

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

In the Matter of the Petition of Union)
Electric Company d/b/a Ameren Missouri)
for a Financing Order Authorizing the)
Issue of Securitized Utility Tariff Bonds)
for Energy Transition Costs related to)
Rush Island Energy Center)

Case No. EF-2024-0021

**PUBLIC COUNSEL’S RESPONSE TO AMEREN MISSOURI’S MOTION TO STRIKE
SURREBUTTAL TESTIMONY OF PUBLIC COUNSEL WITNESS DAVID MURRAY**

COMES NOW the Office of Public Counsel (“Public Counsel”) and responds to Ameren Missouri’s motion to strike (exclude) portions of the surrebuttal testimony of Public Counsel witness David Murray from evidence as follows:

1. While Ameren Missouri’s description in paragraph ten of its motion that Public Counsel witness David Murray’s rebuttal testimony on the return Ameren Missouri assumes the Commission would allow it under traditional ratemaking methods is “conceptual” is a fair characterization, its following claim in paragraph eleven, “Now Mr. Murray has filed extensive additional surrebuttal testimony that both disagrees with Mr. Lansford’s direct case approach and with Mr. Lansford’s direct case conclusions, and that proposes an alternative to both, while also changing his position from his rebuttal testimony,” includes mischaracterization. Mr. Murray does not change in his surrebuttal the positions he presents in his rebuttal testimony.

2. In response to Staff witness Keith Major’s agreement with Ameren witness Mr. Lansford’s direct case approach to the return Ameren Missouri assumes the Commission would allow it under traditional ratemaking methods, Mr. Murray provides examples to clarify the position he presents in his rebuttal testimony—that in Missouri allowing a rate of return on utility property that is not used and useful is not an established ratemaking principle, that “recovery through traditional ratemaking would simply be a 15-year amortization of the energy transition

costs,” and that Missouri’s securitization statute is not as prescriptive as it could be, leaving the Commission with discretion limited by the requirement that the Commission find that the securitization of energy transition costs will be less costly to ratepayers than traditional ratemaking. Public Witness David Murray rebuttal testimony, pp. 3-5.

3. In his rebuttal testimony David Murray not only cites to the Commission’s statements in its Report and Order in File Nos. EO-2022-0040 and EO-2022-0193 to refute Mr. Lansford’s assumption that under traditional ratemaking, the Commission would allow a composite rate of return on an asset that is not used and useful, he also points out that in Liberty’s and Evergy West’s securitization cases, the Commission relied on the analyses of Staff’s financial advisor, Mark S. A. Davis in the scenarios where he assumed that under traditional ratemaking the Commission might allow a return consistent with a company’s cost of long-term debt, not the company’s higher allowed rate-of-return.¹ When Staff did not offer similar scenarios its rebuttal testimony prefilings in this case, Mr. Murray provided them in his surrebuttal testimony to explain/illustrate the effect such assumption would have on the quantifiable NPV benefits/costs of securitization.

4. Because Mr. Murray agreed that Mr. Lansford’s Schedule MJL-D5 provides a good example of a traditional ratemaking revenue requirement, as Mr. Lansford represents, Mr. Murray used that schedule as the starting point for his examples of the effects of applying different carrying costs to the energy transition costs were the Commission to apply traditional Missouri ratemaking methods for their recovery in a general rate case.

5. Mr. Murray neither changes in his surrebuttal testimony his rebuttal position on the return Ameren Missouri assumes the Commission would allow it under traditional ratemaking

¹ Public Witness David Murray rebuttal testimony, pp. 5-6.

methods nor introduces a new position on that topic in his surrebuttal testimony; therefore, Public Counsel opposes Ameren Missouri's motion to strike portions of Mr. Murray's surrebuttal testimony; however, should the Commission decide to grant Ameren Missouri any of the relief it requests, Public Counsel prefers that Ameren Missouri be allowed to file sur-surrebuttal over excluding any of Mr. Murray's surrebuttal testimony from evidence in this case.

Wherefore, the Office of Public Counsel prays the Commission to deny Ameren Missouri's motions directed to the surrebuttal testimony of Public Counsel witness David Murray; but if the Commission deems it appropriate to grant Ameren Missouri relief, Public Counsel prefers that the Commission allow Ameren Missouri to file sur-surrebuttal rather than excluding any of Public Counsel witness David Murray's surrebuttal testimony from evidence in this case.

Respectfully,

/s/ Nathan Williams

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 28th day of March 2024.

/s/ Nathan Williams