

Exhibit No.:

Issue(s):

Witness/Type of Exhibit:

Sponsoring Party:

Case No.:

Accounting Authority Order

Robertson/Surrebuttal

Public Counsel

EU-2012-0027

SURREBUTTAL TESTIMONY

OF

TED ROBERTSON

Submitted on Behalf of
the Office of the Public Counsel

UNION ELECTRIC COMPANY D/B/A AMERENUE

Case No. EU-2012-0027

April 12, 2012

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

In the Matter of the Application of Union)
Electric Company d/b/a Ameren Missouri)
for the Issuance of an Accounting)
Authority Order Relating to its Electrical)
Operations.)


Case No. EU-2012-0027

AFFIDAVIT OF TED ROBERTSON

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Ted Robertson, of lawful age and being first duly sworn, deposes and states:

1. My name is Ted Robertson. I am Chief Public Utility Accountant for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.



Ted Robertson, C.P.A.
Chief Public Utility Accountant

Subscribed and sworn to me this 12th day of April 2012.



JERENE A. BUCKMAN
My Commission Expires
August 23, 2013
Cole County
Commission #09754037



Jerene A. Buckman
Notary Public

My Commission expires August 23, 2013.

UNION ELECTRIC COMPANY
d/b/a Ameren Missouri

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND OTHER QUALIFICATIONS.

1 A. I graduated in May, 1988, from Missouri State University in Springfield, Missouri,
2 with a Bachelor of Science Degree in Accounting. In November of 1988, I
3 passed the Uniform Certified Public Accountant Examination, and I obtained
4 Certified Public Accountant (CPA) certification from the state of Missouri in 1989.
5 My CPA license number is 2004012798.

6
7 Q. HAVE YOU RECEIVED SPECIALIZED TRAINING RELATED TO PUBLIC
8 UTILITY ACCOUNTING?

9 A. Yes. In addition to being employed by the Missouri Office of the Public Counsel
10 since July 1990, I have attended the NARUC Annual Regulatory Studies
11 Program at Michigan State University, and I have also participated in numerous
12 training seminars relating to this specific area of accounting study.

13
14 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE MISSOURI PUBLIC
15 SERVICE COMMISSION (COMMISSION OR MPSC)?

16 A. Yes, I have testified on numerous issues before this Commission. Please refer
17 to Schedule TJR-1, attached to this testimony, for a listing of cases in which I
18 have submitted testimony.

19
20 II. ACCOUNTING AUTHORITY ORDER

21 Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

1 A. The purpose of this Surrebuttal Testimony is to support the positions expressed
2 in the Rebuttal Testimonies of the Missouri Public Service Commission (MPSC or
3 Commission) and Missouri Industrial Energy Consumer witnesses regarding the
4 Union Electric Company d/b/a Ameren Missouri (UE or Company) request for an
5 Accounting Authority Order (AAO).

6
7 Q. WHAT IS IT THAT THE COMPANY SEEKS TO DEFER PER THE REQUESTED
8 ACCOUNTING AUTHORITY ORDER?

9 A. It is my understanding that Company's request is to defer a quantification of what
10 it has identified as a reduction in recovery of "fixed costs" it experienced from a
11 reduction in sales to Noranda Aluminum, Inc. (Noranda) associated with an ice
12 storm that occurred on or about January 27, 2009.

13
14 Q. DOES PUBLIC COUNSEL OPPOSE THE COMPANY'S REQUEST?

15 A. Yes. Public Counsel recommends that the Commission deny the Company's
16 Application on the grounds that what the Company is seeking to defer is not
17 incremental costs associated with damage from the ice storm, but is instead
18 additional revenues it may have earned had the storm not occurred.

19
20 Q. DID THE NORANDA SALES REDUCTION ACTUALLY RESULT IN COMPANY
21 INCURRING ANY LOST FIXED COSTS?

1 A. No. What the Company actually seeks to defer is additional revenues it did not
2 earn during the period that Noranda was operating in a reduced capacity.
3 Beginning on page 12, line 16, of the Rebuttal Testimony of Staff witness, Mr.
4 Mark L. Oligschlaeger, he clearly demonstrates the Company fully recovered all
5 its expenses and interest costs along with a portion of its authorized return on
6 equity (profit) during the period that the reduction in sales to Noranda occurred.
7 The Company's request, if authorized, would allow it to defer additional profits
8 (i.e., more return on equity) it did not recover in 2009 and 2010 for possible
9 recovery in future years.

10
11 Q. IS COMMISSION AUTHORIZATION OF A SPECIFIC REVENUE
12 REQUIREMENT OR RETURN ON EQUITY FOR A REGULATED UTILITY A
13 GUARANTEE FOR RECOVERY OF THE AMOUNT?

14 A. No. Regulatory ratemaking principles state that the Commission is responsible
15 for fixing just and reasonable rates at a level that will provide the utility with a
16 reasonable opportunity to recover prudently incurred operating costs,
17 depreciation, taxes and a fair rate of return on the original cost of plant facilities
18 and other assets required to provide and maintain service. The Commission's
19 authorization provides the utility with the opportunity but not a guarantee to earn
20 the amount. It is up to the utility's management to operate the organization so as
21 to achieve the authorized revenue requirement and return on equity.

1
2 Q. DO YOU BELIEVE THAT COMMISSION AUTHORIZATION FOR AAO
3 DEFERRAL OF THE ADDITIONAL REVENUES NOT EARNED WOULD
4 CONSTITUTE RETROACTIVE RATEMAKING?

5 A. In my opinion, the act of deferring the additional revenues would not in and of
6 itself constitute retroactive ratemaking because the Company has not asked for
7 and the Commission does not normally grant ratemaking within its authorization
8 for an AAO. However, should the Commission provide authorization for the
9 Company's AAO request, it is likely that the Company would seek recovery of the
10 deferred revenues in a later general rate case and if then authorized, that would,
11 in my opinion, constitute retroactive ratemaking.

12
13 Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

14 A. Yes, it does.
15
16
17

**CASE PARTICIPATION
OF
TED ROBERTSON**

<u>Company Name</u>	<u>Case No.</u>
Missouri Public Service Company	GR-90-198
United Telephone Company of Missouri	TR-90-273
Choctaw Telephone Company	TR-91-86
Missouri Cities Water Company	WR-91-172
United Cities Gas Company	GR-91-249
St. Louis County Water Company	WR-91-361
Missouri Cities Water Company	WR-92-207
Imperial Utility Corporation	SR-92-290
Expanded Calling Scopes	TO-92-306
United Cities Gas Company	GR-93-47
Missouri Public Service Company	GR-93-172
Southwestern Bell Telephone Company	TO-93-192
Missouri-American Water Company	WR-93-212
Southwestern Bell Telephone Company	TC-93-224
Imperial Utility Corporation	SR-94-16
St. Joseph Light & Power Company	ER-94-163
Raytown Water Company	WR-94-211
Capital City Water Company	WR-94-297
Raytown Water Company	WR-94-300
St. Louis County Water Company	WR-95-145
United Cities Gas Company	GR-95-160
Missouri-American Water Company	WR-95-205
Laclede Gas Company	GR-96-193
Imperial Utility Corporation	SC-96-427
Missouri Gas Energy	GR-96-285
Union Electric Company	EO-96-14
Union Electric Company	EM-96-149
Missouri-American Water Company	WR-97-237
St. Louis County Water Company	WR-97-382
Union Electric Company	GR-97-393
Missouri Gas Energy	GR-98-140
Laclede Gas Company	GR-98-374
United Water Missouri Inc.	WR-99-326
Laclede Gas Company	GR-99-315
Missouri Gas Energy	GO-99-258
Missouri-American Water Company	WM-2000-222
Atmos Energy Corporation	WM-2000-312
UtiliCorp/St. Joseph Merger	EM-2000-292
UtiliCorp/Empire Merger	EM-2000-369
Union Electric Company	GR-2000-512
St. Louis County Water Company	WR-2000-844
Missouri Gas Energy	GR-2001-292
UtiliCorp United, Inc.	ER-2001-672
Union Electric Company	EC-2002-1
Empire District Electric Company	ER-2002-424

**CASE PARTICIPATION
OF
TED ROBERTSON**

Company Name	Case No.
Missouri Gas Energy	GM-2003-0238
Aquila Inc.	EF-2003-0465
Aquila Inc.	ER-2004-0034
Empire District Electric Company	ER-2004-0570
Aquila Inc.	EO-2005-0156
Aquila, Inc.	ER-2005-0436
Hickory Hills Water & Sewer Company	WR-2006-0250
Empire District Electric Company	ER-2006-0315
Central Jefferson County Utilities	WC-2007-0038
Missouri Gas Energy	GR-2006-0422
Central Jefferson County Utilities	SO-2007-0071
Aquila, Inc.	ER-2007-0004
Laclede Gas Company	GR-2007-0208
Kansas City Power & Light Company	ER-2007-0291
Missouri Gas Utility, Inc.	GR-2008-0060
Empire District Electric Company	ER-2008-0093
Missouri Gas Energy	GU-2007-0480
Stoddard County Sewer Company	SO-2008-0289
Missouri-American Water Company	WR-2008-0311
Union Electric Company	ER-2008-0318
Aquila, Inc., d/b/a KCPL GMOC	ER-2009-0090
Missouri Gas Energy	GR-2009-0355
Empire District Gas Company	GR-2009-0434
Lake Region Water & Sewer Company	SR-2010-0110
Lake Region Water & Sewer Company	WR-2010-0111
Missouri-American Water Company	WR-2010-0131
Kansas City Power & Light Company	ER-2010-0355
Kansas City Power & Light Company	ER-2010-0356
Timber Creek Sewer Company	SR-2010-0320
Empire District Electric Company	ER-2011-0004
Union Electric Company, d/b/a AmerenUE	ER-2011-0028
Missouri-American Water Company	WR-2011-0337
Union Electric Company, d/b/a AmerenMO	EU-2012-0027