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Case No.: ER-2024-0319  
Date Testimony Prepared: February 14, 2025

**BEFORE THE PUBLIC SERVICE  
COMMISSION OF THE STATE OF MISSOURI**

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**In the Matter of Union Electric Company** )  
**d/b/a Ameren Missouri's Tariffs to Adjust** ) **File No. ER-2024-0319**  
**its Revenues for Electric Service** )  
)

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Surrebuttal Testimony and Schedules of

**Kavita Maini**

On behalf of

**MIDWEST ENERGY CONSUMERS GROUP**

February 14, 2025



*Protecting Your Bottom Line*

**KM ENERGY CONSULTING, LLC**



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**Surrebuttal Testimony of Kavita Maini**

1      **I. INTRODUCTION**

2      **Q.      Please state your name and occupation.**

3      A.      My name is Kavita Maini. I am the principal and sole owner of KM Energy Consulting,  
4              LLC.

5      **Q.      Please state your business address.**

6      A.      My office is located at 961 North Lost Woods Road, Oconomowoc, WI 53066.

7      **Q.      Are you the same Kavita Maini that previously filed Direct Testimony and  
8              Rebuttal testimony in this case?**

9      A.      Yes, I had filed direct testimony and rebuttal testimony on behalf of the Midwest Energy  
10             Consumers Group (“MECG”). I provided recommendations regarding Union Electric  
11             d/b/a Ameren Missouri’s (“Ameren Missouri” or “Company”) class cost of service  
12             study (“COSS”), revenue allocation to classes and rate design for the Large General  
13             Service (“LGS”), Small Primary Service (“SPS”) and Large Primary Service (“LPS”) rate  
14             schedules.

15     **Q.      What is the purpose of your surrebuttal testimony?**

16     A.      The purpose of my surrebuttal testimony is to respond to Company and Commission  
17             Staff witnesses regarding COSS methodology, revenue allocation, and rate design  
18             related matters. The fact that I do not address any particular issue should not be

1 interpreted as my implicit approval of any position taken by Staff or any other party on  
2 that issue.

3 **II. CORRECTIONS TO REBUTTAL TESTIMONY**

4 **Q. Have you become aware of errors in your rebuttal testimony?**

5  
6 A. Yes. Two tables included in my rebuttal testimony had incorrect calculations. Tables 3  
7 and 5 in my rebuttal testimony should be replaced with the corrected Table 3R and  
8 Table 5R below. I understand that MECG’s legal counsel alerted the parties regarding  
9 these corrections prior to the submittal of this testimony.

10 **Q. Please describe the corrections.**

11  
12 A. I inadvertently utilized an older version of a spreadsheet which resulted in calculations  
13 in two tables not getting updated properly. Table 3R shows the corrected class  
14 impacts of reallocating generator revenues based on Staff’s load weighted day ahead  
15 energy allocator. In comparison with Table 3 on page 7 of rebuttal testimony, the  
16 magnitude of the over and under allocation is slightly higher for each class in the  
17 corrected table below.

18 **Table 3R (Corrected): Class Impacts of Reallocating Generator Revenues Based**  
19 **on Load Weighted Day Ahead Energy Allocator**  
20

21

	Day Ahead Gen Revenues for Type 1	Residential	SGS	LGS & SPS	LPS	Lighting
Staff Method: Type 1 Resource Allocator (based on seasonal peaks)	\$1,004,665,227	\$531,636,874	\$103,407,932	\$294,397,727	\$73,859,016	\$1,363,677
Load Weighted Day Ahead Energy Allocaor	\$1,004,665,227	\$447,955,758	\$107,267,525	\$340,171,538	\$105,914,592	\$3,355,813
	Over/(Under) allocation of revenues	\$83,681,116	(\$3,859,593)	(\$45,773,811)	(\$32,055,575)	(\$1,992,136)

22 Table 5R below shows the corrected class impacts associated with Staff’s  
23 recommended Administrative and Overhead expenses. Compared to Table 5 on page

1 13 of my rebuttal testimony, the magnitude of the over and under allocation of the  
 2 expenses to classes varies. Note that the second half of the table related to net ratebase  
 3 is not impacted and remains the same.

4 **Table 5R (Corrected): Class Impact Associated with Staff’s Recommended**  
 5 **Administrative and Overhead Costs and Expenses**  
 6

	Total	Residential	SGS	LGS & SPS	LPS	Lighting
Staff Recommended Energy Allocation	\$488,269,339	\$210,501,563	\$51,566,616	\$168,767,381	\$56,845,253	\$588,526
Staff Allocation on Other Net Expense	\$488,269,339	\$243,643,080	\$52,339,666	\$147,619,449	\$39,311,472	\$5,355,672
<b>Over (Under) Allocation</b>	<b>\$0</b>	<b>(\$33,141,517)</b>	<b>(\$773,050)</b>	<b>\$21,147,932</b>	<b>\$17,533,781</b>	<b>(\$4,767,146)</b>
Staff Recommended Energy Allocation	\$1,849,155,217	\$797,203,577	\$195,291,142	\$639,149,458	\$215,282,196	\$2,228,843
Staff Allocation on Other Net Ratebase	\$1,849,155,217	\$966,905,484	\$195,956,940	\$536,329,338	\$125,256,773	\$24,706,681
<b>Over (Under) Allocation</b>	<b>\$0</b>	<b>(\$169,701,907)</b>	<b>(\$665,798)</b>	<b>\$102,820,120</b>	<b>\$90,025,423</b>	<b>(\$22,477,838)</b>

7  
 8 **Q. Do these corrections change the conclusions contained in your rebuttal regarding**  
 9 **Table 3?**

10 A. No, my underlying conclusions remain the same.

11 **Q. Do these corrections change the conclusions contained in your rebuttal regarding**  
 12 **Table 5?**

13 A. Only for the SGS class. The corrected Table 5 shows that under Staff’s recommended  
 14 energy allocation, the SGS class is also under allocated administration and overhead  
 15 expense.

16 **Q. Do these corrections cause you to change recommendations in your rebuttal**  
 17 **testimony?**

18 A. No.

19 **III.COST OF SERVICE**

20 *A. Staff’s Position on Company’s average and excess 4NCP (or “A&E4NCP”)*

21 *Production Cost Allocator*

22 **Q. Does Staff support the Company’s A&E4NCP Allocator?**



1 A. No. Staff's reasons for finding the Company's (or MECG's) A&E4NCP allocator to be  
2 unreasonable include: (a) inconsistent allocation of renewable generation, (b) failure to  
3 recognize that Ameren Missouri participates in an integrated marketplace and (c)  
4 inconsistency of the peaks selected in the Ameren Missouri study and derivative with  
5 the Company's capacity requirements in the MISO market.

6 **Q. Please comment on Staff's concern regarding the A&E approach resulting in**  
7 **inconsistent allocation of renewable generation.**

8 A. With regards to renewable generation, Staff's position is that such generation should be  
9 allocated on the basis of the energy allocator because it was built or acquired to fulfill  
10 renewable power standard related needs. Staff fails to recognize that the A&E4NCP  
11 allocator is not just based on system demands but also incorporates average energy  
12 consumption in its calculation. As noted in Company witness Mr. Tom Hickman on  
13 page 20 and 21 of his direct testimony, the utility chose the average and excess  
14 methodology because this approach weighs system demands and energy consumption,  
15 both of which determine the amount of capacity and type of capacity to procure.  
16 Consequently, it makes sense for the allocation of all production plant to be predicated  
17 on load characteristics on the Company's system, not the operating characteristics of  
18 any one or more generation resources. The method already recognizes that capacity  
19 resources must meet firm service related capacity obligations while at the same time the  
20 type of resources to be built also considers the load profile and energy needs.  
21 Consequently, the A&E allocator is reasonable, allocates based on cost causation and  
22 compatible with regards to allocating fixed production plant related costs for all  
23 generation.

1 **Q. Please comment on Staff's concern regarding the A&E approach failing to**  
2 **incorporate the Company's participation in an integrated marketplace or MISO.**

3 A. Staff is concerned that the Company's or MECG's approach does not incorporate  
4 various elements associated with participation in the MISO market including but not  
5 netting out generator revenues from the capital investment cost of the owned or acquired  
6 generation. I discussed the flaws and relevance in implementing such an approach in  
7 detail on pages 5 through 11 of my rebuttal testimony. I concluded that Staff's  
8 preference to incorporate the Company's participation in MISO is unnecessary because  
9 it results in high complexity without commensurate benefit of cost causation. Instead,  
10 as demonstrated in my rebuttal testimony, Staff's preferred methodology in lieu of the  
11 A&E approach uses inconsistent approaches to allocating costs and deviates away from  
12 cost causation. Consequently, I believe that the A&E methodology utilized by the  
13 Company and MECG remains appropriate for allocating fixed production plant related  
14 costs.

15 It is also worth noting that Company witness Mr. Nicholas Phillips has similar  
16 concerns about Staff's preferred approach to allocate fixed production plant related  
17 costs. I generally agree with his detailed and critical assessment regarding this matter  
18 and specifically support the following perspective on page 8 of his rebuttal testimony,  
19 which further reinforces the support for the A&E methodology:

20 ...Nor do I believe that Ameren's planning and operations have  
21 shifted in a material way that would necessitate deviating from well-  
22 established and industry accepted practices within this proceeding.  
23 In order to achieve a level of predictability in rates and fairness  
24 among customer classes deference should be given to precedent  
25 when there is a lack of compelling evidence demonstrating that cost  
26 causative factors have fundamentally changed this necessitating a  
27 commensurate change in cost allocation.



1 **Q. Please comment on Staff’s concern regarding the Company’s or MECG’s use of**  
 2 **non-coincident peaks in the A&E methodology which fail to consider Company’s**  
 3 **capacity requirements in the MISO market.**

4 A. Staff’s position is that the Company’s or MECG’s use of four non-coincident peaks or  
 5 NCPs fails to consider the fact that MISO’s capacity requirements are based on  
 6 coincident peaks and selecting one peak per season. As a practical matter, the data  
 7 shows that for the Test Year, the coincident peak method (where all fixed production  
 8 plant related costs are allocated on contribution to certain highest system peaks) would  
 9 result in slightly lower allocators associated with the LGS/SPS classes and substantially  
 10 similar for the LPS class. Therefore, this finding further reinforces the reasonableness  
 11 of MECG’s A&E4NCP allocator. Table 1 shows a comparison of three allocators:

- 12 • MECG’s A&E 4NCP allocator which utilizes class average NCP data for the months  
 13 with four highest system demands (June, July, August and January).<sup>1</sup>
- 14 • Average of the four class coincident peaks for the months with four highest system  
 15 demands (June, July, August and January).
- 16 • Average of the four class coincident peaks for each season (Staff’s preference)

17  
 18 **Table 1: MECG A&E 4NCP vs. Coincident Peak Allocators**

	A&E 4NCP - MECG	4CP (Class Contribution to Highest 4 System Peak Demands)	4CP (Class Contribution to 4 Seasonal Peak Demands - Staff)
Residential (RES)	51.55%	52.60%	52.59%
Small General Service (SGS)	11.36%	10.95%	10.47%
Large General Service (LGS) / Small Power Service (SPS)	29.16%	28.90%	29.13%
Large Power Service (LPS)	7.63%	7.44%	7.68%
Lighting	0.29%	0.12%	0.13%
	100.00%	100.00%	100.00%

19  
 20

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<sup>1</sup> See the discussion in my direct testimony with regards to the NCP selection.

1 As can be observed from the Table, the allocators based on coincident peaks are  
2 similar to or consistent with MCEG's A&E4NCP allocator, which utilizes non-  
3 coincident peaks.

4 As it relates to seasonal versus the highest peaks, aside from the fact that the  
5 allocators are similar, it makes sense to utilize contribution to the highest demands  
6 because if the Company acquires enough capacity to meet the highest demands plus a  
7 planning reserve margin requirement, it will have sufficient capacity for the remaining  
8 months with lower demands. The cost causative drivers are, therefore, the months with  
9 the highest demands that result in building infrastructure. For instance, the Company's  
10 highest system peak is 6365 MW in June. The seasonal peak month in Spring is May  
11 at 5035 MW. If the Company acquires enough capacity to address the system peak in  
12 June plus a planning reserve margin requirement, it will have more than sufficient  
13 capacity to fulfill the load requirements in the spring seasonal peak at demands that are  
14 1330 MW lower than the system peak (6365 MW-5035 MW=1330 MW).

15 Thus, MCEG's (or the Company's)<sup>2</sup> selection of the peaks to calculate the A&E  
16 allocator are reasonable and the resulting allocator reasonably follows cost causation.

17 ***B. Company's Response to Staff's Distribution Plant Related Classification and***  
18 ***Allocation***

19 **Q. In your rebuttal testimony, you opted to review the Company's response regarding**  
20 **Staff's assumptions pertaining to classifying and allocating distribution plant**  
21 **related costs for FERC accounts 364-368 before weighing in. What is your position**  
22 **after reviewing the Company's rebuttal response?**

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<sup>2</sup> MCEG and the Company's A&E4NCP allocators are substantially similar as evidenced by the similarity in COSS results shown on page 20 of my direct testimony.

1 A. The Company identified a number of limitations and errors in Staff's assumptions as  
2 discussed in Mr. Hickman's rebuttal testimony. In particular, Mr. Hickman's testimony  
3 pointed out a major flaw in Staff's analysis pertaining to Staff's inclination to direct  
4 assign costs to larger classes. The example on pages 6-8 of Mr. Hickman's rebuttal  
5 testimony related to Staff's direct assignment of a substation without accordingly  
6 adjusting the demand allocator (to prevent double allocation) shows that Staff's analysis  
7 was incomplete and resulted in over allocating costs to the larger classes. Further, Mr.  
8 Hickman's observations regarding the Poles related allocations identified several errors  
9 in Staff's calculations. In addition, it appears that Staff utilized an erroneous assumption  
10 regarding the data used for the zero-intercept calculation for wires. Once the Company  
11 corrected for the erroneous assumption, the results actually showed that the higher costs  
12 needed to be classified as customer related compared to Staff's results. The Company's  
13 rebuttal response demonstrates that there are many flaws regarding Staff's methodology  
14 that need to be addressed. Therefore, Staff's methodology should not be adopted. I  
15 continue to believe that the Company's methodology is reasonable and should be  
16 adopted.

#### 17 **IV. REVENUE ALLOCATION TO CLASSES**

18 **Q. What is Staff's view of MECG's recommended revenue allocation to classes?**

19 A. Staff indicates that I did not incorporate MECG's witness Mr. Greg Meyer's  
20 recommended revenue requirement adjustment regarding wind generation.

21 **Q. Please comments on Staff's rebuttal response.**

22 A. It was not necessary to adjust my calculations to account for Mr. Greg Meyer's  
23 recommendations because my revenue allocation recommendations are based on

1 revenue neutral shifts needed at present rates for class revenue responsibility to be  
2 aligned with class cost responsibility and prior to any revenue requirement increases. In  
3 this manner, the method is focused on revenue neutral shifts without the impacts of the  
4 revenue requirement increases. Table 5 in my direct testimony show the rates of return  
5 at present rates and revenue neutral adjustments needed for equal rates of return at  
6 present rates.

7 **Q. What is the Company's view of MECG's recommended revenue allocation to**  
8 **classes?**

9 A. Company witness Mr. Nicholas Bowden appears to agree that MECG's recommended  
10 revenue allocation is reasonable, especially when one considers that customer classes  
11 with revenue requirement allocations above their cost of service have been paying bills  
12 that are too high and will continue to do so as long as rates do not move towards the  
13 cost of service.<sup>3</sup>

14 **Q. Please comment on the Company's response.**

15 A. I appreciate that the Company is mindful of the cost impacts to certain customer classes  
16 that continue to subsidize other classes and would not be opposed to moving classes  
17 closer to cost.

## 18 **V. RATE DESIGN FOR LGS AND SPS CLASSES**

19 **Q. What is the Company's response to your rate design recommendations for the LGS**  
20 **and SPS classes?**

21 A. Company witness Mr. Nicholas Bowden indicates that he is confused by my  
22 recommendations because MECG should have been providing feedback in the non-

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<sup>3</sup> See pages 63-64 of Mr. Nicholas Bowden's Rebuttal testimony.

1 residential rate design docket discussions. He also indicates that regarding the specific  
2 recommendation to increase the winter and summer demand charges by 150%, he would  
3 not feel comfortable accommodating this adjustment without reviewing bill impacts.

4 **Q. How do you respond to the Company's rebuttal response?**

5 A. While I am not personally involved in participating in the non-residential docket, it is  
6 my understanding that MECG's legal counsel has provided feedback and participated  
7 in the limited number of workshops in the docket. That said, the presence of a rate design  
8 docket on non-residential rate design does not foreclose MECG from making  
9 recommendations regarding rate design charges in the current rate case proceeding  
10 particularly when these recommendations are aimed at getting the rates more closely  
11 aligned with functional guidance from the class cost of service study. I note that the  
12 Company already recognizes the relevance of my recommendations regarding larger  
13 increases to demand charges since the LPS rate design appropriately recovers a  
14 substantive portion of fixed costs from demand charges and is more functionally aligned  
15 with the COSS results. As for bill impacts, while the Company is interested in reviewing  
16 the impacts of MECG's recommendations, we must also not fail to recognize that there  
17 are fairness concerns which are being ignored by continuing to propagate a rate design  
18 where no movement is being made to align with COSS results.

19 **Q. Does this conclude your rebuttal testimony?**

20 A. Yes.