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**MISSOURI PUBLIC SERVICE COMMISSION**

**FILE NO. ER-2016-0179**

**REBUTTAL TESTIMONY**

**OF**

**LYNN M. BARNES**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY  
d/b/a Ameren Missouri**

St. Louis, Missouri  
January 2017

**\*\* Highly Confidential Information Removed \*\***

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**REBUTTAL TESTIMONY**

**OF**

**LYNN M. BARNES**

**FILE NO. ER-2016-1079**

1           **I.       PURPOSE AND SUMMARY OF REBUTTAL TESTIMONY**

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

3           A.       My name is Lynn M. Barnes. My business address is One Ameren Plaza,  
4 1901 Chouteau Avenue, St. Louis, Missouri 63103.

5           **Q.       Are you the same Lynn M. Barnes who filed direct testimony in this**  
6 **docket?**

7           A.       Yes.

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

9           The purpose of my rebuttal testimony is to address certain aspects of the Office of  
10 the Public Counsel’s (“OPC”) recommendations to materially change the Company’s fuel  
11 adjustment clause (“FAC”). In addition, I am addressing positions of various witnesses  
12 on the topics of the proposed transmission tracker and the refunds resulting from changes  
13 in the return on equity ("ROE") utilized in the determination of transmission charges paid  
14 by the Company to the Midcontinent Independent System Operator, Inc. ("MISO"), as  
15 determined by the Federal Energy Regulatory Commission ("FERC") (and reduced  
16 transmission revenues arising from a MISO/Southwest Power Pool dispute). Regarding  
17 the FAC, more specifically, the primary areas that I address are:

- 18           • OPC’s overly restrictive attempt to define “fuel costs” in a manner that is at odds  
19 with the common understanding of the components of fuel costs and that would, if  
20 adopted, improperly exclude from the FAC legitimate fuel cost components that  
21 have been included in the FAC since its inception, as well as drastically change  
22 the components included in the Company's FAC as compared to the components

1 the Commission has approved for inclusion since its inception nearly eight years  
2 ago.

- 3 • Why OPC's overall justifications for attempting to restrict the fuel and other cost  
4 components that can be included in the FAC fail to withstand scrutiny.
- 5 • Why OPC's already-rejected and still unsupported proposal to change the sharing  
6 mechanism in the existing FAC from 95%/5% to 90%/10% (which is the same as  
7 OPC's attempt in Ameren Missouri's last rate case to change it to 90%/10%)  
8 should be rejected. For years, the Commission has repeatedly and properly  
9 rejected numerous attempts to change the sharing percentage in FACs where, as  
10 here, there is no justification offered (aside from one witness's speculative  
11 opinion) that there is any need to expose the utility to further under-recovery of  
12 net energy costs when those net energy costs rise, or deprive customers of an even  
13 greater share of reductions when net energy costs fall.
- 14 • Why OPC's proposed changes to the FAC are truly a solution in search of a  
15 problem, given the fact that FACs in Missouri have operated without any  
16 significant problems for nearly a decade.
- 17 • Why adopting OPC's significant changes to the FAC would undermine regulatory  
18 consistency in Missouri, which is critical to utilities and their investors.

19 **Q. What recommendations has OPC made regarding Ameren Missouri's**  
20 **FAC?**

21 A. OPC's proposal is detailed on pages 4-5 of Ms. Mantle's direct testimony.  
22 With respect to fuel costs, she effectively recommends restricting the components of fuel  
23 costs to just the lumps of coal, molecules of gas, and barrels of oil literally burned in the  
24 boiler, and to the nuclear fuel assemblies that are in the nuclear reactor, plus the  
25 transportation of those items paid to the railroad, trucking or barge company, or pipeline  
26 (and applicable taxes). As Ameren Missouri witness Andrew M. Meyer discusses in his  
27 rebuttal testimony, she also seeks to greatly restrict the components of purchased power  
28 and transmission that would be included in the FAC. Her recommendations would  
29 significantly reduce the components currently included in the FAC as compared to the  
30 components the Commission has approved for inclusion in Ameren Missouri's original

1 FAC (approved nearly eight years ago). The Commission has since re-authorized their  
2 inclusion on four separate occasions. However, unlike her fuel, purchased power, and  
3 transportation cost component recommendations, she seeks to continue to include all the  
4 off-system sales revenues that are currently included in the FAC. As noted, Ms. Mantle  
5 also wants the Commission to impose more sharing through the FAC, this time using a  
6 sharing ratio of 90%/10%.

7 **Q. Do you agree with OPC’s recommendations?**

8 A. No, I do not.

9 **Q. What benefits does Ms. Mantle claim would result from the adoption**  
10 **of OPC’s proposal?**

11 A. Ms. Mantle claims on pages 2-3 of her testimony that OPC’s proposal  
12 “minimizes the complexity of Ameren Missouri’s FAC while providing Ameren Missouri  
13 with a reduction in risk regarding its recovery of its fuel and purchased power expenses . .  
14 . [and] offers a more meaningful incentive for Ameren Missouri to manage, to the extent  
15 it is able, the fuel and purchased power costs and off-system sales revenues through  
16 recovery of all the fuel costs included in base rates and 90% of the FAC cost above what  
17 is included in base rates.” On pages 5-6, she goes on to list seven specific claimed  
18 benefits:

- 19 1. Consistency with Section 386.266.1 RSMo;
- 20 2. Increases transparency of the costs and revenues included in the FAC;
- 21 3. Limits the disincentive for implementation of efficiencies;
- 22 4. Simplifies FAC prudence audits;
- 23 5. Simplifies FAC tariff sheets;
- 24 6. Recovers the majority of Ameren Missouri’s current FAC costs; and



1 makes up fuel, purchased power, and transportation, she is, in my opinion, wrong. While  
2 I am not an attorney, I can read the statute. What it says is that FACs can be  
3 implemented to cover “fuel and purchased power costs, including transportation.” The  
4 legislature did not restrict the language to the “cost of the fuel commodity” (e.g., to the  
5 lump of coal or molecule of gas).

6 In approving FAC tariffs that quite clearly include far more components in “fuel  
7 costs” and “purchased power costs” and “transportation costs,” the Commission has  
8 never, in the nearly a decade since the FAC was first implemented in Missouri,  
9 interpreted the statute so restrictively; nor has its Staff or, for that matter, OPC. Ms.  
10 Mantle herself has supported inclusion of a broad variety of costs in the FAC in previous  
11 cases.

12 In this case, Ms. Mantle recognizes that the terms “fuel,” “purchased power,” and  
13 “transportation” are undefined by the FAC statute. She notes that the “statute does not  
14 mention fuel adders, fuel handling, contractor costs, spinning reserve costs, startup costs,  
15 hedging costs, and a myriad of other costs and revenues.” Lacking statutory definitions,  
16 Ms. Mantle goes on to propose a definition of “purchased power” that consists only of  
17 “energy” and “capacity,” even though neither the term “energy” nor “capacity” appears  
18 anywhere in the statute.<sup>1</sup> As Mr. Meyer explains, while energy and capacity are two  
19 components of “purchased power costs,” there are many more. The same is true of fuel  
20 costs. While the lump of coal or molecule of gas are fuel cost components, there are

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<sup>1</sup> Existing, approved FAC tariffs for Missouri’s electric utilities clearly reflect the Commission’s understanding that many components (none of which are listed in the FAC statute) make up fuel, purchased power, transportation, and off-system sales. This is evident from a review of Ameren Missouri’s current FAC tariff, Kansas City Power & Light Company’s (“KCP&L”) current FAC tariff, and FAC tariffs approved by this Commission in just the past few months for Kansas City Power & Light Company – Greater Missouri Operations (“KCP&L-GMO”) and The Empire District Electric Company (“Empire”).

1 many additional legitimate components of fuel costs that are necessary for utilities to  
2 prudently acquire fuel and deliver it to their generating units for purposes of calculating  
3 the FAC. Moreover, based on Ms. Mantle's premise, their exclusion may provide the  
4 very disincentive that Ms. Mantle claims her proposal would eliminate.

5         Second, I disagree that Ms. Mantle's proposal would increase the transparency of  
6 the costs and revenues included in the FAC. Instead, it just limits the list of the  
7 legitimate components of fuel and purchased power costs, including transportation, which  
8 would be included. Transparency is not dependent on brevity. To the contrary,  
9 transparency depends on whether information is available to identify the fuel and  
10 purchased power costs, including transportation. Not only do FAC tariffs in Missouri  
11 already contain tremendous detail, but additional detail is provided in monthly FAC  
12 reports, work papers, and schedules supplied with FAC rate adjustment filings.  
13 Ms. Mantle is the very person who insisted on adding this detail to the tariffs and reports.  
14 Oddly enough, if Ms. Mantle's proposal were to be adopted, these same monthly reports  
15 would now be stripped of the data for the excluded components of fuel, purchased power,  
16 and transportation – arguably significantly reducing the transparency of our costs and  
17 revenues between rate cases. Even if one were to agree that transparency in the FAC was  
18 somehow increased by Ms. Mantle's recommendation (which I do not), any incremental  
19 benefit gained from such incremental transparency is dwarfed by the increased risk borne  
20 by the utility and its customers from the elimination of legitimate fuel, purchased power,  
21 and transportation costs from the FAC.

22         Third, I disagree that Ms. Mantle's proposal limits the disincentives for  
23 implementation of efficiencies. In fact, if such disincentives as described by Ms. Mantle  
24 exist, it is a creation of the OPC's and her own aggressive actions. Those actions include



1 advocating for the addition of ever-increasing and prescriptive levels of detail into the  
2 FAC tariff, coupled with then attempting to limit any changes to any of the components  
3 thus detailed in between rate cases even if the nature of those components is consistent  
4 with those listed in the detailed tariff.

5 Fourth, Ms. Mantle's claim that her proposal will simplify prudence audits is a  
6 red herring at best. Her proposal would exclude a large list of components of fuel,  
7 purchased power, and transportation costs from the FAC, including many which serve as  
8 an offset to costs remaining in the FAC. If anything, this would increase, not decrease,  
9 the complexity of the prudence review as the audit would have to look at the interaction  
10 between activities both within and outside the FAC to ensure that the utility is not taking  
11 actions which benefit them based solely on whether they are included or excluded from  
12 the FAC. Reviews would be further complicated as Ms. Mantle's proposal would mean  
13 that substantial components are no longer in the FAC and thus no longer covered by  
14 monthly FAC reports and FAC rate adjustment filings, including the work papers that  
15 underlie those filings. For these reasons, FAC prudence reviews would likely be more  
16 complicated than they are today.

17 Fifth, it seems ironic that Ms. Mantle touts her proposal as simplifying the very  
18 tariffs that she and the OPC have fought so hard to *make as detailed, and consequently as*  
19 *"complex," as possible.* If she believes they are too complicated, it is because of  
20 positions that the OPC itself has advocated for. These tariffs have not always been this  
21 complicated, and do not need to be as complicated as they are. Moreover, just because  
22 the tariffs contain a detailed listing of many cost components does not make them  
23 "complex."

1 Sixth, the purported benefit that Ameren Missouri would recover the “majority”  
2 of its FAC costs under Ms. Mantle’s proposal misses the point of having an FAC.  
3 Ameren Missouri would recover the “majority” of its current FAC costs even if the FAC  
4 were eliminated. The focus must be on the fact that FACs track *changes* in the cost and  
5 revenue components included in the FAC between rate cases. In most jurisdictions,  
6 electric utilities recover 100% of their fuel costs through a tracking mechanism. Ms.  
7 Mantle’s proposal would exacerbate Missouri’s out-of-the-mainstream exclusion of  
8 legitimate fuel and purchased power costs from the FAC.

9 Seventh, I disagree that Ms. Mantle’s proposal would increase the incentive for  
10 Ameren Missouri to effectively manage fuel, purchased power and off-system sales. As I  
11 will describe later, it may in fact decrease that incentive in certain areas.

12 **II. FUEL COSTS**

13 **Q. What are the commonly understood components of fuel costs?**

14 A. Fuel costs and the components that make them up are commonly defined  
15 by reference to the FERC Uniform System of Accounts (“USOA”) for electric utilities  
16 (principally FERC Accounts 501, 518 and 547). I have included the USOA definitions  
17 for each of those accounts in Schedule LMB-R1 to my testimony. Those definitions  
18 make it very clear that fuel costs consist of many components, certainly far more  
19 components than Ms. Mantle wants to recognize. These definitions have been in place  
20 and utilized for decades.

21 **Q. Has the Commission recognized that fuel costs consist of far more**  
22 **components than Ms. Mantle recommends for inclusion in Ameren Missouri’s**  
23 **FAC?**

1           A.     Yes. This is obvious since all the Commission-approved FACs in  
2 Missouri over the last decade include many more components of fuel costs than proposed  
3 by Ms. Mantle. In addition, since FACs include many more components than  
4 recommended by OPC, it follows that when the Commission approves the many FAC  
5 adjustment filings that have been made, it has approved inclusion of many more  
6 components than OPC would recognize.

7           Not only has the Commission approved FAC tariffs and adjustment filings that  
8 reflect many more components of fuel, purchased power, and transportation costs than  
9 Ms. Mantle proposes, it has had the benefit of receiving detailed FAC monthly reports,  
10 rate adjustment filing work papers, and rate case filings and work papers where the base  
11 for the FAC is set. The Commission, based on affirmative recommendations from its  
12 Staff and Ameren Missouri's filings, has approved 22 separate FAC rate adjustments that  
13 reflect many fuel cost components Ms. Mantle now seeks to exclude based on her  
14 contention that these components are not sufficiently "pure." Similarly, five prudence  
15 reviews have been completed with no allegation whatsoever that any cost had been  
16 included as a fuel cost when it should not have been.

17           **Q. I take it then that you disagree with Ms. Mantle's contention that**  
18 **costs for just the fuel "commodity" (e.g., the lump of coal) is the "purest" definition**  
19 **of fuel costs?**

20           A.     Yes, I do. The definition Ms. Mantle argues for now is completely at odds  
21 with the FERC USOA, industry practice, and this Commission's own definition of fuel  
22 costs, as evidenced by its treatment of these cost components over a period of many  
23 years. A far more accurate descriptor for OPC's position is that the cost of just the fuel  
24 commodity is the "narrowest possible" definition of fuel costs there could be.

1           **Q. Ms. Mantle’s first justification for recommending this narrowest**  
2 **possible definition of fuel costs is that it would be consistent with the FAC statute.**  
3 **Please address her argument.**

4           A. Since Ms. Mantle is not an attorney, I am assuming she is not attempting  
5 to draw legal conclusions about what the FAC statute does or does not provide for. As  
6 noted earlier, I, too, won’t attempt to engage in legal interpretation of the statute. I will  
7 note, however, that she seems to be suggesting that existing FAC tariffs do not comply  
8 with the FAC statute, the implication being that everyone – the Commission, Staff, the  
9 utilities – have all been getting it wrong for all this time. I strongly disagree.

10           As I noted before, the fact that FERC and the industry use the term “fuel costs”  
11 much more broadly than Ms. Mantle recommends, and that the Staff and the Commission  
12 (and for that matter, OPC, until recently) have obviously recognized that fuel costs within  
13 the meaning of the FAC statute include many more components than Ms. Mantle now  
14 recommends. This strongly suggests that it is OPC’s recommendation that seeks a far  
15 narrower definition of fuel costs than contemplated by the statute.

16           It is important to note here that the statute also includes the provision that “(t)he  
17 commission may, in accordance with existing law, include in such rate schedules features  
18 designed to provide the electrical corporation with incentives to improve the efficiency  
19 and cost-effectiveness of its fuel and purchased-power procurement activities.” As  
20 discussed elsewhere in my testimony, ensuring that components of costs and revenues  
21 that serve to offset other components of fuel, purchased power, transportation, or off-  
22 system sales remain tied together provides an incentive for the efficient and cost-effective  
23 management of fuel, purchased power, transportation, and off-system sales.

1           In my opinion, Ms. Mantle’s recommendation to exclude a significant number of  
2 the components of fuel, purchased power and transportation from the FAC is  
3 significantly *less consistent* with the FAC statute than the current handling of fuel cost  
4 components in Ameren Missouri’s and other Missouri FACs.

5           **III.   OPC’S OTHER PURPORTED JUSTIFICATIONS**

6           **Q.   Ms. Mantle’s second argument for stripping fuel cost components out  
7 of the FAC is that doing so will improve transparency. Do you agree?**

8           A.   No, I do not, as demonstrated by Ameren Missouri’s long history of  
9 providing transparency into the components included in the FAC. In sum, there is no  
10 need to artificially re-define and narrow what fuel costs are to provide transparency for  
11 components that make up fuel costs included in the FAC. For example, several years  
12 ago, we worked with the Staff and other stakeholders to go above and beyond the  
13 reporting requirements of the Commission’s FAC rules to provide a detailed  
14 disaggregation of the components of fuel costs, purchased power costs, transmission  
15 costs, and off-system sales revenues that are included in the FAC. We disaggregated  
16 these components by FERC account. I have attached the page containing this  
17 disaggregation from our September 2016 report to my testimony as Schedule LMB-R2  
18 (also attached are pages that disaggregate our total purchase power and transmission  
19 costs, and off-system sales). We also provide additional supplemental information  
20 (again, far beyond that required by the Commission’s FAC rules) broken down by the  
21 managerial accounting that we have chosen to utilize. This, too, is not required by the  
22 FAC rules, but we were asked to provide it and have done so. We also go above and  
23 beyond the rule requirements by providing all the General Ledger entries that back up the  
24 costs and revenues included in the FAC for that month, and we provide the keys that

1 explain the coding that is used in the General Ledger. In addition to the monthly  
2 reporting, we provide highly detailed work papers with each FAC rate adjustment filing.  
3 Over 22 such filings, there have been only a few instances where the Staff (or other  
4 parties who may choose to review them) had questions for us, and in each instance, we  
5 were able to address the questions. The Staff (which previously included Ms. Mantle)  
6 has recommended approval of all those adjustments, and no party has ever claimed (aside  
7 from Ms. Mantle in our last rate case) that our reports or other filings were deficient or  
8 lacked transparency.<sup>2</sup>

9 OPC recently claimed, in a filing verified by Ms. Mantle, that our 23<sup>rd</sup> FAC rate  
10 adjustment filing lacked certain information and on that basis argued the entire filing  
11 should not be approved. OPC's claims were made in a filing opposing the Staff's  
12 verified recommendation which had (a) confirmed that our filing *did* comply with the  
13 FAC, (b) confirmed that the proposed rate was correct, and (c) recommended the filing be  
14 approved. In response, the Staff disagreed and renewed its recommendation that the  
15 filing should be approved, explaining that our filing was in fact accurate, both in its  
16 calculation of the proposed rate and in terms of the testimony filed to support and explain  
17 that rate. We too disagreed with OPC and demonstrated that the entire premise of OPC's  
18 opposition was flawed and that OPC's filing contained numerous errors and completely  
19 lacked any claim that the filing itself was in fact incorrect. *See Ameren Missouri's*

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<sup>2</sup> Early this year we had an issue regarding the calculation of the so-called "N Factor" in our FAC tariff, which occurred during the first FAC rate adjustment filing where an amount arising under the N Factor was included. We agreed not to include the N Factor sum in that particular adjustment and then worked with the parties to achieve an agreed-upon calculation that was reflected in subsequent adjustments. The stipulation resolving the issue was approved by the Commission. Over nearly eight years of operation, there have been only two other instances of arguable dispute about FAC calculations. One arose from File No. EO-2010-0255, involving two wholesale contracts entered into after the 2009 ice storm that damaged the New Madrid smelter and the other involved a true-up calculation about which both Ameren Missouri and the Staff had made a simple mistake (File No. EO-2010-0274). The Commission disagreed with us on the two contracts arising from the ice storm, but agreed with us on the true-up issue.

1 *Verified Response to Public Counsel’s Reply to Staff’s Response* filed on January 10,  
2 2017 in File No. ER-2017-0147. It is worth noting that OPC made these claims without  
3 having so much as picked up the telephone to call the Company to discuss OPC’s claims  
4 or concerns about missing or inaccurate information, despite having had seven weeks  
5 before it made its filing to do so. In my opinion, this reflects a continuing pattern of  
6 general OPC hostility to the FAC.

7 Ms. Mantle herself admits that OPC is hostile to FACs.<sup>3</sup> Experience shows that  
8 the FAC can in fact both properly include the many components that make up fuel costs,  
9 and provide transparency into what those costs are. The fact that Ms. Mantle seeks to  
10 eliminate legitimate cost components from the FAC instead of advocating for the use of  
11 tools that are, or could be, available to it seems telling; it suggests to me that she is less  
12 concerned with transparency and more concerned with advancing some philosophical  
13 agenda aimed at eliminating legitimate cost components from the FAC. It should also be  
14 noted that should OPC be successful in these arguments, much of the detail currently  
15 contained in the monthly reports would be removed, as it would no longer pertain to the  
16 calculation of the FAC.

17 **Q. Didn’t OPC claim deficiencies in Ameren Missouri’s “explanations”**  
18 **in Ameren Missouri’s last rate case?**

19 A. Yes, OPC made that claim. The Staff has never claimed any such  
20 deficiency, nor has the Commission ever found any such deficiency to exist. Moreover,  
21 we fully demonstrated that the information we provided in each rate case had been  
22 consistently accepted by the Staff and even OPC (until then) as being in accordance with

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<sup>3</sup> As Ms. Mantle has admitted, OPC has been “very negative about fuel adjustment clauses from the beginning” [of FAC requests in Missouri]. Mantle Deposition, File No. ER-2014-0258, p. 230, l. 8-11.

1 the Commission’s rules. In any event, we resolved our differences with OPC in that case  
2 and agreed to work together with OPC reasonably and in good faith to develop additional  
3 descriptions of all FAC cost and revenue items. We did so, and those were filed as part  
4 of one of the schedules to my direct testimony in this case.

5 **Q. Do you have any observations about OPC’s continued effort to**  
6 **remove components from the FAC that have always been included, and about which**  
7 **there has been little or no controversy, under the guise of arguing that more**  
8 **“transparency” may be needed?**

9 A. Yes, I do. While there have been a couple of changes to the FAC since its  
10 inception, the vast majority of the charges and revenues covered by it have remained  
11 unchanged.<sup>4</sup> As earlier noted, the FAC tariff itself now has a lot more detail than it did at  
12 its inception, but even before this detail was added, the monthly reports contained  
13 significant levels of detail. Adding additional detail to the report did not change what  
14 was recovered under the FAC. In fact, the monthly reports we have been providing for  
15 years are the product of significant collaboration with the Staff (when Ms. Mantle was on  
16 the Staff), OPC and others. We were asked several years ago to add additional detail, we  
17 did so, and those parties all indicated that the revised reporting met their needs. To that  
18 monthly reporting detail has been added the additional descriptions of which I just spoke.  
19 In summary, we have worked very hard to be responsive to stakeholders who believe

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<sup>4</sup> Emissions were added several years ago, and since they were added, have always reflected revenues that offset total net energy costs. Consumables that are added to fuel for air quality control were added several years ago by agreement and since then no party, except OPC (and perhaps Consumers Council of Missouri, which has consistently opposed FACs in their entirety), has expressed any concern about it. A significant portion of total transmission costs were excluded in 2015 when the Commission rendered its finding about “true” purchased power. Finally, MISO has added a new “charge types” (six times over the past few years) as its market has evolved, at least three of which added *revenues* to the FAC to the benefit of our customers.



1 they need additional information. OPC's recommendation is truly a solution in search of  
2 a problem.

3 **Q. Ms. Mantle's next claim is that stripping cost components from the**  
4 **FAC would simplify prudence reviews. Is she right?**

5 A. No. In fact, if anything, stripping components from the FAC will increase,  
6 not decrease, the complexity of the review as the audit would then have to look at the  
7 interaction of activities both within and outside of the FAC to ensure that the utility is not  
8 taking actions that benefit them based solely on whether the costs associated with such  
9 activities are in or out of the FAC. Reviews would be further complicated as OPC's  
10 proposal would also result in the elimination of a substantial amount of information from  
11 the existing monthly reports and FAC-related filings and work papers, which report and  
12 reflect activity within the FAC.

13 For example, Ms. Mantle proposes to include all components of off-system sales  
14 in the FAC (these are revenues) while stripping out components of purchased power,  
15 which are offset by some of those off-system sales components. Similarly, she proposes  
16 to strip out some components of purchased power from other components she would  
17 leave in the FAC, yet most of the components she proposed to strip out are inextricably  
18 linked to those she would leave in, as Mr. Meyer explains in his rebuttal testimony.  
19 Also, while she has not specified exactly which MISO charges types OPC is  
20 recommending for inclusion in Ameren Missouri's FAC, she has recommended the  
21 elimination of the provision in the FAC allowing for the inclusion of new charge types in  
22 between rate cases, even if the new charge type possesses the characteristics of or is in  
23 the nature of an existing charge type.

1           Adoption of these recommendations would not simplify prudence reviews or the  
2 FAC generally. To the contrary, they would add complexity. For example, Mr. Meyer's  
3 testimony includes a discussion of MISO's implementation of a new charge type for  
4 capacity revenues in June of 2013. If changes in between rate cases had been prohibited  
5 at that time, we would have found ourselves in the situation where if we sold capacity  
6 through the MISO auction we could keep all of the revenue for ourselves, but if we sold it  
7 bilaterally we would have to include it in the FAC. I would have expected a prudence  
8 review of our capacity sales for that period to focus in no small part on our possible  
9 motives in choosing one alternative (the auction) over the other (bilateral) - regardless of  
10 what price we were able to obtain for the capacity.

11           Similarly, if a cost component is excluded from the FAC but an offsetting cost  
12 component is included, I would expect a prudence review to scrutinize whether we took  
13 an action which resulted in a shifting of costs and revenues between these two  
14 components, simply based on whether the component was or was not included in the  
15 FAC.

16           Removing the component from the FAC doesn't simplify the process. Leaving  
17 the tariff as it is does.

18           **Q.     There does seem to be some superficial appeal to the notion that if the**  
19 **FAC only included the commodity cost, e.g., the cost of the lumps of coal and the**  
20 **railroad bill, that prudence reviews would be simpler because the auditor would not**  
21 **have to worry about other procurement costs, ash handling, etc. Please respond.**

22           A.     As I noted above, these other cost components *are* fuel cost components,  
23 and under the FERC USOA they *must* be recorded (for coal) in Account 501. The  
24 auditor must pay attention to those costs, whether they are included or excluded from the

1 cost of coal used in the FAC calculations, because the auditor must examine the ledger  
2 entries in Account 501 in their entirety. The larger the list of fuel cost components that  
3 are recorded to fuel accounts that are *excluded* from the FAC, the more work that must be  
4 done to make sure they were *all* excluded. In addition, monthly FAC reports are by their  
5 nature reports of activity *within the FAC*. The very detailed disaggregation included in  
6 Ameren Missouri's reports (and work papers that underlie FAC rate filings) provides  
7 transparent information that the Staff is receiving month in and month out. Staff doesn't  
8 have to seek the information they need just within a 180-day prudence review window.

9 Ms. Mantle, who is neither an auditor nor an accountant, is speculating about the  
10 degree to which auditors can and should do their jobs. I don't see the Commission's duty  
11 (through its Staff) to conduct prudence reviews as the FAC statute requires to be any  
12 different than the Commission's duty to regulate public utilities generally. Does that  
13 regulation require a lot of time and effort? Yes. Is there complexity in electric utility  
14 industry? Yes. Are these reasons to exclude legitimate costs from the FAC? No. (Note  
15 that Ms. Mantle looks to exclude costs, but does not similarly suggest excluding the  
16 various components of off-system sales *revenues*, which offset fuel costs).

17 **Q. Ms. Mantle next attempts to support her recommendation by**  
18 **effectively contending that her recommendation is not a big deal because of her**  
19 **claim that Ameren Missouri would still recover the "majority" of its fuel, purchased**  
20 **power and transportation costs. Does this claim support her recommendations?**

21 A. No, it does not. Ameren Missouri's total fuel, purchased power, and  
22 transportation costs are quite large relative to its overall operations and maintenance  
23 expenses. In each rate case, a base level is set, and that base is undoubtedly large – with

1 or without an FAC. However, the FAC tracks *changes* in those costs (net of off-system  
2 sales revenue changes) in between rate cases.

3 The amounts in question are indeed a very big deal. When we look at the actual  
4 annual totals for just those two components of purchased power that Ms. Mantle would  
5 exclude from the FAC, we can see that year-over-year changes are as great as \$25  
6 million.<sup>5</sup> Ms. Mantle would seemingly have the Commission believe that \$25 million is  
7 not a big deal, because Ameren Missouri could collect the “majority” of the prudently  
8 incurred actual net energy costs. I am confident that it is obvious to the Commission that  
9 \$25 million is, indeed, a big deal.

10 As the Staff (as an example) indicates in its revenue requirement report filed in  
11 this case, fuel and purchased power costs and associated transportation costs, net of off-  
12 system sales, are large, volatile, and largely beyond the Company’s control. The  
13 Commission has repeatedly drawn the same conclusion for Ameren Missouri since it first  
14 approved the FAC in 2009. That being true, *changes* in fuel and purchased power costs  
15 and associated transmission costs, net of off-system sales, can be significant between rate  
16 cases, and the utility can’t control them. It should not matter if a utility over time could  
17 theoretically “recover” 97 or 98 or 99%.<sup>6</sup> Every percentage or fraction thereof that the  
18 utility does not recover is simply a failure to recover *prudently incurred costs*. A strong  
19 case can be made that Ameren Missouri (and other Missouri utilities) ought to recover  
20 100% of prudently incurred net energy cost changes between rate cases, as do more than  
21 80% of all other similarly situated utilities.

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<sup>5</sup> See Mr. Meyer’s rebuttal testimony and his table showing ARR/FTR revenues.

<sup>6</sup> As discussed further below, Ms. Mantle’s claim that such a high percentage would be recovered under her proposal is misleading and exaggerated.

1           **Q. Ms. Mantle’s final purported justification for OPC’s**  
2           **recommendations is that they would create an incentive for Ameren Missouri to**  
3           **properly manage its fuel and purchased power costs, including transportation costs,**  
4           **net of off-system sales revenues. How do you respond?**

5           A. My response is the same as the response I have given before when Ms.  
6           Mantle had repeatedly made the same argument to support her attempt to make FAC  
7           changes in the past: OPC presents no evidence to support the conclusion that Ameren  
8           Missouri does not already have the appropriate incentives to properly manage the costs  
9           and revenues in its FAC. Just because Ms. Mantle says that her proposal will improve  
10          incentives does not make it so. Her supposition about incentives is just that: supposition.

11          Despite years of trying, Ms. Mantle has not once actually demonstrated that  
12          utilities are making imprudent decisions that negatively impact net energy costs tracked  
13          in an FAC because they have an FAC or because of the terms of the FAC tariff. I  
14          acknowledge that the Commission’s order involving the AEP and Wabash contracts in  
15          Ameren Missouri’s second prudence review case contains language that indicates  
16          Ameren Missouri was “imprudent” for not including those contracts’ revenues in the  
17          FAC. However, the heart of the dispute was that Ameren Missouri believed the FAC  
18          tariff excluded those contracts and others disagreed. The Commission sided with those  
19          who disagreed. However, the issue in that case had nothing to do with incentives and it  
20          had nothing to do with “prudence.” Indeed, when Ms. Mantle has argued in the past that  
21          the AEP/Wabash case (File No. EO-2010-0255) somehow demonstrated that Ameren  
22          Missouri needed more incentive to manage its net energy costs properly, the Commission  
23          expressly rejected the argument. *Report and Order*, File No. ER-2011-0028, p. 82 (“The  
24          Commission did not find that Ameren Missouri acted imprudently in that prudence

1 review. \* \* \* In short, the Commission’s decision in EO-2010-0255 does not support the  
2 argument that Ameren Missouri needs a larger financial incentive within the fuel  
3 adjustment clause.”).

4 **IV. OPC’S PROPOSAL TO CHANGE THE SHARING MECHANISM**

5 **Q. Please address OPC’s proposal to change the sharing mechanism in**  
6 **the FAC from its current 95%/5% to 90%/10%.**

7 A. OPC’s proposal is unsupported and is nothing more than a repeat of the  
8 same or similar proposals this Commission has, on numerous occasions, rejected in the  
9 past.

10 **Q. Please explain.**

11 A. In the first couple of years after the FAC statute was adopted, the  
12 Commission began approving FACs for Missouri’s electric utilities: first for Aquila, Inc.  
13 (2007) (now KCP&L-GMO); then for Empire (2008); then Ameren Missouri (2009); and  
14 lastly, KCP&L (2015). Starting early-on, various parties have argued for more sharing.  
15 For years now, the Commission has concluded that FACs should continue to include the  
16 95%/5% sharing mechanism the Commission implemented nearly 10 years ago. In fact,  
17 the Commission has rejected calls to impose more sharing on 17 separate occasions, as  
18 detailed in Schedule LMB-R3 to my testimony.

19 The following is a sampling of Commission statements in support of retaining its  
20 95%/5% sharing mechanism while rejecting calls to increase those shares:

Rebuttal Testimony of  
Lynn M. Barnes

- 1           • “A 95% pass through provides AmerenUE sufficient incentive to operate at  
2           optimal efficiency . . .” [rejecting an OPC attempt to impose 50%/50%  
3           sharing].<sup>7</sup>
- 4           • Imposing a less favorable [to utilities] pass through provision “would signal  
5           to investors that [the utility] was less well regarded by . . .” the Commission.<sup>8</sup>
- 6           • “[C]hanging the sharing percentage without good reason to do so would lead  
7           investors to question the future of [the utility’s] fuel adjustment clause.”<sup>9</sup>
- 8           • “Most fuel adjustment clauses around the county [sic] provide for a 100  
9           percent pass through of costs.”<sup>10</sup>
- 10          • “MIEC and Public Counsel advocated for a revised sharing mechanism . . .  
11          However, the testimony those parties presented was based on little more than  
12          the opinions of their witnesses . . . No party presented any evidence that  
13          would indicate how the 95% sharing mechanism is working in practice . . .  
14          Certainly, no evidence was produced to show that [the utility] had acted  
15          imprudently. . .”<sup>11</sup>

16 I see no evidence in any of the direct testimony filed in this case to suggest that Ameren  
17 Missouri has acted imprudently or that the 95%/5% sharing percentage isn’t working.

18           The bottom line is that every “justification” put forth by OPC to increase Ameren  
19 Missouri’s sharing percentage suffers from the same flaw from which past arguments in  
20 support of changing the sharing percentage have suffered: they amount to speculative  
21 opinions of individuals who have no experience in managing net energy costs, advanced  
22 by a party with demonstrated hostility toward FACs. They also lack any basis in facts  
23 showing that the utility has failed to prudently manage its net energy costs or that the

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<sup>7</sup> *Report and Order*, File No. ER-2008-0318, pp. 73-74 (citing five reasons that the 95%/5% sharing was sufficient, including financial performance incentives for employees that would give them an incentive to minimize net energy costs, the Commission’s use of historical instead of projected costs in FACs, which creates greater exposure to rising net energy costs for utilities, the Commission’s heat rate/efficiency testing requirements, and the fact that having an FAC is a privilege, not a right, which itself gives utilities an incentive to properly manage net energy costs.).

<sup>8</sup> *Id.*

<sup>9</sup> *Report and Order*, File No. ER-2011-0028, p. 85; *Accord Report and Order*, File No. ER-2010-0036, pp. 77-78 (Discussing concerns about overturning “regulatory stability” in Missouri, and increased investment risk caused if the Commission were to change sharing mechanisms given that investors value “certainty, fairness, stability and predictability”).

<sup>10</sup> *Id.*, p. 75; *Report and Order*, File No. ER-2010-0036, p. 76 (same).

<sup>11</sup> *Id.*, pp. 76-77 (OPC’s testimony in this case also consists of nothing more than unsupported opinions).

1 existing 95%/5% sharing and the other incentives utilities possess to properly manage net  
2 energy costs (as recognized by the Commission) are in any way insufficient.

3 **Q. Doesn't OPC argue that an apparently high percentage of cost**  
4 **recovery justifies greater sharing?**

5 A. Yes, OPC makes that argument, but the argument misses the point.

6 First, Ms. Mantle's table showing recovery percentages is misleading, and her  
7 conclusions drawn from those values are exaggerated.

8 Second, even though flawed, OPC's own math confirms the obvious: greater  
9 sharing would deprive customers of additional dollars of reductions in net energy costs  
10 and greater sharing would deprive Ameren Missouri of additional *prudently incurred* net  
11 energy costs. If the percent of recovery is "high," that is exactly how it should be, given  
12 that the very nature of the FAC only allowed prudently incurred costs to be recovered.  
13 Illustrating the math neither shows nor tends to show that there is an "imprudence  
14 problem" that needs to be addressed.

15 **Q. Why is Ms. Mantle's table misleading?**

16 A. Ms. Mantle's table purports to demonstrate that Ameren Missouri would  
17 suffer little harm from her proposals. However, her table has a glaring omission – Ms.  
18 Mantle has not only recommended that the Commission increase the sharing percentage,  
19 but that the Commission also exclude a significant portion of the components of fuel,  
20 purchased power, and transportation from the FAC. For those items excluded from the  
21 FAC, Ameren Missouri would bear the full consequences of increases and decreases in  
22 between rate cases, i.e., for the excluded components the "sharing mechanism" is  
23 effectively 0%/100%. For those items remaining in the FAC, Ameren Missouri's share



1 would double from 5% to 10%. However, her table completely fails to account for  
2 changes between rate cases in costs *which would no longer be included in the FAC*.

3 When we account for both of those components that are in *and* out of the FAC, it  
4 is clear that Ms. Mantle has exaggerated her claim.

5 **Q. Can you illustrate this exaggeration?**

6 A. Yes. To do so, I started with Ms. Mantle’s chart and its 90%/10% sharing  
7 column, then assumed that (a) 6% of fuel costs currently in the FAC would be excluded,  
8 and (b) 40% of any change in actual net energy costs (“ANEC”<sup>12</sup>) as compared to the  
9 base established in the rate case would be attributable to items excluded from the FAC  
10 per OPC’s recommendation. The table, reflecting those assumptions, clearly illustrates  
11 that the combination of both OPC’s 90%/10% sharing for items remaining in the FAC  
12 and 0%/100% sharing for items excluded from the FAC yields much different results  
13 than Ms. Mantle’s original table:

	A	B	60% of Chg. In ANEC C	C x 90% D	A+ B + D		
<b><u>ANEC (incl. amounts excluded from FAC</u></b>	Base FAC	Base Excl.	Change in FAC	FAC Adj (90/10)	Total Recovery	% Of ANEC	Mantle
120	94	6	12	10.8	110.8	92.33%	98.30%
110	94	6	6	5.4	105.4	95.82%	99.10%
BASE - 100	94	6	0	0	100	100.00%	100%
90	94	6	-6	-5.4	94.6	105.11%	101.10%
80	94	6	-12	-10.8	89.2	111.50%	102.50%

14 The assumed splits between costs that are in and out of the FAC and the assumed  
15 drivers of changes in ANEC are illustrative. However, the point is that one cannot do

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<sup>12</sup> Including for this purpose amounts currently included in the calculation of ANEC that would be excluded from ANEC under OPC’s proposal.

1 what Ms. Mantle did and ignore the fact that under OPC's proposal, there would be costs  
2 outside the FAC and changes in those costs would not be recovered or returned, as the  
3 case may be. In the above illustration, I assumed that 40% of the difference between  
4 ANEC and the base was caused by components that would be moved outside the FAC if  
5 OPC's recommendation were adopted. If that percentage is higher (e.g., if 50% of the  
6 difference arises from components moved outside the FAC), the under-recovery (if  
7 ANEC went up) or over-recovery (if ANEC went down) will be even greater.<sup>13</sup> Instead  
8 of supporting more sharing, a table like Ms. Mantle's supports *no sharing at all* because  
9 it is the sharing that causes under-recovery of prudently incurred costs, and that precludes  
10 passing back to customers all the reduction in net energy costs when those reductions  
11 occur.

12 **Q. Do you have any other observations on this issue?**

13 A. Yes. We have repeatedly stated, and the Commission has repeatedly  
14 acknowledged, that having an FAC is a privilege, and not a right, and that this provides a  
15 powerful incentive for utilities to properly manage their net fuel costs.<sup>14</sup> Missouri is  
16 unique in that we have a statute mandating we come in and file a rate case and ask to  
17 continue our FAC at least every four years. The statute also mandates regular prudence  
18 reviews – we just completed our fifth prudence review in the past nearly eight years. The

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<sup>13</sup> E.g., if 50% of an increase in ANEC versus the base was driven by components moved outside the FAC, the percent recovered would drop to just 90.8%.

<sup>14</sup> Ms. Mantle agrees: In her sworn deposition in File No. ER-2011-0028, she testified as follows: "**Q Okay. Do you agree if there is imprudence the Commission has the power and the obligation to disallow any costs related to the imprudence? A Yes. Q And would you agree that that is a powerful incentive for a utility to avoid imprudent behavior? A Yes. Q Would you agree with me that the use of a fuel adjustment clause in Missouri is a privilege and not a right for utilities? A That is correct. Q And isn't it true that the Commission can take away a utilities [sic] fuel adjustment clause if it believes the utility is misusing it? A Yes. Q And doesn't that also provide a powerful incentive for utilities to act reasonably and prudently with respect to their FACs? A Yes.**" Lena Mantle Deposition, File No. ER-2011-0028, April 13, 2011, p. 44, l. 7 – p. 45, l. 18.

1 bottom line is that utilities have plenty of incentives to properly manage the components  
2 in the FAC without any sharing at all. They could lose the FAC entirely or suffer  
3 prudence disallowances. Even without a single prudence disallowance, Ameren Missouri  
4 has failed to recover tens of millions of dollars of prudently-incurred net energy cost  
5 increases over the past several years, caused solely by the 5% sharing mechanism.

6 As alluded to earlier, it is a very bad idea for the Commission to make changes in  
7 an important, mainstream mechanism like the FAC in the absence of a strong justification  
8 for making the change. Regulatory consistency is important to utilities as they plan and  
9 budget to provide service to their customers, and it is important to the investors on whom  
10 they depend for the huge sums of capital they need to do so. Ms. Mantle has been  
11 attempting to change the FAC and its sharing mechanism for years. Her latest attempt to  
12 radically re-shape the FAC should be rejected, as have the others.

13 Ms. Mantle's 90%/10% proposal in this case, like her prior 85%/15% proposal  
14 (made while she worked for the Staff) and her prior 90%/10% proposal (made in Ameren  
15 Missouri's last rate case and in this rate case), is nothing more than an unjustified  
16 experiment – an experiment for which no need has been shown.

17 **Q. How would an even greater sharing percentage for Ameren Missouri**  
18 **compare to FACs of the other 97 utilities operating in non-restructured states?**

19 A. Only about 18% of utilities have sharing of costs *at all*. From an investor  
20 standpoint, and from the standpoint of putting Missouri electric utilities on comparable  
21 footing with their peers, even the 5% share of net energy cost increases that Missouri  
22 utilities must bear places them at a disadvantage. That disadvantage should not be  
23 exacerbated just because Ms. Mantle or OPC, or both, seem to “believe” the sharing  
24 should be greater.

1           **V.     OPC’S ATTEMPT TO ELIMINATE FAC TARIFF FLEXIBILITY**

2           **Q.     Another proposal by OPC is to eliminate a provision in the FAC that**  
3 **originated in the FAC tariff approved for Ameren Missouri in 2012; that is, the**  
4 **provision that allows costs *and revenues* that may arise after an FAC tariff is**  
5 **implemented but before it is re-implemented in the next rate case to flow through**  
6 **the FAC if the cost/revenue is similar; is of the same nature as costs/revenues that**  
7 **were included when the tariff was implemented. Please explain this provision.**

8           A.     In Ameren Missouri’s 2012 rate case (File No. ER-2012-0166), Ms.  
9 Mantle, then working for the Staff, advocated for including a very detailed listing of each  
10 component of fuel, purchased power, transportation, and off-system sales in the FAC  
11 tariff itself. This necessitated adding significant detail to (in particular) the purchased  
12 power and transmission provisions of the tariff since MISO chooses to break purchased  
13 power and transmission charges into a fairly large number of distinct “buckets.” As  
14 noted, Mr. Meyer addresses these components in more detail in his rebuttal testimony.  
15 As part of settling fuel/FAC-related issues in that case, Ameren Missouri agreed to add  
16 these details to the FAC tariff because it had no problem with being more explicit; more  
17 “transparent” as OPC might say, but with a very important caveat: if the FAC tariff was  
18 to become highly prescriptive, as Ms. Mantle desired, there had to be a mechanism to  
19 allow changes in cost/revenue *categorization* to be accounted for in the FAC between  
20 rate cases. Otherwise, customers or utilities could unfairly bear cost and revenue changes  
21 that in the words of the tariff provision at issue, possess “the characteristics of, and is of  
22 the nature of” costs and revenues that were already listed. In other words, the RTO might  
23 simply recategorize or rename a cost or revenue, or might add a cost or revenue that truly

1 is a component of purchased power or off-system sales, and there needed to be a way to  
2 reflect that cost or revenue in the FAC.

3 This provision was modified to some extent in Ameren Missouri's last rate case,  
4 and has essentially become a standard feature in all FAC tariffs in Missouri.

5 **Q. Can you illustrate its operation?**

6 A. Yes, it is rather straightforward in its operation. Since the provision first  
7 appeared in Ameren Missouri's FAC tariff, MISO has implemented new "charge types"  
8 (the phrase "charge type" is a misnomer because a charge type may in fact reflect  
9 revenues) on six occasions. On at least three of those occasions the new charge types  
10 implemented by MISO were revenues (i.e., they lower net energy costs in the FAC).  
11 Some of the new charge types also reflected credits against costs (which also lower net  
12 energy costs in the FAC). In each case, Ameren Missouri followed the process provided  
13 for in the FAC tariff.

14 Under that process, if MISO institutes a new charge type involving moving a cost  
15 or revenue already being included in the FAC to a new type, or if MISO starts  
16 charging/providing a new cost/revenue under a new charge type that is in the nature of an  
17 existing cost or revenue already being included in the FAC, Ameren Missouri can include  
18 the cost or revenue in its FAC. However, *before it can do so*, Ameren Missouri must  
19 *specifically call it out and explain it* in a filing with the Commission (at least 60 days in  
20 advance).<sup>15</sup> Moreover, all another party must do to challenge the inclusion of the new  
21 charge type, or to challenge a utility's failure to include a new charge type (e.g., a party

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<sup>15</sup> In testimony I filed on this topic in KCP&L's pending rate case, I mistakenly indicated that notice must be given in the Company's monthly FAC reports. I had overlooked that while that used to be the process, in our last rate case the process was modified slightly so that a filing is made with the Commission. Our last such filing was made in April, 2016, when we gave notice of two new charge types that allowed RTO revenues to be included in the FAC.

1 would not want a new charge type that involves revenues to be left out), is file a pleading  
2 raising the challenge. If such a challenge is made, Ameren Missouri *bears the burden of*  
3 *proof* to justify the inclusion/exclusion. If a party challenges the inclusion/exclusion of a  
4 new charge type, and if in the Commission's view Ameren Missouri fails to carry the  
5 burden of proof, Ameren Missouri must refund charges/provide revenues (as the case  
6 may be) with interest.

7 **Q. What do you say to OPC's claim that for reasons of simplicity the**  
8 **provision should be removed?**

9 A. I could not disagree more. First, the provision is eminently fair, and it is  
10 not complex or difficult to follow. As noted, it has been utilized by Ameren Missouri six  
11 times without any difficulty and without complaint by any party, including OPC.  
12 Second, it is an absolutely essential feature of an FAC tariff (which Ms. Mantle  
13 advocated for) that is highly prescriptive. If simplicity were the goal, then it would be far  
14 easier to list the relevant FERC Accounts to which costs/revenues components of fuel,  
15 purchased power, transmission and off-system sales are recorded, include all the  
16 costs/revenues in those accounts and utilize FAC reporting for whatever transparency is  
17 warranted. Third, as noted, the provision is fair. The Commission approves participation  
18 by utilities in RTOs because, among other things, the markets those RTOs operate bring  
19 significant efficiencies (that manifest themselves as benefits) to the industry and  
20 ultimately those efficiencies benefit utility customers. Utilities don't control how those  
21 RTOs break apart purchased power or transmission or off-system sales components.  
22 Missouri's utilities are RTO market participants. Missouri FACs need to accommodate  
23 changes in how the RTOs operate or administer those markets.

1 Fourth, Ameren Missouri's experience with the provision shows that it works.  
2 Ameren Missouri has utilized it twice to add charge types that were purely revenues, and  
3 two other times to add charge types that included both costs and revenues. But for the  
4 provision, the new charge types that reflected only revenues would not have been passed  
5 through to customers until a later rate case occurred. Mr. Meyer addresses one instance in  
6 his rebuttal testimony. On the cost side, Ameren Missouri utilized it to include new  
7 charge types implemented by MISO to reflect transmission charges that Ameren Missouri  
8 was formerly charged by Entergy for service to Ameren Missouri's Bootheel customers.  
9 The only reason there were new charge types is because Entergy joined MISO, but the  
10 nature of the charges (which were, without controversy, included in the FAC before  
11 Entergy joined MISO) was the same before and after the new charge type was  
12 established.

13 The provision is fair, reasonable, workable and necessary.

14 **Q. So, can a Missouri utility dictate the inclusion of costs and revenues**  
15 **not approved by the Commission in their FACs?**

16 A. As I previously stated, no, they cannot. As I understand it, utilities must  
17 follow their FAC tariffs. They must follow the process outlined above. That process is  
18 part of the tariff. By including it in the tariff, the Commission is approving the inclusion  
19 of the cost/revenue under the new charge type, subject to proper challenge, and if a  
20 challenge occurs, subject to the ultimate decision of the Commission. Moreover, the new  
21 charge type is filed with the Commission before it can be included. This means that it is  
22 the *Commission* that decides the components in the FAC.

23 **VI. MISCELLANEOUS FAC ISSUES**

24 **Q. Are there any other recommendations made by OPC regarding the**

1 **FAC that you wish to address?**

2 A. Yes, I will briefly address OPC's recommendations regarding net  
3 insurance recoveries, subrogation recoveries, and settlement proceeds. In general, I agree  
4 that if there is insurance (e.g., replacement power insurance) for an FAC component (like  
5 purchased power), the insurance proceeds should be included in the FAC. The same  
6 would be true if a utility recovered sums on a subrogation claim or through a settlement  
7 (e.g., the utility recovers damages because of a cost increase or revenue loss, to the extent  
8 that the cost increase or revenue loss was reflected in the FAC). OPC hasn't proposed  
9 any specific language, which means that language reflecting this intention would have to  
10 be developed to ensure both the utility and customers are treated fairly. Assuming the  
11 language is appropriate, I have no problem with the general concept OPC proposes.

12 **VII. TRANSMISSION TRACKER**

13 **Q. Missouri Industrial Energy Consumers ("MIEC") witness Nicholas L.**  
14 **Phillips opposes Ameren Missouri's proposed transmission tracker.<sup>16</sup> What are his**  
15 **reasons?**

16 A. Mr. Phillips cites two reasons why he opposes the transmission tracker, in  
17 addition to the fact that he opposes all trackers, in general. The two reasons he cites are:  
18 1) that the tracker represents single-issue ratemaking; and 2) that the tracker eliminates  
19 the utility's incentive to minimize expenses and maximize revenues between rate  
20 proceedings.

21 **Q. Does the transmission tracker represent single-issue ratemaking?**

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<sup>16</sup> The Staff Report indicated the Staff did not support the tracker either, but specifically indicated that Staff would not address why until it filed rebuttal testimony. Consequently, my testimony only addresses MIEC's position.



1           A.     No, it does not. While I am not an attorney, counsel advises that because  
2 the Commission would make the determination to recognize the tracked sums in a future  
3 rate case after the regulatory asset or liability created by the tracker has arisen, with rates  
4 to only then be adjusted prospectively, the courts have ruled that trackers do not  
5 constitute single-issue ratemaking. That makes sense to me, given that there is a long  
6 history in Missouri of Commission use of trackers or similar deferral mechanisms as part  
7 of the regulatory process. This has particularly been true in cases where it is difficult to  
8 determine the level of cost that should be included in base rates by utilizing an historical  
9 test year, traditional normalization methods, or where the nature of the costs or revenues  
10 is such that the utility has little or no control over them. The nature of the transmission  
11 costs and revenues that we are proposing to include in the tracker have similar traits as  
12 other costs that have been historically included in trackers (e.g., vegetation management  
13 and inspection costs, storm restoration costs).

14           **Q.     Do you agree with Mr. Phillips' notion that trackers reduce the**  
15 **Company's incentive to optimize costs?**

16           A.     No, I do not. By tracking costs for which developing an appropriate base  
17 level amount is difficult, customers are assured that they will only pay for costs that are  
18 prudently incurred by the Company. Moreover, to have an incentive to "control" a cost,  
19 the cost must be subject to control. Ameren Missouri has little or no control over MISO  
20 transmission charge changes that arise almost entirely from substantial new transmission  
21 construction in MISO's footprint that Ameren Missouri is not itself constructing.<sup>17</sup>

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<sup>17</sup> Report and Order, File No. ER-2012-0166 (The Company has "has little control over MISO transmission charges.").

1           **Q.     How do you respond to Mr. Phillips’ assertions that tracked expenses**  
2           **or revenues need to be “large enough to present a threat to the financial well-being**  
3           **of utility; volatile; and cannot be reasonably managed by the utility”?**

4           A.     The factors listed by Mr. Phillips have historically been used when  
5           trackers have been considered. My direct testimony includes support for each of these  
6           factors as they relate to transmission expenses and revenues. Specifically, my direct  
7           testimony demonstrates the magnitude of these costs, as well as why it is difficult to set  
8           an appropriate level in base rates due to the volatility and uncontrollability of these costs.  
9           The Commission has already acknowledged that these costs are volatile and outside of  
10          the control of the Company.<sup>18</sup> In addition, despite the Commission’s decision to remove  
11          these items from the FAC, the Commission has not indicated that these costs were  
12          imprudently incurred or that they shouldn’t be recovered at all.<sup>19</sup>

13          **Q.     Is there any question but that the transmission charges at issue are**  
14          **substantial and volatile?**

15          A.     No. While the MISO transmission charges under Schedule 26A (arising  
16          from Multi-Value Projects) for 2017 are being reflected in the revenue requirement in  
17          this case at a level of \$42.36 million, according to information provided by MISO, they  
18          are currently estimated to rise to approximately \*\* [REDACTED] \*\* by the end of 2019 – an  
19          increase of about \*\* [REDACTED] \*\* *per year* from 2018-2019.<sup>20</sup> While Mr. Phillips is correct  
20          that in one case in 2008 (File No. ER-2008-0318), the Commission suggested that a rise

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<sup>18</sup> *Id.* (“MISO transmission charges are volatile because no one knows for sure how much those MVP projects will cost once construction is complete.”).

<sup>19</sup> In fact, the Commission recognizes that the costs should be recovered. *Id.* (“All parties agree that Ameren Missouri must be able to recover the MISO transmission charges in some manner. If the charges are not flowed through the FAC, the Commission will need to allow the company to recover those charges in base rates.”).

<sup>20</sup> Response to Staff Data Request 0523.

1 in costs did not make them volatile, as just noted, more recently the Commission  
2 specifically recognized, in the context of the very charges at issue here, that the costs are  
3 volatile.

4 **Q. Do you believe that by having a tracker, the Company is shifting risk**  
5 **to customers as Mr. Phillips suggests?**

6 A. No, I do not, and Mr. Phillips' risk-shifting argument misses the point.  
7 We have asked for the tracker because these are large, uncontrollable, and rapidly  
8 increasing (although the amount of the increase and exact timing is uncertain) charges  
9 from an RTO from which our customers gain great benefit (e.g., more efficient power  
10 markets, the benefits of which are manifested in the FAC; increased capacity revenues,  
11 also reflected in the FAC). We cannot avoid the charges. As these charges rise, if we are  
12 going to have a reasonable chance to earn a fair return, we are forced to make expense  
13 cuts (that we have thus far been able to make while maintaining safe and adequate  
14 service) that ideally for our customers we would not make. Or, we are forced to cut  
15 investment in our system to levels that we do not believe are optimal. The tracker would  
16 mitigate those problems for us and for our customers.

17 **VIII. FERC ROE REFUNDS; SPP/MISO DISPUTE**

18 **Q. OPC witness Charles R. Hyneman disagrees with Ameren Missouri's**  
19 **proposed rate treatment of refunds related to FERC orders lowering the ROEs for**  
20 **historical periods. What is Mr. Hyneman's position?**

21 A. Mr. Hyneman makes a very general claim premised on his apparent belief  
22 that all refunds should be returned to customers irrespective of whether or not  
23 transmission costs were included in the FAC during the related historical periods since  
24 transmission costs were included in base rates and thus paid by customers. However, Mr.

1 Hyneman declines to elaborate on his reasons, indicating that he will address who  
2 "actually paid" the transmission expenses in later testimony. Consequently, I will only  
3 briefly respond to Mr. Hyneman's general contention now and will reserve the right to  
4 fully respond when Mr. Hyneman actually properly supports his position. So far, all Mr.  
5 Hyneman has said is that he disagrees but he fails to explain why.

6 **Q. Do you agree with Mr. Hyneman's general assertion?**

7 A. No, I do not. Mr. Hyneman's claim appears to be based on the view that  
8 customers "pay for" costs through base rates. They do not. While I am not an attorney,  
9 counsel advises that the courts have clearly indicated that customers pay for service, but  
10 do not pay for individual cost components used as proxy to set base rates.

11 **Q. Please explain from the standpoint of how base rates are set.**

12 A. When base rates are developed, historical (sometimes normalized or  
13 annualized) levels of specific costs and revenues are examined and a revenue requirement  
14 is then developed based on the premise that this historical level of costs and revenues will  
15 be representative of (provide a proxy for) the future, i.e., of the period after which base  
16 rates take effect. I will not debate here whether that premise is correct or incorrect. The  
17 point is that absent implementation of a tracker or a rate adjustment mechanism (like a  
18 fuel adjustment clause) for specific costs or revenues, ongoing costs and revenues are not  
19 tracked or segregated and customers do not "pay" them.

20 **Q. What refunds are at issue in this case?**

21 A. As summarized in the Staff Report (pages 83-86), there are two different  
22 FERC ROE cases that will ultimately lead to refunds. The first case is complete, but  
23 refunds have not yet been made by MISO and it is not expected that they will be made  
24 until later in 2017. Ameren Missouri has estimated the refunds it expects to receive from

1 the first FERC ROE case and has recorded an accrual based on that estimate on its books.  
2 The second case has not yet been decided.

3 **Q. How does the Company propose to address the first case refunds in**  
4 **this case?**

5 A. The first case addresses a period when all transmission charges were  
6 included in the Company's FAC. If all transmission charges were still in the Company's  
7 FAC, the Company would not have needed to address the refunds in this case at all.  
8 Instead, once received, Ameren Missouri simply would have included the refunds in the  
9 FAC and 95% of them would have flowed back to customers. However, in our last rate  
10 case, the Commission effectively stripped almost all transmission charges out of the FAC  
11 (only 3.5% were allowed) so that option is not available. Consequently, to get to the  
12 same result, the Company is proposing to record a regulatory liability equal to 95% of the  
13 first case refunds (approximately \$1.206 million) which would be amortized back to  
14 customers (i.e., reduce base rates) through a 5-year amortization of approximately \$0.241  
15 million.<sup>21</sup> Our proposal would be to include such an amortization in the determination of  
16 base rates in this rate case using the estimates accrued on our books. Once we know the  
17 actual amount of refunds, we could effectively true-up the regulatory liability amount in  
18 our next rate case to capture the actuals. In the end, customers would get back through  
19 the amortization the same sum of money they would have gotten back had we been able  
20 to simply include the refunds in the FAC.

21 **Q. Is there another similar item in this case?**

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<sup>21</sup> Response to Staff Data Request 0418.

1           A.     Yes. There are reduced transmission revenues arising from a separate  
2 FERC case involving a dispute between the Southwest Power Pool (“SPP”) and MISO,  
3 arising from Entergy joining MISO.<sup>22</sup> In that case, MISO was ordered to reduce through  
4 and out charges, which in turn, required Ameren Missouri to return some transmission  
5 revenues that it had received from MISO. The period covered by this case corresponds  
6 almost entirely to a period when all of Ameren Missouri’s transmission revenues were in  
7 our FAC. As a result of the Commission’s order in our last rate case, those transmission  
8 revenues are no longer in our FAC, meaning we cannot reflect the lower transmission  
9 revenues in the FAC now. To the extent the higher transmission revenues flowed to  
10 customers in the FAC (i.e., reduced net energy costs charged to customers), it is  
11 appropriate that the lower transmission revenues for that same period be reflected in  
12 customer rates now (just as it is appropriate that the lower transmission charges be  
13 reflected in customer rates, as just discussed). Consequently, we have also included an  
14 amortization of a regulatory asset in our revenue requirement in this case in the amount  
15 of approximately \$0.148 million, reflecting a regulatory asset of approximately \$0.744  
16 million of reduced transmission revenues applicable to the period when transmission  
17 revenues were included in the FAC amortized over five years.<sup>23</sup> As noted, this mimics  
18 what would have happened had the lower transmission charges from the first FERC ROE  
19 case been eligible for inclusion in the FAC and had the lower transmission revenues from  
20 the SPP/MISO dispute been eligible for inclusion, as they both were when the original  
21 transmission charges/revenues were paid/received.

22           **Q.     What about the second FERC ROE case?**

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<sup>22</sup> The Staff refers to this case as the “Entergy Complaint” in its cost of service report.

<sup>23</sup> Response to Staff Data Request 0418.

1           A.     We do not know what those refunds will be or when that case will be  
2 resolved, so it is not an issue for this rate case. It is our intention when we have our next  
3 rate case to reflect 95% of any refunds we receive from that case that arose from charges  
4 while all transmission charges were in our FAC in a regulatory liability that would be  
5 returned to customers through an amortization in a future rate case, as well as that  
6 percentage of any refunds that corresponds to the percentage of transmission charges in  
7 our FAC at a given time for transmission charges arising when only a fraction of total  
8 transmission charges were in the FAC.

9           **Q.     Do you have any comments on the Staff's cost of service report**  
10 **discussion on these issues?**

11          A.     While Staff recites the facts relating to the two FERC ROE cases and the  
12 SPP/MISO dispute accurately, the Staff's report is somewhat unclear on how it proposes  
13 to address the refunds and lower transmission revenues. I believe that for the first FERC  
14 ROE case, the Staff and the Company are largely in agreement, although Staff may have  
15 a different view on the timing of starting the amortization or on the amortization period.  
16 On the SPP/MISO dispute, it appears the Staff and the Company are in agreement,  
17 although Staff is proposing a three-year amortization. Staff's position on the second  
18 FERC ROE case is less clear. In any event, I am told that Staff will be clarifying its  
19 positions on these cases in its rebuttal testimony, so I will respond to the Staff's positions  
20 in surrebuttal testimony, once the positions are fully supported by the Staff.

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

22          A.     Yes.





## **FERC USoA ACCOUNT DEFINITIONS**

### **501 Fuel.**

A. This account shall include the cost of fuel used in the production of steam for the generation of electricity, including expenses in unloading fuel from the shipping media and handling thereof up to the point where the fuel enters the first boiler plant bunker, hopper, bucket, tank or holder of the boiler-house structure. Records shall be maintained to show the quantity, B.t.u. content and cost of each type of fuel used.

B. The cost of fuel shall be charged initially to account 151, Fuel Stock (for Nonmajor utilities, appropriate fuel accounts carried under account 154, Plant Materials and Operating Supplies) and cleared to this account on the basis of the fuel used. Fuel handling expenses may be charged to this account as incurred or charged initially to account 152, Fuel Stock Expenses Undistributed (for Nonmajor utilities, an appropriate subaccount of account 154, Plant Materials and Operating Supplies). In the latter event, they shall be cleared to this account on the basis of the fuel used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

#### ITEMS

##### Labor:

1. Supervising purchasing and handling of fuel.
2. All routine fuel analyses.
3. Unloading from shipping facility and putting in storage.
4. Moving of fuel in storage and transferring fuel from one station to another.
5. Handling from storage or shipping facility to first bunker, hopper, bucket, tank or holder of boiler-house structure.
6. Operation of mechanical equipment, such as locomotives, trucks, cars, boats, barges, cranes, etc.

##### Materials and Expenses:

7. Operating, maintenance and depreciation expenses and ad valorem taxes on utility-owned transportation equipment used to transport fuel from the point of acquisition to the unloading point (Major only).
8. Lease or rental costs of transportation equipment used to transport fuel from the point of acquisition to the unloading point (Major only).

9. Cost of fuel including freight, switching, demurrage and other transportation charges.
10. Excise taxes, insurance, purchasing commissions and similar items.
11. Stores expenses to extent applicable to fuel.
12. Transportation and other expenses in moving fuel in storage.
13. Tools, lubricants and other supplies.
14. Operating supplies for mechanical equipment.
15. Residual disposal expenses less any proceeds from sale of residuals.

NOTE: Abnormal fuel handling expenses occasioned by emergency conditions shall be charged to expense as incurred.

#### **547 Fuel.**

This account shall include the cost delivered at the station (see account 151, Fuel Stock, for Major utilities, and account 154, Plant Materials and Operating Supplies, for Nonmajor utilities) of all fuel, such as gas, oil, kerosene, and gasoline used in other power generation.

#### **518 Nuclear fuel expense (Major only).**

A. This account shall be debited and account 120.5, Accumulated Provision for Amortization of Nuclear Fuel Assemblies, credited for the amortization of the net cost of nuclear fuel assemblies used in the production of energy. The net cost of nuclear fuel assemblies subject to amortization shall be the cost of nuclear fuel assemblies plus or less the expected net salvage of uranium, plutonium, and other byproducts and unburned fuel. The utility shall adopt the necessary procedures to assure that charges to this account are distributed according to the thermal energy produced in such periods.

B. This account shall also include the costs involved when fuel is leased.

C. This account shall also include the cost of other fuels, used for ancillary steam facilities, including superheat.

D. This account shall be debited or credited as appropriate for significant changes in the amounts estimated as the net salvage value of uranium, plutonium, and other byproducts contained in account 157, Nuclear Materials Held for Sale and the amount realized upon the final disposition of the materials. Significant declines in the estimated realizable value of items carried in account 157 may be recognized at the time of market price declines by charging this account and crediting account 157. When the declining change occurs while the fuel is recorded in account 120.3, Nuclear Fuel Assemblies in Reactor, the effect shall be amortized over the remaining life of the fuel.

Ameren Missouri  
 Additional Information Ordered by the Commission  
 Report 5(M)  
 September 2016

	2016 September	Rider FAC	
	Total	Factor	Source
Fuel For Load Acct 501		FC	Report 5C p1, line 2
Fuel For Load Acct 518		FC	Report 5C p1, line 3
Fuel For Load Acct 547		FC	Report 5C p1, line 4
Fly Ash Acct 501		FC	Report 5C p1, line 5
Fuel Additives Acct 502		FC	Report 5C p1, line 6
Fixed Gas Supply Costs for Load Acct 547		FC	Report 5C p1, line 8
Fuel For OSS Acct 501		FC	Report 5C p1, line 12
Fuel For OSS Acct 518		FC	Report 5C p1, line 13
Fuel For OSS Acct 547		FC	Report 5C p1, line 14
(Gains)/Losses on Gas Sales Acct 547		FC	Report 5C p1, line 15
Fly Ash Acct 501		FC	Report 5C p1, line 16
Fuel Additives Acct 502		FC	Report 5C p1, line 17
Fixed Gas Supply Costs for OSS Acct 547		FC	Report 5C p1, line 19
<b>Fuel Costs Total</b>			
<b>FERC 501 Diaggregation</b>			
	<u>Coal Commodity</u> - Includes quality and SO2 adjustments, semi-annual inventory adjustments, broker fees and coal hedging (gains)/losses		
	<u>Coal Freight</u> - Includes trucking expenses for high sulfur coal, fuel surcharges (net of hedging) and semi-annual inventory adjustments		
	<u>Railcar</u> - Includes depreciation, lease costs, switching, repair and maintenance		
	Coal (Gains)/Losses on Coal Sales		
	Fly Ash (Revenues)/Expenses		
	Oil Costs		
	Gas Costs		
<b>A</b>	<b>FERC 501 subtotal</b>		
<b>FERC 502 Diaggregation</b>			
	Limestone		
	Activated Carbon		
<b>B</b>	<b>FERC 502 subtotal</b>		
<b>FERC 518 Disaggregation</b>			
	Nuclear Fuel Commodity - Includes nuclear fuel hedging costs		
	Waste Disposal Expense		
<b>C</b>	<b>FERC 518 subtotal</b>		
<b>FERC 547 Disaggregation</b>			
	Gas Commodity - Includes gas storage withdrawals/ (injections)		
	Gas Capacity Reservation		
	Gas Transportation		
	Gas Storage		
	Gas Hedging		
	(Gains)/Losses on Gas Sales		
	Oil Costs		
<b>D</b>	<b>FERC 547 subtotal</b>		
<b>A + B + C + D</b>	<b>Fuel Costs Grand Total - Ties Above</b>		

Ameren Missouri  
 Additional Information Ordered by the Commission  
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	2016 September	Rider FAC	Source
	Total	Factor	
Emissions Acct 411.8, 411.9 and 509	-	E	Report 5C p1, line 7
Emissions Acct 411.8, 411.9 and 509	-	E	Report 5C p1, line 18
Emissions Total	-		
Purchased Power for Load Acct 555		PP	Report 5C p1, line 9
Purchased Power for OSS Acct 555		PP	Report 5C p1, line 20
MISO Day 2 Account 555		PP	Report 5C p1, line 26
Ancillary Services Account 555		PP	Report 5C p1, line 27
PJM Account 555 expense		PP	Report 5C p1, line 28
Transmission by Others (Acct 565)		PP	Report 5C p1, line 29
Transmission Revenues (Acct 456.1)		PP	Report 5C p1, line 30
Purchased Power Total			

	FERC 411.8, 411.9 and 509 Disaggregation
	Costs for SO <sub>2</sub> and NO <sub>x</sub> emission allowances
	Revenues for SO <sub>2</sub> and NO <sub>x</sub> emission allowances
A	Emissions Total - Ties Above
	FERC 555 Disaggregation
	Energy
	Losses
	Congestion
	Financial Transmission Rights
	Auction Revenue Rights
	Capacity less than 1 year
	Revenue Sufficiency Guarantees
	Revenue Neutrality Uplift
	Net inadvertent Energy Distribution
	Ancillary Services
	Regulating Reserve Service
	Energy Imbalance Service
	Spinning Reserve Service
	Supplemental Reserve Service
	Hedging
A	FERC 555 subtotal
	FERC 565 Disaggregation
	Network Transmission Service
	Point-to-Point Transmission Service
	System Control and Dispatch
	Reactive Supply and Voltage Control
	MISO Schedule 11 or its successor
	MISO Schedules 26, 26A, 37 and 38 or their successors
	MISO Schedule 33
	MISO Schedules 41, 42A, 42B, 45 and 47
B	FERC 565 subtotal
A + B	Purchased Power Costs Grand Total - Ties Above

Ameren Missouri  
 Additional Information Ordered by the Commission  
 Report 5(M)  
 September 2016

	2016 September	Rider FAC	Source
	Total	Factor	
Off-System Energy Sales (Acct 447)		OSSR	Report 5C p1, line 36
MISO Day 2 Revenues - Make Whole Payments (Acct 447)		OSSR	Report 5C p1, line 37
MISO Day 2 Revenues - Inadvertant Distribution (Acct 447)		OSSR	Report 5C p1, line 38
Capacity Sales (Acct 447)		OSSR	Report 5C p1, line 39
Financial Swaps (Acct 447)		OSSR	Report 5C p1, line 40
Ancillary Services Revenue (Acct 447)		OSSR	Report 5C p1, line 41
Load & Generation Forecasting Deviation			Report 5C p1, line 42
Off-System Sales Revenues			
FERC 447 Disaggregation			
Capacity			
Energy			
Regulating Reserve Service			
Energy Imbalance Service			
Ancillary Services			
Spinning Reserve Service			
Supplemental Reserve Service			
Revenue Sufficiency Guarantees			
Net inadvertent Energy Distribution			
Hedging			
FERC 447 Total			
Off-System Sales Adjustment <sup>1</sup>			
FERC 447 Total - Ties Above			

<sup>1</sup>As provided for in Ameren Missouri's FAC tariff (sheet 73.4 and 73.7) an adjustment to OSSR is made when service classification 12M or 13M (Noranda) billings fall 40,000,000 kWh below the normalized monthly billing determinants established in Case No. ER-2014-0258. See 5D and 5D2 for an explanation and calculation of the September 2016 adjustment.

**Non-Utility FAC Sharing Mechanism Proposals  
Other than 95%/5%**

<b>Case Number</b>	<b>Utility</b>	<b>Party</b>	<b>Sponsoring Witness</b>	<b>FAC Sharing Mechanism Proposal</b>
ER-2007-0002	Ameren Missouri	AARP	Ronald Binz (Nancy Brockway)	Sharing bands
		The Commercial Group	Kevin Higgins	50/50
		MIEC	Maurice Brubaker	80/20 with deadband and sharing bands
ER-2007-0004	Aquila	AARP	Nancy Brockway	50/50
		SIEU, AG-P & FEA	Donald Johnstone	50/50
ER-2008-0093	Empire	MIEC	Maurice Brubaker	95/5 with deadband and sharing bands
		Staff	Lena Mantle	60-80% pass through with 70 mid-point
		OPC	Ryan Kind	60/40
ER-2008-0318	Ameren Missouri	MIEC	Maurice Brubaker	80/20
		State of Missouri	Martin Cohen	80/20 Alternate: 85/15 for cost increases 95/5 for cost decreases
		OPC	Ryan Kind	50/50
ER-2009-0090	KCPL-GMO	Ag Processing FEA SIEUA Wal-Mart	Maurice Brubaker	
ER-2010-0036	Ameren Missouri	Staff	John Rogers David Roos	95/5
		MIEC	Maurice Brubaker	80/20
		OPC	Ryan Kind	80/20
ER-2010-0130	Empire	Staff	Matt Barnes	95/5

<b>Case Number</b>	<b>Utility</b>	<b>Party</b>	<b>Sponsoring Witness</b>	<b>FAC Sharing Mechanism Proposal</b>
ER-2010-0356	KCPL-GMO	Staff	David Roos	75/25
		OPC	Ryan Kind	75/25
ER-2011-0004	Empire	Staff	Matt Barnes	85/15
		OPC	Ryan Kind	85/15
ER-2011-0028	Ameren Missouri	Staff	Lena Mantle	85/15
		OPC	Ryan Kind	85/15
ER-2012-0166	Ameren Missouri	Staff	Lena Mantle	85/15
		MIEC	None	85/15
		AARP/CCM	None	50/50
ER-2012-0175	KCPL-GMO	Staff	Matt Barnes	85/15
ER-2012-0345	Empire	Staff	Matt Barnes	85/15
ER-2014-0258	Ameren Missouri	OPC	Lena Mantle	90/10
		CCM	None	50/50
ER-2014-0351	Empire	OPC	Lena Mantle	90/10
ER-2014-0370	KCPL	Staff	Dana Eaves	95/5
		OPC	Lena Mantle	50/50
		MECG	Michael Brosch	95/5 (or anything higher than 0)
ER-2016-0023	Empire	Staff	David Roos	95/5
ER-2016-0156	KCPL-GMO	Staff	Matt Barnes	95/5
		OPC	Lena Mantle	90/10

<b>Case Number</b>	<b>Utility</b>	<b>Party</b>	<b>Sponsoring Witness</b>	<b>FAC Sharing Mechanism Proposal</b>
ER-2016-0179	Ameren Missouri	OPC	Lena Mantle	90/10
ER-2016-0285	KCPL	OPC	Lena Mantle	90/10