Exhibit No.:
Issue(s): *Depreciation*
Witness: *Amanda Arandia*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal Testimony*
Case No.: *ER-2024-0319*
Date Testimony Prepared: *February 14, 2025*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENGINEERING ANALYSIS DEPARTMENT

SURREBUTTAL TESTIMONY

OF

AMANDA ARANDIA

UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri

CASE NO. ER-2024-0319

Jefferson City, Missouri
February 2025

TABLE OF CONTENTS OF

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CASE NO. ER-2024-0319

Q. Please state your name and business address.

A. My name is Amanda Arandia. My business address is 200 Madison Street, Jefferson City, Missouri 65101.

Q. Did you file testimony in this case?

A. Yes. I filed direct testimony under the name of Amanda Coffer and rebuttal testimony under the name Amanda Arandia.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to respond to Office of the Public Counsel ("OPC") witness John A. Robinett and Ameren Missouri witness John Spanos regarding my recommendations for depreciation and negative reserve balances.

DEPRECIATION

Q. In his rebuttal testimony Mr. Robinett states that there are some accounts for which you recommended the continued use of the current depreciation rate for which your schedule of depreciation rates reflects an incorrect rate.[1] What is your response?

A. Mr. Robinett states that I did not use the currently ordered depreciation rate for the following accounts:

[1] Rebuttal Testimony of John A. Robinett, page 4, lines 1-16.

- 316 facility Miscellaneous Equipment – Sioux, 7.66
- 316.21 Miscellaneous Equipment Office Furniture – Sioux, 5
- Solar Facilities Large accounts

First of all, I believe there has been some confusion. In my direct testimony I provided a list of accounts for which I was recommending the continued use of the existing depreciation rates.[2] The accounts that Mr. Robinett mentions in his rebuttal testimony are not on that list. These are all accounts for which I had recommended the use of the rates recommended by Mr. Spanos. However, the rates for the Sioux facility were incorrect. This is an error that I mentioned in my rebuttal testimony, page 5, lines 4-7, and corrected in my updated schedule of depreciation rates, Schedule AA-r1.

Q. Mr. Spanos mentions on page 1, lines 16-19 of his rebuttal testimony that you had stated that all the depreciation rates he recommended are reasonable, and that you arbitrarily determined not to use his reasonable rates for some of these accounts. Is this true?

A. No. I believe this quote from my direct testimony is what Mr. Spanos is referring to, "While Staff agrees that most of Mr. Spanos' recommended depreciation rates are reasonable, there are some for which he has recommended a change greater than what is reasonable."[3] It is obvious in this statement that I do not agree that ALL of his recommended depreciation rates are reasonable. It is also explicitly stated in the above quotation that for some accounts his recommended change was greater than what is reasonable. I further explain that I intended to examine these accounts once issues with depreciation software had been resolved[4].

[2] Direct Testimony of Amanda Coffer, page 4, lines 6-26.
[3] Direct Testimony of Amanda Coffer, page 3, line 21 – page, line 2.
[4] Direct Testimony of Amanda Coffer, page 4, lines 2-4.

I then examined these specific accounts and provided my updated recommendations for depreciation rates attached to my rebuttal testimony as AA-r1.

Q. Mr. Robinett mentions in his rebuttal testimony that he disagrees with Staff's recommendations to order depreciation rates for the Rush Island facility that was retired in October of 2024.[5] What is your response?

A. Staff agrees that it is unnecessary to order depreciation rates for these accounts because there is no plant in these accounts. Staff has updated this on its depreciation schedule which is attached as AA-s1.

Q. In his rebuttal testimony, on page 1, line 23 through page 2, line 2, Mr. Spanos asserts that it is unreasonable to recommend the continued use of previously ordered depreciation rates due to Staff's depreciation software issues. How do you respond?

A. I disagree with his statement that it was unreasonable to recommend the continued use of depreciation rates that were previously found to be just and reasonable by the commission, in lieu of recommending depreciation rates provided by Mr. Spanos that I disagreed with. At the time of my Direct testimony, I largely recommended the use of Mr. Spanos' recommended depreciation rates, however there were some accounts for which I did not. The purpose of this was to allow Staff more time to examine those accounts and provide an updated depreciation rate in rebuttal, which I did. I provided an updated schedule of depreciation rates attached to my rebuttal testimony as AA-r1.

Q. On page 2, lines 15-16, of his rebuttal testimony, Mr. Spanos argues that "Staff recommends using depreciation rates for these select few accounts based on plant and reserve data that is now out-of-date." How do you respond?

[5] Direct Testimony of John A. Robinett, page 4, lines 17-22.

A. Staff did not recommend using depreciation rates for these accounts based on outdated plant and reserve data. Staff simply did not recommend all of the rates proposed by Mr. Spanos. Staff recommended the continued use of the currently ordered depreciation rates for accounts which seemed to warrant further examination until Staff could analyze these accounts and provide its updated depreciation rates in rebuttal. Staff examined the same data that Mr. Spanos examined and provided updated recommendations on these accounts with its rebuttal testimony.

NEGATIVE RESERVE BALANCES

Q. Mr. Spanos alleges that you made unsupported reserve and plant balance adjustments.[6] Do you agree?

A. No. In my direct testimony on page 5, lines 2-14, I note each account for which I recommended a balance transfer, the receiving account, and the reason for the transfer.

In summation, I noted a negative plant balance in Steam Production Plant Account 316.21 which was related to the Meramec Energy Center furniture account which had since been relocated to the Labadie plant and recommended the negative plant balance be transferred to Labadie account 316.21. I also noted negative reserve balances in Steam Production Plant Common accounts 311, 312, 314, 315, 316, and 316.21, and Taum Sauk account 332. In response to which were the result of removal costs and retirements exceeding depreciation over the course of time. For the Steam Production Plant Common accounts I recommended the negative reserve balances be reallocated to the matching account for the

[6] Rebuttal Testimony of John J. Spanos, page 2, lines 8-9.

Sioux facility and for Taum Sauk account 332, I recommended the negative reserve balance be reallocated to Taum Sauk account 333.

Q. Have your recommendations regarding the negative plant balance for account 316.21 changed since the filing of your direct testimony?

A. Yes. When Staff auditing reflected the plant balances at December 31, 2024, these plant balances were no longer negative, therefore Staff has removed those recommended adjustments from the accounting schedule.

Q. On page 7, lines 4 and 7, of his rebuttal testimony Mr. Spanos seems to criticize your "apparent desired outcome" to reduce negative plant and reserve accounts to zero. Is your motive for this practice simply because it is your desired outcome?

A. No. It is a common practice to adjust plant and reserve balances that are negative. Staff makes these adjustments in rate cases frequently, but most recently these adjustments can be seen in the Liberty Midstates gas rate case[7]. Mr. Spanos even alleges in his testimony that he had already made these adjustments.[8]

Q. In his testimony Mr. Spanos asserts that "all the negative reserve amounts that Staff identified have already been adjusted to achieve Ms. Coffer's apparent desired outcome (again to reduce each balance to zero)" with the exception of Taum Sauk 332."[9] What is your response?

A. Mr. Spanos presented his direct case and supported adjustments based on his recommended depreciation rates. Staff has presented its own direct case and supported the

[7] Direct Testimony of Amanda Coffer, page 5, line 17 – page 6, line 4.
[8] Rebuttal Testimony of John J. Spanos, page 7, lines 6-9.
[9] Rebuttal Testimony of John J. Spanos, page 7, lines 6-9.

referenced adjustments in Staff's accounting schedules just as Mr. Spanos did for Ameren Missouri's case.

Q. Regarding your recommendations to adjust Common Steam negative reserves, Mr. Spanos states that he decided to split the adjustment to Sioux and Labadie accounts rather than just Sioux as you recommended. What is your response?

A. There is a lot of professional judgment that goes into these decisions. This is one instance of that. In my review, I noticed the negative reserve balance and recommended the balance be reallocated to the Sioux account as it is an account that could easily absorb the deficit because the Sioux facility has a total of roughly $926 million in its accounts as opposed to the roughly $689 million among the corresponding Labadie accounts. That does not mean that I disagree that the balance could have been split between Labadie and Sioux. Either recommendation is reasonable.

Q. On page 8, line through page 8, line 3 of his rebuttal testimony Mr. Spanos states that it is not appropriate to reallocate negative reserve from Taum Sauk account 333 to Taum Sauk account 332 due to the history of the account as an unexpected retirement with a higher than expected cost of removal[10]. Do you agree?

A. No. It is true that currently, Taum Sauk account 332 has a negative reserve balance due to an early retirement and higher than expected cost of removal. However, Mr. Spanos fails to make his point as to why it is best for Taum Sauk account 332 to remain negative at this time. Mr. Spanos sees this history as a reason not to transfer this negative balance, however this same reason is a good reason in favor of rebalancing the account. In Table 1 of his depreciation study, Mr. Spanos has the deficit in this account as

[10] Direct testimony of John J. Spanos, page 7, line 22 – page 8, line 5.

about $5.1 million, with an annual accrual of about $295,000. At this rate it would take about 17 years for reserves in this account to reach zero. There is currently $12.3 million in plant in this account. At this same rate it would take about another 42 years for the account to be fully accrued, for a total of 59 years, unless either the negative reserves are reallocated or new plant is added. I recommended to reallocate the reserve to Taum Sauk account 333 because that account is within a set of Taum Sauk plant and reserve accounts and has a depreciation reserve of roughly $17.6 million that is capable of absorbing the deficit.

CONCLUSION

Q. Do you have any updates to your recommended depreciation rates?

A. Yes. As previously stated I have updated my recommended depreciation rates to exclude Rush Island. My updated schedule of depreciation rates has been included as schedule AA-s1.

Q. Does this conclude your surrebuttal testimony?

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 AMANDA ARANDIA

STATE OF MISSOURI	)	
	)	ss.
COUNTY OF COLE	)	

COMES NOW AMANDA ARANDIA and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal / True-Up Direct Testimony of Amanda Arandia*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Amanda Arandia
AMANDA ARANDIA

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 7th day of February 2025.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070

D Suzie Mankin
Notary Public

Ameren Missouri
Schedule of Depreciation Rates
ER-2024-0319

	DEPRECIABLE PLANT	Net Salvage	Depreciation Rate
	STEAM PRODUCTION PLANT		
53	***SIOUX STEAM PRODUCTION PLANT***		
311	STRUCTURES AND IMPROVEMENTS	-1	5.89
312	BOILER PLANT EQUIPMENT	-2	7
314	TURBOGENERATOR UNITS	-1	6.27
315	ACCESSORY ELECTRIC EQUIPMENT	0	7.09
316	MISCELLANEOUS POWER PLANT EQUIPMENT	-5	8.44
316.21	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE FURNITURE	0	5.4
316.22	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE EQUIPMENT	0	6.67
316.23	MISCELLANEOUS POWER PLANT EQUIPMENT - COMPUTERS	0	20
58	***LABADIE STEAM PRODUCTION PLANT***		
311	STRUCTURES AND IMPROVEMENTS	-2	3.86
312	BOILER PLANT EQUIPMENT	-5	3.95
312.03	BOILER PLANT EQUIPMENT - ALUMINUM COAL CARS	25	2.45
314	TURBOGENERATOR UNITS	-3	3.2
315	ACCESSORY ELECTRIC EQUIPMENT	-1	3.17
316	MISCELLANEOUS POWER PLANT EQUIPMENT	-2	4.55
316.21	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE FURNITURE	0	5
316.22	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE EQUIPMENT	0	6.67
316.23	MISCELLANEOUS POWER PLANT EQUIPMENT - COMPUTERS	0	20
50	***COMMON STEAM***		
311	STRUCTURES AND IMPROVEMENTS	0	5.06
312	BOILER PLANT EQUIPMENT	-2	5.34
315	ACCESSORY ELECTRIC EQUIPMENT	-1	14.91
316	MISCELLANEOUS POWER PLANT EQUIPMENT	0	5.31

316.21	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE FURNITURE	0	5
316.22	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE EQUIPMENT	0	6.67
316.23	MISCELLANEOUS POWER PLANT EQUIPMENT - COMPUTERS	0	20
	NUCLEAR PRODUCTION PLANT		
65	***CALLAWAY NUCLEAR PRODUCTION PLANT***		
321	STRUCTURES AND IMPROVEMENTS	-1	1.71
322	REACTOR PLANT EQUIPMENT	-3	2.95
323	TURBOGENERATOR UNITS	-4	3.03
324	ACCESSORY ELECTRIC EQUIPMENT	-1	2.46
325	MISCELLANEOUS POWER PLANT EQUIPMENT	-2	3.93
325.21	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE FURNITURE	0	5
325.22	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE EQUIPMENT	0	6.67
325.23	MISCELLANEOUS POWER PLANT EQUIPMENT - COMPUTERS	0	20
	HYDRAULIC PRODUCTION PLANT		
52	***OSAGE HYDRAULIC PRODUCTION PLANT***		
331	STRUCTURES AND IMPROVEMENTS	-2	3.79
332	RESERVOIRS, DAMS, AND WATERWAYS	-1	3.14
333	WATER WHEELS, TURBINES, AND GENERATORS	-7	2.88
334	ACCESSORY ELECTRIC EQUIPMENT	-5	3.11
335	MISCELLANEOUS POWER PLANT EQUIPMENT	0	3.65
335.21	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE FURNITURE	0	5
335.22	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE EQUIPMENT	0	6.67
335.23	MISCELLANEOUS POWER PLANT EQUIPMENT - COMPUTERS	0	20
336	ROADS, RAILROADS, AND BRIDGES	0	1.83
54	***TAUM SAUK HYDRAULIC PRODUCTION PLANT***		
331	STRUCTURES AND IMPROVEMENTS	-6	1.43
332	RESERVOIRS, DAMS, AND WATERWAYS	-3	2.39

333	WATER WHEELS, TURBINES, AND GENERATORS	-27	2.05
334	ACCESSORY ELECTRIC EQUIPMENT	-24	2.13
335	MISCELLANEOUS POWER PLANT EQUIPMENT	0	2.13
335.21	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE FURNITURE	0	5
335.22	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE EQUIPMENT	0	6.67
335.23	MISCELLANEOUS POWER PLANT EQUIPMENT - COMPUTERS	0	20
336	ROADS, RAILROADS, AND BRIDGES	0	1.61
59	***KEOKUK HYDRAULIC PRODUCTION PLANT***		
331	STRUCTURES AND IMPROVEMENTS	-2	3.03
332	RESERVOIRS, DAMS, AND WATERWAYS	-1	2.5
333	WATER WHEELS, TURBINES, AND GENERATORS	-9	2.86
334	ACCESSORY ELECTRIC EQUIPMENT	-8	2.76
335	MISCELLANEOUS POWER PLANT EQUIPMENT	0	3.1
335.21	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE FURNITURE	0	5
335.22	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE EQUIPMENT	0	6.67
335.23	MISCELLANEOUS POWER PLANT EQUIPMENT - COMPUTERS	0	20
336	ROADS, RAILROADS, AND BRIDGES	0	1.19
HP	***HIGH PRAIRIE WIND FARM***		
341.4	STRUCTURES AND IMPROVEMENTS	0	3.48
344.4	GENERATORS	-1	3.64
345.4	ACCESSORY ELECTRIC EQUIPMENT	-1	3.64
346.4	MISCELLANEOUS POWER PLANT EQUIPMENT	0	3.59
346.21	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE FURNITURE	0	5
346.22	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE EQUIPMENT	0	6.67
346.23	MISCELLANEOUS POWER PLANT EQUIPMENT - COMPUTERS	0	20
AT	***ATCHISON WIND FARM***		
341.4	STRUCTURES AND IMPROVEMENTS	0	3.39

344.4	GENERATORS	-1	3.56
345.4	ACCESSORY ELECTRIC EQUIPMENT	-1	3.52
346.4	MISCELLANEOUS POWER PLANT EQUIPMENT	0	2.36
346.21	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE FURNITURE	0	5
346.22	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE EQUIPMENT	0	6.67
346.23	MISCELLANEOUS POWER PLANT EQUIPMENT - COMPUTERS	0	20
	OTHER PRODUCTION PLANT		
341	STRUCTURES AND IMPROVEMENTS	-5	2.56
341.2	STRUCTURES AND IMPROVEMENTS - SOLAR	0	3.98
342	FUEL HOLDERS, PRODUCERS, AND ACCESSORIES	-5	2.08
344	GENERATORS	-5	1.73
344.1	GENERATORS - MARYLAND HEIGHTS LANDFILL CTG	40	4.29
344.2	GENERATORS - SOLAR	0	3.75
345	ACCESSORY ELECTRIC EQUIPMENT	-5	2.15
345.2	ACCESSORY ELECTRIC EQUIPMENT - SOLAR	0	0.86
346	MISCELLANEOUS POWER PLANT EQUIPMENT	0	1.71
346.2	MISCELLANEOUS POWER PLANT EQUIPMENT - SOLAR	0	1.91
346.21	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE FURNITURE	0	5
346.22	MISCELLANEOUS POWER PLANT EQUIPMENT - OFFICE EQUIPMENT	0	6.67
346.23	MISCELLANEOUS POWER PLANT EQUIPMENT - COMPUTERS	0	20
346.4	Miscellaneous powerplant equipment - wind - other	0	2.6
	TRANSMISSION PLANT		
352	STRUCTURES AND IMPROVEMENTS	-5	1.66
353	STATION EQUIPMENT	-10	2.03
354	TOWERS AND FIXTURES	-55	3
355	POLES AND FIXTURES	-105	3.65
356	OVERHEAD CONDUCTORS AND DEVICES	-40	2.15
359	ROADS AND TRAILS	0	1.33

	DISTRIBUTION PLANT		
361	STRUCTURES AND IMPROVEMENTS	-5	1.73
362	STATION EQUIPMENT	-10	1.85
364	POLES AND FIXTURES	-155	4.33
365	OVERHEAD CONDUCTORS AND DEVICES	-50	2.33
366	UNDERGROUND CONDUIT	-60	2.29
367	UNDERGROUND CONDUCTORS AND DEVICES	-45	2.62
368	LINE TRANSFORMERS	0	1.96
369.1	OVERHEAD SERVICES	-175	3.63
369.2	UNDERGROUND SERVICES	-100	2.71
370	METERS	-1	25.78
370.1	METERS - AMI	-1	5.58
371	INSTALLATIONS ON CUSTOMERS' PREMISES	0	3.33
373	STREET LIGHTING AND SIGNAL SYSTEMS	-30	3.61
	GENERAL PLANT		
390	STRUCTURES AND IMPROVEMENTS MISCELLANEOUS STRUCTURES - OLD	-10	2.44
	LARGE STRUCTURES	-10	2.88
390.05	STRUCTURES AND IMPROVEMENTS - TRAINING ASSETS	0	-
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	0	5.42
391.2	OFFICE FURNITURE AND EQUIPMENT - PERSONAL COMPUTERS	0	20.19
391.3	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	0	8.06
392	TRANSPORTATION EQUIPMENT	15	5.06
392.05	TRANSPORTATION EQUIPMENT - TRAINING ASSETS	0	-
393	STORES EQUIPMENT	0	5.08
394	TOOLS, SHOP, AND GARAGE EQUIPMENT	0	5.18
394.05	TOOLS, SHOP, AND GARAGE EQUIPMENT - TRAINING ASSETS	0	-
395	LABORATORY EQUIPMENT	0	4.99
396	POWER OPERATED EQUIPMENT	15	6.87
397	COMMUNICATION EQUIPMENT	0	6.79
397.05	COMMUNICATION EQUIPMENT - TRAINING ASSETS	0	-
398	MISCELLANEOUS EQUIPMENT	0	5.02

	New Additions for Large Wind Farms		
341.4	Structures and Improvements	0.00	3.47
344.4	Generators	0.00	3.67
345.4	Accessory Electric Equipment	0.00	3.67
346.4	Miscellaneous Power Plant Equipment	0.00	3.63
	New Additions for Small Wind Farms		
341.4	Structures and Improvements	0.00	4.15
344.4	Generators	0.00	4.34
345.4	Accessory Electric Equipment	0.00	4.32
346.4	Miscellaneous Power Plant Equipment	0.00	4.22
	New Additions for Large Solar		
341.2	Structures and Improvements	0.00	3.47
344.2	Generators	0.00	3.89
345.2	Accessory Electric Equipment	0.00	3.83
346.2	Miscellaneous Power Plant Equipment	0.00	3.82
	New Additions for Energy Storage Equipment and Surge Protectors		
348	Energy Storage Equipmnet	0.00	10
351	Energy Storage Equipment	0.00	10
363	Storage Battery Equipment	0.00	10
370.2	Meters - Surge Protection Devices	0.00	6.85