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**MISSOURI PUBLIC SERVICE COMMISSION**

**FILE NO. GR-2024-0369**

**DIRECT TESTIMONY**

**OF**

**LAURA M. MOORE**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY**

**D/B/A AMEREN MISSOURI**

**St. Louis, Missouri  
September, 2024**

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**DIRECT TESTIMONY**

**OF**

**LAURA M. MOORE**

**FILE NO. GR-2024-0369**

**I. INTRODUCTION**

1

2 **Q. Please state your name and business address.**

3 A. My name is Laura Moore, and my business address is One Ameren Plaza,  
4 1901 Chouteau Avenue, St. Louis, Missouri 63103.

5 **Q. What is your position with Ameren Missouri?**

6 A. I am Controller for Union Electric Company d/b/a Ameren Missouri  
7 (“Ameren Missouri” or the “Company”).

8 **Q. Please describe your educational background and employment**  
9 **experience.**

10 A. I received a Bachelor of Science degree in Accounting from the University  
11 of Missouri at Columbia in May 1991 and a Master of Business Administration degree  
12 from St. Louis University in May 1997. I am a Certified Public Accountant, licensed to  
13 practice in the state of Missouri. From 1992 to 1994, I worked for Preferred Pipe Products,  
14 Inc., in St. Louis, Missouri, in various capacities, including Staff Accountant in 1992 and  
15 Accounting Manager from 1992 to 1994. I worked with Eagleton Enterprises in St. Louis,  
16 Missouri, as an Accounting Manager from 1994 to 1995. I worked with Merit Behavioral  
17 Care in St. Louis, Missouri, as an Accountant from 1995 to 1997. I worked with Clark  
18 Refining and Marketing in St. Louis, Missouri, as a Financial Analyst from 1997 to 1999.  
19 From 1999 to 2002, I worked at Emerson Tool Company in St. Louis, Missouri, in the

1 Financial Analysis Department, first as an Analyst and then as the Manager. I have worked  
2 for Ameren Missouri or one of its affiliates since 2002.

3 During my tenure at Ameren, I have worked in various roles. I started in Ameren  
4 Services Company as a Financial Specialist and then worked in supervisory roles in Plant  
5 Accounting and Fuel Accounting. In 2012, I transferred to Ameren Missouri to work in  
6 Regulatory Accounting. I worked in Regulatory Accounting until I became Ameren  
7 Missouri's Controller in 2019.

8 I am a former Vice Chairperson of the Edison Electric Institute's ("EEI") Property  
9 Accounting and Valuation Committee. Prior to that, I was a member of the Leadership  
10 Committee for EEI's Property Accounting and Valuation Committee.

11 **Q. What is the purpose of your direct testimony?**

12 A. The purpose of my direct testimony is to (a) outline the manner in which  
13 Ameren Missouri determined the nature and extent of the Ameren Services Company  
14 ("AMS") products and services it needed for the test year and true up period in this case in  
15 support of operating its regulated electric and gas utility businesses (see Sections II and  
16 III);<sup>1</sup> and (b) address the small (relative to the level of AMS transactions) exchanges of  
17 goods or services between Ameren Missouri and its rate-regulated affiliates (see Section  
18 IV).

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<sup>1</sup> Ameren Missouri witness Joseph S. Weiss' direct testimony addresses the service company approach relied upon by Ameren Missouri and its other affiliates, the prudence of utilizing that approach to obtain the kind of services Ameren Missouri relies upon from AMS, and why that approach benefits Ameren Missouri and its customers.



1 Planning (the primary focus of which is on those AMS services that reflect operations and  
2 maintenance (“O&M”) costs for Ameren Missouri), and Demand Planning (which is  
3 focused primarily on services that produce capital expenses).<sup>2</sup> Taken together, the Joint  
4 Planning and Demand Planning processes allow Ameren Missouri to evaluate and  
5 understand the services that are available, their cost, alternatives, and ultimately decide  
6 what services to take and at what level, in each case consistent with Ameren Missouri’s  
7 business needs.

8 **Q. Do you have a role in each process?**

9 A. Yes. As Ameren Missouri’s Controller, I am involved in both processes.

10 **Q. Please provide additional details on the Joint Planning Process.**

11 A. The Joint Planning process exists as a means to ensure that Ameren  
12 Missouri is receiving the mix and level of services it needs from AMS, and to do so in a  
13 manner that is transparent and that allows for a continued focus on opportunities for  
14 improvement, both in terms of cost levels and the efficiency of operations. While the  
15 process has existed for many years, it was reduced to the formal written policy in  
16 collaboration with Staff in File No. EO-2017-0176, as we worked with Staff in reaching  
17 an agreement on the Stipulation between the Company and the Staff, which was filed in  
18 that docket. Early in each year’s budget process (generally in the spring or early summer),  
19 detailed information is provided to Ameren Missouri (and the other affiliates AMS serves)  
20 about AMS’ services. This includes what those services are (changes from prior years  
21 would be highlighted) and may involve identification of possible opportunities for Ameren

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<sup>2</sup> As Mr. Weiss discusses, most (more than 90%) of the non-capital AMS costs incurred by Ameren Missouri can be further classified as administrative and general (“A&G”) costs.

1 Missouri to consider alternatives. Such alternatives could include the possibility of  
2 outsourcing a service (in whole or in part) instead of having AMS provide it in the  
3 upcoming year, or may involve information about ways that AMS could increase the value  
4 of a service(s) or reduce the cost of a service(s), or both. AMS provides projected AMS  
5 costs to Ameren Missouri based on a continuation of the products and services it has  
6 historically taken from AMS. These projected costs are provided in the aggregate for the  
7 upcoming annual period, and by product and service. AMS also provides Ameren Missouri  
8 with year-over-year comparisons, also in the aggregate and by product and service.

9 **Q. What happens after AMS provides this detailed information?**

10 A. Ameren Missouri leaders, myself included, review the information in detail,  
11 consult with various Ameren Missouri personnel (directors and other subject matter  
12 experts), and ultimately prepare for specific meetings with representatives from AMS  
13 functions to discuss the information, address questions, and discuss concerns, ideas for  
14 improvement, and alternatives (such as whether there are alternatives for the services AMS  
15 is offering, or alternative levels of the services, or other ideas for how Ameren Missouri  
16 can get the support it needs in an efficient and cost-effective manner). These discussions  
17 are collaborative, but at the same time, they often involve challenges from Ameren  
18 Missouri regarding whether costs can be eliminated or reduced, or provided in some other,  
19 more efficient or cost-effective manner. After this initial round of meetings involving all  
20 AMS areas, there may be (and often are) follow-up meetings with certain AMS  
21 representatives, as well as follow-up consultations among Ameren Missouri personnel.  
22 Ultimately, Ameren Missouri determines, as part of its final budgeting process, what level

1 of each service it will procure from AMS in the upcoming budget year. Those decisions  
2 are then reflected in Ameren Missouri's approved budget.

3 **Q. Does the process end there?**

4 A. No, Joint Planning is an ongoing, year-long process. Once the process is  
5 completed for an upcoming budget year – and that budget is finalized –Ameren Missouri  
6 engages in ongoing monitoring of its AMS costs to ensure that the services AMS is  
7 providing, and the costs Ameren Missouri is incurring for those services, are consistent  
8 with the decisions Ameren Missouri made as part of the annual budgeting process. AMS  
9 representatives meet with me and other members of the CAM Team on a quarterly basis to  
10 discuss variances in the approved products and services. The results of those quarterly  
11 meetings are then shared with the President of Ameren Missouri and members of his lead  
12 team to get their feedback. I, or others as appropriate, then follow-up with AMS on any  
13 action items, questions, or concerns that might arise from this quarterly review process,  
14 including, if necessary, adjustments to AMS' work on behalf of Ameren Missouri to align  
15 with the budget as approved, or as it may be changed by Ameren Missouri as the year  
16 proceeds. It should be noted that I, along with members of my team and other Ameren  
17 Missouri leaders as appropriate, also have ongoing discussions with AMS as needed  
18 throughout the year regarding the services AMS provides.

19 **II. DEMAND PLANNING WITH AMS**

20 **Q. Please describe the Demand Planning process.**

21 A. As indicated above, the focus of Demand Planning is on capital projects on  
22 which AMS works, as opposed to work that generates O&M expenses. The basic purpose  
23 of Demand Planning is the same as for Joint Planning: to follow an annual process so that



1 Ameren Missouri gets cost-effective capital project work from AMS functions where  
2 appropriate, and to include that contemplated capital work in Ameren Missouri's approved  
3 budget. As discussed further below, the process also includes ongoing review as the  
4 approved budget year progresses. While there is some AMS work on capital projects  
5 outside the Digital (formerly called "IT") function, a high percentage of the capital work  
6 at AMS for Ameren Missouri is in the Digital function. Consequently, the Demand  
7 Planning process between Digital and Ameren Missouri is more structured and detailed,  
8 and I will devote most of the remainder of my direct testimony to discussing Demand  
9 Planning as it pertains to the Digital function. I will also address the application of the  
10 process to the other capital work performed by AMS, albeit in less detail.

11 **Q. How does the process of determining what capital work from Digital is**  
12 **needed by Ameren Missouri work?**

13 A. The Digital Demand Planning process is broken down into different steps,  
14 as follows: (a) kick-off meetings; (b) opportunity gathering; (c) business case  
15 development; (d) reviews involving Ameren Missouri, Digital leadership and other  
16 relevant AMS stakeholders; and (e) execution planning. I should note that, as is the case  
17 with Joint Planning, Digital goes through a similar process with other Ameren affiliates  
18 and in many cases the meetings involve Digital and other affiliates, since many Digital  
19 Projects involve capital software or hardware projects that benefit both Ameren Missouri  
20 and others. At other times, Digital meets separately with Ameren Missouri when the focus  
21 of the discussions is for an Ameren Missouri-specific project.

1           **Q.     Please explain the process in more detail, starting with the kick-off**  
2 **meetings.**

3           A.     The process starts off with kick-off meetings between Digital and Ameren  
4 Missouri, Ameren Illinois Company (“AIC”), and/or Ameren Transmission Company of  
5 Illinois (“ATXI”). The kick-off meetings are organized around the different Digital  
6 “portfolios.”<sup>3</sup> At a minimum, Ameren Missouri participants in these meetings include  
7 members of the Ameren Missouri Capital Governance team, which reports to Ameren  
8 Missouri President Mark Birk, and other Ameren Missouri leaders. The kick-off meetings  
9 are used to outline the steps necessary to successfully complete the Demand Planning  
10 process so that the projects that are ultimately approved meet each affiliate’s needs.

11           **Q.     Please explain the opportunity gathering step.**

12           A.     Following the kick-off meetings, the next few months entail collecting  
13 details from the Ameren Missouri Capital Governance Team and/or other functional groups  
14 from Ameren Missouri, to identify investment needs. Other affiliates follow a similar  
15 process. This step includes capturing the high-level scope details and the benefits and costs  
16 of the capital projects identified. As noted earlier, if the projects benefit affiliates other than  
17 Ameren Missouri, those other affiliates are also involved. Once the needs are identified,  
18 the applicable participants review and determine which investments are priorities. At the  
19 end of this process, a list of investments is produced to move to the business case  
20 development process. Specific to Ameren Missouri, this list is developed with the input of  
21 Ameren Missouri’s functional areas (e.g., Energy Delivery, Generation), and in

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<sup>3</sup> A Digital portfolio is a functional grouping of digital systems. The functional groupings are as follows: Transmission, HR, Foundational Enablers (including Analytics & Automation), Customer, Other, Cyber, Generation/Nuclear, Supply Chain, Run the Business, Finance, Trade Floor and Energy Delivery.

1 collaboration with the Ameren Missouri Capital Governance team and of course with  
2 Digital.

3 **Q. Please explain the next step.**

4 A. The next step is the business case development process. Each affiliate's  
5 functional representatives continue to meet with Digital to gather additional details to  
6 complete an appropriate business case, which would include deeper development of details  
7 on the needs for the project, and its costs and benefits. Once the appropriate business cases  
8 are developed, the Digital team leverages the information developed and compiles a  
9 consolidated list of all of the potential investments.

10 **Q. What is the next step in the process?**

11 A. After the consolidated list of all of the investments across all of the different  
12 functional areas is complete, the reviews with each affiliate and Digital leadership begin.  
13 Before the review meetings, the Digital groups review the list of all the potential  
14 investments and consider the feasibility, cost and potential value of each investment in  
15 order to develop recommendations. Digital deprioritizes potential projects at this stage that  
16 it believes may not be as high priority as some of the other candidate projects, either for  
17 technical reasons, due to resource or timing constraints, or because not all projects could  
18 be pursued while also staying within investment targets set by each affiliate. While I  
19 referred to this as the "next step" in the process, in reality Digital meets several times with  
20 Ameren Missouri Capital Governance, Operational Technology Implementation, and  
21 Ameren Missouri functional teams prior to finalizing Digital's recommendations. The  
22 recommendations list is refined as needed as a result of additional discussions. Once the

1 recommendations list is “final,” those projects are then reviewed with the leadership of the  
2 affiliates. Once those reviews are complete, final decisions are made.

3 **Q. Please explain the final step of Demand Planning.**

4 A. Digital leadership then shares the approved list or plan with the entire  
5 Digital organization so there is a complete understanding of what investments were  
6 approved for funding by the affiliates for the year. Also, at this point, the investments are  
7 entered into the budget system for AMS and for each affiliate, including Ameren Missouri,  
8 and the affiliates perform a final review of the portion of the investments that they will be  
9 covering (100% for affiliate-specific work or their allocated share of projects that benefit  
10 more than one affiliate) before their budgets are finalized.

11 **Q. Is the Demand Planning process only used for Digital?**

12 A. No. There are two other AMS functions involving AMS services that  
13 involve capital project work for Ameren Missouri: Facilities and Transmission. A similar  
14 review process occurs in these functions, but without the same kind of set, detailed process  
15 followed by Digital. While projects in the Facilities and Transmission groups were still  
16 reviewed and scoped with Ameren Missouri (and other affiliates), the process varies from  
17 the Digital process primarily because most of these projects have longer planning periods  
18 prior to any work being done and fewer of their projects jointly benefit Ameren Missouri  
19 and AIC (which requires additional coordination and alignment), eliminating the need to  
20 go through the same kind of process used for Digital. Put another way, these projects are  
21 generally not confined to a single budget cycle, which means there is ongoing collaboration  
22 between Facilities and Transmission and the applicable affiliate as the projects are  
23 developed and proceed. By contrast, Digital projects get approved and other than the

1 ongoing reviews that take place, as discussed further below, Digital for the most part  
2 simply executes the projects without the same kind of ongoing collaboration that is needed  
3 for the longer-term Facilities and Transmission work.

4 **Q. Does Demand Planning end with the finalization of the budget?**

5 A. No. As a year progresses, emerging needs for capital work may arise, or  
6 needs may change in a way that could eliminate, reduce, or defer capital work. Meetings  
7 and other communications occur on a regular basis with the applicable AMS function, my  
8 team, the Ameren Missouri Capital Governance Team, or other Ameren Missouri  
9 functions.

10 The Ameren Missouri Financial Services and Capital Governance teams, and other  
11 Ameren Missouri representatives as appropriate, meet with Digital monthly to discuss  
12 progress on the projects in the budget as well as any emerging demands. Any requests for  
13 additional funding must be approved by the Ameren Missouri Financial Services and  
14 Capital Governance teams, in consultation with Ameren Missouri leadership. Similarly,  
15 Ameren Missouri might find it necessary to adjust the scope or timing of a project.

16 Regarding Facilities, the Ameren Missouri Financial Services team, the Ameren  
17 Missouri Capital Governance team, and if necessary other Ameren Missouri  
18 representatives, meet with Facilities every quarter. Like Digital, they discuss current  
19 projects, as well as upcoming planned projects or any emerging demands, if necessary.  
20 Other project plans or budget adjustments are also discussed as necessary.

21 For Transmission, the ongoing review is done more on an ad hoc basis, but material  
22 variances from the budget or material scope changes are discussed with the Ameren

1 Missouri Capital Governance team and/or other Ameren Missouri representatives, as  
2 needed.

3 **Q. What other processes are in place regarding capital work performed**  
4 **by AMS?**

5 A. My team, with input from the Ameren Missouri Capital Governance team,  
6 reviews all capital spending for Ameren Missouri every month and prepares a monthly  
7 variance analysis of actual spend to budgeted spend. This report is shared and reviewed  
8 with Ameren Missouri leadership monthly as well. If those reviews raise any concerns, the  
9 Capital Governance team takes the lead on communications with AMS to address any  
10 concerns or changes that need to be made.

11 **Q. Earlier you mentioned that Joint Planning and Demand Planning are**  
12 **complementary and may overlap in certain respects. Can you please elaborate?**

13 A. Yes. As the Demand Planning process proceeds, which projects are  
14 undertaken, the extent to which they are undertaken, and which projects may not be  
15 undertaken can have an impact on AMS' O&M costs. This can occur, for example, if a  
16 capital project that would have reduced O&M in a given year is not done, or there are  
17 capital projects that will require ongoing O&M once they are complete. Ameren Missouri  
18 coordinates with AMS across the Joint Planning and Demand Planning processes to make  
19 sure we are cognizant of the interplay between capital projects and O&M.

20 **III. TRANSACTIONS WITH OTHER RATE-REGULATED AFFILIATES**

21 **Q. Does Ameren Missouri transact with affiliates other than AMS?**

22 A. Yes. As I have outlined before, including in my direct testimony in File No.  
23 EO-2017-0176, there are routine transactions with other rate-regulated affiliates involving

1 things like inventory exchanges, meters, building and software rentals, other miscellaneous  
2 support work.

3 **Q. Can you please give the Commission a sense of the level of these**  
4 **transactions?**

5 A. Yes, per the Company's 2023 CAM submission, the net impact of the non-  
6 AMS affiliate transactions was approximately \$200 thousand paid by Ameren Missouri.<sup>4</sup>  
7 Regarding energy/capacity sales, those sales occur as a result of Ameren Missouri's  
8 competitive bidding into the Illinois Power Auction as a means of making additional off-  
9 system sales at the market prices established by that auction. Therefore, while technically  
10 the transaction is with an "affiliate" in the sense that the ultimate buyer ends up being AIC,  
11 practically speaking, the sales are made pursuant to a market process, and Ameren  
12 Missouri's bids are always above its marginal cost.

13 **Q. Does this conclude your direct testimony?**

14 A. Yes, it does.

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<sup>4</sup> These are the kinds of regulated utility to regulated utility transactions that the Commission has found do not present affiliate subsidy-type concerns. See orders in File Nos. EM-2007-0374 and EM-2018-0012.

