

*Exhibit No.:*

*Issue(s): Revenue Requirement,  
Corrections, Income Tax  
Lags for CWC, NL  
Distribution Maintenance*

*Witness: Lisa M. Ferguson*

*Sponsoring Party: MoPSC Staff*

*Type of Exhibit: Rebuttal Testimony*

*Case No.: ER-2024-0319*

*Date Testimony Prepared: January 17, 2025*

**MISSOURI PUBLIC SERVICE COMMISSION**

**FINANCIAL & BUSINESS ANALYSIS DIVISION**

**AUDITING DEPARTMENT**

**REBUTTAL TESTIMONY**

**OF**

**LISA M. FERGUSON**

**UNION ELECTRIC COMPANY,  
d/b/a Ameren Missouri**

**CASE NO. ER-2024-0319**

*Jefferson City, Missouri  
January 2025*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11

**TABLE OF CONTENTS OF  
REBUTTAL TESTIMONY OF  
LISA M. FERGUSON  
UNION ELECTRIC COMPANY,  
d/b/a Ameren Missouri  
CASE NO. ER-2024-0319**

Revenue Requirement.....2  
Error Corrections .....4  
Rebuttal.....6  
Lead/Lag Days for Income Tax Expense in Cash Working Capital (“CWC”)..... 6  
Non-Labor Distribution Maintenance ..... 7

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **LISA M. FERGUSON**

4 **UNION ELECTRIC COMPANY,**  
5 **d/b/a Ameren Missouri**

6 **CASE NO. ER-2024-0319**

7 Q. Please state your name and business address.

8 A. My name is Lisa M. Ferguson, 111 North 7th Street, Suite 105, St. Louis,  
9 Missouri 63101.

10 Q. By whom are you employed?

11 A. I am employed by the Missouri Public Service Commission (“Commission”) as  
12 a member of the Auditing Staff (“Staff”).

13 Q. Are you the same Lisa M. Ferguson who filed revenue requirement direct  
14 testimony filed December 3, 2024, in this case?

15 A. Yes, I am.

16 Q. What is the purpose of your rebuttal testimony?

17 A. My rebuttal testimony will update the Commission regarding a change in  
18 Staff’s revenue requirement position from direct after inclusion of error corrections and updates  
19 in positions. Staff’s rebuttal Accounting Schedules are being filed concurrently with this  
20 testimony. This testimony will respond to Office of the Public Counsel witness John S. Riley  
21 regarding lead/lag days for income tax expense in cash working capital. Staff will also provide  
22 an update on its position regarding non-labor distribution maintenance.

1 **REVENUE REQUIREMENT**

2 Q. What was Staff's revenue requirement for Ameren Missouri's electric  
3 operations in direct testimony?

4 A. Staff's revenue requirement was \$397,920,137 at Staff's proposed mid-point  
5 rate of return. Staff's rebuttal accounting schedules now reflect a revenue requirement  
6 of \$406,920,187. Staff's rebuttal revenue requirement represents an overall increase  
7 of \$9,000,050 million for Ameren Missouri electric operations from Staff's direct position.

8 Q. Please summarize the error corrections and updates Staff has made to its direct  
9 filed position.

10 A. Listed below are the corrections and updates to Staff's position that have been  
11 reflected in Staff's rebuttal accounting schedules. The Staff witness and items listed below are  
12 explained further in the listed witness' rebuttal testimony. The exceptions to this are the  
13 corrections to issues for Paul K. Amenthor and Benjamin H. Burton. Paul K. Amenthor will  
14 not file rebuttal testimony regarding the correction to the test year he utilized in his calculation  
15 of the adjustment for convenience fees and his inclusion of corrected expense lags in the cash  
16 working capital ("CWC") schedule. Benjamin H. Burton will not file rebuttal testimony  
17 regarding the corrections to nuclear fuel inventory, materials & supplies, property tax expense,  
18 and the property tax tracker. Below is a list of the error corrections by witness:

- 19 • Convenience Fees – Paul K. Amenthor
- 20 • Cash Working Capital – Paul K. Amenthor
- 21 • Nuclear Fuel Inventory – Benjamin H. Burton
- 22 • Materials & Supplies – Benjamin H. Burton
- 23 • Property Tax Expense & Tracker – Benjamin H. Burton
- 24 • Incentive Compensation (Capital and Expense) – Jane C. Dhority
- 25 • Employee Benefits – Jane C. Dhority

Rebuttal Testimony of  
Lisa M. Ferguson

- 1 • Pensions and OPEBs<sup>1</sup> – Jane C. Dhority
- 2 • Building Rent – Jane C. Dhority
- 3 • Plant in Service Accounting (“PISA”) – Jane C. Dhority
- 4 • Board of Directors Expense – Blair Hardin
- 5 • Dues & Donation Expense – Blair Hardin
- 6 • Solar Rebate Amortization – Lisa M. Ferguson
- 7 • Production Tax Credit (“PTC”) Factor Up – Lisa M. Ferguson
- 8 • Energy & Capacity Revenue, Purchased Power, Fuel Expense, NBEC –
- 9 Lisa M. Ferguson
- 10 • Accumulated Deferred Income Taxes (“ADIT”) – Lisa M. Ferguson

11 In addition, Staff witness Amanda Arandia will discuss proposed changes in  
12 depreciation rates for certain accounts as part of her rebuttal testimony.

13 Q. Please explain the error corrections that are reflected in Staff’s rebuttal cost of  
14 service for Staff witnesses Amenthor and Burton.

15 A. In Staff’s direct filing, Staff witness Amenthor used Ameren Missouri’s  
16 proposed annualized amount for convenience fees instead of per book test year in his adjustment  
17 calculation. In addition, incorrect expense lags were included in Staff’s direct CWC schedule  
18 for cash vouchers and city income tax expense. Staff witness Amenthor has corrected his  
19 convenience fee calculation to utilize the per book test year and also agrees with Ameren  
20 Missouri’s proposed expense lags for the items discussed above.

21 Staff witness Burton has included corrections in the rebuttal cost of service due to a  
22 transposition error in one of his nuclear fuel inventory amounts included in rate base.  
23 The materials and supplies for Rush Island included in the securitization rider were removed  
24 twice. There was a sign flipped when removing the test year tracker amortization from test year

---

<sup>1</sup> Other Post-Employment Benefits (“OPEBs”).

1 property tax expense, affecting the test year number in which to adjust annualized property tax  
2 expense. Staff also adjusted non-utility property tax expense out twice and reflected an  
3 adjustment for the property tax tracker comparing non-RESRAM<sup>2</sup> tracked property tax with an  
4 amount that did include RESRAM.

5 **ERROR CORRECTIONS**

6 Q. Please explain the error corrections related to your issues.

7 A. The error corrections below describe those associated with an impact on the cost  
8 of service calculation.

- 9 • When calculating the starting point for Staff's Industry Analysis department to  
10 apply revenue adjustments, I miscalculated the difference between the per book  
11 revenue without test year revenue adjustments and the starting revenue per the  
12 billing units. This correction was reflected in Staff witness Sarah L.K. Lange's  
13 direct class cost of service testimony.
- 14 • When entering the ADIT amount in rate base in the accounting schedules, there  
15 was a transposition error.
- 16 • The amount of capacity expense was not included in the purchased power  
17 category in CWC, defaulting to the cash vouchers category. This was moved to  
18 the purchased power category in order to apply the correct expense lag.
- 19 • The test year adjustment was inadvertently omitted to remove the solar rebates  
20 paid in the test year. This adjustment has now been included as the solar rebate  
21 program ended.

---

<sup>2</sup> Renewable Energy Standard Rate Adjustment Mechanism

- 1           • The capacity revenue associated with the RESRAM was inadvertently omitted  
2           from my normalized sales revenue adjustment; it has now been added.
- 3           • There was a formula error that did not pick up the fly ash revenue in account  
4           501 within the fuel expense calculation, that has now been added.
- 5           • Staff factored up all production tax credits for income taxes prior to including  
6           the amount in the income tax schedule (effectively factoring up twice).
- 7           • There was a sign flipped in the formula for tax straight-line that is now corrected.
- 8           • The format of Staff’s accounting schedules was changed so that plant  
9           amortization would feed into the cash vouchers category of the CWC schedule.
- 10          • Staff corrected the amount of test year purchased power non-energy amounts to  
11          remove from the adjustment for energy only purchased power.
- 12          • The test year sales revenue amount was corrected to include the test year virtual  
13          transaction and deviation revenue that is then subsequently adjusted by Staff  
14          witness Shawn E. Lange, P.E.
- 15          • The test year sales energy revenue was corrected by adjusting the amount of  
16          non-energy Make Whole Payments<sup>3</sup> removed.

17           Staff also corrected incorrect values for nuclear fuel, sales and purchases and other  
18          minor discrepancies in its net base energy cost schedule, some of those corrections are due to  
19          those listed above. Also, in my direct testimony on page 55, lines 13, and lines 27-28, I list the  
20          following amortizations:

---

<sup>3</sup> In the context of an RTO (Regional Transmission Organization) electricity market, a “make whole payment” refers to financial compensation paid to a power generator when they are required to provide reserve capacity, essentially ensuring they are “made whole” for the potential loss of revenue from selling their power in the regular market by providing this additional reserve service; it's essentially a way to compensate generators for the opportunity cost of holding reserve capacity, which might otherwise be used to sell electricity at a higher price in the market..

- 1 • Callaway Post Operations (ER-84-560-031) – No Rate Base Inclusion
- 2 • Excess Deferred Tracker (ER-2021-0240) – Rate Base Inclusion
- 3 • Excess Deferred Tracker (ER-2022-0337) – Rate Base Inclusion

4 While the name and case number of these amortizations is correct, the rate base inclusion  
5 description is not. It should read:

- 6 • Callaway Post Operations (ER-84-560-031) – Rate Base Inclusion
- 7 • Excess Deferred Tracker (ER-2021-0240) – No Rate Base Inclusion
- 8 • Excess Deferred Tracker (ER-2022-0337) – No Rate Base Inclusion

9 **REBUTTAL**

10 **Lead/Lag Days for Income Tax Expense in Cash Working Capital (“CWC”)**

11 Q. Mr. Riley explained in his direct testimony that cash working capital essentially  
12 represents the measurement of funds, on average, that is required for the payment of a utility’s  
13 day-to day expenses and determines whether the customers or utility are essentially providing  
14 the funding for those expenses. What expense lag does OPC witness Riley believe is correct to  
15 utilize for federal, state and city income taxes for Ameren Missouri?

16 A. He believes that the 38-day lag proposed by both Ameren Missouri and Staff is  
17 incorrect and a 365-day lag is appropriate.

18 Q. Does Staff agree that a 365-day lag is appropriate in this case?

19 A. No. While Staff has proposed a 365-day lag in other utility rate cases, it is not  
20 appropriate to include it in this current rate case.

21 Q. Mr. Riley states on page 11, lines 4-8 of his direct testimony that  
22 Ameren Missouri has produced taxable losses the last two years, on a stand-alone basis,  
23 and that with the expansion of depreciable projects, he expects a loss situation for Ameren  
24 Missouri for the foreseeable future. Did Ameren Missouri have a tax loss in tax year 2023?

25 A. No. While Mr. Riley is correct that Ameren Missouri had \*\* [REDACTED]

26 [REDACTED]



1 [REDACTED] \*\*. In addition, Ameren Missouri expects to  
2 have taxable income for tax year 2024.<sup>4</sup>

3 **Non-Labor Distribution Maintenance**

4 Q. What was Staff's position regarding this issue in direct testimony and what  
5 has changed?

6 A. Staff reviewed a 6-year history of non-labor distribution maintenance and noted  
7 that the test year was high in comparison to that historical data and proposed a five-year average  
8 ending June 30, 2024, in order to normalize these costs. Staff explained in its direct testimony  
9 that Staff witness Keith Majors reviewed costs within the non-labor distribution category  
10 related to infrastructure inspections and vegetation management.

11 Q. Did Staff's calculation of non-labor distribution maintenance include costs  
12 related to vegetation management and infrastructure inspections?

13 A. Yes, at least for vegetation management. Staff revisited the calculation and  
14 compared the non-labor distribution maintenance amounts in the accounts that I used in my  
15 direct calculation to amounts included within Staff witness Keith Majors workpapers.  
16 There was one account that overlapped my calculation in regards to vegetation management.  
17 In addition, Staff also discovered that one of the accounts utilized in my calculation also  
18 included some storm restoration costs.

19 Q. Did this overlap of costs within accounts in your calculation change your  
20 proposed adjustment?

21 A. Yes. Staff isolated the accounts affected and removed the vegetation  
22 management and storm restoration costs from the accounts to perform a proper analysis.

---

<sup>4</sup> Per the response to Staff Data Request 0474.

Rebuttal Testimony of  
Lisa M. Ferguson

1 It appears that the test year is still high in comparison to prior year actual expense and should  
2 still be normalized. Staff has recalculated and now included a five-year average ending  
3 June 30, 2024, in the cost of service. This is the same methodology that was used in my direct  
4 position but the adjustment is of a lesser magnitude by approximately \$1.4 million.

5 Q. Does this conclude your rebuttal testimony?

6 A. Yes, it does.

**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 Revenues for Electric Service                )            Case No. ER-2024-0319

**AFFIDAVIT OF LISA M. FERGUSON**

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

**COMES NOW LISA M. FERGUSON** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Lisa M. Ferguson*; and that the same is true and correct according to her best knowledge and belief.

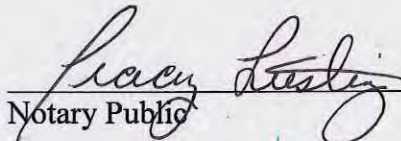
Further the Affiant sayeth not.

  
\_\_\_\_\_  
**LISA M. FERGUSON**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the City of St. Louis, State of Missouri, at my office in St. Louis, on this 1/15/2025 day of January 2025.

TRACY LUSTIG  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for St. Louis County  
My Commission Expires: July 11, 2028  
Commission Number: 24463100

  
\_\_\_\_\_  
Notary Public