

Exhibit No.:
Issue(s): *Cash Working Capital,
Paperless Bill Credit
Revenue Imputation,*
Witness: *Antonija Nieto*
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 DIVISION

FINANCIAL DEPARTMENT

DIRECT TESTIMONY

OF

ANTONIJA NIETO

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

CASE NO. GR-2024-0369

*Jefferson City, Missouri
February 2025*

1 **DIRECT TESTIMONY**

2 **OF**

3 **ANTONIJA NIETO**

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 Antonija Nieto. My business address is Fletcher Daniels State
9 Office Building, Room 201, 615 East 13th Street, Kansas City, MO 64106.

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

11 A. I am a lead senior utility regulatory auditor with the Missouri Public
12 Service Commission (“Commission”).

13 Q. Please describe your educational background.

14 A. I earned a Bachelor of Accounting from New Mexico State University in
15 December 2006 and a Master of Accounting with a minor in Management in December 2007,
16 also from New Mexico State University.

17 Q. Have you previously testified in a proceeding before the
18 Missouri Public Service Commission?

19 A. Yes, I have. Please refer to schedule AN-d1 attached to this testimony for a full
20 list of my prior case participation.

21 **CASH WORKING CAPITAL**

22 Q. What is cash working capital (“CWC”)?

1 A. Cash Working Capital (“CWC”) is the amount of cash necessary for a utility to
2 pay day-to-day expenses, which are incurred to provide service to its ratepayers. When a utility
3 expenses funds to pay a cost before its customers provide the cash necessary, the shareholders
4 are the source of funds. Shareholder-supplied CWC is reflected as an addition to rate base,
5 which compensates shareholders for their supply of CWC. Alternatively, customers supply
6 CWC when they pay for electric services received before a utility pays expenses incurred to
7 provide that service. Customer-supplied CWC is reflected as a reduction to rate base,
8 which compensates customers for their supply of CWC.

9 Q. How is CWC calculated?

10 A. CWC is determined using a lead/lag study which compares the time between
11 when customers receive the service and their subsequent payment for the service and the time
12 between when the utility incurs costs for providing that service and its subsequent payment for
13 these costs. A positive net lag in CWC refers to a situation when a utility’s revenue collection
14 occurs slower than its cash outflows for operating expenses. A negative net lag in CWC refers
15 to an opposite situation when a utility’s cash outflows (expenses) occur after its cash inflows,
16 in another words after it collects payments from its customers.

17 Q. Did Ameren Missouri perform a new lead/lag study for this case?

18 A. No. Ameren Missouri’s most recent lead/lag study is less than five years old and
19 there have been no changes in operations that would impact the CWC lag times.
20 Ameren Missouri’s most current lead/lag study examined cash transactions and invoices for
21 the 12-months ending December 31, 2020. Ameren Missouri has utilized this study since
22 its 2021 rate case, Case No. GR-2021-0241.

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1 Q. Did Staff review the lead/lag study?

2 A. Yes. Staff reviewed the computation of lead/lags provided by Ameren Missouri
3 for accuracy and reasonableness. Staff accepted most of the lags, but recommends adopting the
4 payroll and payroll taxes lag from Case No. ER-2021-0240 because there were no changes to
5 Ameren Missouri's payroll lag since that case.

6 Q. Please explain.

7 A. During the 2021 case mentioned above, Staff found that Ameren Missouri was
8 prepaying its management employees two days earlier than other employees, and that reduced
9 the expense lead for payroll. This resulted in a positive net lag that increased the overall CWC
10 that is included in rate base. Staff reset the lead time for the management payroll to zero in the
11 2021 case.¹ Staff learned through Ameren Missouri's response to Data Request No. 614 in the
12 current Ameren electric case that there was no change to the management payroll lag meaning
13 that Ameren continues to prepay its management employees.² Since Ameren Missouri
14 continues to support the payroll expense lag based on prepaying its management,
15 Staff recommends adopting Staff's proposed payroll lag of 12.01 days.

16 Q. Did Staff note any other differences between the lags proposed in this case
17 compared to the lags proposed by Ameren Missouri in the 2021 rate case?

18 A. Yes. Staff noted a minor difference in the sales tax lag, it went from 7.37 to 4.5,
19 but it was due to the fact that Ameren Missouri adopted Staff's position in
20 Case No. ER-2022-0337.

¹ Cost of Service Report, Case GR-2021-0241, Page 35 and 36.

² Staff Data Request no. 614, Case ER-2024-0319.

1 **PAPERLESS BILL CREDIT REVENUE IMPUTATION**

2 Q. Please provide some background information regarding the paperless bill credit.

3 A. In Case No. ER-2019-0335, Ameren Missouri proposed a \$0.50 “paperless bill
4 credit” for a 12-month period for customers who signed up for paperless billing. As part of the
5 Stipulation and Agreement filed in that case, the parties agreed that Ameren Missouri could
6 offer the bill credit. However, Ameren Missouri could not seek any recovery of the incentives
7 or costs directly associated with paperless billing. Additionally, the credits were to be excluded
8 from the revenues used to determine the revenue requirement in Ameren Missouri’s next case.

9 The language from the stipulation and agreement in ER-2019-0335 is cited below:

10 Paperless Bill Credit: The signatories agree that Ameren
11 Missouri may implement its paperless bill credit proposal as
12 outlined in the Direct Testimony of Mark Birk. The Company
13 shall exclude bill credits from revenues used to determine the
14 revenue requirement in its next rate case. Ameren Missouri shall
15 not seek recovery for any incentives or other costs directly
16 associated with paperless billing. Corrected Non-Unanimous
17 Stipulation and Agreement, Case No. ER-2019-0335, page 18.

18 Q. Were there any changes to paperless bill credit approach since the
19 above-mentioned stipulation?

20 A. As part of Case No. ER-2022-0337, Ameren Missouri proposed to cease
21 enrollment of customers for paperless billing in which they would receive a paperless bill credit.
22 The proposal was to end the paperless bill credit enrollment on the effective date of rates in
23 that proceeding. The paperless billing program ended on July 1, 2023.

24 Q. What is Staff’s recommendation regarding the paperless bill credit in this rate
25 case proceeding?

26 A. The paperless bill credit program ended enrollment on July 1, 2023;
27 however, once enrolled, customers receive bill credits for one year after that date, meaning that

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1 bill credits were granted through July 2024. The test year in this case is the 12-months ending
2 March 31, 2024, and there are bill credits that were recorded per book for the period of April 1,
3 2023, through March 31, 2024, that must be removed. There were no expenses recorded for
4 this program in the test year. Since Ameren Missouri performed capital upgrades to the billing
5 system to process the bill credit, absent moving this investment to future use property or writing
6 it off, an adjustment must be proposed to remove the investment.

7 Staff has recommended an adjustment to remove the capital costs and associated
8 depreciation reserves for the software upgrades.

9 Q. Does this conclude your direct testimony?

10 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 ANTONIJA NIETO

STATE OF MISSOURI)
COUNTY OF Jackson)

ss.

COMES NOW ANTONIJA NIETO and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Direct Testimony of Antonija Nieto*; and that the same is true and correct according to her best knowledge and belief.

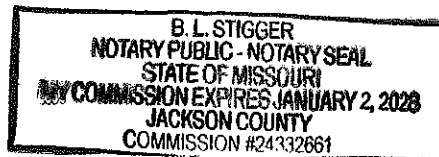
Further the Affiant sayeth not.

A Nieto
ANTONIJA NIETO

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Jackson, State of Missouri, at my office in Kansas City, on this 24th day of February 2025.

B. L. Stigger
Notary Public



Antonija Nieto

Educational and Employment Background and Credentials

I am currently employed as a Lead Senior Utility Regulatory Auditor for the Missouri Public Service Commission (“Commission”). Previously I was employed by Lauterbach, Borschow and Company, P. C. in El Paso, TX as an auditor specializing in financial institutions audits from January 2008 to November 2009. I earned a Bachelor of Accounting from New Mexico State University in December 2006 and a Master of Accounting with minor in Management, also from New Mexico State University in December 2007. I have been employed by the Commission since October 2016.

As a Lead Senior Utility Regulatory Auditor, I perform rate audits and prepare miscellaneous filings for consideration by the Commission. In addition, I review all exhibits and testimony on assigned issues, develop accounting adjustments and issue positions which are supported by workpapers and written testimony. For cases that do not require prepared testimony, I prepare Staff Recommendation Memorandums.

Cases in which I have participated and the scope of my contributions are listed below:

Case/Tracking Number	Company Name- Type of Case; Issues
ER-2024-0961	Liberty (Empire) Electric Fuel and Purchased Power – Entergy Transmission Contract, Fuel and Purchased Power Fixed Costs, Fuel Inventories, Outside Services, Southwest Power Pool Revenue and Expense, State Line Water Usage
SA-2024-0129	Confluence Rivers Certificate of Convenience and Necessity
GA-2024-0100	Spire, Inc. Certificate of Convenience and Necessity
WR-2024-0014	Gascony Water Company Rate Increase Request

cont'd Antonija Nieto

Case/Tracking Number	Company Name- Type of Case; Issues
ER-2024-0189	Evergy Missouri West Bad Debt Expense and Tracker, Depreciation Clearing, Depreciation Expense, Forfeited Discounts, IT Software Maintenance, Pensions and OPEBs, Plant in Service and Accumulated Depreciation, SERP, Severance Costs, Transmission Revenue and Expense and SPP Administrative Fees
GA-2024-0100	Spire, Inc. Certificate of Convenience and Necessity
SA-2024-0129	Confluence Rivers Certificate of Convenience and Necessity
WM-2024-0065	Confluence Rivers Certificate of Convenience and Necessity
GA-2023-0389	Spire, Inc. Certificate of Convenience and Necessity
SA-2023-0346 WA-2023-0345	Missouri-American Water Company Certificate of Convenience and Necessity
WA-2023- 0418	Misty Water Works Certificate of Convenience and Necessity
SA-2023-0215	Confluence Rivers Certificate of Convenience and Necessity
ER-2022-0337	Ameren Missouri Non-Labor Power Plant Maintenance, Software and Cybersecurity Revenues and Expenses, Call Center Costs, Plant in Service Accounting (PISA), Insurance Expense, Advertising Expense, Lobbying Expense (including MEDA), Dues and Donations, Edison Electric Institute (EEI), Customer Convenience Fees, Wind Generation Operations and Maintenance Expense, Callaway Refueling Non-Labor Expense, Callaway Unplanned Outage Expense/Capital
EA-2022-0328	Evergy Missouri West Certificate of Convenience and Necessity

cont'd Antonija Nieto

Case/Tracking Number	Company Name- Type of Case; Issues
ER-2022-0129 ER-2022-0130	<p>Evergy Missouri Metro and Evergy Missouri West</p> <p>Advertising, Customer Advances, Customer Deposits, Dues and Donations (EEI), EMS Run, Material and Supplies, Prepayments, Lobbying, Accounts Receivable Bank Fees, Debit/Credit Card Processing Fees, Economic Relief Pilot Program, Renewable Energy Standard Amortization, Regulatory Asset Amortizations, Injuries and Damages, Insurance, IT Software Maintenance, Maintenance, Wolf Creek Nuclear Refueling Outage, Plant in Service Accounting (PISA)</p>
GO-2022-0171	<p>Spire Inc.</p> <p>Infrastructure System Replacement Surcharge (ISRS)</p>
GR-2021-0108	<p>Spire, Inc.</p> <p>Advertising, Board of Directors, Cash Working Capital, Communication Equipment Lease, Credit Card Processing Fees, Energy Efficiency and Low Income Programs/Weatherization, Energy Efficiency Program Balances, Fuel Expense Equipment and Vehicles, Insurance, Line Locating, Rents and Leases, Severance, Uncollectible Expense</p>
SA-2021-0017	<p>Missouri-American Water Company</p> <p>Certificate of Convenience and Necessity</p>
WR-2020-0264	<p>Raytown Water Company</p> <p>Leased equipment, Outside Services, Purchased Water Bills, Education Expense, Lab Fees, Office Supplies, Primacy Fees, Printing and Postage Expense, Uniform Expense</p>
WA-2019-0364	<p>Missouri-American Water Company</p> <p>Certificate of Convenience and Necessity</p>
GO-2019-0356	<p>Spire Inc.</p> <p>Infrastructure System Replacement Surcharge (ISRS)</p>
WO-2019-0184	<p>Missouri American Water Company</p> <p>Infrastructure System Replacement Surcharge (ISRS)</p> <p>Work Order review, Reconciliation</p>
SA-2019-0161	<p>United Services, Inc.</p> <p>Certificate of Convenience and Necessity</p> <p>Plant buildout, Direct Expenses</p>

cont'd Antonija Nieto

Case/Tracking Number	Company Name- Type of Case; Issues
ER-2018-0145	Kansas City Power & Light Company and Greater Missouri Energy Company Advertising, Bad Debt Expense, Revenues, Customer Advances, Customer Deposits, Customer Growth, Dues and Donations, Material and Supplies, Other Revenues, Prepayments, Forfeited Discounts annualization, Greater Missouri Energy Company EMS Run, Payroll expenses, Payroll Taxes, Employee Benefits
GR-2017-0215 GR-2017-0216	Laclede Gas and Missouri Gas Energy Payroll, Payroll Taxes, Employee Benefits, Non-Labor Maintenance, A&G and O&M Cost Analysis
WR-2017-0139	Stockton Hills Water Company Payroll, Other Expenses
ER-2016-0285	Kansas City Power & Light Company EMS Run, Insurance expense, Amortization, PSC Assessment, Lease expense