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FERC Complaint Case,  
Income Taxes, ADIT,  
Excess Deferred Income  
Taxes  
*Witness:* Lisa M. Ferguson  
*Sponsoring Party:* MoPSC Staff  
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*Case No.:* GR-2024-0369  
*Date Testimony Prepared:* February 28, 2025

**MISSOURI PUBLIC SERVICE COMMISSION**

**FINANCIAL & BUSINESS ANALYSIS DIVISION**

**AUDITING DEPARTMENT**

**DIRECT TESTIMONY  
Revenue requirement**

**OF**

**LISA M. FERGUSON**

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

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

*Jefferson City, Missouri  
February 2025*

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**LISA M. FERGUSON**

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

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

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

3           **EXECUTIVE SUMMARY**

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

5           A.     I am sponsoring Staff’s Direct Accounting Schedules that are being filed  
6 concurrently with this direct testimony. Staff’s recommendation regarding the amount of the  
7 revenue requirement increase for Ameren Missouri gas operations is mostly based on actual  
8 historical information through the update period ending June 30, 2024. As discussed in Staff  
9 witness Blair Hardin’s direct testimony, she describes including estimated adjustments for plant  
10 and reserve out through December 31, 2024. Staff has not officially accepted these adjustments  
11 but has included them as part of its true-up estimate. Staff will revise its recommendation for  
12 the amount of the revenue requirement increase based on actual information through  
13 December 31, 2024, as part of its true-up audit. Ameren Missouri does not currently maintain  
14 an Infrastructure System Replacement Revenue (“ISRS”) tariff so no investment will need to  
15 be transferred to base rates from a rider mechanism.

16           In this testimony, I will provide an overview of the results of Staff’s direct audit and its  
17 recommended revenue requirement for Ameren Missouri’s gas operations. During Staff’s  
18 examination, several Staff members participated in the review of Ameren Missouri’s books and  
19 records. The components of Staff’s review include (1) capital structure and return on equity,  
20 (2) rate base investment, (3) revenue, (4) operation & maintenance expenses, (5) depreciation  
21 & amortization expense, and (6) income taxes, all of which are represented in the  
22 formula below.

1 **OVERVIEW OF STAFF'S REVENUE REQUIREMENT DIRECT TESTIMONY**

2 Q. Please explain the components of the cost of service for a regulated, investor  
3 owned public utility.

4 A. The cost of service for a regulated, investor-owned public utility is its cost of  
5 providing utility service determined by the following formula:

6 
$$\text{COS} = \text{O} + (\text{V}-\text{D})\text{R} \text{ where,}$$

7 COS = Cost of Service

8 O = Operating Costs (Payroll, Maintenance, etc.), Depreciation, and Taxes

9 V = Gross Valuation of Property Required for Providing Service (including  
10 plant and additions or subtractions of other rate base items)

11 D = Accumulated Depreciation Representing Recovery of Gross Depreciable  
12 Plant Investment

13 V - D = Rate Base (Gross Property Investment less Accumulated  
14 Depreciation = Net Property Investment)

15 R = Rate of Return

16 (V-D)R = Return Allowed on Rate Base

17 At other times, the terminology “cost of service” and “revenue requirement” have been  
18 used interchangeably. In this testimony, Staff will refer to the “revenue requirement” in terms  
19 of the increase or decrease in revenues based on the current total cost of service as compared to  
20 the current revenue level that exists in current rates.

21 Q. What is the objective of an audit of a regulated, investor-owned public utility for  
22 ratemaking purposes?

23 A. The objective of the audit is to determine the appropriate amounts of the cost of  
24 service components for the regulated entity within its tariffed service territory. All relevant  
25 factors are examined and a proper relationship of revenues, expenses, and rate

1 base is maintained. The following summarizes the process for making the revenue  
2 requirement determination:

3 (1) Selection of a test year. The test year income statement represents the starting  
4 point for determining a utility's existing annual revenues, operating costs, and net operating  
5 income. Net operating income represents the return on investment based upon existing rates.  
6 The test year approved by the Commission for Case No. GR-2024-0369 is the twelve months  
7 ended March 31, 2024, with a true-up through December 31, 2024<sup>1</sup>. Several types of  
8 adjustments such as "annualization," "normalization", and "disallowance" adjustments are  
9 made to the test year results when the unadjusted amounts do not fairly represent the utility's  
10 most current, ongoing, and appropriate annual level of revenues and operating costs. These  
11 adjustments are described later in this testimony.

12 (2) Selection of a "test year update period." A proper determination of revenue  
13 requirement is dependent upon matching the components of rate base, return on investment,  
14 revenues and operating costs at a point in time. This is referred to as the "matching" principle.  
15 It has been standard practice in Missouri for ratemaking to utilize a period that is beyond the  
16 established test year in which to match the major components of a utility's revenue requirement.  
17 By utilizing an update period, information can be reflected beyond the established test year and  
18 be based upon more current information. The Commission did not order an "official" update  
19 period in this case; however, the Staff has utilized June 30, 2024, similar to Staff's treatment in  
20 the Ameren Missouri electric rate case, ER-2024-0319, which utilized the same test year and  
21 true-up period.

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<sup>1</sup> Case No. GR-2024-0369, *Order Setting Procedural Schedule, October 30, 2024.*

1           (3)     Selection of a “true-up date” or “true-up period.” A true-up date generally is  
2 established when a significant change in a utility’s cost of service occurs after the end of the  
3 test year update period, but prior to the operation-of-law date, and the significant change in cost  
4 of service is one the parties and/or Commission has decided should be considered for  
5 establishing the cost of service in the current case. In this case, the Commission has authorized  
6 a true-up period of December 31, 2024<sup>2</sup>.

7           (4)     Determination of the Rate of Return, which is represented by the “R” in the  
8 formula above. An examination of the cost-of-capital must occur to allow Ameren Missouri  
9 the opportunity to earn a fair rate of return on its net investment (“rate base”) that is utilized in  
10 providing utility service. Staff witness, Dr. Seoung Joun Won, of the Commission’s Financial  
11 Analysis Department, has performed a cost-of-capital analysis of which he discusses the results  
12 of his analysis in his direct testimony.

13           (5)     Determination of Rate Base, which is represented by the (V-D) in the formula  
14 above. A utility’s rate base represents the net investment that is used in providing utility service,  
15 and this net investment is what the rate of return is applied to that permits the utility the  
16 opportunity to earn a return. Staff has utilized a rate base as of June 30, 2024, in this case for  
17 its direct filing; however, the estimated plant and reserve has been included through  
18 December 31, 2024, as a true-up estimate that will be adjusted to actual during Staff’s true-up  
19 audit. Rate base includes plant-in-service, accumulated reserve, cash working capital, materials  
20 and supplies, prepayments, gas inventories, customer advances, customer deposits,  
21 accumulated deferred income tax (“ADIT”), as well as various regulatory assets and  
22 liabilities, etc.

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<sup>2</sup> Case No. GR-2024-0369, *Order Setting Procedural Schedule, October 30, 2024.*

1           (6)    Net Operating Income from Existing Rates, which is represented by the “O” in  
2 the formula above. In order to develop net income from existing rates, the operating revenues,  
3 expenses, depreciation, and taxes for the test year is used. The utility’s revenue and expense  
4 categories are examined to determine whether the unadjusted test year results require  
5 adjustment to fairly represent the utility’s most current level of operating revenue and expense.  
6 Several changes can occur during any given year that will impact a utility’s annual level of  
7 operating revenue and expense. The test year has been adjusted to reflect the Staff’s  
8 determination of the appropriate ongoing levels of revenue and expense.

9           (7)    Determination of Net Operating Income Required. The net income required for  
10 Ameren Missouri is calculated by multiplying Staff’s recommended rate of return by Staff’s  
11 recommended rate base. Net income required is then compared to net income available from  
12 existing rates in Item (6) above. The difference, after factoring-up for income taxes, represents  
13 the incremental change in the utility’s rate revenues required to cover its operating costs and to  
14 provide a fair return on investment used in providing gas service. If a utility’s current rates are  
15 insufficient to cover the operating costs and provide a fair return on investment, the comparison  
16 of net operating income required (Rate Base x Recommended Rate of Return) to net income  
17 available from existing rates (Operating Revenue less Operating Costs, Depreciation, and  
18 Income Taxes) will result in a positive amount, which indicates that the utility requires a rate  
19 increase. If the comparison results in a negative amount, this indicates that the utility’s current  
20 rates may be excessive.

21           Q.    Please identify the types of adjustments that are proposed to unadjusted test year  
22 results so as to reflect the current annual level of operating revenue and expense for a utility.



1           A.     The following types of adjustments are used to reflect a utility’s current annual  
2 level of operating revenue and expense:

3           (1)     Normalization Adjustments. A utility’s rates are intended to reflect normal  
4 ongoing operations. A normalization adjustment is required when the test year contains an  
5 abnormal event. An example of this type of adjustment is weather normalization. Actual  
6 weather conditions during the test year are compared to 30-year “normal” values. The weather  
7 normalization adjustment restates the test year sales volumes and revenues to reflect normal  
8 weather conditions.

9           (2)     Annualization Adjustments. Annualization adjustments are required when  
10 changes have occurred during the test year, update and/or true-up period that have not been  
11 fully reflected in the unadjusted test year results. An example of this is payroll. Because  
12 Ameren Missouri’s test year is the twelve months ended March 31, 2024, with known and  
13 measurable adjustments through June 30, 2024; it does not include an entire year of the pay  
14 increase for employees that occurred in January 2024. Staff used the payroll rates in effect at  
15 January 1, 2024, and applied those rates to the actual employee levels experienced at  
16 June 30, 2024, to annualize payroll expense. An adjustment was proposed to the test year to  
17 capture the impact of the payroll increase as if that increase existed for the entire annual period.  
18 The same process will be utilized for the true-up period, through December 31, 2024, to  
19 recognize the management and union pay increase that occurs in January 1, 2025.

20           (3)     Disallowance adjustments. Disallowance adjustments are proposed to eliminate  
21 costs during the test period that are not considered to be prudent, reasonable, appropriate,  
22 non-recurring or not of benefit to Missouri ratepayers and thus not proper for recovery from

1 ratepayers. Staff has proposed items such as certain board of director fee and membership  
2 expenses for removal from the test year in this current case.

3 (4) Isolated Adjustments. A proforma adjustment is proposed due to an event that  
4 generally occurs beyond the test year, update or true-up cut-off date. These adjustments occur  
5 anytime a party proposes to include the effects of an event without considering the revenue  
6 requirement associated with the offsetting items. The Commission allows parties to request the  
7 inclusion of the revenue requirement associated with proforma or isolated adjustments in the  
8 calculation of the cost of service. Ameren Missouri has requested and the Commission has  
9 allowed the parties to propose “discrete” or “isolated” adjustments in this case. These  
10 adjustments must be proposed with caution as these adjustments must be known and measurable  
11 and must be examined to determine whether its inclusion will affect the relationship between  
12 revenue, expense and investment.

13 As discussed further in the direct testimony of Staff witness Matthew R. Young, Staff  
14 does not believe Ameren Missouri’s proposed isolated adjustment should be included in  
15 customer rates in this case. Staff has not included any isolated adjustments as part of Staff’s  
16 direct filing in this case. However, Mr. Young presents options for additional isolated  
17 adjustments for the Commission to also consider if Ameren Missouri’s discrete adjustment were  
18 to be considered for rate inclusion.

19 While Staff has endeavored to include all aspects of the cost of service at June 30, 2024,  
20 in this case, there are a minimal number of items that are not included at that date, such as  
21 capital structure and cost of debt. These items have been included as of September 30, 2024.

22 Q. What amount of revenue requirement increase did Ameren Missouri request in  
23 this case and what return on equity (“ROE”) percentage was this request based?

1           A.     Ameren Missouri requested an increase in annual revenue of \$39.7 million. The  
2 increase in annual revenue contemplates a 10.25% ROE.

3           Q.     How is the revenue requirement determined for a regulated utility?

4           A.     First, the utility's cost of service must be calculated. Staff has examined all  
5 aspects of the case that would affect the test year in this case. Staff began with utilizing the test  
6 year of the 12 months ending March 31, 2024. Staff then examined all aspects of the cost of  
7 service. This historical test year was ordered by the Commission through its Order Establishing  
8 Procedural Schedule on October 30, 2024. Staff has also updated its cost of service calculations  
9 for most items through June 30, 2024.

10          Q.     Please describe Staff's direct cost of service (revenue requirement) filing in this  
11 rate proceeding.

12          A.     The results of Staff's audit of Ameren Missouri's books and records as part of  
13 this proceeding can be found in the Staff's filed Accounting Schedules and is summarized on  
14 Accounting Schedule 1, Revenue Requirement. Accounting Schedule 1 demonstrates that  
15 Staff's recommended revenue requirement in this proceeding is \$27,802,558.  
16 The recommended revenue requirements are premised on a mid-point recommended rate of  
17 return ("ROR") after tax of 7.097%. Staff is recommending a midpoint ROE of 9.64%, with a  
18 range of 9.39% to 9.89% as calculated by Staff witness Dr. Seoung Joun Won. Staff's revenue  
19 requirement at the low and high ROR range of 9.39% to 9.89% is \$26,956,980 to \$28,641,779.

20          Q.     Did Staff include a true-up allowance in its Accounting Schedules?

21          A.     Yes. Staff has included plant and reserve estimated through December 31, 2024,  
22 as well as depreciation on that estimated plant. In addition, Staff has included an estimate for  
23 labor and benefits, property tax, ADIT, and gas inventory.

1           The overall true-up estimate is a decrease to revenue requirement of \$1,392,574.  
2           The true-up audit will include actual costs incurred through December 31, 2024.

3           Q.     Please list the items that are included in Staff’s recommended rate base in its  
4           direct case.

5           A.     The following rate base items were updated as of June 30, 2024, either through  
6           a balance as of that date or a 13-month average balance June 30, 2024: Cash Working Capital,  
7           Materials and Supplies, Natural Gas Inventories, Prepayments, Customer Deposits, Customer  
8           Advances, regulatory asset and liability balances for Pensions & OPEBs, the regulatory asset  
9           for the property tax tracker, the Pay As You Save (“PAYS”) regulatory liability, the balance for  
10          the expired and expiring amortizations and ADIT. All of the rate base items will be restated as  
11          a balance or 13-month average as of December 31, 2024, as part of Staff’s true-up audit.

12          Q.     Please explain how the various Staff members contributed to create a combined  
13          work product in rate proceedings.

14          A.     The Staff auditors in this case relied upon the work from several other Staff  
15          departments in order to calculate the revenue requirement for Ameren Missouri in this case.  
16          Weather normalized revenue and the recommended rate of return are some examples of data  
17          analysis and inputs that are provided to the Auditing Department for inclusion in the Accounting  
18          Schedules. Each Staff member who has contributed a calculation or input for inclusion in the  
19          Accounting Schedules has submitted direct testimony in this case providing discussion on each  
20          topic that they were assigned along with their recommendation on the issue. Signed affidavits  
21          and credentials for all Staff members who contributed to the direct cost of service filing and for  
22          which they are responsible are attached to each Staff member’s testimony.

1 Q. What are the biggest differences between the revenue requirements for  
2 Ameren Missouri as compared to the revenue requirement filed by Staff in this case?

3 A. There are 5 main revenue requirement differences. The differences are based on  
4 Staff's cost of service through June 30, 2024, with true-up estimate as compared to projections  
5 proposed by Ameren Missouri through December 31, 2024. Many of the values listed below  
6 will change when Staff and Ameren Missouri update their respective revenue requirements  
7 through the true-up cutoff date, December 31, 2024.

8 • **Return On Equity ("ROE") and Capital Structure – Issue Value \$2.0 million –**  
9 Ameren Missouri's return on equity recommendation for gas operations is 10.25%.  
10 Staff's mid-point recommendation is 9.64%. The value of the difference between  
11 Ameren Missouri and Staff for ROE is a reduction to revenue requirement  
12 of \$2.2 million. Ameren Missouri recommends a capital structure of 47.46% long-term  
13 debt, 0.539% preferred stock, and 51.997% equity. Staff's proposed capital structure is  
14 46.53% long term debt, 0.56% preferred stock and 52.91% equity. Staff also  
15 recommended a cost of long-term debt of 4.24% while Ameren Missouri recommended  
16 4.309%. The value of the difference between Ameren Missouri and Staff for capital  
17 structure and cost of debt is an increase in revenue requirement of \$266,214.

18 • **Net Plant in Service – Issue Value \$4.4 million –** As discussed earlier in this  
19 testimony, Staff has not included in its cost of service the value of the proposed isolated  
20 adjustment for the Wentzville Northeast Territory Phase II Project.

21 • **Revenue – Issue Value \$3 million –** Staff has included a larger level of annualized and  
22 normalized retail revenue than has Ameren Missouri in the cost of service.

1 • **Long Term Incentive Compensation – Issue Value \$2.4 million** – Staff has  
2 removed all long-term incentive compensation capital and expense related to  
3 earnings-based metrics.

4 • **Depreciation Expense – Issue Value \$4.4 million** – Staff’s annualized depreciation  
5 based on its recommended rates is higher than Ameren Missouri.

6 There are other differences that exist between Staff and Ameren Missouri’s direct  
7 filings, however these other differences have lesser value than those listed and discussed above.

8 Q. Could it be possible that significant differences exist between Staff’s revenue  
9 requirement and other parties to this case besides Ameren Missouri?

10 A. Yes. The other parties who have different positions than those of  
11 Ameren Missouri, and possibly Staff, will also file direct testimony concurrently with Staff’s  
12 filing. Those differences will be reviewed and addressed in further rounds of testimony.

13 Q. Please describe the direct testimony Staff has filed for this current  
14 rate proceeding.

15 A. Each Commission Staff member has direct testimony that sponsors specific  
16 issues. The testimony provides an explanation of each specific area of concern or adjustment  
17 with Staff’s recommendation. Schedule LMF-d2 attached to this testimony summarizes Staff’s  
18 witnesses which contributed to Staff’s direct cost of service and their associated area  
19 of responsibility.

20 Q. Please list the Staff witness and the issue for which they are responsible for  
21 which significant differences exist between Staff and Ameren Missouri.

22 A. The Staff expert/witness for each significant difference is listed below:

<u>Issue</u>	<u>Staff Witness</u>
Return on Equity & Capital Structure	Dr. Seoung Joun Won
Net Plant in Service	Matthew R. Young
Revenue	Michael Irwin, Benjamin H. Burton
Long Term Incentive Compensation	Amanda McMellen
Depreciation Expense	Malachi Bowman

7 Q. On what date will Staff file its direct class cost of service and rate design  
8 testimony in this proceeding?

9 A. Staff's class cost of service and rate design testimony and associated schedules  
10 will be filed on March 14, 2025.

11 Q. As a part of this testimony, do you individually address any revenue  
12 requirement issues?

13 A. Yes. I address Federal Energy Regulatory Commission ("FERC") complaint  
14 case matters; current and deferred income tax expense; ADIT including discussion regarding  
15 the inadvertent normalization violation discussed in the Supplemental Direct Testimony of  
16 Mitchell J. Lansford, and excess deferred federal and state income taxes ("EDIT").

17 **FERC COMPLAINT CASE MATTERS**

18 Q. Please provide the background surrounding the FERC complaint case regarding  
19 Panhandle Eastern Pipe Line Company, LP ("Panhandle") that Ameren Missouri has intervened  
20 and actively participated in.

21 A. On January 16, 2019, FERC issued an order on Panhandle's Form 501-G  
22 informational filing, instituting an investigation under Natural Gas Act ("NGA") section 5. On  
23 August 30, 2019, Panhandle filed a rate case under section 4 of the Natural Gas Act  
24 ("NGA") seeking to change its rates, among other things, effective October 1, 2019.

1 On September 30, 2019, the FERC accepted and suspended the tariff records, effective  
2 March 1, 2020, subject to refund and established hearing procedures and a technical conference.  
3 On December 16, 2022, the FERC issued an order affirming in part and reversing in part, an  
4 Initial Decision regarding Panhandle's rates. On February 12, 2023, Panhandle submitted a  
5 filing in compliance with Opinion No. 885. On September 25, 2023, the FERC issued an order<sup>3</sup>  
6 on rehearing and compliance that directed Panhandle to submit a refund report to the FERC and  
7 provide refunds. The FERC issued another order on January 5, 2024, addressing arguments  
8 raised on rehearing<sup>4</sup>. On May 28, 2024, the FERC rejected Panhandle's refund report and  
9 directed further compliance. Panhandle petitioned the D.C. Circuit Court of Appeals for review  
10 of the FERC orders. This case is still pending decision at the Court of Appeals.

11 Q. How does this FERC proceeding affect Ameren Missouri and its customer rates?

12 A. Ameren Missouri distributes natural gas to at least portion of its gas customer  
13 base utilizing natural gas from the Panhandle Eastern Pipeline. Those gas costs flow through  
14 the Purchased Gas Adjustment/Actual Cost Adjustment rider for cost recovery. In addition,  
15 Ameren Missouri receives natural gas for generation of its Audrain and Penno Creek gas peaking  
16 plants from this pipeline in order to generate electricity. These gas costs are essentially billed  
17 to Ameren Missouri's gas retail customers either through the PGA/ACA or included as fuel  
18 expense within Ameren Missouri's fuel adjustment charge tariff ("FAC"). The FERC has  
19 determined that Panhandle's rates are not appropriate. If the D.C. Circuit Court of Appeals  
20 agrees and or remands the decision back to FERC and refunds calculations are agreed upon and

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<sup>3</sup> Opinion No. 885-A.

<sup>4</sup> Opinion No. 885-B.



1 ordered, then those refunds will need to be flowed back to Ameren Missouri's customers  
2 through the appropriate rate making mechanism, the PGA/ACA or the FAC.

3 Q. What is Staff's recommendation?

4 A. Ameren Missouri has already deferred refunds based on current calculations in  
5 anticipation of refund to customers. As this case is still pending, Staff recommends that  
6 Ameren Missouri continue to defer possible refunds for return back to their customers. Staff  
7 recommends Ameren Missouri return these refunds through the mechanisms discussed above  
8 at the point that a final order and refund amount is established.

9 **CURRENT AND DEFERRED INCOME TAXES**

10 Q. How are income taxes calculated for regulatory purposes?

11 A. The income tax expense calculation begins by taking adjusted net operating  
12 income before taxes and adding to or subtracting from that net income various timing  
13 differences in order to obtain net taxable income for ratemaking purposes. These "add back"  
14 and/or subtraction adjustments are necessary to identify new amounts for the tax deductions  
15 that are different from those levels reflected in the income statement as revenues or expenses.  
16 The adjustments are the result of various book versus tax timing differences and the effect of  
17 such differences under separate tax ratemaking methods: flow-through versus normalization.

18 A tax timing difference occurs when the timing used in reflecting a cost (or revenue) for  
19 financial reporting purposes (book purposes) is different than the timing required by the IRS in  
20 determining taxable income (tax purposes). Current income tax reflects timing differences  
21 consistent with the timing required by the IRS. The tax timing differences used in calculating  
22 taxable income for computing current income tax are as follows:

1 Add Back to Operating Income Before Taxes:

- 2 • Book Depreciation Expense
- 3 • Book Depreciation Charged to O&M
- 4 • Intangible Amortization

5 Subtractions from Operating Income:

- 6 • Interest Expense – Weighted Cost of Debt X Rate Base
- 7 • Tax Straight-Line Depreciation

8 For ratemaking purposes, the tax normalization method defers the deduction taken for  
9 tax purposes for certain tax timing differences. The effect of using tax normalization is to allow  
10 utilities the net benefit of certain net tax deductions for a period of time before those benefits  
11 are passed on to the utility's customers in rates. The flow-through tax method essentially  
12 provides for the same tax deduction taken as a deduction for ratemaking purposes as is taken  
13 for tax purposes.

14 Ameren Missouri has paid tax to the Ameren consolidated group for 2019, 2020, and  
15 2023 and is expected to for the 2024 tax year, which means that Ameren Missouri is in a taxable  
16 position. Ameren Corporation was in a taxable position in 2023 but is expected to be in a net  
17 operating (“NOL”) position for federal and state taxes for the 2024 tax year. In this case, Staff  
18 has also included the St. Louis payroll tax credit in its income tax calculation.

19 Under either the tax normalization or tax flow-through approach, the resulting net  
20 taxable income for ratemaking is then multiplied by the appropriate federal, state and city tax  
21 rates to obtain the current liability for income taxes. A federal tax rate of 21.00%, a state income  
22 tax rate of 4.00%, and a city tax rate of 0.0955% were used in calculating Ameren Missouri's

1 current income tax liability. The difference between the calculated current income tax provision  
2 and the per book income tax provision is the current income tax provision adjustment.

3 Staff will review income tax expense as part of its true-up audit and make additional  
4 adjustments as necessary.

5 **ACCUMULATED DEFERRED INCOME TAXES**

6 Q. Please explain what ADIT is and the amounts Staff has included in the cost  
7 of service.

8 A. Accumulated deferred income taxes are essentially a prepayment of income  
9 taxes by Ameren Missouri's customers to Ameren Missouri prior to payment being made to the  
10 taxing authorities. Ameren Missouri is allowed to deduct items for income tax purposes that  
11 are not for ratemaking purposes, such as accelerated depreciation. These differences in  
12 treatment create book-tax timing differences that create a deferral of income taxes to future  
13 periods. When the ADIT balance in rate base is a net credit, it creates a source of cost-free  
14 funds for Ameren Missouri. As such, a net credit amount in rate base is a reduction to rate base  
15 on which a return is calculated. This prevents customers from paying a return on funds that  
16 were provided cost-free to the utility. Staff has included the ADIT balance as of June 30, 2024,  
17 in its direct cost of service. Staff will re-examine this issue as part of its true-up audit to make  
18 sure all items included in the balances are consistent with the other components of the cost of  
19 service and updated as of the true-up date and Staff will propose further adjustments at  
20 that time.

1           **Potential Inadvertent Normalization Violation**

2           Q.     Please explain the background surrounding the situation that Ameren Missouri  
3 believes may be an inadvertent normalization violation.

4           A.     Ameren Missouri witness Mitchell J. Lansford provided supplemental direct  
5 testimony in this case informing the Commission of a potential inadvertent normalization  
6 violation related to NOL carryforwards (“NOLCs”). Subsequent to the filing of its direct  
7 testimony in this case, Ameren Missouri became aware of some private letter rulings (“PLRs”)  
8 issued by the IRS related to some utilities for which Ameren Missouri believes the  
9 circumstances are very similar between those utilities and Ameren Missouri.

10          Q.     What is the issue that Ameren Missouri believes may create a potential  
11 inadvertent normalization violation?

12          A.     As discussed earlier in this testimony, normalization rules allow utilities to  
13 utilize tax advantages due to tax timing differences that promote investment. This is typically  
14 reflected in accelerated depreciation deductions. Normalized tax timing differences must be  
15 accumulated as deferred tax liabilities or deferred tax assets within ADIT and then that sum is  
16 subsequently added or subtracted from a utility’s rate base. As tax timing differences are  
17 temporary they will eventually reverse and this will alter the ongoing ADIT balance.

18                In instances where the utility is in a NOL, which occurs when tax deductions exceed net  
19 income (typically driven by accelerated depreciation for utilities); the NOL is accumulated as  
20 a deferred tax asset that offsets the remaining deferred tax liability encompassed in ADIT. The  
21 IRS has ruled in these PLRs that for utilities that calculate their income taxes on a stand-alone  
22 basis, but contribute to a consolidated tax return, any value that is given to the utility for  
23 providing a NOL to the consolidated group (which reduces other affiliate tax liabilities); the

1 value received cannot then in turn reduce any NOL deferred tax asset that may be sitting in  
2 ADIT for the utility. Stated another way, a utility's NOL must be calculated and included in  
3 rate base based only on the utilization of those NOLCs by the utility from which they were  
4 created; they cannot be reduced by value given to the utility for other affiliates use of the NOL  
5 to reduce its tax liability.

6 Q. Has Ameren Missouri been calculating its income taxes on a stand-alone basis  
7 and do they contribute to a consolidated income tax filing?

8 A. Yes, Ameren Missouri calculates its income taxes on a stand-alone basis for  
9 ratemaking purposes. It contributes its tax assets and provides payment for its tax liabilities to  
10 the Ameren consolidated group as part of a tax allocation agreement ("TAA") and  
11 Ameren Corporation files a consolidated federal income tax return each year.

12 Q. Please explain the difference between a stand-alone basis and separate  
13 return basis.

14 A. Under the separate return method, current and deferred taxes are allocated to  
15 members of the group as if each member were a separate taxpayer; however, the sum of the  
16 individual member's allocations will not align with the consolidated tax return.

17 The stand-alone method allocates the consolidated group tax expense to individual  
18 members through the recognition of the benefits/burdens contributed by each member of the  
19 consolidated group to the consolidated return. Using the stand-alone method, the sum of the  
20 amounts allocated to individual members equals the consolidated amount. Essentially the  
21 separate return method is utilized for financial reporting purposes and may include items of  
22 income and expense that are not included in the cost of service for ratemaking purposes.

1 The amounts based on separate returns would need to be adjusted for items included in the cost  
2 of service that are associated with the provision of utility service.

3 Q. Has Ameren Missouri received TAA payments for use of NOLCs?

4 A. Yes, according to the response to Staff Data Request number 0284.  
5 Ameren Missouri has estimated these payments to be \$10 million in rate base as of  
6 December 31, 2024, or an approximately \$1.0 million increase in revenue requirement.  
7 However, Staff has not yet been provided calculations supporting Ameren Missouri's proposed  
8 inclusion as they are still preparing this analysis. As Staff understands it, support will be  
9 provided for inclusion in Staff's true-up audit.

10 Q. How would Ameren Missouri reflect a correction of this inadvertent  
11 normalization on its books and records?

12 A. In general, a journal entry would be made to debit the deferred tax asset to  
13 re-establish the NOL deferred tax asset and a credit entry would be made to intercompany  
14 receivables for the value received.

15 Q. If the TAA payment cannot offset the utility's NOLC, what happens to the TAA  
16 payment on the books of Ameren Missouri once it is received?

17 A. As Staff understands it, the payment received by Ameren Missouri is recorded  
18 as cash.

19 Q. Prior to issuance of the PLRs, the TAA payments that were received were  
20 offsetting the NOL deferred tax asset in Ameren Missouri's rate base, ultimately benefitting  
21 customers. Do Ameren Missouri's customers benefit from the TAA payment if the NOL  
22 deferred tax asset is not reduced, but rather cash is received?

1           A.     Unless the cash received from the affiliate group is reflected in a reduction to  
2 the cost of service in some way, the customers would not benefit. Staff believes customers  
3 should benefit in the cost of service in some way related to the value of the TAA payments  
4 received in lieu of use of Ameren Missouri's NOL. Customers are paying for the drivers of  
5 those tax timing differences as part of rates that create the NOL and if the NOL deferred tax  
6 asset and all associated rate base items remain intact to meet normalization rules then that cash  
7 received should reduce cost of service in some way. Staff is open to suggestions on how to  
8 reflect customer benefit in such a way as to not violate normalization rules, perhaps a reduction  
9 in expense via amortization.

10          Q.     Does Staff agree with Ameren Missouri regarding the inadvertent  
11 normalization violation?

12          A.     It appears that Ameren Missouri has been treating the payments it receives in  
13 return for use of its NOLC as an offset to the NOL deferred tax asset in rate base. However,  
14 the IRS created a safe harbor for utilities to correct any normalization violations moving  
15 forward as soon as a utility determines a violation has occurred. Blatant violations of  
16 normalization rules can disqualify a utility from taking accelerated depreciation deductions in  
17 the future or tax credit recapture, ultimately increasing the tax liability for both the utility and  
18 its customers. Ameren Missouri discovered through its periodic monitoring of IRS private letter  
19 rulings ("PLRs") that there were certain PLRs relating to NOLCs that contain facts and  
20 circumstances that are consistent with facts and circumstances at Ameren Missouri.  
21 Ameren Missouri is attempting to remedy the situation as soon as they became aware of it, and  
22 would also need to follow this guidance moving forward when it is in a future NOL situation.

23          Q.     Should Ameren Missouri seek a PLR on this issue?

1           A.     Ameren Missouri has explained that there is a wide variation of what a PLR  
2 would cost a taxpayer. The applicable fee for a PLR in 2024 was approximately \$38,000;  
3 however, there would be additional fees Ameren Missouri would incur for outside counsel who  
4 would interact with the IRS on Ameren Missouri's behalf in this matter. That cost could  
5 potentially be \$100,000. When considering the revenue requirement impact that  
6 Ameren Missouri estimates the correction would be to resolve the inadvertent normalization  
7 (\$1.0 million), the cost to seek a PLR is almost 10% of the revenue requirement for the  
8 correction itself. Staff does not believe it is necessary to seek a PLR for this issue, considering  
9 the circumstances and at the risk of customers paying for the correction as well as the cost for  
10 the PLR.

11     **EXCESS DEFERRED INCOME TAXES**

12           Q.     What are excess deferred income taxes?

13           A.     The Tax Cuts and Jobs Act was signed into law in December 2017, and as part  
14 of that a reduction in the corporate tax rate required the revaluation of accumulated tax timing  
15 differences that were previously valued at 35% to be revalued at 21%. This excess deferred tax  
16 value is required to be returned to customers based on whether the excess deferred taxes are  
17 protected or unprotected. Protected excess ADIT ("EDIT") is the portion associated with  
18 accelerated depreciation tax timing differences that must be "normalized" for rate making  
19 purposes and where the flow back of EDIT cannot be returned to customers any more quickly  
20 than over the estimated life of the assets that gave rise to the ADIT. Unprotected EDIT is the  
21 portion of the deferred tax reserve that resulted from normalization treatment of tax timing  
22 differences other than accelerated depreciation. Ameren Missouri has federal protected EDIT,  
23 federal unprotected plant related EDIT, and federal unprotected non-plant EDIT that began to



1 be returned to customers in January 2019 as part of case no. GR-2018-0227. The return of the  
2 balances for state EDIT began to be returned to customers in case no. GR-2021-0241 in  
3 March 2022.

4 Q. How is the EDIT being returned to customers?

5 A. The protected EDIT is being returned to customers using the Average Rate  
6 Assumption Method (“ARAM”) as described above and the original amortization periods for  
7 the unprotected EDIT was 10 years for the federal EDIT and 5 years for the state EDIT. At this  
8 point, there are approximately 4.5 years remaining of the federal unprotected amortization,  
9 which will continue in this case. The protected federal EDIT will continue to amortize over  
10 ARAM. These balances are included in deferred taxes in the income tax schedule of Staff’s  
11 accounting schedules.

12 The state excess deferred amortization is scheduled to end in March 2025. As the time  
13 period remaining for amortization is short, the balance and associated amortization will be  
14 included within the expired and expiring amortization amounts as discussed by Staff witness  
15 Paul K. Amenthor.

16 Q. Does this conclude your direct testimony?

17 A. Yes, it does.

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

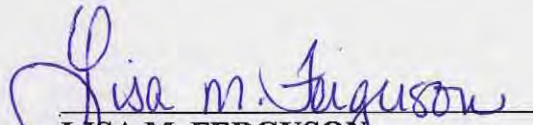
In the Matter of Union Electric Company                   )  
d/b/a Ameren Missouri's Tariffs to Adjust                   )  
Its Revenues for Natural Gas Service                   )                   Case No. GR-2024-0369

**AFFIDAVIT OF LISA M. FERGUSON**

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

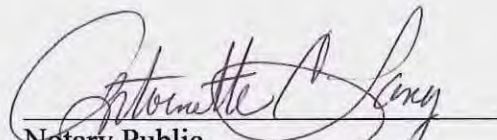
**COMES NOW LISA M. FERGUSON** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Direct Testimony of Lisa M. Ferguson*; and that the same is true and correct according to her best knowledge and belief.

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 26<sup>th</sup> day of February 2025.

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

**ANTOINETTE C. LANG**  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for St. Louis City  
My Commission Expires: April 04, 2028  
Commission Number: 16787761

## **Lisa M. Ferguson**

### **Present Position:**

I am a Utility Regulatory Audit Supervisor in the Auditing Department, of the Financial and Business Analysis Division of the Missouri Public Service Commission. As a Utility Regulatory Auditor, I review all exhibits and testimony on assigned issues, develop accounting adjustments and issue positions that are supported by workpapers and written testimony. In addition, I oversee the auditing casework of junior level utility regulatory auditors.

### **Educational Credentials and Work Experience:**

I have an Associate of Science degree from Moberly Area Community College, a Bachelor's of Science degree in Accounting from Truman State University, and a Master's degree in Accounting from Truman State University. I have been employed by the Missouri Public Service Commission since June 2008. Prior to joining the Commission, I worked in several departments, primarily Customer Service and as an accounting assistant, for Hy-Vee Food and Drug from July 1998 to May 2002. I was also employed by Kelly L. Lovekamp as a legal office assistant during 2001. From June 2002 to May 2008, I was employed as a support staff for Chariton Valley Association. My duties included support of daily living activities for people with disabilities.

**Lisa M. Ferguson**

**Past Rate Case Proceedings:**

<u>Company Name</u>	<u>Case No.</u>	<u>Issue</u>
Ameren Missouri (ELEC)	ER-2024-0319	Lead Auditor Fuel Expense, Fuel Additives, Purchased Power, Off System Sales, MISO Revenue and Expense, SPP Revenue & Expense, Capacity Revenue and Expense, DOE Reimbursements, FERC ROE and related legal fees, Income Tax, IRA Tracker, ADIT, Federal & State TCJA Tracker, Solar Rebates, All Other Amortizations, Community Solar, Neighborhood Solar, Facility and Property Sales/Donations, Kersting Estates Accounting Schedules/Reconciliation Filed Direct, Rebuttal
Liberty Gas (MNG)	GR-2024-0106	Lead Auditor Customer First (Capital & Operations/Maintenance) Income Tax, Net Operation Loss, Accumulated Deferred Income Tax (ADIT), Excess ADIT, Corporate Allocations, Rate Base Offset, Transition/Transaction Costs Filed Direct, Rebuttal, Surrebuttal
Spire Missouri	GR-2022-0179	Co-Case Coordinator Gas Revenue, Miscellaneous Revenue, Oil & Propane Revenue, CNG, Home Inspection Fees & Revenues, Uncollectibles, Property Sales/Donations/Facility O&M, Energy Efficiency, Energy Affordability, Red Tag, ISRS Investment, Propane Assets, Propane O&M, Legal Expense, Cash Working Capital, Income Tax Expense, ADIT, MGE ADIT Ratebase Offset, TCJA Tracker & Amortization, CAM Reporting, All Other Amortizations  Filed Direct, Rebuttal, Surrebuttal (True-up Direct)

**Lisa M. Ferguson**

**Past Rate Case Proceedings:**

<u>Company Name</u>	<u>Case No.</u>	<u>Issue</u>
Ameren Missouri (ELEC)	ER-2021-0240	Co-Case Coordinator Sioux R&D Capital/Expense, PISA rebase and amortization, Miscellaneous Revenue, Uncollectibles, RESRAM rebase, Fuel Expense, Fuel Additives, Fuel Inventories, Purchased Power, Off System Sales, Green Tariff Program, Maryland Heights Fuel, MISO Revenue and Expense, MISO Transmission Revenue & Expense, SPP Transmission Revenue & Expense, Mark Twain Transmission, Capacity & Ancillary Sales, Coal Refinement, DOE Reimbursements, Radioactive Waste, FERC ROE, Income Tax, ADIT, FIN 48 Tracker, Federal & State TCJA Tracker, Wind Generation O&M, RES AAO and Amortization, Solar Rebates, All Other Amortizations, RECs, Emission Allowances, Callaway Refueling, Callaway Unplanned Outage, Community Solar, Meramec Tracker, Neighborhood Solar Accounting Schedules/Reconciliation Filed Direct, Rebuttal, Surrebuttal (True-up Direct)
Ameren Missouri (Gas)	GR-2021-0241	Co-Case Coordinator Miscellaneous Revenue, Uncollectibles, Natural Gas Stored Underground, Income Tax, ADIT, Federal & State TCJA Tracker, All Other Amortizations Accounting Schedules/Reconciliation Filed Direct, Rebuttal, Surrebuttal (True-up Direct)

## Lisa M. Ferguson

### Past Rate Case Proceedings:

<u>Company Name</u>	<u>Case No.</u>	<u>Issue</u>
Ameren Missouri (ELEC)	ER-2019-0335	Lead Auditor Fuel Expense, Fuel Additives, Purchased Power, Off System Sales, Green Tariff Program, Maryland Heights Fuel, MISO Revenue and Expense, MISO Transmission Revenue & Expense, Mark Twain Transmission, Capacity & Ancillary Sales, Coal Refinement, DOE Reimbursements, Radioactive Waste, FERC ROE, Income Tax, ADIT, FIN 48 Tracker, TCJA Tracker  Accounting Schedules/Reconciliation Filed Direct, Rebuttal, Surrebuttal (True-up Direct)
Ameren Missouri (Gas)	GR-2019-0077	Lead Auditor TCJA Income Tax AAO/Interim Rates Income Tax, Accumulated Deferred Income Tax (ADIT), Amortization of Excess ADIT, Pensions & OPEBs, Energy Efficiency, Regulatory Asset Overcollection
Missouri-American Water Co.	WO-2018-0373	ISRS - Accumulated Deferred Income Taxes (Inclusion of NOL)
Ameren Missouri (ELEC)	ER-2018-0362	2017 Federal Tax Cuts and Jobs Act ("TCJA) – Tax Reduction Filing
Ameren Missouri (ELEC)	EA-2018-0202	Terra-Gen Wind Generation CCN

**Lisa M. Ferguson**

**Past Rate Case Proceedings:**

<u>Company Name</u>	<u>Case No.</u>	<u>Issue</u>
Ameren Missouri (ELEC)	ER-2018-0362	2017 TCJA Tax Reform effect on current and excess deferred taxes
Liberty Gas (MNG)	GR-2018-0013	Income Tax, Accumulated Deferred Income Tax (ADIT), Property Tax, Vegetation Management, Payroll, Payroll Tax, Employee Benefits Accounting Schedules/Reconciliation Filed Direct, Rebuttal, Surrebuttal (True-up Direct)
Spire Missouri (Laclede Gas & Missouri Gas Energy)	GR-2017-0215 GR-2017-0216	Co-Lead Auditor Insulation Financing, EnergyWise Revenue/Rate Base, Gas Safety AAO Overcollection, Natural Gas/Propane Inventory, MGE Rate base Offset, Income Taxes, ADIT, Surveillance Reporting, Uniform Expense, AMR Devices Filed Direct, Rebuttal, Surrebuttal, True-Up Testified on FIN 48 as part of ADIT, Surveillance Reporting, AMR Devices, 2017 TCJA Tax Reform effect on current and excess deferred taxes
Ameren Missouri	EO-2017-0176	Cost Allocation Manual
Ameren Missouri (ELEC)	EO-2017-0127	Lead Auditor Asset Sale Case – Mercy Health

**Lisa M. Ferguson**

**Past Rate Case Proceedings:**

<u>Company Name</u>	<u>Case No.</u>	<u>Issue</u>
Ameren Missouri (ELEC)	ER-2016-0179	Allocations, Coal Refinement, Callaway II Write-Off, Capacity, FAC expense removal, FIN 48, Income Taxes, ADIT, Mark Twain Transmission, MISO revenues & expenses, MISO Transmission revenues & expenses, Sioux Construction Accounting Accounting Schedules/Reconciliation Filed Direct, Rebuttal, Surrebuttal
Rex Deffenderfer Enterprises	WR-2016-0267	Lead Auditor – Oversee All Issues
House Springs Sewer Co.	SM-2016-0204	Sale of Company Assets to Jefferson County Public Sewer District
Missouri-American Water Co.	WR-2015-0301 & SR-2015-0302	Amortizations, Arnold Acquisition, Belleville Labs, Capitalized O&M Depreciation, Regulatory Assets & Liabilities, Regulatory Deferrals, Hickory Hills Receivership Costs Accounting Schedules/Reconciliation
Missouri-American Water Co.	WO-2016-0054	Asset Purchased Case; Missouri American Acquisition of Jaxson Estates
House Springs Sewer Co.	Earnings Investigation	Operations & Maintenance Contract, Legal Fees, Office Rent & Electric, Plant/Reserve/CIAC, Repairs & Maintenance, Sludge Hauling, City of Byrnes Mill Expense, Garnishment



**Lisa M. Ferguson**

**Past Rate Case Proceedings:**

<u>Company Name</u>	<u>Case No.</u>	<u>Issue</u>
Ameren Missouri (ELEC)	ER-2014-0258	Fuel, NBEC, Fuel Additives, Fuel Inventory, Off System Sales, Purchased Power, Callaway Refueling, Coal Car Depreciation, Low Level Radioactive Waste Expense  Accounting Schedules/Reconciliation  Filed Direct, Rebuttal, Surrebuttal
Liberty Gas (MNG)	GR-2014-0152	Lead Auditor Board of Directors Fees, Payroll, Employee Benefits, Incentive Compensation, Environmental Expense, Fleet Fuel Expense, Property Tax, Relocation Expense
Terre Du Lac Utility Co.	WR-2014-0104 SR-2014-0105	Lead Auditor Revenues, Uncollectibles, Water Loss Adjustment
Laclede Gas Co.	GR-2013-0171	Lead Auditor Revenue, Energy Wise and Insulation Revenues and Ratebase, Gas Costs, Gross Receipts Tax, ISRS Revenue, OSS and Capacity Release, Postage Expense, Unbilled Revenues, Uncollectibles
Lincoln County Water & Sewer	SR-2013-0321	Revenues, Bank Fees, Billing Expense, DNR Fees, Office Supplies, Postage Expense, PSC Assessment, SOS Fees, Uncollectibles
Gladlo Water and Sewer Co.	SR-2013-0258 WR-2013-0259	Informal Rate Case – All Issues
Missouri-American Water Co.	SO-2013-0260	Asset Purchased Case; Missouri American Acquisition of Meramec Sewer Co; Rate Base Determination
Ameren Missouri (ELEC)	EO-2013-0044	Asset Sale Case

**Lisa M. Ferguson**

**Past Rate Case Proceedings:**

<u>Company Name</u>	<u>Case No.</u>	<u>Issue</u>
Meramec Sewer Co.	SR-2012-0309	Rate Base, Revenues, Uncollectibles
Ameren Missouri (ELEC)	ER-2012-0166	Advertising, AMS Allocations, Capitalized O&M Depreciation, Distribution Training, Employee Benefits other than Pensions, Environmental Expense, Incentive Compensation, Legal Expense, Name Change/Branding Expense, Payroll, Payroll Taxes, Production Training Expense, Severance, Underground Training Expense, VSE/ISP Amortization  EMS Accounting Schedules  Filed Direct and Surrebuttal Testimony  Deposed on Severance and Advertising  Testified on Severance
Missouri-American Water Co.	SO-2012-0091	Asset Purchased Case; Missouri American Acquisition of Meramec Sewer Co; Rate Base Determination
House Springs Sewer Co.	SR-2011-0274	Revenues, Billing Supplies Expense, Bank Fees, Dues & Donations, Outside Services, Miscellaneous Expense, Rent Expense, Postage Expense, PSC Assessment, Rate Case Expense, Secretary of State Fees, EMS Accounting Schedules
Missouri-American Water Co.	WO-2011-0106	ISRS Filing; Extending data to Effective Date; Retirements; Deferred Taxes; Accumulated Depreciation

**Lisa M. Ferguson**

**Past Rate Case Proceedings:**

<u>Company Name</u>	<u>Case No.</u>	<u>Issue</u>
Ameren Missouri (ELEC)	ER-2011-0028	Capitalized O&M Depreciation, Dues & Donations, 900 Account analysis, Property Taxes, Other Rate Base Items, Corporate Franchise Taxes, CWC, Plant and Reserve, PSC Assessment, Rate Case Expense, Advertising, Interest on Customer Deposits, Outside Contractors/Services, Allocations Accounting Schedules/Reconciliation Filed Direct and Surrebuttal Testimony Deposed on Advertising Testified on Property Tax
AmerenUE (GAS)	GR-2010-0363	Capitalized O&M Depreciation, Dues & Donations, 900 Account analysis, Property Taxes, Other Rate Base Items, Corporate Franchise Taxes, CWC, Plant and Reserve, PSC Assessment, Rate Case Expense, Advertising, Interest on Customer Deposits, Outside Contractors/Services Accounting Schedules/Reconciliation Filed Direct Testimony
KMB Utility Corporation	WR-2010-0345 SR-2010-0346	Revenues, Late Fees, Electric Bills, Lost Water Adjustment, Uncollectibles, Master meter reads Filed Staff Recommendation
Ameren UE (ELEC)	ER-2010-0036	Advertising, Capitalized O&M Depreciation, Dues & Donations, 900 Account Analysis, Property Taxes, Other Rate Base Items, Corp. Franchise Taxes, Leases, CWC, Plant, Depreciation/ Reserve, PSC Assessment, Rate Case Expense, Interest on Customer Deposits, Insurance Expenses, Accounting Runs, Injuries and Damages Accounting Schedules/Reconciliation Filed Direct and Surrebuttal Testimony

**Lisa M. Ferguson**

**Past Rate Case Proceedings:**

<b><u>Company Name</u></b>	<b><u>Case No.</u></b>	<b><u>Issue</u></b>
Peaceful Valley	SR-2009-0146 WR-2009-0145	Informal Small Water and Sewer Request for Rate Increase
Cannon Home Association	SR-2009-0144	Informal Small Water Request for Rate Increase
Atmos Energy	GO-2009-0046	Assisted on ISRS Filing; Extending data to Effective Date; Retirements; Deferred Taxes; Accumulated Depreciation; Removal of Meters
Ameren UE (GAS)	GT-2009-0038	Assisted on ISRS Filing; Extending data to Effective Date; Additions/Retirements; Deferred Taxes; Accumulated Depreciation
Laclede Gas Company	GO-2009-0029	Assisted on Abandonment Case – Recommendation Submission
Mill Creek	SR-2005-0116	Quarterly Reviews; Procedural Schedule; A/P Billing Calendar; Conference Calls; Discussion Notes; Revenues

<b>Ameren Missouri General Rate Case Case No. GR-2024-0369 Staff's Direct Revenue Requirement Testimony – Staff Testimony Responsibility</b>	
<b>Staff Witness</b>	<b>Issue Responsibility</b>
Paul K. Amenthor	Software Rental/Maintenance and Cybersecurity Expense; Non-Labor Distribution Maintenance; EV Incentives; PAYS Regulatory Asset/Liability & Amortization Expense; Amortization Expense; PSC Assessment; Allocations & Affiliate Transactions
Nathan Bailey, CPA	Customer Convenience Fees; Injuries & Damages
Malachi Bowman	Depreciation
Benjamin H. Burton	Gas Revenue Test Year Removal; PGA Gas Cost Test Year Removal; Customer Growth; Miscellaneous Revenue; Intercompany Revenue and Expense; Gross Receipts Tax; Uncollectibles; Insurance Expense; Misbooked Costs in Test Year
Amanda McMellen	Payroll; Payroll Taxes; Severance; Employee Benefits; Pensions and OPEBs; SERP; Incentive Compensation
Lisa M. Ferguson	FERC Case Matters; Current Income Tax; Deferred Income Tax; Accumulated Deferred Income Tax; Excess Accumulated Deferred Income Taxes with Tracker Amortization
Sydney Ferguson	Materials & Supplies Excluding Gas Storage; Prepayments; Customer Deposits; Interest on Customer Deposits; Customer Advances
Jared Giacone	Natural Gas Inventory
Blair Hardin	Dues & Donations; Board of Directors Expenses; Property Tax Expense; Property Tax Tracker; Property Tax Appeals; Rate Case Expense; Plant In Service; Accumulated Depreciation Reserve; Advertising; Capitalized O&M Depreciation
Michael Irwin	Weather Normalization
Antonija Nieto	Cash Working Capital; Paperless Bill Credit Capital Removal and Revenue Imputation
Kimberly Tones	School Aggregation Pilot Program; Ameren Transportation Tariff Proposals that Impact the Purchased Gas Adjustment Process
Seoung Joun Won, PhD	Capital Structure and Return on Equity
Matthew R. Young	AMI/AMR Meter Read Cost Savings; AMI Software Deferral and Amortization; Wentzville Project Detail Phase 2 – Discrete Adjustment