

Data Response Display - EF-2024-0021 - 0036.0

Request Summary ▼

Submission No.

EF-2024-0021

Request No.

0036.0

Requested Date

3/1/2024

Due Date

3/11/2024

Issue

Other

Other

Requested From

MO PSC Staff (Other)

Nicole Mers (nicole.mers@psc.mo.gov)

Requested By

Office of the Public Counsel (OPC) (Other)

David Murray (david.murray@opc.mo.gov)

Brief Description

Keith Major's rebuttal testimony

Description

On page 20 at lines 5-7 of Keith Major's rebuttal testimony, he quotes the Commission's order in the Liberty Utilities securitization cases, File Nos. EO-2022-0040 and EO-2022-0193. In this quote, the Commission states that "Missouri law generally holds that for a utility to be able to recover a return on a property, that property must be used and useful." Why does Mr. Majors testify on page 19 at lines 7-14 of his rebuttal testimony that he agrees with Ameren Missouri that ratepayers would be charged the weighted average cost of capital on Rush Island after it is no longer used and useful?

Request Security

Public (DR)

Response Date

3/12/2024

Response

If Ameren Missouri were to retire Rush Island without securitization, or without a separate special ratemaking treatment, such as the establishment of a regulatory asset and amortization through cost of service, the net book value would reduce the accumulated depreciation reserve pursuant to the normal accounting treatment for retired property. Accumulated depreciation reserve reduces rate base. Return on rate base is calculated on the weighted average cost of capital. Therefore, on a revenue requirement basis, ratepayers would pay less through securitizing the property versus normal retirement accounting. Data Request Response provided by Keith Majors (keith.majors@psc.mo.gov).

Objections**Response Security**

Public (DR)

Rationale**Attachments ▼**

No Attachments Found