

Exhibit No.:
Issue(s): PSC Assessment,
Non-Labor Distribution
Maintenance, EV
Incentives Adjustment,
Amortization, Expired and
Expiring Allocations and
Affiliate Transactions,
PAYS Regulatory Asset and
Liability.

Witness: Paul K. Amenthor
Sponsoring Party: MoPSC Staff
Type of Exhibit: Direct Testimony
Case No.: GR-2024-0369
Date Testimony Prepared: February 28, 2025

MISSOURI PUBLIC SERVICE COMMISSION

FINANCIAL AND BUSINESS ANALYSIS DIVISION

AUDITING DEPARTMENT

DIRECT TESTIMONY

OF

PAUL K. AMENTHOR

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

CASE NO. GR-2024-0369

*Jefferson City, Missouri
February 2025*

1 **DIRECT TESTIMONY**

2 **OF**

3 **PAUL K. AMENTHOR**

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

6 **CASE NO. GR-2024-0369**

7 Q. Please state your name and business address.

8 A. My name is Paul K. Amenthor, 111 N. 7th Street, Suite 102, St Louis MO 63101.

9 Q. By whom are you employed and in what capacity?

10 A. I am employed by the Missouri Public Service Commission (“Commission”) as
11 a Senior Regulatory Auditor.

12 Q. Please describe your educational background.

13 A. I graduated from Southern Illinois University Edwardsville in December 2016
14 with a Bachelor’s degree in Accounting.

15 Q. What knowledge, skills, experience, and training do you have in the areas of
16 which you are testifying as an expert witness?

17 Q. I have assisted with audits and have also examined the books and records of
18 electric, gas, water and wastewater utilities in many cases before the Commission in the state
19 of Missouri. I have also received continuous training on technical ratemaking matters since I
20 began my employment at the Commission.

21 Q. Have you previously testified before this Commission?

22 A. Yes. A list of cases and issues that I have addressed in verbal and written
23 testimony are attached to this testimony as Schedule PKA-d1.

1 Q. What is the purpose of your direct testimony?

2 A. The purpose of my direct testimony is to provide a detailed explanation for
3 adjustments proposed to Ameren Missouri's test year included in the revenue requirement in
4 this case for the following issues: Public Service Commission ("PSC") Assessment,
5 Non-Labor Distribution, Electric Vehicle ("EV") Incentives Adjustment, Software Expense,
6 Amortization of Over and Under Collected Regulatory Assets and Liabilities, Allocations and
7 Affiliate transactions, and Pay As You Save ("PAYS") Regulatory asset and Liability.

8 **PSC ASSESSMENT**

9 Q. What is the PSC Assessment?

10 A. PSC Assessment is the amount billed to all utilities regulated by the Missouri
11 Public Service Commission, which funds the PSC's operations. The total budget of the PSC is
12 billed to all regulated utility companies using an allocation that is based on several factors.

13 Q. What is Staff's proposed adjustment for the PSC Assessment?

14 A. Staff annualized the PSC assessment by including the most current fiscal year
15 assessment (FY-2025 assessment) which is due by the end of June 2025. Staff's adjustment is
16 the difference between the annualized and test year amount.

17 **NON-LABOR DISTRIBUTION MAINTENANCE**

18 Q. What is the non-labor distribution maintenance?

19 A. The non-labor distribution maintenance is the non-labor maintenance cost that
20 is chargeable to various expense accounts. It includes materials and other expenses that allow
21 Ameren Missouri to provide safe and adequate service to its customers.

1 Q. What is Staff's proposed adjustment for this cost?

2 A. Staff reviewed Ameren Missouri's historical non-labor distribution maintenance
3 cost from January 2019 through June 2024, and is recommending the test year level expense as
4 the ongoing level of non-labor maintenance expense. Staff will re-examine the non-labor
5 maintenance costs as part of its true-up audit in this case.

6 **ELECTRIC VEHICLE ("EV") EMPLOYEE INCENTIVE**

7 Q. Please explain Ameren Missouri's electric vehicle incentive.

8 A. ** [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]. **

12 Q. What is Staff's proposed treatment for the Ameren Missouri EV incentive Cost?

13 A. ** [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]. **

17 **SOFTWARE RENTAL EXPENSE**

18 Q. Please describe Ameren Missouri's software rental expense

19 A. Ameren Missouri leases several software programs from its affiliates to run its
20 daily gas operations and in return pays software rental fees to its affiliates.

21 Q. Describe the software rental expense's adjustment

1 A. Staff annualized the software rental expense by multiplying the current rental
2 expense by twelve months. Staff’s adjustment consists of the difference between the annualized
3 and the test year amount. Staff will continue to review this issue through the true-up cutoff date
4 of December 31, 2024.

5 **PAY AS YOU SAVE**

6 Q. Please describe the Pay As You Save (“PAYS”).

7 A. The PAYS program was approved as part of the Non-Unanimous Stipulation
8 and Agreement (“Stipulation”) regarding the Implementation of certain MEEIA programs
9 through Plan Year 2023 in file No. EO-2018-0211. The Stipulation directed Ameren Missouri
10 to develop a plan to co-deliver PAYS with natural gas PAYS program.
11 Consequently, natural gas PAYS program was first introduced in the Ameren Missouri general
12 rate case No. GR-2021-0241. The program allows Ameren Missouri to offer financing to
13 eligible customers for energy efficiency upgrades. The participants are charged a 3% financing
14 service charge and the non-participants are charged the difference between pre-tax
15 Infrastructure System Replacement Surcharge (“ISRS”) cost of capital rate until the regulatory
16 asset is moved into rate base.

17 Q. What is the purpose of the PAYS program?

18 A. The goal of the PAYS program is to promote the installation of energy efficient
19 measures and increase deeper, long-term energy savings and bill reduction opportunities
20 for participants.

1 Q. How long will the participant be charged for the monthly service charge?

2 A. The monthly service charge will remain on a participant's bill until
3 Ameren Missouri recovers all the costs associated with the installation of the equipment,
4 not to exceed twelve years.

5 Q. What types of costs are included in the PAYS program and how are they
6 recorded by Ameren Missouri?

7 A. Ameren Missouri records the investment and financing costs as a regulatory
8 asset. The regulatory asset balance is included in rate base and recovered based on the weighted
9 useful life of the measures installed. This results in an annual amortization of
10 approximately 12 years.

11 Q. Please describe Staff's proposed adjustment for the PAYS program.

12 A. Staff transferred the regulatory asset into rate base and the associated
13 amortization expense based on the weighted useful life of the individual projects.

14 Q. How did Staff treat the service charge (revenue) that Ameren Missouri collected
15 on the customer monthly bill?

16 A. Staff annualized the revenue collected from its participants through
17 June 30, 2024.

18 **AMORTIZATION EXPENSE**

19 Q. What is amortization expense?

20 A. Amortization is the accounting practice of spreading the cost of an intangible
21 asset over its useful life. The asset is typically expensed on a straight-line basis, meaning the
22 same amount is expensed in each period over the useful life of the asset. For ratemaking

1 purpose, amortization allows a utility a full recovery of its cost or a full refund to customers,
2 no less and no more.

3 Q. What amortization expense is included in Ameren Missouri's cost of service?

4 A. Ameren Missouri has many ongoing amortizations but for those that are set to
5 expire within a year or less, they are combined into one amortization entitled
6 "expired & expiring" amortizations.

7 **Expired & Expiring Amortization**

8 Q. What consists of expired and expiring amortizations in this case?

9 A. *The Unanimous Stipulation and Agreement* that was approved by the
10 Commission in Ameren Missouri's last general gas rate case No. GR-2021-0241 stated that the
11 parties agreed to continue the agreement from the *Corrected Non-Unanimous Stipulation and*
12 *Agreement* approved in File No. GR-2019-0077. The parties also agreed that the deferrals of
13 the regulatory asset authorized in the case file No. GU-2021-0112 should be amortized over
14 five years with effective date February 28, 2022, with no rate base treatment.

15 Q. What is Staff's recommendation?

16 A. Staff recommends a netting of the following balances as of June 30, 2024:

- 17 • Pension Tracker (GR-2019-0077) - Rate Base Inclusion
- 18 • OPEB tracker (GR-2019-0077) – Rate Base Inclusion
- 19 • Expired & Expiring Amortization established in GR-2021-0241 –
20 Non-Rate Base
- 21 • Excess Deferred Tracker (GR-2021-0241)-Non Rate Base

22 Staff recommends that the total balance of these netted amortizations be recovered by
23 Ameren Missouri through an amortization over three years, beginning with the effective date

1 of rates in this case. Staff will update these balances through December 31, 2024, as part of its
2 true-up audit.

3 **Continuing Amortization**

4 Q. Please list and explain continuing amortization

5 A. The COVID -19 Accounting Authority Order deferral from file
6 No. GU-2021-0241 established an amortization over five-year period in case GR-2021-0241.
7 This COVID-19 amortization is set to continue over the remaining five-year period with
8 non-rate base treatment.

9 **INCOME ELIGIBLE WEATHERIZATION ASSISTANCE PROGRAM COSTS.**

10 Q. Explain the Low-Income Eligible Weatherization Assistance Program
11 (“LIWAP”).

12 A. The Weatherization Assistance Program provides eligible households with
13 home energy conservation services. The program provides cost-effective energy-efficient home
14 improvement to Missouri’s low-income households, especially the elderly, children, those with
15 physical disadvantages and others most affected by high utility costs.

16 Q. Describe the different type of services offered by the program.

17 A. Typical weatherization service offers include air sealing to reduce infiltration,
18 attic insulation, sidewall insulation, floor and foundation insulation, pipe or duct insulation,
19 eater heater blankets, energy efficient lighting replacement and heating and cooling
20 repair or replacement. ¹

¹[Weatherization | Missouri Department of Natural Resources](#)

1 Q. What is the current funding level of these programs?

2 A. The annual funding is set at \$250,000 and will be administer to LIWAP agencies
3 by Ameren Missouri.

4 Q. Did Staff make any adjustments to the LIWAP costs recorded by
5 Ameren Missouri?

6 A. No. Staff did not propose any adjustments to the test year amount because the
7 balance is consistent with the annual level authorized in file No. GR-2021-0241.

8 **ALLOCATIONS**

9 Q. Please describe Ameren Missouri's Allocations.

10 Ameren Service Company ("AMS") and Ameren Missouri are direct subsidiaries of
11 Ameren Corporation. Ameren Service Company was created as a centralized service company
12 to provide to Ameren Missouri and its affiliates certain products and services. The costs will be
13 classified into either a direct, direct allocated, or indirect category. Direct costs are defined as
14 costs that can be identified as being applicable to products or services provided to a single
15 company to which AMS provides products and services. Direct allocated costs are costs that
16 are applicable to two or more affiliates and are distributed based on approved allocation factors.

17 The indirect costs are costs that cannot be identified solely to one of the affiliates.
18 The costs are defined as either functional or corporate in nature. Functional indirect costs such
19 as office supplies and secretarial labor are distributed to all affiliates based on the ratio of total
20 direct and direct allocated costs charged to each affiliate. Corporate indirect costs such as bank
21 activities and rent are distributed to all affiliates based on the ratio of total direct and direct
22 allocated costs charged to each affiliate. The allocation of costs and methods used to allocate
23 costs from Ameren Services are outlined in Ameren Missouri's cost allocation manual

1 (“CAM”) in Appendix 3, Tab Q filed May 13, 2024 under Tracking No. BAFT-2024-1630 in
2 the Commission’s Electronic Filing Information System (“EFIS”). Allocation factors,
3 after initial development are reviewed in the beginning of each year. Changes are not made to
4 the allocation factors unless there is a change in the company that would significantly change
5 the allocation factors.

6 Q. What is Staff’s recommendation?

7 A. There was no change made in year 2023 operations that would significantly
8 change year 2024 allocation factors. Therefore, Staff proposed an adjustment to reflect the
9 current allocation factors during the test year, 12 months ending March 31, 2024.

10 Q. Does this conclude your direct testimony?

11 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 Natural Gas Service) Case No. GR-2024-0369

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 *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.

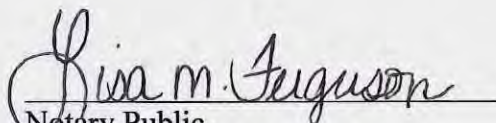


PAUL K. AMENTHOR

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 26th 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

Paul K. Amenthor

EDUCATIONAL BACKGROUND AND EXPERIENCE

In December of 2016, I graduated from Southern Illinois University Edwardsville with a Bachelor of Science in Accounting. I have also earned a Bachelor of Science in Economic and Management with an emphasis in Accounting Sciences from the University of Lomé, Togo in June of 2007.

I commenced employment with the Missouri Public Service Commission as Utility Regulatory Auditor in September 2017. As a Utility Regulatory Auditor II, I am responsible in part, for assisting with the audit and examination of the books and records of utility companies operating within the State of Missouri and sponsoring testimony as an expert witness in Commission proceedings.

Prior to employment with the Commission, I worked with Walmart from June 2011 to August 2017, as an Inventory Management Associate. In this position, I was primarily responsible for ensuring the accuracy of on-hand inventory in the warehouse.

I also worked with Lee Enterprises (Lee Finance) from March 2017 to August 2017 as a Circulation Accounting Clerk. In this position, I was primarily responsible for processing customers' remittances, invoices, and accounts deposits. I also provided support for senior staff with each end of month closing.

Paul Amenthor

CASE PARTICIPATION

<u>Company Name</u>	<u>Case No.</u>	<u>Issues</u>
Ameren Missouri (Electric)	ER-2024-0319	Software Maintenance Adjustment, Cybersecurity, RESRAM, Cash Working Capital, Customer Convenience Fees, New Solar Facilities, Renewable Solutions Programs, Maryland Heights Landfill Fuel, Renewable BTA Adjustment.
Liberty Midstates Natural Gas (MNG)	GR-2024-0106	Credit Card Fees, Postage Expense, Customer Billing, Uncollectible Expense, ISRS Revenue Reconciliation Adjustment, Cash Working Capital, Other Revenues, Lease and Rents, Removal of PGA and WNAR.
Ameren Missouri (Electric)	EA-2023-0286	Plaint in Service Accounting, Operation and Maintenance Expense
Confluence Rivers (Water and Sewer)	WR-2023-0006 SR-2023-0007	Electric Expense, Chemical Expense, Operating Revenue, Miscellaneous Revenue, Uncollectible Expense, Water Losses, Water Expense
Ameren Missouri (Electric)	ER-2022-0337	Payroll & Related Payroll Taxes Employee Benefits.
Spire-Investor (Gas)	GR-2022-0179	Prepayments, Customer Deposits, Customer Advances, Rents and Leases Expense, Materials & Supplies, Plant In Service and Depreciation Reserve, Injuries & Damages, PSC Assessment, Insurance Expense, Line Locating Costs, Fuel Expense, Software and IT Costs, Capitalized O&M Depreciation, Natural Gas Inventory

<u>Company Name</u>	<u>Case No.</u>	<u>Issues</u>
Ameren Missouri (Electric)	ER-2021-0240	Payroll & Related Payroll Taxes Employee Benefits, Employee Relocation Expenses MEEIA Test Year Labor and Non-Labor Expenses Non-Labor Power Plant maintenance Severance costs Permanent Cleaning procedures Call Center Costs Cybersecurity, software OPEB, Pension & trackers , SERP Non-qualified expense External Audit fees
Ameren Missouri (Gas)	GR-2021-0241	Payroll & Related Payroll Taxes Employee Benefits, Employee Relocation Expenses Non-Labor Distribution maintenance Severance costs Permanent Cleaning procedures Call Center Costs Cybersecurity, software OPEB, Pension & trackers , SERP Non-qualified pension expense External Audit fees
Missouri American Water Company (Water)	WR-2020-0344	Leases (Rents and Transportation), Rate Case Expense, Telecommunication Expense
Ameren Missouri (Electric)	ER-2019-0335	Payroll & Related Payroll Taxes Employee Benefits, Employee Relocation Expenses MEEIA Test Year Labor and Non-Labor Expenses Callaway Refueling OT Labor and non-Labor Real & Property Taxes Non-Labor Power Plant maintenance Dues & Donations Miscellaneous Expenses Severance costs

<u>Company Name</u>	<u>Case No.</u>	<u>Issues</u>
Ameren Missouri (Electric)	EA-2019-0371	CCN Filing
Ameren Missouri (Gas)	GR-2019-0077	<p>Rate Base Items: Prepayments, customer advances, customer deposits, Plant in service, Accumulated Reserve, natural gas inventories, materials and supplies</p> <p>Revenues: Customer Growth/seasonality, Removal of GRT, PGA, Unbilled Revenue, Provision for Rate Refunds, and Other Revenues</p> <p>Expenses: Uncollectible Expense, Capitalized depreciation, Non Labor Distribution Maintenance, and Interest on Customer Deposits Filed Direct, Surrebuttal/True-Up</p>
Liberty Midstates Natural Gas (MNG)	GR-2018-0013	<p>Advertising, Miscellaneous expenses, Insurance expense, regulatory expense, Environmental expense, Dues and Donations</p> <p>Filed Direct, Surrebuttal/True-Up</p>