

Exhibit No.:
Issue(s): *Renewable Solutions
Program, Cybersecurity
Costs, Software
Maintenance Expense,
Cash Working Capital,
New Solar Operation and
Maintenance Expenses*
Witness: *Paul K. Amenthor*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal / True-Direct
Testimony*
Case No.: *ER-2024-0319*
Date Testimony Prepared: *February 14, 2025*

MISSOURI PUBLIC SERVICE COMMISSION

FINANCIAL AND BUSINESS DIVISION

AUDITING DEPARTMENT

SURREBUTTAL / TRUE-UP DIRECT TESTIMONY

OF

PAUL K. AMENTHOR

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

CASE NO. ER-2024-0319

*Jefferson City, Missouri
February 2025*

1 **RENEWABLE SOLUTIONS PROGRAM**

2 Q. Ameren Missouri witness Wills states on page 31, lines 14-23, of his rebuttal
3 testimony that Staff double counted the Boomtown revenues in its total revenue calculation.
4 What is Staff response to Mr. Wills' rebuttal?

5 A. Staff acknowledges double counting the Boomtown revenues in its direct
6 testimony. However, the numbers described in Staff's direct testimony were not double counted
7 in Staff's projected true-up adjustment.

8 Q. Ameren Missouri witness Wills states on page 33, lines 1-22, of his rebuttal
9 testimony that Staff mischaracterized the company proposal in regard to RSP revenue and the
10 tracker base amount. Please clarify Staff's position on this issue.

11 A. Staff includes, as an offset to the revenue requirement, the actual revenue
12 collected by Ameren Missouri associated with the implementation of the first two phases of
13 the RSP, and to establish that revenue as the base amount for tracking purposes going forward.
14 However, since the RSP is a new program, Staff recommends including \$7,017,222 as a base
15 amount based on the signed and executed contracts of the subscribers.

16 **CYBER SECURITY COSTS**

17 Q. Ameren Missouri witness Stephen Hipkiss states on page 34, lines 1-9, of his
18 rebuttal testimony that Staff removed miscellaneous expense related to alcohol purchases,
19 non-taxable meals and entertainment costs, membership dues, employee relocation expense,
20 and other employee expense from the cybersecurity costs. Please explain Staff's position.

21 A. Staff removed these miscellaneous expenses from the cybersecurity cost on the
22 grounds that these costs should not be included in the cybersecurity cost to begin with.

1 Furthermore, the cybersecurity security cost is a true-up item and these miscellaneous costs,
2 which are mostly one-time or below the line costs, should not receive true-up treatment.

3 Q. What is Staff's recommended adjustment for miscellaneous costs removed from
4 the cybersecurity expenses?

5 A. Staff includes these expenses with the rest of miscellaneous expenses.
6 Staff witness Blair Hardin will address this in more detail in her surrebuttal testimony.

7 **SOFTWARE MAINTENANCE EXPENSE**

8 Q. Ameren Missouri witness Benjamin Hasse states on page 9, lines 1-16, of his
9 rebuttal testimony that Staff reviewed a sample of existing contracts and sought no discovery
10 of expired contracts during the test year. Explain the review process of software
11 maintenance contracts.

12 A. Ameren Missouri and Staff agreed on this sample method. Ameren Missouri has
13 over a hundred underlying contracts with different execution and expiration dates. It would be
14 impossible to review all these contracts. The sample list of contracts that was provided to
15 Ameren Missouri was after meeting with Ameren Missouri personnel, and Ameren Missouri
16 agreed to provide copies of the renewed contracts. Staff's adjustment was based on the fact that
17 those contracts expired prior to the update period.

18 Q. Ameren Missouri witness Benjamin Hasse also claimed on page 9, lines 1-7 of
19 his rebuttal testimony that Staff did not make an adjustment to increase the revenue requirement
20 for many renewed or new agreements that replaced or supplement those expired contracts.
21 Please explain Staff's recommended adjustment?

22 A. Staff reviewed the software maintenance costs from the beginning of the test
23 year period through the end of the update period, June 30, 2024, in its direct case.

1 Staff's adjustment was based on the same period and included all new and renewed or
2 supplemental agreements.

3 Q. Ameren Missouri Witness Benjamin Hasse states on page 10, lines 1-6, in his
4 rebuttal testimony that the expired contracts that Staff relied on to make such adjustment have
5 been renewed. Do you have any updates or corrections for software maintenance expense?

6 A. Yes. Staff received additional software maintenance agreements in response to
7 Staff Data Request No.353.3. Staff included the costs related to these software agreements in
8 the cost of service.

9 **CASH WORKING CAPITAL**

10 Q. Ameren Missouri witness Mitchell Lansford states on page 34, lines 1-9, in his
11 rebuttal testimony that Staff recommended no change to payroll expense lag (10.9 days) in
12 Case No. ER-2022-0337, but has now recommended changing the payroll expense lag
13 to 12.01 days, which was Staff's position in Case No. ER-2021-0240. Why has Staff changed
14 its position while completely ignoring its most recent recommendation from
15 Case No. ER-2022-0337?

16 A. Staff has recommended the same expense payroll lag it proposed in
17 Case ER-2021-0240 because Ameren Missouri has not changed how its executive employees
18 are paid since Ameren Missouri case ER-2019-0335.

19 Q. Please explain further

20 A. Ameren Corporation changed the pay dates for its management employees from the
21 15th of the month and the last day of the month to the 13th and the 28th, respectively.
22 However, Ameren Corporation did not also adjust the pay period for management employees,
23 which are still set on the end on the 15th and the last day of each month, resulting in

1 Ameren Missouri effectively prepaying its management employees. Staff recommended in
2 Case No. ER-2021-0240 to reset the payment lead time for management employees back to
3 zero, as it was prior to the timing change in November 2018. Therefore, it was an oversight on
4 Staff's behalf to not recommend the 12.01 payroll expense lag in Case No. ER-2022-0337.

5 Q. Ameren Missouri witness Mitchell Lansford states on page 35, lines 1-12, of his
6 rebuttal testimony that the Commission has accepted a negative payment lead time in the past
7 for the calculation of the payroll. How does this negative lead-time differ from
8 Ameren Missouri's management negative payroll expense lag?

9 A. The negative payment lead time as a result of pay day falling on holidays and
10 weekends and employers to pay employees one or two days prior to the actual pay date is widely
11 accepted everywhere and has never been rejected by the Commission. However, the negative
12 payroll lead time for Ameren Missouri's management employees was deliberately adopted by
13 the company and it was not due to any circumstances.¹ The negative lead-time requires
14 Ameren Missouri to pay its management employees before their pay day. To meet this
15 obligation, Ameren has to acquire additional cash from its investors to pay its management
16 employees. This results in a positive effect on the overall cash working capital benefiting only
17 the investors.

18 **TRUE-UP**

19 Q. What is the purpose of your true-up direct testimony?

¹ Company's response to Staff Data Request No. 142 in GR-2019-0077 and Data Request No.328 in ER-2019-0335.

1 A. My true-up testimony will provide Staff’s true-up position on the following
2 issues: Software Maintenance Expense, RESRAM, Customer convenience fees, RSP and
3 Maryland Heights Landfills.

4 **CUSTOMER CONVENIENCE FEES**

5 Q. Has Staff updated the customer convenience fees?

6 A. Yes. Staff normalized convenience fees by applying the current price to the
7 number of transactions that were in place during the true-up period ending December 31, 2024.

8 **MARYLAND HEIGHTS ENERGY CENTER**

9 Q. Has Staff updated the fuel costs of Maryland heights energy center?

10 A. Yes. Staff annualized the fuel costs based on the fuel quantities during
11 the 12-months ending December 2024 multiplied by the current fuel price.

12 **CYBERSECURITY COSTS**

13 Q. Has Staff updated the cybersecurity costs?

14 A. Yes. Staff removed the miscellaneous expenses that were recorded as
15 cyber security costs that were previously addressed in testimony and updated its calculation to
16 include the actual costs Ameren Missouri incurred during the 12-month true-up period ending
17 December 31, 2024.

18 **RENEWABLE ENERGY STANDARD RATE ADJUSTMENT MECHANISM**

19 Q. Has Staff updated the RESRAM?

20 A. Yes. Staff updated the following items for Ameren Missouri’s Atchison,
21 High Prairie and Huck Finn facilities:

- 1 • RECs: 12 months ending December 31, 2024.
- 2 • Non-Labor Operations and Maintenance (“O&M”) Expense: 12 months ending
- 3 December 31, 2024.
- 4 • Solar Rebates: 12 months ending December 31,2024.
- 5 • Property taxes: Actual property taxes paid December 2024.
- 6 • Insurance Expense: annualized amount based on insurance policies.
- 7 • Interconnection Costs: 12 months ending December 31, 2024.
- 8 • Production Tax Credits(“PTC”): Based on the results of Staff fuel production model and
- 9 the current PTC rate.
- 10 • Depreciation Expense: Based on Staff’s proposed depreciation expense for Atchison,
- 11 High Prairie and Huck Finn.
- 12 • Return on eligible plant: Based on net plant of eligible facilities and Staff’s
- 13 recommended rate of return.

14 **NON-LABOR SOFTWARE MAINTENANCE EXPENSE**

15 Q. Did Staff true-up Software maintenance expense?

16 A. Yes. Staff annualized software maintenance expense by including the last known
17 amount of all current software contracts as of December 31, 2024.

18 **NEW SOLAR FACILITIES OPERATIONS AND MAINTENANCE EXPENSE**
19 **(“O&M”)**

20 Q. Describe Ameren Missouri’s new solar facilities.

21 A. Ameren Missouri purchased three new solar facilities through a combination of
22 Build Transfer Agreements (“BTA”), and Purchase and Sale Agreements (“PSA”):

- 1 • 150 MW Boomtown Solar project located in White County, Illinois;
- 2 • 200 MW Huck Finn Solar project located in Audrain and Ralls Counties in Missouri;
- 3 • and 150 MW Cass County project located in Illinois.

4 These three facilities were placed into service right before the true-up date, December 31, 2024,
5 in this case.

6 Q. Describe the O&M costs related to the solar facilities.

7 A. The O&M costs incurred by Ameren Missouri are mainly land lease payments
8 for the Hick Finn, Boomtown, and Cass County facilities.

9 Q. Did Staff include any O&M costs in its recommended true-up
10 revenue requirement?

11 A. Yes. Staff included a normal levels of O&M costs associated with these new
12 solar facilities based on the executed and signed contracts.

13 **RENEWABLE SOLUTION PROGRAM (“RSP”)**

14 Q. Did Staff include the RSP revenue in the revenue requirement?

15 A. Yes. Staff included the net revenue from Boomtown and Cass County
16 RSP subscribers in its recommended true-up revenue requirement.

17 Q. Describe the RSP net revenue computation.

18 A. Staff multiplied subscribers’ actual annual kilowatts by the renewable resource
19 rate to calculate the annual revenue. For the annual credit, Staff multiplied the annual
20 production kilowatt hours by the renewable benefit credit rate. The net revenue is the difference
21 between the annual revenue and the annual production credit. Staff’s calculation is consistent
22 with Ameren Missouri’s calculation, excepting for Staff’s use of its own fuel production model
23 kilowatt hours.

Surrebuttal / True-Up Direct Testimony
of Paul K. Amenthor

1 Q. What is Staff recommendation for the base level for the revenue tracker?

2 A. Staff recommends the net revenue included in the revenue requirement as the
3 base for the revenue tracker going forward.

4 Q. Does this conclude your surrebuttal / true-up direct testimony?

5 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 PAUL K. AMENTHOR

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

COMES NOW PAUL K. AMENTHOR and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal / True-up Direct Testimony of Paul K. Amenthor*; and that the same is true and correct according to his best knowledge and belief.

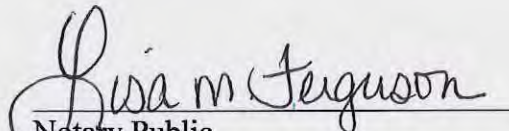
Further the Affiant sayeth not.


PAUL K. AMENTHOR

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of St. Louis, State of Missouri, at my office in St. Louis, on this 11th day of February 2025.

LISA M. FERGUSON
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Louis County
My Commission Expires: June 23, 2028
Commission Number: 16631502


Notary Public