

Exhibit No.:

Issue(s): Board of Directors
Expense, Membership
Dues, AGA Dues,
Customer Convenience
Charges, Cash Working
Capital, Advertising,
Capitalized O&M
Depreciation, Rents &
Leases

Witness: Jane C. Dhority

Sponsoring Party: MoPSC Staff

Type of Exhibit: Surrebuttal/True-Up
Direct Testimony

Case No.: GR-2021-0241

Date Testimony Prepared: November 5, 2021

MISSOURI PUBLIC SERVICE COMMISSION

FINANCIAL AND BUSINESS ANALYSIS DIVISION

FINANCIAL ANALYSIS DEPARTMENT

SURREBUTTAL / TRUE-UP DIRECT TESTIMONY

OF

JANE C. DHORITY

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

CASE NO. GR-2021-0241

*Jefferson City, Missouri
November 2021*

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1 **SURREBUTTAL / TRUE-UP DIRECT TESTIMONY**

2 **OF**

3 **JANE C. DHORITY**

4 **UNION ELECTRIC COMPANY,**
5 **d/b/a Ameren Missouri**

6 **CASE NO. GR-2021-0241**

7 Q. Please state your name and business address.

8 A. Jane C. Dhority, 111 North 7th Street, Suite 105, St. Louis, MO 63101.

9 Q. By whom are you employed and in what capacity?

10 A. I am employed by the Missouri Public Service Commission (“Commission”) as
11 a Utility Regulatory Auditor.

12 Q. Are you the same Jane C. Dhority who filed direct testimony as part of Staff’s
13 Revenue Requirement Cost of Service Report (“Report”) that was filed on September 3, 2021,
14 as part of this rate proceeding?

15 A. Yes.

16 Q. What is the purpose of your surrebuttal/true-up direct testimony in this
17 proceeding?

18 A. My surrebuttal testimony will address the following issues: (1) board of directors
19 expense (Ameren Missouri witness Mitch Lansford), (2) membership dues (Ameren Missouri
20 witness Mitch Lansford), (3) AGA dues (Ameren Missouri witness Mitch Lansford),
21 (4) customer convenience charges (Ameren Missouri witness Mitch Lansford), (5) cash
22 working capital (Ameren Missouri witness Mitch Lansford), and (6) advertising (Ameren
23 Missouri witness Trina Muniz).

1 My true-up direct testimony will provide Staff's true-up position regarding the
2 following issues: (1) cash working capital, (2) capitalized depreciation, (3) customer
3 convenience fees, (4) miscellaneous expense, and (5) rents and leases.

4 **SURREBUTTAL**

5 **Board of Directors Expense**

6 Q. Mitch Lansford's rebuttal testimony states that Staff's adjustment for board
7 costs is incorrect. Does Staff agree?

8 A. Yes. Staff used an incorrect percentage to allocate board costs between Ameren
9 Missouri's gas and electric operations. Staff also removed expenses that were recorded prior
10 to the test year. Staff's adjustment has corrected these errors.

11 **Membership Dues**

12 Q. What is the rationale behind Staff's adjustment to account for the lobbying
13 portion of membership dues?

14 A. In Staff's direct testimony it referenced an article that was also included as an
15 attachment titled, "Missouri, Kansas utilities may be using loophole to charge customers for
16 fossil fuel lobbying"¹. The article discusses concerns that companies may not be removing
17 all lobbying costs from their membership dues. The article expresses additional concern that
18 these organizations may be using more than just dedicated lobbying funds to work on
19 influencing policy.

20 To address this concern, Staff's adjustment removed 50% of membership dues for
21 organizations that may engage in lobbying activity or those organizations whose methods of
22 determining their lobbying percentage are unclear.

¹ "MISSOURI, KANSAS UTILITIES MAY USE LOOPHOLE TO CHARGE CUSTOMERS FOR FOSSIL FUEL LOBBYING", Allison Kite, The Missouri Independent, June 7, 2021. See attached Schedule JCD-s1 and Schedule JCD-s2; and are included in Staff's Direct Cost of Service Report, Case No. GR-2021-0241.

1 Q. Does Ameren Missouri have policies to account for dues, memberships, and
2 lobbying costs?

3 A. Yes. In case No. ER-2021-0240, question 5 of DR 707 asks if the Company has
4 a policy for charging below-the-line amounts related to lobbying activities included in group
5 dues/fees. Ameren Missouri provided their accounting policy for dues and memberships as
6 well as their accounting policy for lobbying costs which both state:

7 “Sometimes, invoices related to memberships have a note on the invoice, or an
8 attached letter, that states that a certain percentage of the invoice charges are nondeductible as
9 lobbying expenses. However, there have been instances where lobbying has in fact been
10 conducted but the organization did not provide this information on the invoice. In this instance,
11 you must contact the organization directly to see if they participated in any lobbying
12 activities (State or Federal) and if so, at what percentage. Once lobbying activity has
13 been verified, the accounting for the invoice should be split accordingly between membership
14 expense and lobbying expense with a separate percent for State and Federal lobbying
15 (forexample, 20% of dues apply to federal lobbying and 16% to state lobbying).”

16 Q. How did Ameren Missouri respond to Staff’s concerns that the organizations to
17 which they are a member may not be accurately disclosing the amount of membership dues
18 used for lobbying activities?

19 A. Staff submitted DR 707 in case No. ER-2021-0240 in which it asked for further
20 detail of Ameren Missouri’s assessment and treatment of the lobbying portion of membership
21 dues. Question 4 of this DR asks if “Ameren Missouri performs any type of independent
22 analysis of that portion of fees/dues paid to each group listed above should be considered related
23 to lobbying activities, or does Ameren Missouri accept each group’s characterization of this

1 percentage? If so, please generally describe Ameren Missouri's review of the extent of
2 lobbying activities engaged in by groups that Ameren Missouri participates in."

3 The Company did not answer this question. Mr. Lansford states in his rebuttal testimony
4 (page 11, lines 1 through 3), "The Company reviewed each respective invoice to identify the
5 appropriate lobbying percentages as disclosed by the organization, and then verified the
6 appropriate amount from each invoice was booked correctly below the line."

7 Q. Did Ameren Missouri verify the amount of lobbying activity performed by the
8 organizations for which they are a member?

9 A. It does not appear so. Ameren Missouri witness Mitch Lansford's testimony
10 states that based on statutes and regulations trade organizations are required to follow, "there is
11 a strong expectation that amounts disclosed as lobbying on membership invoices are correct."

12 It is clear from Ameren Missouri's own policy that it too is concerned that these
13 organizations may not be accurately disclosing the full amount of costs used for lobbying
14 activities. That being said, it appears that the Company did not verify the correct amount of
15 lobbying activity for each organization, but rather relied on information provided in invoices
16 for membership dues. This is in direct conflict with their own policy regarding this matter.

17 Q. What is Staff's position with regard to the lobbying portion of membership dues?

18 A. The onus is on Ameren Missouri to verify the correct lobbying percentage for
19 each organization to which they are a member. It is also their obligation by law to correctly
20 book these costs below the line to ensure that the Company's ratepayers are not burdened by
21 the costs of activities aimed at influencing policy. Ameren Missouri has failed to alleviate
22 Staff's concerns regarding both of these issues. Removing 50% of the costs of memberships
23 provides reasonable assurance that ratepayers are not being forced to pay for lobbying activities.

1 Q. Does Staff have anything further to add regarding membership dues?

2 A. Yes. During Staff's initial analysis, it discovered that some of the membership
3 cost that Staff disallowed was recorded in capital overhead accounts. Staff made adjustments
4 as part of its direct filing to rebook the capitalized membership costs to an overhead account
5 and remove a corresponding amount from depreciation reserve. Subsequent to its direct filing,
6 Staff received further information regarding these items and has amended its adjustments to
7 reflect the proper amount removed from depreciation reserve.

8 **AGA Dues**

9 Q. Ameren Missouri witness Mitch Lansford states in his rebuttal testimony that he
10 does not agree with Staff's adjustment relating to the American Gas Association ("AGA")
11 membership. How does Staff respond?

12 A. Staff agrees with Ameren Missouri that it incorrectly removed costs that were
13 not expensed in the test year. With regard to the lobbying portion of the adjustment, Staff's
14 treatment is the same for dues paid to the AGA as it is for other memberships (see above
15 testimony regarding membership dues for further discussion on Staff's position).

16 **Customer Convenience Charges**

17 Q. Ameren Missouri witness Mitch Lansford's rebuttal testimony states that Staff's
18 calculation of customer convenience fees did not include customer-facing charges related to
19 Automated Clearinghouse ("ACH") payments in its adjustments. Does Staff agree?

20 A. Yes. Staff has amended its adjustment to include ACH payments in its
21 calculation of customer convenience charges.

22 **Cash Working Capital**

23 Q. Please summarize Ameren Missouri's position regarding Staff's treatment of the
24 sales tax revenue lag in Staff's recommended Cash Working Capital (CWC).

1 A. In his rebuttal testimony, Mr. Lansford disagrees with Staff using a different
2 sales tax revenue lag and expense lag. Mr. Lansford further states that sales tax is not a pass-
3 through tax and should not be treated as such in calculating Ameren Missouri's cash working
4 capital requirement.

5 Q. When you remove the service lag component from the revenue lag do you also
6 have to remove it from the expense lag?

7 A. Yes. When you remove a component from a revenue or expense lag, you
8 must also remove that component from the other. Staff did this when computing the lags for
9 sales tax.

10 Q. On page 15, lines 20 and 21 of his rebuttal testimony, Mr. Lansford states
11 that the "Staff is grouping sales tax with the other pass-through tax, the gross receipts tax, by
12 excluding the service lag from the revenue lag component." Does Staff Agree?

13 A. No. Staff disagrees with this methodology because these two types of taxes
14 have different statutory requirements and are treated differently in calculating the expense
15 lead-time."

16 Q. Is the treatment for expense lead time relevant to the revenue lag?

17 A. No. The revenue lag is calculated differently than the expense lag. The statutory
18 requirements for these taxes are used to calculate the expense lag, but are not used to calculate
19 the revenue lag.

20 Q. Beginning on page 16, line 1 of his rebuttal testimony, Mr. Lansford discusses
21 that there is direct offsetting revenue for the gross receipts tax and no direct offsetting revenue
22 for the sales tax, and that the recording of these items in the ledger is also different. For
23 purposes of pass through taxes and cash working capital, does it matter how Ameren Missouri
24 has recorded these items in its books and records?

1 A. No. Ameren Missouri’s customers pay one bill that includes the payment for the
2 costs of providing electric service as well as the revenue for the pass through taxes. In addition,
3 Ameren Missouri’s tariff states that the utility can charge a variety of taxes to customers above
4 and beyond the base and commodity charge for electric service; thus, these taxes are being
5 collected in addition to and distinct from operating revenue. Ameren Missouri is acting solely
6 as a collector and remitter of these taxes; therefore, it is necessary to remove the service
7 component of the lag for these pass through taxes.

8 Q. Please clarify the difference in position between Staff and Ameren Missouri with
9 regards to the expense lead associated with the payroll for management employees.

10 A. The base payroll lead is made up of two components; the midpoint of the pay
11 period, which is the number of days in the pay period divided by two, and the payment lead
12 time, which is the number of days after the pay period ends until the payment is made. These
13 two components are combined and multiplied by a weighting factor to determine the overall
14 base payroll lead time. Staff and Ameren Missouri’s disagreement is with the payment lead
15 time that is used for the management employees.

16 ** [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED] **2

² Ameren Missouri’s response to Staff Data Request No. 142 in Case No. GR-2019-0077. In Case No. ER-2019-0335, the Ameren Missouri responded to Staff Data Request No. 328 stating the answers provided in Case No. GR-2019-0077 have not changed. Ameren Missouri responded to Staff Data Request No. 297 in this cases stating that Ameren Missouri has not changed how employees are paid.

1 Staff recommends setting the payment lead time for management employees back to
2 zero, as it was prior to the timing change in November 2018.

3 Q. What effect does Ameren Missouri's proposal for the management payroll
4 expense lead have on cash working capital?

5 A. Ameren Missouri's proposal to shift the pay dates for management employees
6 so that they are paid before services are fully rendered has the effect of increasing the cash
7 working capital requirement for management payroll, all other factors held constant. This
8 results in a negative expense lag and requires Ameren Missouri to acquire the money from
9 investors to meet the payroll demand.

10 Q. Has Staff accepted negative expense leads in the past for payroll and payroll
11 taxes as suggested by Mr. Lansford on page 17, lines 11 through 15?

12 A. Yes. Occasionally a pay date would fall on a holiday or a weekend which would
13 require Ameren Missouri to pay its employees prior to the normal pay date, and that would
14 result in a negative expense lead for that specific pay period. However, the impact of the
15 negative expense lead times for those pay periods was mitigated by the weeks that were paid
16 normally and had a positive expense lead. This is because the pay date landing on a holiday or
17 weekend is an occasional occurrence rather than the normal process. The shift in pay dates to
18 accommodate holidays and weekends can happen with the new pay dates used by Ameren
19 Corporation as well, but it now creates a larger revenue requirement for management payroll
20 because the shift in the payroll process creates a negative expense lead on top of the negative
21 expense lead for pay dates that land on holidays and weekends.

22 Q. Is Staff aware of any other utilities that prepay employees?

23 A. No. In reviewing the lead lag studies filed by other regulated Missouri utilities,
24 Staff found no other utility that is prepaying its employees.

1 Q. Does Ameren Missouri believe there will be cost savings due to the change of
2 management pay dates?

3 A. No. In response to Staff Data Request No. 327 in Case No. ER-2019-0335,
4 Ameren Missouri states, “The change in payroll dates for management employees did not result
5 in any quantifiable cost savings.” This response further supports Staff’s recommendation that
6 ratepayers should not be responsible for prepaying management as it provides no benefit to the
7 ratepayers and in fact is a detriment to the ratepayers.

8 Q. Has Staff made further adjustments to align the results of Ameren Missouri’s
9 gas and electric studies?

10 A. Yes. Staff received information subsequent to filing its direct testimony
11 regarding a discrepancy in Ameren Missouri’s vacation payroll amounts. Staff’s adjustment
12 reflects the correct amounts.

13 **Advertising**

14 Q. How did Staff conduct its analysis of advertising?

15 A. The focus of Staff’s assessment is what Ameren Missouri’s messages were
16 saying during the 2020 test year. Staff reviewed each piece of advertising submitted by Ameren
17 Missouri to determine its primary message. Once that was accomplished, Staff categorized
18 each advertisement according to the KCP&L standard ³based on that primary message.
19 Advertising classified as either general or safety are recoverable, while those of an institutional
20 or political nature are not. Staff made adjustments to only include costs tied to general and
21 safety advertising for recovery in rates.

³ Staff Direct Cost of Service Report, page 74, line 19 through page 75, line 16.

1 Q. Please explain the campaign-based approach to determining recoverable
2 advertising costs.

3 A. The campaign approach is a means for determining whether a campaign should
4 be recoverable or disallowed on a whole. Staff reviews each ad submitted by the Company to
5 determine the primary message. After analyzing all of the items for each campaign, Staff
6 determines what percentage of the campaign is recoverable. If 51% or more of the campaign
7 is recoverable, the entire campaign is allowed, but, if the majority of the campaign in question
8 is not recoverable, the entire campaign is disallowed.

9 Q. Ms. Muniz's rebuttal testimony page 4, lines 19 and 20, asks if the witness
10 agrees with Staff's recommendation to "return" to an ad-by-ad based analysis. How does Staff
11 respond?

12 A. Ms. Muniz poses this question in a manner that implies that the Commission has
13 been consistently ruling in favor of campaign-based recovery and Staff is requesting to go back
14 to assessing advertising on an ad-by-ad basis. This is incorrect. The only case in which the
15 Commission ruled in favor of allowing Ameren Missouri recovery of advertising costs on a
16 campaign basis is case No. ER-2008-0318⁴, which the Company consistently uses as the basis
17 of its argument on the matter. The Commission has not allowed recovery of advertising costs
18 in rates using a campaign-based method in 13 years.

19 Q. On page 4, lines 7 through 18, Ameren Missouri witness Trina Muniz provides
20 details as to why she believes that the categories of the KCP&L standard are no longer adequate.
21 Does Staff agree?

⁴ Case No. GR-2021-0241 Staff Direct Cost of Service Report, page 75, lines 7-16

1 A. No. The KCP&L standard assesses the primary message of each advertisement
2 and does not address the channel used to send the message. The primary message does not
3 change as a result of where it is placed. The fact that it does not explore or consider the
4 additional channels available today is exactly why it is still relevant. The primary message can
5 be assessed whether the advertisement is aired on the radio or posted on Twitter.

6 Q. Does Staff have further comments regarding the KCP&L standard?

7 A. Yes. Ms. Muniz’s lengthy discussion including the definition of advertising and
8 how it does not apply to Ameren Missouri, the different channels of communication they use,
9 the prevalence of social media, the percentage of Americans who own cell phones and that it
10 has increased since 2011, their integrated mix of channels, the varied consumption habits of
11 their customers, and that customers access information at their fingertips is irrelevant to the
12 determination of who should bear the costs of their advertising activities. None of these factors
13 are criteria used in determining whether the costs of advertising should or should not be
14 included in rates.

15 Q. Why does Staff recommend recovery on an ad-by-ad basis rather than by
16 campaign?

17 A. Staff recommends recovery of advertising costs on an ad-by-ad basis as
18 it is more conservative and equitable for both Ameren Missouri and its customers.
19 Ms. Muniz’s preference for the campaign approach does a disservice to captive ratepayers
20 because it allows the Company to recover the costs of institutional advertising that would be
21 disallowed otherwise.

22 Q. In Ameren Missouri witness Trina Muniz’s rebuttal testimony on page 7,
23 lines 12 and 13, she states that “Staff did not give a reason for the disallowance which, as I am

1 told by my attorney, they have the burden of doing in order to overcome the presumption of
2 prudence that apply to utility expenditures in these cases.” How does Staff respond?

3 A. Ms. Muniz asserts that Staff did not provide adequate explanation or rationale
4 of how it assessed Ameren Missouri’s advertisements and that the Company should not be
5 penalized for disallowances made by Staff without such reasoning. Ms. Muniz’s assertion is
6 incorrect. Staff did provide reasoning for its recommendation. Staff’s direct testimony cited
7 the categories of the KCP&L standard as rationale for recovery or disallowance. Ms. Muniz’s
8 disagreement with Staff’s determination of the primary message does not mean no reason was
9 given.

10 Q. Does Staff agree with Ameren Missouri’s rationale for including the cost of the
11 COVID Social Media Templates for recovery in rates?

12 A. No. This item was reviewed by 2 of Staff’s auditors who both agreed that the
13 primary message of this advertisement is institutional in nature. Additionally, documentation
14 provided by the Company indicated that the templates in question were to be used to help
15 showcase inspiring co-worker stories.

16 Q. With regard to the COVID Social Media Templates, Ameren Missouri
17 witness Trina Muniz’s testimony states the following: “I will note that this cost was not
18 booked to the COVID regulatory asset, so another recovery option would be to include
19 these costs in that tracker and to recover the costs consistent with other costs in the tracker”
20 (page 7, lines 2 through 5). How does Staff respond?

21 A. Staff analyzed the Company’s advertising costs and made recommendations for
22 disallowances based on applying the KCP&L standard to the advertisement’s primary message.
23 Ms. Muniz’s suggestion to include advertising deemed institutional and already disallowed by

Surrebuttal/True-Up Direct Testimony of
Jane C. Dhority

1 Staff for recovery through Ameren Missouri’s COVID-19 tracker is inappropriate and not an
2 applicable recovery option.

3 Q. In Staff’s direct testimony regarding its analysis of advertising expense for this
4 rate case, there was a discussion concerning chronic issues with Ameren Missouri’s response
5 times to advertising data requests. Please explain the issue.

6 A. With every Ameren Missouri rate case over the past 30 years, including this
7 case, Staff has submitted a standard set of data requests for all advertisements, invoices and
8 supporting documentation needed to perform an analysis of the costs of advertising the
9 Company seeks to have included for recovery in rates.

10 Staff analyzed the DR response times with regard to advertising for this case and the
11 prior case No. GR-2019-0077 and found the following:

Case No.	Days Elapsed Before DR Fully Answered	# of DRs Answered On Time
GR-2019-0077	45	0
GR-2021-0241	75	1

13 Q. Did the Company respond to Staff’s direct testimony on this issue?
14

15 A. Yes. Ameren Missouri witness Trina Muniz provided rebuttal testimony to Staff
16 regarding the issue, however, no solution to the problem was suggested.

17 Q. On page 6, lines 2 and 3, of Ms. Muniz’s testimony she states that, “Per
18 Ms. Dhority’s own findings, Ameren Missouri has reduced its response time in the last three
19 rate reviews.” How does Staff respond to this statement?

20 A. Staff has just over four months to conduct its audit in a rate case. In this case
21 and previous cases, Staff has had to wait months and conduct several meetings in order to
22 receive all the necessary information in order to complete its analysis. Ameren Missouri’s

1 response times interfere with Staff's ability to perform a full assessment of the Company's
2 advertising activities within the time allotted by the procedural schedule⁵.

3 The response times for data requests are clearly and consistently laid out in the
4 procedural schedule for each rate case and have not changed. Ameren Missouri has historically
5 failed to provide the necessary documents in the 20-day applicable statutory response time for
6 data requests relating to advertising. Their response time in this case was 55 days overdue past
7 the 20-day period.

8 Q. On page 5, lines 18 and 19, Ms. Muniz states that "Ameren Missouri responses
9 to these data requests required us to obtain a very large amount of information and some of it
10 is not house on site." How does Staff respond?

11 A. Staff appreciates that advertising Data Request responses require the Company
12 to provide a large volume of information. However, Ameren Missouri must understand that in
13 order for the Company to recover advertising costs, they must to provide all of the necessary
14 invoices, advertisements, and other documentation for Staff to make the determination to
15 include or disallow these costs for recovery. The burden of proof is on the Ameren Missouri.
16 It would be inappropriate for Staff to allow unexplained costs to be recovered from ratepayers,
17 therefore, all necessary documentation must be provided.

18 Ameren Missouri's efforts to ensure they provide these documents is woefully
19 inadequate, significantly delays discovery, and hampers Staff's ability to make a full and
20 complete assessment of the information in the time afforded by the procedural schedule.

21 Q. Does Staff have a recommendation to address the chronic DR response issues
22 Staff has had with the Company?

⁵ 20 CSR 4240-2.090 Discovery and Prehearings, section C.

1 A. Yes. Staff recommends that the Commission order Ameren Missouri to explore
2 methods that can be utilized and work with Staff in order to receive all advertisements, invoices
3 and related documents consistently requested as part of Staff's review within the required
4 response times lined out in the procedural schedule.

5 **TRUE-UP DIRECT**

6 **Cash Working Capital**

7 Q. Has Staff made any adjustments to its cash working capital calculation as part
8 of its true-up audit?

9 A. Yes. Staff has included information through the true-up cutoff date of
10 September 30, 2021 in its calculation of cash working capital.

11 **Capitalized Depreciation**

12 Q. Has Staff updated its adjustment to capitalized depreciation through the true-up
13 date in this case?

14 A. Yes. Staff has updated the amount of capitalized depreciation to be removed
15 from depreciation expense by applying the September 30, 2021 capitalization percentage to the
16 updated plant balances as part of its true-up audit.

17 **Customer Convenience Fees**

18 Q. Has Staff made any changes to its proposed adjustment for customer
19 convenience fees?

20 A. Yes. Staff has updated the annualized amount of customer convenience fees to
21 reflect Staff's true-up position.

22 **Miscellaneous Expense**

23 Q. Has Staff made any adjustments to miscellaneous expense as part of its true-up
24 audit in this case?

1 A. Yes. Staff has made an adjustment to rebook certain miscellaneous expenses and
2 remove a depreciation reserve adjustment for items incorrectly booked to capital accounts.

3 **Rents & Leases**

4 Q. Did Staff make adjustments to rents and leases as part of its true-up audit?

5 A. Yes. Staff has updated the annualized amount of customer convenience fees to
6 reflect Staff's true-up position.

7 Q. Does this conclude your surrebuttal/true-up direct testimony?

8 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

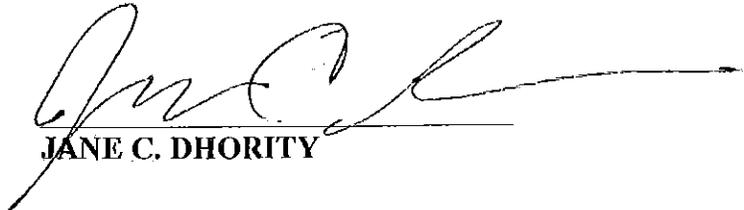
In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Tariffs to Adjust Its)
Revenues for Natural Gas Service) Case No. GR-2021-0241

AFFIDAVIT OF JANE C. DHORITY

STATE OF MISSOURI)
)
COUNTY OF ST. LOUIS) ss.

COMES NOW JANE C. DHORITY, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal/True-Up Direct Testimony of Jane C. DhORITY*; and that the same is true and correct according to her best knowledge and belief.

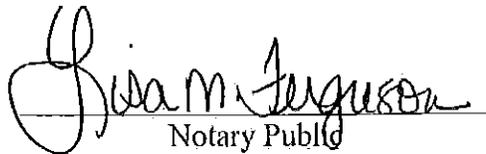
Further the Affiant sayeth not,


JANE C. DHORITY

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of St. Louis, State of Missouri, at my office in St. Louis, on this 3rd day of November, 2021.

LISA M. FERGUSON
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Louis County
My Commission Expires: June 23, 2024
Commission Number: 16631502


Notary Public

ACCOUNTING POLICY FOR DUES AND MEMBERSHIPS

The accounting to be used for Dues and Memberships depends upon the nature of the expense.

Individual dues and memberships which are assignable to the general administration of the company's operations and to specific administrative and general departments should be posted to account 921-072, with resource type MT.

Corporate dues and memberships should be posted to account 930-228, with resource type MD.

Dues and memberships that are clearly not administrative or corporate in nature may be posted to accounts for specific operating departments. For example, an employee whose labor is generally charged to transmission accounts will charge the individual dues and memberships to major 566 for transmission, with resource type MT.

Resource type MT should always be used for individual dues and memberships, and resource type MD should always be used for corporate memberships.

Sometimes, invoices related to memberships have a note on the invoice, or an attached letter, that states that a certain percentage of the invoice charges are nondeductible as lobbying expenses. However, there have been instances where lobbying has in fact been conducted but the organization did not provide this information on the invoice. In this instance, you must contact the organization directly to see if they participated in any lobbying activities (State or Federal) and if so, at what percentage. Once lobbying activity has been verified, the accounting for the invoice should be split accordingly between membership expense and lobbying expense with a separate percent for State and Federal lobbying (for example, 20% of dues apply to federal lobbying and 16% to state lobbying). Please also refer to the ACCOUNTING POLICY FOR LOBBYING COSTS.

For questions, please contact the Managing Supervisor – General Accounting

Effective Date: 10/15/2015

Owner: S. Mark Brawley
Vice President and Controller

ACCOUNTING POLICY FOR LOBBYING COSTS

Lobbying costs should be recorded in FERC account 426.4. Below is the FERC definition of this account:

426.4 Expenditures for certain civic, political and related activities. This account shall include expenditures for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation, or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances) or approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials, but shall not include such expenditures which are directly related to appearances before regulatory or other governmental bodies in connection with the reporting utility's existing or proposed operations.

Expenditures fitting this description should be posted to one of the following accounts at the Ameren companies:

- 426-045 POLITICAL EXPENSES – FEDERAL LOBBYING
- 426-046 POLITICAL EXPENSES – ADVERTISING
- 426-047 POLITICAL EXPENSES – OTHER THAN ADV (INCLUDES STATE LOBBYING)
- 426-048 POLITICAL EXPENSES – STATE PAC
- 426-049 POLITICAL EXPENSES – FEDERAL PAC

The activity to be used on lobbying expenses is CCLE. **Activity CCLE should never be used for any expenditure other than lobbying.**

Sometimes, invoices related to memberships have a note on the invoice, or an attached letter, that states that a certain percentage of the invoice charges are nondeductible as lobbying expenses. However, there have been instances where lobbying has in fact been conducted but the organization did not provide this information on the invoice. In this instance, you must contact the organization directly to see if they participated in any lobbying activities (State or Federal) and if so, at what percentage. Once lobbying activity has been verified, the accounting for the invoice should be split accordingly between membership expense and lobbying expense with a separate percent for State and Federal lobbying (for example, 20% of dues apply to federal lobbying and 16% to state lobbying). Please also refer to the ACCOUNTING POLICY FOR DUES AND MEMBERSHIPS.

For questions, please contact the Managing Supervisor – General Accounting.

Effective: 10/15/2015

Owner: S. Mark Brawley
Vice President and Controller