FILED March 19, 2020 Data Center Missouri Public Service Commission

Exhibit No.:020Issue(s):Fuel Adjustment ClauseWitness:Marci L. AlthoffType of Exhibit:Rebuttal TestimonySponsoring Party:Union Electric CompanyFile No.:ER-2019-0335Date Testimony Prepared:Jan 21, 2020

MISSOURI PUBLIC SERVICE COMMISSION

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FILE NO. ER-2019-0335

REBUTTAL TESTIMONY

OF

MARCI L. ALTHOFF

ON

BEHALF OF

UNION ELECTRIC COMPANY

D/B/A AMEREN MISSOURI

St. Louis, Missouri January 2020

Ameren Exhibit No. 020 Date 3/4/20 Reporter Sm3 File No. ER-2019-0335

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REBUTTAL TESTIMONY

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OF

MARCI L. ALTHOFF

FILE NO. ER-2019-0335

1		I. INTRODUCTION
2	Q.	Please state your name and business address.
3	А.	My name is Marci L. Althoff. My business address is One Ameren Plaza,
4	1901 Choute	au Ave., St. Louis, Missouri.
5	Q.	Are you the same Marci Althoff that submitted Direct Testimony in this
6	case?	
7	А.	Yes, I am.
8	Q.	What is the purpose of your rebuttal testimony?
9	А.	The purpose of my rebuttal testimony is to address certain aspects of the
10	Missouri Put	blic Service Commission ("Commission") Staff Report's recommendations to
11	change certai	n requirements regarding the provision of information about Union Electric
12	Company d/	b/a Ameren Missouri's ("Ameren Missouri" or "Company") fuel adjustment
13	clause ("FAC	"). The proposed recommendations that I will address are:
14	•	Staff's recommendation to include the Company's managerial accounting in the
15		FAC tariff;
16	•	Staff's recommendation to require the inclusion of additional information in the
17		FAC monthly reports filed under the Company's FAC to aid Staff in performing
18		FAC tariff prudence and true-up reviews; and

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 Staff's recommendation regarding the Voltage Adjustment Factors ("VAF") to
be used in the FAC tariff.
II. FUEL ADJUSTMENT CLAUSE ISSUES
Q. What recommendations has Staff made regarding the filing
requirements of Ameren Missouri's FAC?
A. Staff outlined six specific recommendations at page 150 of the Staff Report,
reflected in six bulleted items. As noted above, I will address the second and third bullets. ¹
The Report proposes that Ameren Missouri include Attachment C of my direct testimony
either within the tariff or as an attachment to the tariff in order to clarify the major/minor
accounts affiliated with the FAC. The Report also proposes that Ameren Missouri provide
additional information in the FAC monthly reports, including supplemental pages and
appendices included in the monthly report before the FAC rules were amended by the
Commission in 2018.
Q. Do you agree with Staff's recommendation to include Attachment C of
your direct testimony in the tariff or as an attachment to the tariff?
A. No, I do not.
Q. Do you agree that the contents of Attachment C should be included as
part of FAC monthly reports?
A. Yes, I do. Attachment C contains highly detailed explanations of the costs
and revenues included in the Company's FAC and provides the Federal Energy Regulatory
Commission ("FERC") accounts in which those costs and revenues are included within the

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¹ With regard to the fourth bullet, the Company of course has no objection to complying with the terms of the Commission-approved Non-Unanimous Stipulation and Agreement in File No. ET-2018-0063 but does not see a need for a further order requiring it to do so insofar as the order approving that stipulation already requires that the Company (and other parties) comply with the stipulation's terms.

Company's general ledger. Attachment C also contains certain managerial accounting
 designations (subaccounts, activity codes, and resource types) used by the Company for
 further identification of FAC components.² Attachment C is included in each of the
 Company's current FAC monthly reports in section 5I, pages 1-5.

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Q. What benefit is there to including Attachment C in the tariff or as an attachment to the FAC tariff?

A. There is no benefit to including Attachment C in the tariff itself or as an
attachment. Indeed, the Commission's rules specifically contemplate reporting of this
information in the required FAC monthly reports instead of including it in the tariff itself.
See 20 CSR 4240-20.090(5)(I).

Q. Why does the Company disagree with including Attachment C in or
attached to the FAC tariff?

As indicated, there is no benefit to doing so because the detail provided in 13 Α. 14 Attachment C is provided each and every month as part of the periodic reporting requirements under the FAC rules. Including this information in the tariff is problematic 15 16 because subaccounts or other managerial designations may be added, adjusted, or deleted as a result of internal or external requirements. Such additions or changes, however, do not 17 impact the proper inclusion of the costs and revenues included in the FAC as defined by 18 19 the FERC accounts described in the Company's FAC tariff. While changes to this managerial accounting have occurred from time-to-time in the past, I expect that there will 20 21 be more managerial accounting changes as a result of initiatives currently underway at the

² As prescribed by the FERC Uniform System of Accounts for Electric Utilities. Commission Rule 20 CSR 4240-20.030 requires Missouri electric utilities to keep their books and records in accordance with this FERC System of Accounts.

1 Company that are designed to improve and streamline the Company's managerial 2 accounting and reporting, and reduce accounting and reporting costs to the ultimate benefit 3 of Ameren Missouri customers. By including detailed managerial accounting in or attached 4 to the FAC tariff, the Company would effectively be prevented from making desirable 5 changes in its managerial accounting between general rate proceedings because, as I б understand it, FAC tariffs cannot be changed except in a general rate proceeding. 7 **Q**. How will the Company notify of any changes to managerial accounting 8 that impact FERC accounts included in Ameren Missouri's FAC? 9 A. By including notice of those changes in its monthly reports as the rule 10 requires. 11 О. Turning to Staff's recommendation about the inclusion of additional 12 information in the FAC Monthly Reports in order to aid Staff in performing FAC 13 tariff prudence and true-up reviews, including supplemental pages and appendices 14 included in the monthly report before the 2018 FAC rule change, do you agree with 15 that recommendation? 16 Α. Yes, in principle, I have no concern about making sure Staff has the information it needs. However, I would like to clarify the additional information to be 17 18 provided. 19 Q. What additional information does the Company agree to provide? 20 A. The Company agrees to provide the managerial accounting detail 21 previously provided in Supplemental pages 2-9 prior to the 2018 FAC rule change. The 22 information previously provided in Supplemental page 1 is included in the new monthly 23 report as part of section 5D and a summary of Supplemental page 10 is now included in

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the Fuel Adjustment Rate ("FAR") workpapers section 8.2(A).VII, which is appropriate as the MISO settlement kilowatt-hours in the monthly report are preliminary. The information previously provided in the appendices A and B of the Company's pre-December 2018 monthly reports is already provided to Staff through other monthly submissions apart from the FAC monthly report. The Company agrees to continue those monthly submissions. The information previously provided in appendix C is included in the new monthly reports in section 5(I), as I noted earlier.

- 8 Q. Will the supplemental detail be provided in the same format as in the 9 FAC Monthly Reports filed prior to the 2018 FAC rule change?
- 10 Α. No, because in part as a result of additional requirements imposed by the 11 2018 FAC rule change, the Company now uses the Oracle Hyperion Financial Management 12 ("HFM") reporting system to review and report this level of managerial accounting detail. 13 Put another way, the information formerly provided in Supplemental pages 2-9 used to be 14 generated through a manual process that has now been automated with this tool. Consequently, while we can provide the same information, it will not be in the same format. 15 16 Instead, the Company is agreeable to providing the HFM reports used to review sections 17 5D, 5E, and 5F of the FAC monthly report as additional pages in the FAC Monthly Report. 18 The reports include all managerial accounting detail for each FERC account included in 19 the Ameren Missouri FAC.
- 20 Q. Does this additional information provide Staff with the ability to 21 perform FAC tariff prudence and true-up reviews with the consistent level of detail 22 as they did prior to the 2018 FAC rule change?

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1 A. Yes, I see no reason that it would not. As noted, Staff will be getting all the 2 information it indicated it needs to conduct FAC tariff, prudence, and true-up reviews, just 3 in a different format. 1 . . .

4 Q. Do you agree with Staff witness Alan Bax's calculation of the 5 appropriate Voltage Adjustment Factors ("VAF") for the FAC?

6 A. No, I do not. The VAF is used to adjust the FAR based on the voltage at which customers are served. Customers served at primary voltages and above are 7 responsible for causing fewer line losses, and therefore, have a slightly lower FAR than 8 9 customers served at secondary voltages. These primary customers – those taking service 10 on rate schedules 4(M) – Small Primary Service or 11(M) – Large Primary Service – do 11 not all take service at identical voltage levels, though. Mr. Bax appears to have calculated 12 the VAF applicable to primary customers as if they all took service at the lowest primary 13 voltage level, which is incorrect. Some 4(M) or 11(M) customers connect directly to the system at sub-transmission or transmission voltages. It is appropriate for the VAF 14 15 applicable to primary customers to reflect a weighted average of the actual voltages at 16 which primary customers are served. When factoring in the more than a quarter of load 17 served on the 4(M) and 11(M) rates that is served at these higher voltages, and employing 18 the appropriate loss factors from the Company's loss study (which both the Company and 19 Staff relied on to develop VAFs), the Primary VAF should be approximately a half percent 20 lower than the value calculated by Staff, as reflected in the Company's original filing.

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Q. Does this conclude your rebuttal testimony?

A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Decrease Its Revenues for Electric Service.

File No. ER-2019-0335

AFFIDAVIT OF MARCI L. ALTHOFF

STATE OF MISSOURI))ss **CITY OF ST. LOUIS**)

COMES NOW Marci L. Althoff, and on her oath declares that she is of sound mind and lawful age; that she has prepared the foregoing Rebuttal Testimony; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not,

Marci L. Althoff

Subscribed and sworn to before me this $\ge \ell^{1/2}$ day of January, 2020.

Len a. Best lotary Public

My commission expires:

1	GERI A. BEST
Ĩ	Notary Public - Notary Seal
	State of Missouri
	Commissioned for St. Louis County
ł.	the Commission Expires: February 15, 2022
t	Commission Expires: February 15, 2022 Commission Number: 14839811