimate the changes in
22 these expense levels since Ameren Missouri's last general rate case. As a result, his
23 adjustments for pensions and OPEBs expense, depreciation expense, labor expense, and
24 healthcare expense may or may not be close to the actual level of adjustment that is required
25 for inclusion or removal of amounts related to these items from the twelve months ending
26 September 30, 2013.

1 Staff would not rely on this handful of adjustments, predominately based upon
2 estimations, for purposes of making a recommendation to the Commission that they reset
3 permanent rates. Staff would instead calculate these adjustments with the most recent actual
4 cost information in order to ensure that the most current cost trends were properly being
5 taken into account within its proposed adjustments and, importantly, that Staff's adjustments
6 were formulated with careful consideration of all of the other relevant factors in the case. In
7 other words, in a rate case, Staff would update expense, along with revenues and investment
8 to ensure the most current information available is considered for purposes of setting rates.
9 For the Ameren Missouri planned rate filing in July 2014, Staff will utilize more current
10 information than the calendar year ending 2013 information to make certain all relevant
11 information is based on current levels.

12 The Complainants' analysis primarily represents a preliminary assessment of Ameren
13 Missouri's current rates that does not reflect current information and also requires additional
14 analysis to determine if a complete cost-of-service analysis taking into account all of the
15 relevant factors should be undertaken. In the next section, Staff will discuss its analysis of
16 Ameren Missouri's current earnings situation and some significant areas that were not
17 addressed by Mr. Meyer in his review.

18 **STAFF ANALYSIS OF AMEREN MISSOURI'S CALENDAR 2013 EARNINGS**

19 Q. Why did Staff choose to examine Ameren Missouri's earnings for the
20 twelve-month period ending December 31, 2013?

21 A. This twelve-month time period represents essentially the first full year of the
22 rates that are now in effect and that are being questioned by the Complainant. Because it
23 used this time period, Staff does not need to estimate how much revenue the Company would

1 have collected during any time period that current rates were not in effect. As previously
2 referenced, new rates went into effect for Ameren Missouri on January 2, 2013, as a result of
3 Case No. ER-2012-0166. The effect of having one day in Staff's review period, January 1,
4 2013, without the new rates would likely be less than \$700,000, which Staff views as
5 immaterial for purposes of this analysis. The Staff has also addressed certain known changes
6 through March 31, 2014, related to solar rebate deferrals. In general, Staff attempted to
7 address items that it is aware of that had a quantitative impact on earnings at a level greater
8 than plus or minus \$4.0 million.

9 Q. What areas did the Staff concentrate on in its analysis?

10 A. Staff examined Ameren Missouri's reported earnings at December 31, 2013,
11 in excess of 9.8% authorized ROE, the impact of abnormal weather and a 365-days
12 adjustment on revenues and fuel expense, elimination of rate refunds, Callaway refueling
13 expenses, steam production maintenance and distribution maintenance expenses, the MEEIA
14 program, long and short-term incentive compensation, labor expense, and solar rebate
15 deferrals. Staff has not reflected any other changes in fuel and purchased-power costs or
16 off-system sales because changes in those costs and revenues can be tracked and netted
17 against net-base-fuel costs for recovery in the FAC surcharge between rate cases. Generally,
18 Ameren Missouri is able to fully recover 95% of the changes in fuel, purchased power and
19 off-system sales through the FAC within one year of that change.

20 Q. Please summarize Staff's analysis.

21 A. The following chart reflects a summary of the Staff's assessment of Ameren
22 Missouri's calendar year ending December 31, 2013, earnings, as adjusted to conform with
23 normal ratemaking practices:

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<u>Description</u>	<u>\$ in thousands</u>
Ameren Missouri 12/31/13 earnings in excess of 9.8% ROE	\$(31,186)
Elimination of rate refunds	\$(25,548)
Callaway refueling normalization	\$(12,800)
Non-Labor Steam Production Maintenance Expense	\$ 0
Non-Labor Distribution Maintenance Expense	\$ 0
Long & Short-Term Incentive Compensation Disallowance	\$(13,388)
Labor	\$ 4,325
Weather Normalization	\$ 17,380
365-Days Adjustment	\$ 7,477
Fuel Offset	\$(11,095)
Depreciation Expense Annualization	\$ 11,521
MEEIA	<u>\$ 25,700</u>
Staff Adjusted December 31, 2013 Surveillance Earnings	\$(27,614)

15 Based on Staff's review, Ameren Missouri's year-end adjusted December 31, 2013,
16 earnings appear to be approximately \$27.6 million above the authorized level. It is
17 important to note that this calculation is still a very high-level approximation and does not
18 take into consideration any other changes that may have occurred since new rates last went
19 into effect for Ameren Missouri in relation to all of the other relevant factors normally
20 considered by Staff in its analysis during a general rate case.

21 It is important for the Commission to realize that at such time that it establishes new
22 rates for Ameren Missouri, those new rates will need to include the impact of a three-year
23 amortization of the level of solar rebate deferrals, plus a cost adder for carrying costs, that
24 Ameren Missouri has recorded in compliance with the stipulation and agreement that was
25 approved by the Commission in Case No. ET-2014-0085 (Ameren Missouri solar rebate
26 case). The Staff has not already removed the impact of the amortization of the deferred
27 balance of solar rebates in its \$27.6 million calculation shown above because

1 technically those deferrals do not impact the Company's earnings during 2013 due to the fact
2 that the solar rebates are recorded in a deferred regulatory asset account. The
3 amortization expense associated with deferred solar rebates will only be triggered through
4 the Commission's effectuation of new rates for Ameren Missouri. Through March 31,
5 2014, Ameren Missouri had a deferred solar rebates balance and a cost adder totaling to
6 \$41.6 million for solar rebates, which would equate to a \$13.8 million annual amortization to
7 be included in any new rates established for Ameren Missouri. In other words, any new rates
8 that are established by the Commission must be designed to cover Ameren Missouri's
9 deferred balance of solar rebates and cost adder because a prior agreement requires that
10 amortization of this balance must begin immediately upon any effectuation of new rates.

11 The Staff does not recommend that the Commission reestablish Ameren Missouri's
12 rates based on the Staff's earnings review in this case, but hypothetically, if the Commission
13 did, it would have to take into account the requisite \$13.8 million of annual solar
14 amortization expense (based on March 31, 2014 deferrals), which essentially would reduce
15 Staff's calculation of earnings in excess of authorized ROE (during calendar year 2013)
16 in half from \$27.6 million to \$13.8 million. Because of the solar rebates agreement
17 and based on solar rebate deferrals through March 31, 2014, the earnings in excess of ROE
18 would be \$13.8 million (which is coincidentally the same amount as the annual
19 amortization of the expense associated with these solar deferrals). In this hypothetical
20 example, rates could only effectively be reduced by \$13.8 million due to commitments
21 to amortize \$13.8 million of deferred solar rebates. As the solar rebate deferrals continue to
22 increase throughout 2014, the larger the quantification of the annual amortization of the
23 expense associated with the deferred solar rebates will become. Potentially, this solar rebate

1 expense amortization could reach an annual level of \$33.7 million which would more than
2 offset Staff's \$26.7 million approximation of earnings in excess of the authorized ROE
3 during calendar year 2013. The Staff will discuss the solar rebate deferral issue in greater
4 depth later in this rebuttal testimony.

5 In the sections that follow, Staff will discuss each component of this calculation and
6 explain that given this estimated level of earnings, the Staff believes that it would not be
7 reasonable or prudent to proceed with an earnings investigation audit based upon this
8 analysis at this time, especially considering that Ameren Missouri plans to file a general rate
9 increase case by July 15, 2014. At that time, Staff will begin an extensive review of Ameren
10 Missouri's cost of service and will consider all aspects of the Company's rate structure.

11 Q. What ROE was reported by Ameren Missouri in the surveillance report based
12 on the 12 months ending December 31, 2013?

13 A. Ameren Missouri reported a 10.34% ROE for the 12 months ending
14 December 31, 2013. A 10.34% ROE represents an approximate earnings level of
15 \$31.2 million above the current Commission authorized 9.8% ROE. This level reflects
16 the Staff's starting point for assessing Ameren Missouri's earnings during this time period.

17 Q. Why did Staff eliminate rate refunds from its assessment of calendar 2013
18 actual earnings?

19 A. These refunds represent an over-collection of fuel expense from a time period
20 prior to calendar 2013. Therefore, the refunds should be removed from the current period to
21 properly restate ongoing annual revenues. The Staff has eliminated the \$25.5 million of FAC
22 rate refunds that were recorded during the twelve months ending December 31, 2013, from

1 its earnings analysis. This is a typical adjustment to remove a non-recurring event that would
2 be made by both the Company and the Staff during a rate case.

3 Q. Did the Company complete a Callaway nuclear unit refueling during the
4 calendar year ending 2013?

5 A. Yes. The Company experienced a Callaway refueling outage during spring
6 2013. Ameren Missouri's Callaway nuclear power plant undergoes maintenance and a
7 refueling outage process at approximately 18-month intervals.

8 Q. What impact would this have on Ameren Missouri's calendar year ending
9 2013 earnings?

10 A. Since Ameren Missouri does not record monthly accruals for expected
11 Callaway refueling expenses, every 18 months the full amount of cost related to a
12 Callaway refueling is reflected in investment and in expenses. During rate cases, Staff
13 makes adjustments to the cost-of-service calculation in order to reflect normalized levels of
14 expense. During calendar year ending 2013, the Company incurred approximately
15 \$38.4 million of costs associated with the Callaway refueling of which \$28.8 million
16 pertained to non-labor-related maintenance expense and approximately \$9.6 million was
17 related to incremental overtime costs associated with the outage. Since the full amount of
18 these labor and maintenance expenses were recorded on the Company's books in spring
19 2013, this outage would have an abnormal negative impact on the Company's 2013
20 earnings. In order to restate or normalize this expense as it would be traditionally handled in
21 a rate case, Staff would remove one-third of this expense from its cost-of-service
22 calculation in order to reflect a 12-month normal level for Callaway refueling. One third of
23 the \$38.4 million of expense that resulted from the 2013 Callaway refueling would equal

1 approximately \$12.8 million. Therefore, it is reasonable to conclude that Ameren Missouri's
2 2013 earnings were abnormally reduced by approximately \$12.8 million as a result of the full
3 impact of maintenance and incremental overtime expenses associated with a Callaway
4 refueling being reflected in earnings during that time period.

5 Q. Why did Staff not make any adjustment to steam production power plant
6 maintenance as was performed by Complainants' witness Meyer?

7 A. In the responses to Staff Data Request Nos. 11 and 20, the Company provided
8 the following levels of its actual and budgeted non-labor-related steam production power
9 plant maintenance:

10	2009	\$54,618,172
11	2010	\$67,608,559
12	2011	\$45,711,068
13	2012	\$49,227,123
14	2013	\$38,819,072
15	Budget 2013	** _____ **
16	Budget 2014	** _____ **

17 Based on the general declining trend in this data, Staff would propose no adjustment to 2013
18 non-labor-related steam production power plant maintenance. However, the Staff has
19 concerns about this apparent significant change in spending on maintenance for its fleet of
20 four coal plants.

21 Q. What concerns does the Staff have regarding the Company's reported
22 declining trend of steam production power plant maintenance?

NP

1 A. During the test year ending September 30, 2011, as part of Ameren Missouri's
2 most recent rate case, the Company experienced \$56.4 million of non-labor steam production
3 power plant maintenance. No adjustment was made to that level of power plant maintenance.
4 Therefore, this \$56.4 million test year level is reflected in current rates. Because of this, the
5 Company has collected approximately \$17.6 million more in rates during calendar 2013 for
6 this one area of expense than they have spent. Furthermore, the Company's budget for 2014
7 shows that the Company expects to collect an additional ** _____ ** more in rates
8 than the Company is planning to spend.

9 Staff is concerned that the Company's recent significant and continuing reduction in
10 non-labor steam production power plant maintenance may result in otherwise avoidable fuel,
11 maintenance and repair costs in the future as well as lost off-system sales. Staff will closely
12 examine this area in the context of the Company's FAC reviews and also in the Company's
13 pending rate case filing in Case No. ER-2014-0258.

14 Q. Why has Staff not made an adjustment to non-labor electric distribution
15 maintenance expense as was performed by Complainants' witness Meyer?

16 A. In responses to Staff Data Request Nos. 11 and 20, the Company provided its
17 following levels of actual and budgeted non-labor related electric distribution maintenance:

18	2009		\$81,852,432	
19	2010		\$73,288,794	
20	2011		\$84,816,281	
21	2012		\$69,993,268	
22	2013		\$70,987,672	
23	Budget 2013	**	_____	**
24	Budget 2014	**	_____	**

NP

1 Spending levels for non-labor distribution maintenance have remained fairly consistent
2 during the last two years and projected spending in 2014 shows a planned continuation of
3 that spending level. The decreased level from previous years are somewhat explained by
4 lower storm-related costs in 2013 than were experienced in previous years. The Staff is also
5 aware that the Company has completed 100% of its urban cycle of its vegetation
6 management and infrastructure inspection program and is at or near completion for its rural
7 cycle as well. Staff will review the Company's level of storm-related costs, and its
8 vegetation management and infrastructure inspection program, in the context of Ameren
9 Missouri's pending rate increase filing in Case No. ER-2014-0258 to determine if the current
10 practice of affording these costs "tracking" treatment should be continued.

11 Q. What amount of incentive compensation should be removed from calendar
12 year 2013 expenses in order to exclude those costs that typically would not be eligible for
13 inclusion in rates?

14 A. Based upon its response to Complainants' First Set of Data Requests, items
15 24 and 38, the Company paid approximately \$11.5 million of incentive compensation during
16 calendar year 2013 that historically has not been included in rates. To this amount Staff has
17 included an additional adjustment of \$1.9 million for the capitalized portion of incentive
18 compensation that was removed through the cutoff date in the last rate case. In total, Staff
19 proposes an adjustment of \$13.4 million consistent with the treatment of those costs in rate
20 cases. For reference, this adjustment includes the incentive compensation and restrictive
21 stock components that Mr. Meyer has proposed for removal as well as the capitalized
22 portion. However, the component of Staff's adjustment that does not deal with capitalized
23 items reflects a removal of current 2013 expense levels.

1 Q. How has Staff adjusted labor costs in its analysis of the Company's
2 2013 earnings?

3 A. Staff performed an estimated calculation to take into account pay increases for
4 employees that may occur within 2013 along with any corresponding increase in payroll
5 taxes. Based on these estimates, Staff believes 2013 earnings would need to be reduced by
6 approximately \$4.3 million to account for these items. It is important to realize that this
7 calculation only represents an estimated annualization of pay increases that occurred in 2013
8 and does not take into account any other potential changes such as changes in employee
9 levels for 2013 or in 2014.

10 Q. Did Staff annualize depreciation expense for changes in investment levels
11 during calendar 2013?

12 A. Yes. Company supplied Staff with a calculation that takes into account the
13 change in annualized depreciation due to changes in its investment levels that occurred
14 between December 31, 2012, and December 31, 2013. Staff proposes an annualization
15 adjustment of \$11.5 million to address this change to earnings during 2013.

16 Q. Did Staff address changes in pensions and OPEBs expense during 2013?

17 A. No. Based on discussions with the Company, Staff believes that the
18 pensions and OPEBs cost areas would increase by an amount that is less than Staff's general
19 \$4.0 million threshold.

20 Q. Are there any significant factors affecting Ameren Missouri's cost of service
21 that the Complainants did not address in their review?

22 A. Yes. The case that the Complainants have filed is premised on a surveillance
23 report that reflects that actual earnings are in excess of the authorized rate of return

1 established by the Commission in Ameren Missouri's last rate proceeding. However, using
2 this surveillance report as a starting point necessitates a need for adjusting this data for
3 countless items, including any impact of abnormal weather. Ameren Missouri's revenues
4 can fluctuate greatly on an annual basis due to changes in weather conditions. There is an
5 extremely remote chance that any 12-month period of earnings would exactly reflect
6 "normal" weather conditions. Normal weather is determined through a review of 30 years of
7 weather data and then applying calculated variables to restate a utility's customer usages and
8 related revenues during the period being examined in order to remove the impact of abnormal
9 weather on the Company's revenues.

10 In addition, a 365-days adjustment is necessary since billing months are an
11 aggregation of bill cycles that will cause customer usages and revenues to differ from
12 calendar months in the time period that they cover. The Complainants' complaint filing does
13 not attempt to address the impact of weather or a 365-days adjustment on the reported
14 surveillance results that it chose to examine. Staff witnesses Mr. Lange and Dr. Won are
15 sponsoring Staff's estimated adjustments for the impact of abnormal weather as well as a
16 365-days adjustment on Ameren Missouri's calendar year ending December 2013 revenues.
17 For a complete discussion of these two Staff adjustments, please refer to the rebuttal
18 testimonies sponsored by staff witnesses Dr. Won and Mr. Lange.

19 Q. What impact did abnormal weather have on Ameren Missouri's overall
20 earnings during calendar year ending 2013?

21 A. In summary, based on its calculations, the Staff believes that revenues
22 collected by Ameren Missouri during the calendar year ending December 31, 2013, are
23 abnormally high due to weather. In his rebuttal testimony, Dr. Won estimates that Ameren

1 Missouri's actual calendar year 2013 revenues would need to be reduced or adjusted
2 downward by approximately \$17.4 million in order to restate those revenues to reflect
3 30-year average normal weather conditions. In addition, adjusting Ameren Missouri's actual
4 2013 revenues to a 365-day basis would require an additional adjustment to reduce revenues
5 by \$7.5 million. On a combined basis, these two adjustments would significantly reduce or
6 restate Ameren Missouri's 2013 revenues by approximately \$24.9 million.

7 Q. Has Staff calculated a corresponding fuel reduction related to the reduced
8 revenues that would result from Staff's weather and days adjustments?

9 A. Yes. Even though the fuel reduction associated with the Staff's
10 revenue adjustments for the weather and 365 days would be recovered through its
11 FAC mechanism within 12 months, for purposes of consistency, Staff's analysis of the
12 Company's 2013 earnings includes a corresponding fuel offset. Staff proposes to remove
13 approximately \$11.1 million to account for the reduced level of fuel costs that would result
14 given Staff's weather and 365-days adjustments that reduced revenues during 2013.

15 Q. What impact did the MEEIA program revenues and expenses that were
16 included in rates in Ameren Missouri Case No. ER-2012-0166 have on Ameren Missouri's
17 calendar year 2013 earnings?

18 A. Staff witness Mark L. Oligschlaeger addresses the impact on the Company's
19 2013 reported earnings of the revenues and costs associated with the MEEIA program that
20 was included in rates that were approved by this Commission in Case No. ER-2012-0166 in
21 his rebuttal testimony. In summary, Mr. Oligschlaeger describes in his rebuttal testimony
22 that due to a "ramping-up" of Ameren Missouri's recovery of MEEIA "net shared benefits"
23 designed to reimburse the Company for MEEIA program "throughput disincentive" or "lost

1 revenues,” the Company experienced an approximate \$25.7 million increase in 2013 overall
2 earnings. Mr. Oligschlaeger sponsors Staff’s adjustment to remove the \$25.7 million for
3 MEEIA financial impacts as reflected in the Staff’s calculation of Ameren Missouri’s 2013
4 earnings. The impact of prior rate treatment of MEEIA impacts on Ameren Missouri’s
5 ongoing earnings was not taken into account by the Complainants in their direct
6 testimony filing.

7 Q. Is there any other significant factor not addressed by the Complainants in
8 their analysis?

9 A. Yes. The Complainants’ testimony makes no mention of solar rebates, plus a
10 10% adder, that are currently being accumulated in a deferred regulatory asset account by
11 Ameren Missouri and that are eligible for recovery over three years in the Company’s next
12 general rate case (subsequent to December 31, 2013) as provided in a non-unanimous
13 stipulation and agreement reached in Case No. ET-2014-0085. Per the provisions of that
14 agreement, the Company is eligible to recover up to \$91.9 million of solar rebates plus a
15 \$9.19 million adder, associated with carrying costs for the deferred solar rebates. Through the
16 end of December 31, 2013, the Company had issued approximately \$27.3 million of solar
17 rebates to customers. Coupled with the 10% adder, at December 31, 2013, the Company
18 would be eligible to recover approximately \$30.0 million over three years. Furthermore,
19 the Staff is aware that through March 31, 2014, the Company had issued approximately
20 \$37.9 million in solar rebates. When factored up for the 10% adder, the Company would be
21 eligible to recover approximately \$41.6 million over three years. Based upon the fact that the
22 Company’s calendar year 2013 earnings results were not affected by these solar rebate costs,
23 for purposes of this proceeding, Staff believes that Ameren Missouri’s 2013 earnings should

1 not be reduced by these deferrals. However, they must be taken into account upon any
2 reestablishment of new rates for Ameren Missouri because the expense amortization for these
3 deferrals begins immediately upon the effective date of new rates.

4 Q. Has the Company indicated when they believe that they will reach the cap in
5 solar rebate spending?

6 A. Yes. In response to Staff Data Request No. 22 in EC-2014-0223, the
7 Company indicated that it believes that it may reach the \$91.9 million specified level that is
8 eligible for rate recovery over three years in their next general rate case by August 31, 2014.
9 When factored up by the 10% adder, this level equates to \$101.1 million that is eligible for
10 recovery over three years, or \$33.7 million in expense amortization per year. If the Company
11 issues \$91.9 million of solar rebates by August 31, 2014, then as part of the Company's
12 pending rate increase request as contemplated by Case No. ER-2014-0258, an adjustment of
13 \$33.7 million would be required to increase the expense level that will be reflected in the
14 Staff's cost-of-service calculation.

15 Q. Besides the fuel offset associated with Staff's weather and 365-days
16 adjustments, why has Staff not taken into account any of the other increases in fuel costs or
17 changes in off-system sales that the Company may have experienced?

18 A. The Company has indicated that it experienced a 5.6% increase in coal and
19 coal transportation costs beginning in January 2013, a ** ___ ** increase for these items
20 beginning January 2014, and anticipates that its coal and coal transportation costs will
21 increase by an additional ** ___ ** beginning in January 2015. Staff has not attempted
22 quantify the expected changes in fuel costs or off-system sales revenues because the
23 Company's FAC will capture and provide recovery of 95% of changes in fuel, purchased

1 power and off-system sales without the need to adjust permanent rate levels. The Company
2 typically receives 95% recovery of these changes within twelve months of their occurrence.
3 However, because the 5% that is not subject to recovery through the FAC could be a
4 significant cost impact to Ameren Missouri, Staff will continue to examine this area as this
5 case progresses.

6 Q. Are there other adjustments that Staff must consider to restate Ameren
7 Missouri's actual 2013 earnings if a rate change for the Company is contemplated?

8 A. Yes, literally hundreds of other additional adjustments would probably be
9 required in order to more accurately state Ameren Missouri's true adjusted level of earnings.
10 Many of these adjustments likely would be smaller than the size of the adjustments Staff is
11 proposing in this filing, but collectively they must be taken into account in order to adhere to
12 the "all relevant factors" requirement of the *UCCM* ruling.

13 **STAFF'S OPINION**

14 Q. Have the Complainants provided enough evidence to determine if Ameren
15 Missouri's current rates are excessive at this time?

16 A. No. The Complainants have not provided a sufficient cost-of-service
17 calculation that takes into account the changes in all of the relevant factors that are normally
18 required to change Ameren Missouri's current permanent rates.

19 Q. Does Staff recommend that the Commission reduce Ameren Missouri's rates
20 based upon Staff's analysis presented in this case?

21 A. No, because the analysis Staff has conducted to date is merely a preliminary
22 analysis that would typically occur prior to determining whether or not to open an earnings
23 investigation for a utility. Based on these results, the Staff does not believe at this time that

1 conducting a full audit to investigate Ameren Missouri's current rates would be justified.
2 Staff maintains that permanent rates should only be reset upon completion of developing a
3 cost-of-service calculation that has appropriately taken into consideration all of the relevant
4 factors and which does not attempt to pre-judge whether or not rates are excessive.

5 Q. Does Staff offer any other opinions regarding the appropriateness of Ameren
6 Missouri's current rates?

7 A. At this point in time, Staff has only been able to conduct a very limited review
8 of a few significant items in this proceeding that indicates that Ameren Missouri's earnings
9 are somewhat above their authorized level. Because of this fact, the Staff must point out to
10 the Commission that this type of analysis has a much lower degree of certainty regarding its
11 accuracy when compared with the typical analysis that Staff performs in the context of a full
12 audit that takes in consideration all of the relevant factors over a multi-month time frame
13 when forming its recommendation to the Commission for its consideration in resetting
14 permanent rates.

15 Q. Is the Staff aware of the primary cost-of-service items that appear to have led
16 the Company to file a request with the Commission seeking to increase its current rates in
17 July 2014?

18 A. The Staff is aware that Ameren Missouri is planning to complete significant
19 levels of investment during 2014, primarily relating to new investment at Callaway and
20 environmental upgrades at its Labadie energy center. The Company indicated in a response
21 to Complainants' First Set of Data Requests, Item 9, that it intends to install approximately
22 \$1.1 billion of new investment during 2014. This level of capital additions is driven by four
23 major projects that total approximately \$402 million in new investment which includes the

1 replacement of its Callaway nuclear reactor head, the installation of electro-static
2 precipitators (“ESPs”) on units 1 and 2 at the Labadie energy center, a solar generation
3 project in O’Fallon, Missouri, and construction of two new substations located in the
4 city of St. Louis. The Company estimates that the Callaway nuclear reactor head
5 project will be approximately ** _____ ** the installation of ESP’s at Labadie
6 are approximately ** _____ ** the solar generation facility in O’Fallon will be
7 approximately ** _____ ** and the two new substations are approximately
8 ** _____ ** This construction represents a significant driver for Company’s pending
9 rate increase filing planned for mid-July 2014. Given these planned cost-of-service impacts,
10 Staff does not believe it to be highly likely that the Company will earn significantly above its
11 authorized ROE in the near future. However, if during Staff’s review and audit of the
12 Company’s rate increase request in Case No. ER-2014-0258, the Staff determines that the
13 Company is overearning after the completion of these new investment projects and taking
14 into account all of the other relevant factors in its audit, Staff would most certainly file a
15 complaint seeking to reduce the Company’s rates within the context of that 11-month
16 rate case.

17 Q. Does this conclude your rebuttal testimony?

18 A. Yes, it does.

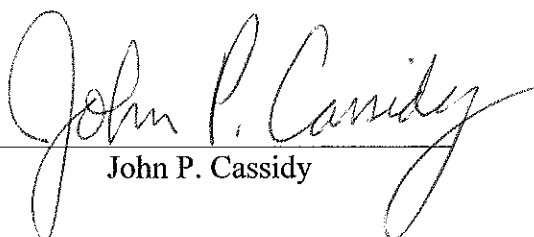
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Noranda Aluminum, Inc., et al., Complainants,)
v. Union Electric Company d/b/a Ameren) Case No. EC-2014-0223
Missouri, Respondent)

AFFIDAVIT OF JOHN P. CASSIDY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

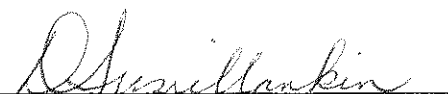
John P. Cassidy, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 42 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.



John P. Cassidy

Subscribed and sworn to before me this 6th day of June 2014.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2016
Commission Number: 12412070



Notary Public

JOHN P. CASSIDY

EDUCATIONAL AND EMPLOYMENT BACKGROUND AND CREDENTIALS

Position

I am a Utility Regulatory Auditor V in the Auditing Unit, Utility Services Department. My business address is 111 North Seventh Street, Suite 105, St. Louis, Missouri 63101. Since joining the Missouri Public Service Commission's Auditing Department Staff in 1990, I have assisted with and directed audits and examinations of the books and records of utility companies operating within the State of Missouri. I have also conducted numerous audits of small water and sewer companies in conjunction with the Commission's informal rate proceedings. Please refer to the following pages of this schedule for a list of rate case proceedings in which I have previously filed testimony.

Education

Southeast Missouri State University

Cape Girardeau, Missouri

Bachelor of Science Degree in Business Administration

Double Major: Marketing 1989 and Accounting 1990

RATE CASE PROCEEDING PARTICIPATION

JOHN P. CASSIDY

COMPANY

CASE NO.

Missouri Cities Water Company

WR-91-172

Payroll and Related
Pensions
OPEBS
Insurance Expense
Advertising Expense
Miscellaneous Expenses

Type of Testimony Filed: Direct and Surrebuttal

St. Louis County Water Company

WR-91-361

Tank Painting
Main Failures
Residue Removal
General Insurance Expense
PSC Assessment
Miscellaneous Expenses

Type of Testimony Filed: Direct

Southwestern Bell Telephone Company

TC-93-224

Advertising Expenses
Promotional Giveaways
Miscellaneous Expenses

Type of Testimony Filed: Direct and Surrebuttal

Laclede Gas Company

GR-94-220

Payroll and Payroll Taxes
Incentive Compensation
401 (K)
Dental and Vision Insurance
Data Processing

Type of Testimony Filed: Direct

COMPANY

CASE NO.

The Empire District Electric Company

ER-95-279

Revenues
Uncollectibles Expense
Municipal Franchise Taxes
Postage Expense
Emission Credits

Type of Testimony Filed: Direct

Imperial Utility Corporation

SC-96-247

Rate Base
Depreciation Reserve
Depreciation Expense
CIAC
Property Taxes
Property Insurance
Lab Testing Expense
Sludge Removal Expense

Type of Testimony Filed: Rebuttal

St. Louis County Water Company

WR-97-382

Payroll and Payroll Taxes
Employee Benefits
Employee Savings
Shared Employees

Type of Testimony Filed: Direct

Laclede Gas Company

GR-98-374

Payroll and Payroll Taxes
401 (K)
Health Care Costs
Pension Plan
Director's Pension Plan
Trustee Fees
SERP
Outside Consulting
Incentive Compensation
Advertising Expense

Type of Testimony Filed: Direct

COMPANY

CASE NO.

United Water Missouri, Inc.

WR-99-326

Payroll and Payroll Taxes
401 (K)
Health Care Costs
Employee Relocation
Corporation Franchise Tax
Advertising Expense
Dues and Donations
Miscellaneous Expenses

Type of Testimony Filed: Direct

Union Electric Company

EC-2000-795

Injuries and Damages
Legal Expense
Environmental Expense

Type of Testimony Filed: Direct

Union Electric Company

GR-2000-512

Revenues
Uncollectibles Expense
Customer Deposits

Type of Testimony Filed: Direct

Laclede Gas Company

GR-2001-629

Revenues
Gross Receipts Tax
Gas Supply Incentive Plan
Gas Costs
Uncollectibles Expense
Non-Utility Operations

Type of Testimony Filed: Direct

COMPANY

CASE NO.

Union Electric Company, d/b/a AmerenUE

EC-2002-01

Fuel Expense
Callaway Refueling
Legal Expense
Environmental Expense
Capacity Purchases
Midwest ISO
Payroll and Related
Incremental Overtime

Type of Testimony Filed: Direct and Surrebuttal

Union Electric Company, d/b/a AmerenUE

EC-2002-1025

Legal Expense
Environmental Expense
Midwest ISO

Type of Testimony Filed: Direct

Laclede Gas Company

GR-2002-356

Revenues
Gross Receipts Tax
Gas Supply Incentive Plan
Gas Costs
Uncollectibles Expense
Income Taxes

Type of Testimony Filed: Direct

Laclede Gas Company

GT-2003-0117

Financial Aspects

Type of Testimony Filed: Direct

COMPANY

CASE NO.

Missouri-American Water Company

WR-2003-0500 & WC-2004-0168

Allocation of Belleville Labs Cost to MAWC
National Call Center
Compensation for Services Provided from MAWC to AWR
Information Technology Services
Capitalization of Shared Services
Transition Costs
Cost Allocation Manual
Affiliate Transactions
Severance Costs
National Call Center Transition Costs
National Shared Services Transition Costs

Type of Testimony Filed: Direct & Surrebuttal

Missouri-American Water Company

SM-2004-0275

Acquisition Adjustment

Type of Testimony Filed: Direct

The Empire District Electric Company

ER-2004-0572

Interim Energy Charge
Fuel Expense
Purchased Power
Off System Sales
KCPL Transmission Expense
Income Taxes

Type of Testimony Filed: Direct & Surrebuttal

Union Electric Company d/b/a AmerenUE

GR-2007-0003

Environmental Expense

Type of Testimony Filed: Direct

COMPANY

CASE NO.

Union Electric Company d/b/a AmerenUE

ER-2007-0002

Fuel Expense
Fuel Inventories
Callaway Refueling Costs
Combustion Turbine Maintenance Expense
Environmental Expense
Gains on the Sale of Sulfur Dioxide Emission Allowances

Type of Testimony Filed: Direct, Rebuttal and Surrebuttal

Missouri-American Water Company

WR-2007-0216

Belleville Labs Allocation
Compensation for Services MAWC Provided to AWR
Income Taxes

Type of Testimony Filed: Direct

Union Electric Company d/b/a AmerenUE

ER-2008-0318

Fuel and Purchased Power Expense
Off System Sales
Fuel Inventories
Callaway Refueling Costs
Generating Plant Outages
Capacity Charges
Entergy Refunds
Non-Labor Storm Costs – Test Year
Non-Labor Storm Cost AAO
Non-Labor Storm Cost Amortization
SO2 Emission Allowance Sales and Tracker
Deferred Income Taxes for Rate Base
Income Taxes
Production Cost Model Issues

Type of Testimony Filed: Direct and Surrebuttal

COMPANY

Union Electric Company d/b/a AmerenUE

Corporate Allocations
Potential Refundable Entergy Charges
Payroll and Payroll Taxes
Employee Benefits
Voluntary Separation Election
Involuntary Separation Program
Severance Costs
Callaway Security Force

Type of Testimony Filed: Direct

CASE NO.

ER-2010-0036

Laclede Gas Company

Report on Revenue Requirement Cost of Service
Overview of Staff's Filing
Revenue Associated with Propane Sale
Insulation Financing
Energy Wise
NITEC Study
Home Sales Reinspection Fees
Gain on Sale of Property
Emergency Cold Weather Rule AAO
IFRS AAO
Gas Safety AAOs
Line of Credit Fees

Type of Testimony Filed: Direct, Rebuttal and Surrebuttal

GR-2010-0171

Union Electric Company d/b/a AmerenUE

Accumulated Deferred Income Taxes
Potential Refundable Entergy Charges
Payroll
Payroll Taxes
Voluntary Separation Election Plan
Involuntary Separation Program
Test Year Severance Costs
Amortization of Severance Costs
Other Employee Benefits
Test Year Storm Costs
Storm Cost AAO Case Nos. EU-2008-0141 and ER-2008-0318
Rebranding Costs
Income Tax

Type of Testimony Filed: Direct and Surrebuttal

ER-2011-0028

COMPANY

CASE NO.

Union Electric Company d/b/a AmerenUE

ER-2012-0166

Report on Revenue Requirement Cost of Service
Overview of Staff's Filing
Plant-in-Service Accounting
Accumulated Deferred Income Taxes
Employee Stock Ownership Plan Deduction
Income Taxes
Missouri Jurisdictional Allocation Factors
Lake of the Ozarks Shoreline Management Program
Storm Assistance Revenues and Expenses
Renewable Energy Standard Costs

Type of Testimony Filed: Direct, Rebuttal and Surrebuttal

Union Electric Company d/b/a AmerenUE

EA-2012-0281

Costs Associated with Labadie Energy Center Expansion
Alternative Site Studies

Type of Testimony Filed: Rebuttal, Cross-Surrebuttal and
Supplemental