

Exhibit No.:

Issues: Revenue
Requirements/
Solar Rebate
Deferral Recovery

Witness: James R. Dittmer

Type of Exhibit: Rebuttal
Testimony

Sponsoring party: Consumers
Council of Missouri

Case No.: ER-2014-0258

Direct Testimony Date: January 16, 2015

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2014-0258

PUBLIC VERSION

REBUTTAL TESTIMONY

OF

JAMES R. DITTMER

ON BEHALF OF THE

CONSUMERS COUNCIL OF MISSOURI

January 16, 2015

Table of Contents

Rebuttal Testimony of James R. Dittmer

I.	Introduction and Summary.....	1
II.	Qualifications.....	3
III.	Summary of Ameren Missouri’s Request for Amortization of Deferred Solar Rebate Costs	5
IV.	Ameren Missouri’s Earnings During the Period of Solar Rebate Payment Deferrals.....	6
V.	Ameren Missouri’s Request to Reflect in Rates a Three-Year Amortization of Deferred Solar Rebate Payments Should be Rejected to Avoid an “Over Recovery” or “Double Recovery” of Such Costs.....	10

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

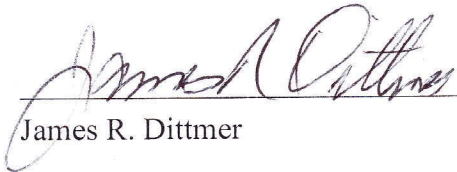
_____)
In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Tariff to Increase) Case No. ER-2014-0258
Its Revenues for Electric Service)

AFFIDAVIT

STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

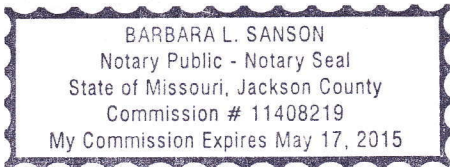
BEFORE ME, the undersigned notary public, this day personally appeared JAMES R. DITTMER, to me known, who being duly sworn according to law, deposes and says:


“My name is JAMES R. DITTMER. I am of legal age and a resident of the State of Missouri. I certify that the foregoing testimony and exhibits, offered by me on behalf of the Consumers Council of Missouri, are true and correct to the best of my knowledge and belief.”



James R. Dittmer

SUBSCRIBED AND SWORN to before me, a notary public, on this 16 day of January 2015





Notary Public in and for the State of Missouri

My Commission Expires: May 17, 2015

1 A. Utilitech, Inc. has been retained by the Consumers Council of Missouri to
2 review and respond to one issue embodied within the application filed by Union
3 Electric Company d/b/a Ameren Missouri (hereinafter “Ameren Missouri”) to
4 increase its rates for providing electric retail service.

5

6 **Q. PLEASE SUMMARIZE CONCLUSIONS AND RECOMMENDATIONS**
7 **INCLUDED WITHIN YOUR REBUTTAL TESTIMONY.**

8 A. Ameren Missouri’s rate relief request incorporates a proposal to recover over a
9 three-year period solar rebate costs that have been, or are projected to be,
10 deferred on the Company’s balance sheet as of December 31, 2014 pursuant to
11 deferral accounting granted for such costs within Case No. ET-2014-0085.
12 During the period in which solar rebate costs were deferred Ameren Missouri
13 achieved earnings above that targeted and authorized by this Commission. In
14 fact, even if the solar rebate costs had been “expensed” or charged against
15 current earnings during the period of deferral, cumulatively Ameren Missouri
16 would still have reported earnings in excess of its MPSC authorized rate of
17 return. To again allow recovery of solar rebate costs vis-à-vis reflection of
18 amortization of deferred solar rebate costs will result in a “double recovery” or
19 “over recovery” of such costs. Accordingly, I am recommending rejection of
20 Ameren Missouri’s request to reflect a three-year amortization of deferred solar
21 rebate costs.

22

23

1 **II. QUALIFICATIONS**

2 **Q. BEFORE DISCUSSING IN GREATER DETAIL THE ISSUE YOU**
3 **BRIEFLY DESCRIBED ABOVE, PLEASE STATE YOUR**
4 **EDUCATIONAL BACKGROUND?**

5 A. I graduated from the University of Missouri - Columbia, with a Bachelor of
6 Science Degree in Business Administration, with an Accounting Major, in 1975.
7 I hold a Certified Public Accountant Certificate in the State of Missouri. I am a
8 member of the American Institute of Certified Public Accountants.

9
10 **Q. PLEASE SUMMARIZE YOUR PROFESSIONAL EXPERIENCE.**

11 A. Subsequent to graduation from the University of Missouri, I accepted a position
12 as auditor for the Missouri Public Service Commission. In 1978, I was
13 promoted to Accounting Manager of the Kansas City Office of the Commission
14 Staff. In that position, I was responsible for all utility audits performed in the
15 western third of the State of Missouri. During my service with the Missouri
16 Public Service Commission, I was involved in the audits of numerous electric,
17 gas, water and sewer utility companies. Additionally, I was involved in
18 numerous fuel adjustment clause audits, and played an active part in the
19 formulation and implementation of accounting staff policies with regard to rate
20 case audits and accounting issue presentations in Missouri. In 1979, I left the
21 Missouri Public Service Commission to start my own consulting business.
22 From 1979 through 1985 I practiced as an independent regulatory utility

1 consultant. In 1985, Dittmer, Brosch and Associates was organized. Dittmer,
2 Brosch and Associates, Inc. changed its name to Utilitech, Inc in 1992.

3
4 My professional experience since leaving the Missouri Public Service
5 Commission has consisted primarily of issues associated with utility rate,
6 contract and acquisition matters. For the past thirty-five years, I have appeared
7 on behalf of clients in utility rate proceedings before various federal and state
8 regulatory agencies. In representing those clients, I performed revenue
9 requirement studies for electric, gas, water and sewer utilities and testified as an
10 expert witness on a variety of rate matters. As a consultant, I have filed
11 testimony on behalf of industrial consumers, consumer groups, the Missouri
12 Office of the Public Counsel, the Missouri Public Service Commission Staff, the
13 Indiana Utility Consumer Counselor, the Mississippi Public Service
14 Commission Staff, the Arizona Corporation Commission Staff, the Arizona
15 Residential Utility Consumer Office, the Nevada Office of the Consumer
16 Advocate, the Washington Attorney General's Office, the Hawaii Consumer
17 Advocate's Staff, the Oklahoma Attorney General's Office, the Oregon Citizens
18 Utilities Board, the West Virginia Public Service Commission Consumer
19 Advocate's Staff, municipalities and the Federal government before regulatory
20 agencies in the states of Alaska, Arizona, Colorado, Florida, Hawaii, Indiana
21 Kansas, Maine, Michigan, Mississippi, Missouri, Nevada, New Mexico, New
22 York, Ohio, Oklahoma, Oregon, Texas, Washington and West Virginia, as well
23 as the Federal Energy Regulatory Commission.

1 **III. SUMMARY OF AMEREN MISSOURI’S REQUEST FOR**
2 **AMORTIZATION OF DEFERRED SOLAR REBATE COSTS**

3
4 **Q. PLEASE SUMMARIZE YOUR UNDERSTANDING OF AMEREN**
5 **MISSOURI’S REQUEST TO RECOVER SOLAR REBATE COSTS**
6 **THAT HAVE BEEN DEFERRED OVER RECENT PERIODS.**

7 A. As described within the direct testimony of Ms. Laura Moore, Ameren Missouri
8 proposes to include in the development of the revenue requirement to be
9 established within this case \$33,697,000 of annual amortization expense
10 resulting from solar rebate costs that have been deferred pursuant an ordered
11 issued within Case No. ET-2014-0085. More specifically, within Case No. ET-
12 2014-0085 the MPSC approved a Non-Unanimous Stipulation and Agreement
13 (“the Stipulation”) entered into by Ameren Missouri, the MPSC Staff, the
14 Office of the Public Counsel, as well as several intervenors participating in the
15 noted case.

16
17 Among other things, the noted Stipulation provides that Ameren Missouri be
18 allowed to defer within a regulatory asset account payments for solar rebates
19 paid by Ameren Missouri after July 31, 2012. The Stipulation also provided
20 that solar rebates paid through “the end of the true-up period in Ameren
21 Missouri’s next general rate proceeding, plus ten percent (10%) of that amount”
22 could be deferred within the regulatory asset account contemplated by the

1 Stipulation – with the total deferral balance not to exceed \$101,090,000.¹
2 Finally, the Stipulation provided that solar repayments would not be recovered
3 within the Renewable Energy Standard Rates Adjustment Mechanism, but
4 would instead be recovered in a general rate proceeding through reflection of a
5 three-year amortization of the deferrals recorded within the regulatory asset
6 account being established.

7

8 The adjustment sponsored by Ms. Moore at page 26 of her direct testimony
9 reflects the Company’s proposed three-year amortization of the maximum
10 deferral balance authorized per the Stipulation. The annual revenue requirement
11 impact of the Company’s amortization proposal is approximately \$33 million.

12

13 **IV. AMEREN MISSOURI’S EARNINGS DURING THE PERIOD**
14 **OF DEFERRAL FOR SOLAR REBATE PAYMENTS**

15

16 **Q. WHAT HAS AMEREN MISSOURI’S REPORTED EARNINGS BEEN**
17 **DURING THE PERIOD THAT THE COMPANY HAS BEEN**
18 **AUTHORIZED TO DEFER SOLAR REBATE PAYMENTS PURSUANT**
19 **TO CASE ET-2014-0085?**

20 A. Pursuant to Commission Rule 4 CSR 240-3.160(6), any electric company
21 permitted to implement a Fuel Adjustment Clause is required to provide
22 quarterly “surveillance monitoring reports”. Included within Table 1 below are
23 Ameren Missouri’s authorized return on equity and achieved returns on equity

¹ Page 5 of the Stipulation provides that the regulatory asset account shall not exceed \$91.9 million plus ten percent – which equates to a maximum total deferral balance of \$101,090,000.

1 as reported for quarters ending June 2013 through September 2014. The
2 earnings information contained in Ameren Missouri's surveillance reports
3 covering the periods up through March 2014 were previously designated as
4 "public" during the evidentiary hearing in Case No. EC-2014-0223, while a
5 motion to declassify the earnings information for the remaining period through
6 September 2014 has been filed by the Consumers Council of Missouri in this
7 case and is currently pending before the Commission. September 2014 is the
8 most recently filed surveillance report available at this time.

9
10 The June 2013 surveillance report would capture a twelve-month period that
11 reflects the impact of deferrals of solar payment for the ten months August 2012
12 through June 2013. In other words, the authorized and reported earnings for the
13 period shown on Table 1 reflect reported Ameren Missouri earnings available to
14 date for the period of time that the Company has been authorized to defer
15 significant amounts of solar rebate payments. Or stated more succinctly, the
16 achieved earnings reported on the surveillance reports, and summarized on
17 Table 1 below, are *higher* than would have been reported *but for* Ameren
18 Missouri's authority to defer significant amounts of solar repayments that
19 otherwise would have resulted in a charge to current period earnings.

20
21 Finally, also reported on Table 1 below is the revenue requirement that has been
22 over collected as calculated from the rate base and achieved operating income
23 included on the quarterly surveillance reports.

Table 1			
Authorized Versus Reported Earning And Implied Over Recovery of Revenue Requirements During Solar Rebate Payment Deferral Period			
12 Month Reporting Period Ending	Authorized ROE	Reported Achieved ROE	Calculated Over Recovery of Revenue Requirements
June 2013	9.80%	10.57%	\$42.98 million
September 2013	9.80%	10.32%	\$29.24 million
December 2013	9.80%	10.34%	\$31.18 million
March 2014	9.80%	10.45%	\$37.16 million
June 2014	9.80%	11.89%	\$116.19 million
September 2014	9.80%	11.43%	\$93.18 million

1

2 **Q. WHAT AMOUNTS OF SOLAR REBATE PAYMENTS HAVE BEEN**
3 **DEFERRED SINCE AUGUST 1, 2012 – THE DATE AFTER WHICH**
4 **DEFERRAL ACCOUNTING WAS AUTHORIZED PURSUANT TO**
5 **CASE NO. ET-2014-0085?**

6 A. That information has been provided by month from August 2012 through
7 October 2014 in response to Data Request MPSC 0159s2 received in this case.
8 Total solar rebate payments made during the noted period total to \$87,388,391.

9

10 **Q. DO EXCESS REVENUE REQUIREMENTS RECOVERED THROUGH**
11 **RATES, CALCULATED FROM ACHIEVED EARNINGS OBTAINED**
12 **FROM FAC SURVEILLANCE REPORTS, EXCEED SOLAR REBATE**
13 **PAYMENTS THROUGH OCTOBER 2014?**

14

1 A. Yes. Referring back to Table 1, over recovered revenue requirements for the
2 twelve month periods ending September 2013 and September 2014 sum to
3 \$122.4 million – or approximately \$35 million more than the amount of solar
4 rebate payments incurred and deferred for the period August 2012 through
5 October 2014.

6

7 **Q. ARE EARNINGS REPORTED WITHIN THE FAC SURVEILLANCE**
8 **REPORTS IN ANY FASHION “NORMALIZED” OR ADJUSTED FOR**
9 **ITEMS THAT MIGHT BE “DISALLOWED” IN THE CONTEXT OF A**
10 **TYPICAL RATE REVIEW?**

11 A. My understanding is that no adjustments are posted to earnings reflected in the
12 surveillance reports – which would include any adjustments typically reflected
13 in rate case reviews.

14

15 **Q. HAVE YOU “AUDITED,” OR ARE YOU PROPOSING ANY**
16 **ADJUSTMENTS TO, THE EARNINGS REFLECTED IN THE**
17 **SURVEILLANCE REPORTS?**

18 A. No.

19

20 **Q. GIVEN YOUR PREVIOUS RESPONSE, CAN YOU CONCLUDE WITH**
21 **CERTAINTY THAT EVEN IF DEFERRAL ACCOUNTING FOR THE**

22

1 **SOLAR REBATE PAYMENTS HAD NOT BEEN AUTHORIZED, THAT**
2 **AMEREN MISSOURI'S REGULATED EARNINGS WOULD BE**
3 **APPROXIMATELY EQUAL TO, OR GREATER THAN, EARNING**
4 **TARGETED BY THIS COMMISSION IN THE COMPANY'S LAST**
5 **GENERAL RATE CASE?**

6 A. I cannot draw such conclusion with certainty. What I can conclude is that there
7 is a reasonable indication that even if all such solar payments costs had *not* been
8 deferred, and an audit of the entire recovery period had been undertaken with
9 resultant "rate case adjustments" posted, that Ameren Missouri's reported
10 earnings would have fallen within a close range surrounding the targeted return
11 on equity. Further, it is difficult to envision that even with all typical "rate case
12 adjustments" posted that some significant amount of excess earnings would not
13 have been realized.

14
15
16 **V. AMEREN MISSOURI'S REQUEST TO REFLECT IN RATES A**
17 **THREE-YEAR AMORTIZATION OF DEFERRED SOLAR REBATE**
18 **PAYMENTS SHOULD BE REJECTED TO AVOID AN "OVER**
19 **RECOVERY" OR "DOUBLE RECOVERY" OF SUCH COST.**

20
21 **Q. WHAT IS YOUR RECOMMENDATION REGARDING AMEREN**
22 **MISSOURI'S REQUEST FOR RECOVERY OF PREVIOUSLY**
23 **DEFERRED SOLAR REBATES IN THE DEVELOPMENT OF BASE**
24 **RATES IN THIS PROCEEDING?**

25

1 A. As summarized at the outset of testimony, I am recommending rejection of
2 Ameren Missouri's proposal to reflect in rates a three-year amortization of
3 deferred solar rebate payments. As noted in the previous section of testimony,
4 Ameren Missouri's reported earnings indicate that calculated excess revenues
5 collected during the deferral period exceed solar rebate payments made during
6 the deferral period. Thus, there is a strong indication that rates in effect were
7 sufficient to assume that such solar payments have already been collected from
8 ratepayers. To allow the Company's request to reflect amortization of deferred
9 solar rebate payments would essentially require ratepayers to again pay for costs
10 already recovered in rates. Accordingly, I am recommending rejection of the
11 Company's proposal to amortize deferred solar rebate payments.

12
13 **Q. HAVE YOU REVIEWED THE NON-UNANIMOUS STIPULATION AND**
14 **AGREEMENT, AS WELL AS THIS COMMISSION'S ORDER**
15 **APPROVING SUCH STIPULATION FROM CASE NO. ET-2014-0085?**

16 A. Yes.

17 **Q. DOESN'T THE STIPULATION PROVIDE FOR DEFERRAL**
18 **ACCOUNTING AND ANTICIPATE THAT COSTS DEFERRED**
19 **PURSUANT TO THE STIPULATION WILL BE RECOVERED IN**
20 **RATES IN THIS "NEXT GENERAL RATE CASE" OVER A THREE-**
21 **YEAR PERIOD?**

1 A. I would agree that recovery of deferred solar rebate costs over a three-year
2 prospective period was anticipated with the Stipulation.

3

4 **Q. HAVE THE COMPANY AND ITS INDEPENDENT AUDITORS RELIED**
5 **UPON THE STIPULATION TO RECORD SOLAR REBATE**
6 **PAYMENTS WITHIN A REGULATORY ASSET ACCOUNT – RATHER**
7 **THAN A CHARGE AGAINST CURRENT PERIOD EARNINGS – FOR**
8 **THE PERIOD AUGUST 2012 TO DATE?**

9 A. Yes.

10

11 **Q. WHAT ACCOUNTING WOULD OCCUR IF YOUR**
12 **RECOMMENDATION TO REJECT THE COMPANY’S THREE-YEAR**
13 **AMORTIZATION OF DEFERRED SOLAR REBATE COSTS IS**
14 **ADOPTED BY THIS COMMISSION?**

15 A. Ameren Missouri would be required to charge against current period earnings
16 the entire after-tax write down of all previously deferred costs. In other words,
17 Ameren Missouri would need to reflect a one-time or non-recurring charge
18 against earnings in the amount of the entire deferral balance.

19

20 **Q. GIVEN YOUR THREE PREVIOUS ANSWERS, WHY IS IT**
21 **REASONABLE AT THIS TIME TO REJECT THE COMPANY’S**
22 **PROPOSED THREE-YEAR AMORTIZATION OF DEFERRED SOLAR**
23 **REBATE PAYMENTS?**

1 A. First, it is only reasonable and equitable that ratepayers be required to provide
2 for the recovery of prudently incurred and statutorily mandated costs *once*.
3 Second, while I am not appearing as a legal expert, my review of numerous
4 MPSC orders and Missouri appellate court decisions leads me to conclude that
5 this Commission's granting of deferral accounting does not constitute a
6 ratemaking authorization. Third, the Stipulation from Case No. ET-2014-0085
7 may have led Ameren Missouri and its independent auditors to conclude that it
8 was "probable" that deferred solar rebate payments reflected on the Company's
9 balance sheet as a "regulatory asset" would eventually be recovered as part of a
10 future base rate change occurring as a result of a general rate case application..
11 That stated, there was never a "guarantee" that deferred solar rebate payments
12 would be prospectively recovered in rates, and Ameren Missouri was likely
13 aware of legal and regulatory precedent in Missouri regarding deferrals when it
14 entered into that Stipulation.

15
16 **Q. TURNING TO YOUR FIRST POINT, PLEASE EXPAND UPON THE**
17 **ARGUMENT THAT RATEPAYERS SHOULD BE REQUIRED TO**
18 **ONLY PROVIDE FOR RECOVERY OF REASONABLY INCURRED**
19 **SOLAR REBATE PAYMENTS *ONCE*.**

20 A. At the outset I would emphasize that neither I nor the Consumers Council view
21 the position being recommended herein as a "disallowance" of solar rebate
22 payments. It is recognized that Ameren Missouri should be allowed to recover
23 the statutorily mandated solar rebate payments. My position, and the position of

1 the Consumers Council, is that such costs have already been recovered in rates
2 that were sufficient to provide for full recovery of the solar rebate payments *and*
3 provide a reasonable return on investors’ capital. And in this instance, I am
4 effectively arguing that a “reasonable return on investors’ capital” is equivalent
5 to Ameren Missouri earning its MPSC- authorized or targeted return on equity
6 as calculated after deducting the impact of all solar rebate payments incurred.

7

8

9 **Q. TURNING TO YOUR SECOND POINT, PLEASE EXPAND UPON**
10 **YOUR CONCLUSION THAT IN MISSOURI THE GRANTING OF**
11 **DEFERRAL ACCOUNTING IS NOT TANTAMOUNT TO ALSO**
12 **CONCURRENTLY GRANTING EXPLICIT RATEMAKING**
13 **TREATMENT.**

14 A. Again, I am not a lawyer and am not attempting to testify as a legal expert. The
15 Consumers Council will be providing legal support within its briefs to be filed
16 at the end of hearings for the conclusions that I draw from reading a number of
17 previous Commission orders which reveal that this Commission does not view
18 its granting of deferral accounting to be equivalent to, or implicit of, the
19 granting of rate recovery for costs being authorized for deferral. To the contrary,

20

1 my understanding from review of an appellate court decision² and numerous
2 MPSC orders³ is that the appellate court and this Commission have regularly
3 concluded that the mere granting of deferral accounting does *not* constitutes
4 automatic and complete prospective recovery in rates. Further, certain decisions
5 have specifically concluded that other relevant factors, including offsets, could
6 be considered at the time that rates for recovery of previously deferred costs
7 were being considered.

8 **Q. ARE YOU FAMILIAR WITH THE TERM “SINGLE ISSUE**
9 **RATEMAKING” OR “PIECEMEAL RATEMAKING”?**

10 A. Yes. The term “single issue ratemaking” refers to a proposal, in my experience
11 most frequently advanced by regulated utilities, to provide for current or future
12 recovery of specific costs - or possibly “lost revenues” - without regard to what
13 is occurring with the recovery of all other cost of service components. Single
14 issue ratemaking occurs in the form of automatic rate trackers – such as fuel
15 adjustment clauses – as well as with deferral accounting mechanism which
16 indicate a promise or commitment to recover in future rates costs being incurred
17 in the present.

18

19 **Q. ARE YOU FAMILIAR WITH THE ARGUMENTS FOR, AS WELL AS**
20 **AGAINST, “SINGLE ISSUE RATEMAKING”?**

² Office of the Public Counsel v. Public Service Commission, 858 S.W.2d 806 (Mo. Ct of App. 1993).

³ Missouri Public Service Case Nos. EO-91-358 & EO-91-360 Order Issued December 20, 1991; Missouri-American Water Company et al. Case No. WO-2002-273 Order Issued November 10, 2004; Southern Union Company Case No. GU-2011-0392 Order Issued January 25, 2012; Ameren Missouri Case No. EU-2012-0027 Order Issued November 26, 2013.

1 A. Yes. Arguments frequently cited in favor of single issue ratemaking proposals
2 include reduction in regulatory lag, reduced need for frequent rate cases, and
3 certainty of recovery of prudently incurred costs with the attendant expected
4 benefit of lower financing costs. Arguments frequently cited against single
5 issue ratemaking proposals include the removal of incentives for utilities to
6 operate efficiently and control *overall* costs, as well as restrictions upon the
7 regulator to consider the utility's *overall* recovery of all costs. More specifically
8 on this latter point, it is frequently and I believe credibly argued that
9 authorization of single issue ratemaking mechanisms can prevent the regulators
10 from considering *over recoveries* occurring with base rates that could be
11 considered as "offsets" to costs otherwise expected to recovered through a
12 single issue ratemaking mechanisms. It is important, in my opinion, to
13 recognize that this Commission has regularly stated that deferral accounting
14 would not prevent it from considering relevant "offsets" to the full prospective
15 recovery of costs for which it had previously granted deferral accounting
16 authority.

17
18 **Q. TURNING TO YOUR THIRD POINT, PLEASE EXPAND YOUR**
19 **STATEMENT THAT THE DEFERRAL ACCOUNTING FOR SOLAR**
20 **REBATE PAYMENTS SHOULD NOT BE CONSTRUED TO BE A**
21 **GUARANTEE OF RECOVERY OF SUCH COSTS.**

22 A. This third point is arguably just a continuation of the second point- namely, that
23 *this Commission* has historically determined that deferral accounting does not

1 equate to guaranteeing recovery of all costs deferred in the development of
2 prospective rates. I mention it separately, however, in anticipation of a
3 Company criticism of the Consumers Council's proposal that Ameren
4 Missouri's independent auditors, and ultimately Ameren Missouri's investors,
5 have relied upon an assumption that costs deferred in regulatory asset account
6 would be fully recoverable in future rates. Further, it will not be a surprise if
7 Ameren Missouri argues that if the Consumer Council's proposal is adopted that
8 such an order would shake the confidence of investors and rating agencies.

9
10 **Q. SHOULD INVESTORS' CONFIDENCE IN THE REGULATORS'**
11 **WILLINGNESS TO AUTHORIZE RECOVERY OF PRUDENTLY**
12 **INCURRED COSTS BE OF CONCERN TO THIS COMMISSION?**

13 A. In general, investor confidence in this Commission's willingness to allow
14 recovery of prudently incurred costs should be a concern. However, as noted, in
15 my view this Commission has been consistent and transparent in its decisions
16 over a great number of years that it does not consider the authorization of
17 deferral accounting to be equivalent to the authorization of automatic recovery
18 of all costs deferred in the particular manner requested by the utility in a future
19 rate case. Further, this Commission in many prior MPSC decisions has
20 consistently stated that it was not guaranteeing unadjusted rate recovery of
21 deferred costs, and that it would consider relevant "offsets" to prospective
22 recovery of deferred costs when the issue of rate recovery arises in a general
23 rate case. On this particular issue, the Commission should recognize that

1 Ameren has been granted the opportunity for full recovery of appropriately
2 expended and deferred solar rebate costs, and therefore it should not be allowed
3 to double recover or over recover these same costs as would occur with the
4 Company's three-year amortization proposal in this case.

5

6 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

7 A. Yes, it does.

