Exhibit No. 230

Commission Staff – Exhibit 230
Robin Kliethermes
Surrebuttal Testimony
File Nos. ER-2021-0240 & GR-2021-0241

Exhibit No.:	
Issue(s):	*Revenue*
	Energy Efficiency
Witness:	*Robin Kliethermes*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Surrebuttal Testimony*
Case No.:	*ER-2021-0240*
Date Testimony Prepared:	*November 5, 2021*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

SURREBUTTAL TESTIMONY

OF

ROBIN KLIETHERMES

UNION ELECTRIC COMPANY, d/b/a Ameren Missouri

CASE NO. ER-2021-0240

Jefferson City, Missouri
November 2021

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OF

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UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri

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SURREBUTTAL TESTIMONY

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ROBIN KLIETHERMES

UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri

CASE NO. ER-2021-0240

Q. Please state your name and business address.

A. Robin Kliethermes, 200 Madison Street, Jefferson City, MO 65102.

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

A. I am employed by the Missouri Public Service Commission ("Commission") as the Regulatory Compliance Manager of the Tariff and Rate Design Department of the Industry Analysis Division.

Q. Have you previously filed testimony in this case?

A. Yes. I contributed to Staff's Cost of Service Report filed on September 3, 2021 and filed direct testimony sponsoring Staff's Class Cost of Service Report filed on September 17, 2021. I have also filed rebuttal testimony.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to respond to Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") witnesses Steven M. Wills and Dr. Nicholas Bowden regarding Ameren Missouri's proposed time-of-use ("ToU") rate switching tracker, seasonal rate proration, and proposed adjustment to kWh for Missouri Energy Efficiency Investment Act ("MEEIA") energy efficiency measures.

TWO-WAY RATE SWITCHING TRACKER

Q. Do you agree with Ameren Missouri witness Steven M. Wills that the two-way tracker proposed by the Company to capture changes in revenue that arise from customer elections to participate in voluntary ToU rates does not account for the impact on utility revenues due to variations in either weather, conservation, or both? [1]

A. No.

Q. From your reading of Mr. Wills' testimony, what is the purpose of Ameren Missouri's proposed two-way tracker?

A. The purpose of the proposed tracker as explained by Mr. Wills[2] is to capture the change in revenue that occurs between a customer's bill on a ToU rate structure versus the legacy flat rate.[3]

Q. Does Staff agree with this characterization of the two-way tracker?

A. Yes. Staff understands that the two-way tracker is supposed to capture the potential change in revenue due to a customer electing to be billed on a ToU rate structure.

Q. Does Staff support the implementation of Ameren Missouri's proposed two-way tracker?

A. No. Staff does not find that it is necessary to have any tracker for these customers. The purpose of Ameren Missouri's designed ToU rate structure is to provide a customer with an alternative to the traditional rate structure that will allow the customer to make a more informed decision on when to use electricity, which will hopefully lead to a more efficient use of the grid.

[1] Page 5, lines 7 through 23 of Steven M. Wills' rebuttal testimony.
[2] Page 5, lines 9 through 13 of Steven M. Wills' rebuttal testimony.
[3] The legacy flat rate is the base tariffed rate for a residential customer.

However, the change in revenue that may be calculated from a bill comparison of a customer's actual usage may be higher or lower for many factors.

Q. Does the proposed two-tracker weather normalize a customer's usage?

A. No. The Company's proposed tracker is not designed to weather normalize a customer's usage prior to calculating the bill comparison, therefore the revenue tracked within the mechanism for recovery in Ameren Missouri's next rate case may, in total, reflect a greater amount of total base rate revenue than authorized because weather and conservation are not being excluded. This is because, in a rate case, usage is weather normalized prior to calculating revenue and any usage outside of the rate case will differ based on actual weather observed.

Q. Does the Company's proposed two-way tracker account for changes in load that may occur outside of the rate case but result in an overall billing savings if a customer enrolls in a ToU rate?

A. No. For example, if a customer purchases an electric vehicle (EV) and enrolls in a ToU rate in order to charge in off-peak hours where the price per kWh is lower than the legacy flat rate, the customer will ultimately use more kWh per month than before the purchase of the EV, all else remaining constant. In this example, a bill comparison, outside of the rate case, between the customer's bill on the ToU rate versus the legacy flat rate would show that the customer experienced bill savings and that Ameren Missouri experienced a loss of revenue. However, in this example, Ameren Missouri did not experience a loss of revenue because the customer actually increased their overall monthly usage outside of the rate case test period. The increase in usage was just billed at a lower rate per kW than the legacy flat rate. As currently designed Ameren Missouri's two-way tracker would track the bill savings of the EV customer and Ameren Missouri would request recovery of the bill savings in its next rate case, without also tracking the additional revenue Ameren Missouri collected from the increase in the customer's overall monthly usage.

Q. Is this tracker necessary for the Company to have ToU rates?

A. No. The Company currently has effective ToU rates and the Company is not proposing to eliminate any rate schedules based upon the approval of the Company's proposed tracker.

Q. Are residential customers currently served on the Company's ToU rates?

A. Yes. As of September 30, 2021, approximately 75 customers are served on the Company's Ultimate Savers rate, 130 are served on the Overnight Savers rate and 95 customers are served on the Smart Savers rate.[4]

Q. Does the Company's two-way rate tracker exclude customers currently enrolled on ToU rates through the true-up period in this case?

A. No. The Company's testimony does not address this issue. If customers who are currently enrolled on ToU rates are included in the billing determinants approved in this case then any changes in revenues are already reflected in the billing determinants used to establish rates in this case based on the change in usage those customers have already experienced.

Q. Is Staff opposed to making an adjustment to rate case billing determinants to include an annualized level of ToU participants through the true-up period in this case?

A. If the Company is able to provide sufficient data to make an adjustment, then Staff is not opposed. As of now, the Company has not provided such information.

Q. Is the Company's legacy flat rate the default rate for Residential customers?

[4] Rate schedule names match those used in the Company's workpapers but may not match the Company's currently effective rate schedule names.

A. No. In Ameren Missouri's last rate case ER-2019-0335, the Commission approved a ToU default residential rate.[5] This means that once a customer receives an AMI meter they will automatically default to the ToU default rate after a short transition period. The Company started defaulting customers to the ToU default rate in May and June 2021. As of the Company's true-up in this case, approximately 114,000 customers are served on the default ToU rate instead of the legacy flat rate. Staff expects that as the Company continues to roll out AMI, more customers will be moved to the default ToU rate and less customers will be served on the Company's legacy flat rate.

Q. What is Staff's recommendation?

A. Staff recommends that it is not necessary to approve a tracking mechanism for ToU rates in this case.

SEASONAL PRORATION

Q. Did Ameren Missouri propose to reflect revenue from its change in when seasonal differentiated rates are applied to customer bills in its revenue requirement in this rate case?

A. The Company did not propose an adjustment in its direct testimony or workpapers; however, Ameren Missouri witness Dr. Bowden appears to now propose an adjustment to rate revenues in his rebuttal testimony. [6]

Q. Does Staff agree that the Company's adjustment accurately reflects the change in revenues that would result from the change in when seasonal differentiated rates are applied to customer bills?

[5] The rate structure has a mild differential between on-peak and off-peak rates.
[6] Pages 9 through 17 of Dr. Bowden's rebuttal testimony.

A. No. Although, Staff is pleased that the Company acknowledges that a change in revenue exists, which is a change from the Company's direct filed positon, the Company's adjustment as proposed by Dr. Bowden still does not accurately reflect the change in revenue.

Q. How does the Company propose to calculate its seasonal proration adjustment?

A. In Dr. Bowden's rebuttal testimony[7] the Company is proposing to utilize a similar technique to what it generally uses to calculate its 365-day adjustment with the addition of moving usage to calendar months to reflect that the primary billing month doesn't always equal the revenue month for certain billing cycles. However, this technique has several problems.

First, the usage that is booked in a September revenue month but is billed as an October primary month is moved to the October billing month and the Company applies a winter rate to the usage. The conflict is that if usage is booked in a September revenue month then the usage was billed prior to the end of September. Since, summer rates are applied to usage through September 30th, any usage on a bill that occurs prior to September 30th would be applied a summer rate. Therefore, it is not appropriate to move September revenue month usage to October and bill it on a winter rate. Essentially the highlighted usage in the table below is the usage that is at question regarding the change in when seasonal rates apply.[8]

[7] Page 13 line 3 through 9 of Dr. Bowden's rebuttal testimony.

[8] Prior June 1, 2021, all usage in the primary months of June, July, August, and September was billed on a Summer rate and all other usage was billed on a winter rate. After the June 1, 2021, usage billed on or after June 1, 2021 through September 30, 2021 is billed on a winter rate.

	Revenue Month											
primaryMonth	202005	202006	202007	202008	202009	202010	202011	202012	202101	202102	202103	202104
202004	508,742	157,177	65,990	19,472	19,521	15,708	10,600	-526	7,449	6,813	1,671	-1,301
202005	711,000,751	490,934	107,163	17,264	30,102	11,562	8,482	5,946	5,490	6,413	1,699	2,371
202006	78,316,902	922,430,495	650,082	77,460	30,124	-72,904	5,490	8,984	5,071	19,343	9,141	-1,636
202007	456	117,620,411	1,247,740,314	895,775	72,546	40,759	484	13,765	9,105	5,215	36,739	-2,951
202008		3,824	148,372,611	1,196,154,240	1,095,273	130,982	46,662	-66,817	22,260	9,686	36,866	-919
202009			941	113,724,166	1,079,995,256	985,411	131,657	63,493	72,727	15,341	40,568	528
202010				478	100,635,123	725,102,077	3,835,783	-854,287	97,015	25,756	41,659	15,586
202011					1,229	74,634,680	764,710,787	1,223,466	157,762	26,378	47,861	18,533
202012						440	88,249,048	1,003,213,408	763,243	134,916	72,369	4,982
202101							333	134,372,531	1,349,497,772	919,227	151,831	11,934
202102								546	131,972,150	1,349,758,672	740,715	71,772
202103									1,437	156,325,268	1,107,071,620	1,225,266
202104										2,540	85,139,701	729,358,179
202105											406	72,939,217

For example, the first highlighted cell shown in the revenue month of May was billed in the primary month of June (202006). This means that prior to the change in when seasonal rates apply, all usage billed in the primary month of June was billed on a summer rate, even if the usage occurred in the month of May. With the change in when seasonal rates apply to usage, the seasonal rate would not apply to usage until June 1. As a result the highlighted May revenue month usage of approximately 78 million kWh would have been billed on a winter rate instead of a summer rate if the seasonal change was in effect for the entire test period. Next, the highlighted usage in the revenue month of June and primary month of June would have some level of kWh that would currently be billed on a winter rate versus summer rate given that billing cycles in the month of June include some days from the month of May. For example, a customer's June bill may include usage from May 15 through June 14. This means that a portion of the bill would be billed on summer rates and a portion of the bill would be billed on winter rates. Prior to the change in when seasonal rates apply all of the usage would have been billed on a summer rate since it was in the primary month of June.

The same logic applies to the revenue months of September and October, but in the reverse of what seasonal rates would apply to the highlighted usage. For example, the highlighted usage in the revenue month of September would have been billed on a winter rate prior to the change in when seasonal rates apply because it was included in an October primary month. After June 1, 2021, this usage would be billed on a summer rate because the usage occurs before September 30.

Second, the Company uses the table above to move usage where the primary month and revenue month do not match. For example, for the revenue month of May, the Company moves the usage for the primary month of June to the revenue month of June in an attempt to reflect revenues from usage on a summer rate versus a winter rates. However, this completely ignores the usage billed in the revenue month of June that actually occurs in May and will be billed a winter rate instead of a summer rate going forward. Furthermore, the Company's calculation is not necessary given that Ameren Missouri can simply keep the usage in the month it is billed but recalculate bills as if the change in when seasonal rates apply was in effect for the entire test period without arbitrarily moving usage to different seasonal months.

Lastly, this technique only includes kWh and does not reflect a customer's kW. The Company's Large General Service ("LGS"), Small Primary Service ("SPS") and Large Primary Service ("LPS") rate classes all have seasonal differentiated demand charges that would also lead to changes in revenue.

Q. Did Staff's seasonal proration adjustment take into account seasonal differentiated demand charges?

A. Not at the time of direct or rebuttal. However, Staff has since received the start and end date for each LPS customer's monthly bill.[9] Staff re-calculated revenue for the LPS customers as if the LPS customer was billed according to the new seasonal rate billing dates throughout the

[9] For purposes of revenues, Staff had each LPS customers kWh usage and kW demand billing determinants at the time of direct, but did not have the start and end date of each monthly billing period.

entire test period. The result of Staff's calculation is a positive adjustment of approximately $63,000.

Q. How does this compare to the Company's adjustment for the LPS class?

A. Since the Company's adjustment fails to consider demand charges at all or even individual customer bills, the Company estimates an adjustment of a reduction in revenue of ($40,000).

Q. Did Staff's seasonal proration adjustment initially include an adjustment for the LPS rate class?

A. No. As mentioned in my direct and rebuttal testimony, Staff has been requesting information from the Company, and even met with the Company to discuss concerns. As mentioned in my direct testimony, Staff is interested in collaboration with the Company in order to accurately calculate an appropriate seasonal proration adjustment for all rate classes. However, the Company holds all of the data and Staff can only calculate an adjustment based upon the data it receives from the Company. Staff initially focused on the larger customer classes where the seasonal proration adjustment would have a greater impact, in hopes that the Company would finally provide the necessary data or calculate an appropriate adjustment. Since, the LPS class has only 64 customers and it was assumed that most of the customers were billed more closely to a calendar month compared to other rate classes, Staff was not expecting the LPS class to be largely impacted. As provided above, Staff did calculate an adjustment for the LPS class when the Company's rebuttal testimony failed to include seasonal demand charges at all.

Q. Does the Company have the data to calculate the change in revenue that would occur had the LGS and SPS customers been billed according to the seasonal billing currently in effect?

A. Yes. For the Company's calculation of MEEIA margin rates in this case, the Company calculates each customer's bill using the assumptions that usage changes by 1%, 5%, and 10%. For the LGS, SPS, and LPS classes, the Company also recalculates the customer's individual bill based on a change in billed kW demand. Using the same individual customer data, Ameren Missouri can calculate what a customer's bill would have been had the seasonal billing been applied throughout the whole test year for the LGS, SPS, and LPS classes.

Q. What is Staff's recommendation for Seasonal Proration in this case?

A. Staff recommends that the Commission Order Ameren Missouri to include a seasonal rate change adjustment in its revenues approved in this case that includes both the volumetric rate and demand rate components.

MEEIA ENERGY EFFICIENCY ADJUSTMENT

Q. Does the Company oppose Staff's adjustment to remove the savings from thermostats purchased inappropriately from the Company's online store?

A. I don't think so. On page 26 of Dr. Bowden's rebuttal testimony, he states that he expects to use evaluated savings at the time of true-up instead of gross savings as the Company used in direct. However, at the time of this filing, Staff has not received the true-up workpapers necessary to determine that inappropriately purchased energy efficiency products were removed from the Company's savings.

Q. Did the Company propose any additional adjustments to its energy efficiency adjustment?

A. Yes. Per the Stipulation and Agreement filed in Ameren Missouri's MEEIA filing (EO-2018-0211) an adjustment is made in the Company's general rate proceeding regarding installed energy efficiency measures during the test period, excluding savings from home energy reports ("HER") and education programs. Once the rate case adjustment is made the Company's throughput disincentive is rebased, so that the savings included in the rate case billing determinants are removed from further calculations of the Throughput Disincentive.

Based on Dr. Bowden's rebuttal testimony, the Company is now recommending to include savings from the HER program because the program is ending at the end of 2021, but the Company expects to continue some type of educational program outside of MEEIA.

Q. Did Ameren Missouri provide testimony regarding this proposed program in direct?

A. No. Dr. Bowden's direct filed testimony does not recommend changing the treatment of the HER program nor does his direct filed testimony or rebuttal testimony provide any details regarding a similar HER type program offered outside of MEEIA. Staff has subsequently submitted data request inquiring about the details of this program.

Dr. Bowden does reference the Company's ToU education materials as another educational tool that may encourage customers to reduce energy; thus the Company should reduce usage by the HER savings to reflect the impact of ToU.

On October 28, 2021 the Company provided in response to Staff's data request a copy of a few sample materials that is planned to be provided to customers in connection with the Company's marketing/education plan regarding its roll out of AMI meters and ToU rates. Seemingly, the materials provided in response to Staff data request 872 are the materials referenced in Dr. Bowden's rebuttal testimony that will incent energy savings similar to that of the HER program. In general, the materials provided by the Company show a customer's usage in comparison to their previous monthly usage and provides links to the Company's other MEEIA energy efficiency programs, energy efficiency products and ToU rate options.

Q. Do you agree with Dr. Bowden that HER savings should be treated differently in this case compared to all other rate cases, as well as in conflict with the Stipulation and Agreement in EO-2018-0211?

A. No. First, the Company has provided no basis that the marketing/education materials developed as part of the Company's Smart Meter roll out are part of a separately designed energy savings program planned to operate outside of MEEIA and will produce any level of sustainable savings. HER reports were not included in the rate case annualization because the program is deemed to have a one-year measure life. To include HER program savings as a reduction to rate case usage is essentially saying any future programs will create annual sustainable savings at the same level as the current HER program, which is evaluated annually. However, the Company has provided no evidence that savings will actually occur solely based on a customer simply receiving the materials. Secondly, the Company is already proposing a two-way tracker for changes in revenue that occur from customer participation on ToU rates as compared to legacy flat rates. The Company does not explain how savings would be measured for purposes of an energy efficiency adjustment versus the two-way tracker as it pertains to participation in ToU rates. The Company also doesn't explain how the ToU education materials are supposed to encourage using less usage absent enrollment on a ToU rate. Ameren Missouri simply provides no information or details to justify treating the HER program savings other than as outlined and agreed to in the Stipulation and Agreement filed in EO-2018-0211.

Q. What is Staff's recommendation for a MEEIA Energy Efficiency Adjustment in this case?

A. Staff recommends that HER reports are excluded from the rate case annualization consistent with the Stipulation and Agreement filed in EO-2018-0211, and savings related to inappropriately purchased energy efficiency products are removed from the rate case annualization as well.

Q. Does this conclude your surrebuttal testimony?

A. Yes.

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	)	Case No. ER-2021-0240
Revenues for Electric Service	)	

AFFIDAVIT OF ROBIN KLIETHERMES

STATE OF MISSOURI	)	
	)	ss.
COUNTY OF COLE	)	

COMES NOW ROBIN KLIETHERMES, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal Testimony of Robin Kliethermes*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Robin Kliethermes

ROBIN KLIETHERMES

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 4th day of November, 2021.

Dianna L. Vaught

Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2023
Commission Number: 15207377