Exhibit No.:	
Issue(s):	Class Cost of Service; Billing Unit Updates
Witness:	Michael W. Harding
Type of Exhibit:	Surrebuttal and True-Up Testimony
Sponsoring Party:	Union Electric Company
File No.:	GR-2024-0369
Date Testimony Prepared:	May 2, 2025

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. GR-2024-0369

SURREBUTTAL AND TRUE-UP TESTIMONY

OF

MICHAEL W. HARDING

ON

BEHALF OF

UNION ELECTRIC COMPANY

D/B/A AMEREN MISSOURI

St. Louis, Missouri
May 2, 2025

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OF

MICHAEL W. HARDING

FILE NO. GR-2024-0369

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Michael W. Harding. My business address is One Ameren Plaza, 1901 Chouteau Ave., St. Louis, Missouri.

Q. Are you the same Michael W. Harding that submitted rebuttal testimony in this case?

A. Yes, I am.

II. PURPOSE OF TESTIMONY

Q. To what testimony or issues are you responding?

A. I am responding to comments concerning Staff's corrected Weather and Normalization workpaper used to develop billing units. Additionally, I am providing true-up summary revenues from our customer billing units.

Q. Are you sponsoring any schedules in connection with your testimony?

A. Yes, I am sponsoring the following schedule:

Schedule MWH-TUD1 - Updated Company revenue allocations, normalized billing units and proposed rates.

Q. Is there anything you'd like to clarify in Ms. Reynolds rebuttal testimony concerning the corrections to Staff's workpapers that were sent after rebuttal?

A. Yes. On page 2 of Ms. Reynolds testimony describing the corrections to the Standard Transportation class, she generally characterizes the differences between Company and Staff as methodological. While the Company does have some concerns with the approach, the more pressing area of concern was simply in addressing the errors regardless of the methodology used. Prior to the adjustments, Staff had an approximately 13 million Ccf over allocation to the first block and an approximately 13 million Ccf under allocation to the second block of the Standard Transportation class. This essentially rendered Staff's billing units unusable for rate design. Table 1 below shows how the Company and Staff's normalized billing unit allocations differed prior to the update.

Table 1

Standard Transportation		Ameren	Staff	Difference
Total	Customer Bills	7,147	7,149	2
	Admin. Charge	2,658	7,149	4,491
	0-7,000 Ccf	12,509,564	25,799,429	13,289,865
	Over 7,000 Ccf	23,727,827	10,626,787	-13,101,040
	Total Ccf	36,237,391	36,426,216	188,825

Q. On this same page 2, line 16, Ms. Reynolds states ". . .the difference between Staff and Ameren Missouri revenue calculations increased, becoming even less similar." Do you agree with that statement?

A. No, but I might be misunderstanding what Ms. Reynolds intended to convey here. If we're still talking about the revenue difference that existed in the Standard Transportation class prior to the conversation between Staff and Company, the answer is Staff's corrected workpaper significantly narrowed the difference that previously existed

in the Standard Transportation class billing units, thus narrowing the difference in revenues from $2,132,239 to $68,011. Table 2 shows the units comparison after Staff's updated workpaper.

Table 2

Standard Transportation	Ameren	Staff	Difference
Customer Bills	7,117	7,149	32
Admin. Charge	2,652	2,658	6
0-7,000 Ccf	12,299,644	12,758,185	458,540
Over 7,000 Ccf	23,980,824	23,611,082	-369,742
Total Ccf	36,280,469	36,369,267	88,798

Q. Do you have any other concerns with Staff's corrected normalized billing units?

A. Yes, while the Transportation class is now closer in line with normal expectations for Standard Transportation first and second block usages, there remains a large difference between the Company and Staff in the General Service class revenue of $1,135,294. Similar to the Transportation class, this appears to be an overallocation of Ccf to the higher priced first block in the General Service class. Compared to the Company, Staff currently allocates an additional 3,639,301 million Ccf to the first block and 162,462 Ccf less in the second block. These differences are summarized in Table 3 below for the General Service class.

Table 3

General Service	Ameren	Staff	Difference
Customer Bills	160,960	160,523	-437
0-7,000 Ccf	33,613,167	37,252,468	3,639,301
Over 7,000 Ccf	3,612,126	3,449,664	-162,462
Total CCF	37,225,293	40,702,132	3,476,839

General Service	Ameren	Staff	Difference
Customer Bills	$4,881,917	$4,868,663	-$13,254
0-7,000 Ccf	$10,927,641	$12,110,777	$1,183,137
Over 7,000 Ccf	$769,022	$734,433	-$34,588
Total CCF	$11,696,662	$12,845,211	$1,148,549
Total $	$16,578,579	$17,713,873	**$1,135,294**

Q. How do we know that Staff's normalized General Service unit allocations to the first block are unreasonable without an exhaustive analysis?

A. If we look what the Company's first block actual usage for the General Service class has been over the last 15 years, it becomes apparent that something is amiss. Staff's corrected workpaper allocates a normalized 37,252,468 Ccf to the first block in the General Service class. If this were true, it would be the highest amount ever recorded by the General Service class in the last fifteen years. The second highest would be 2014 when the General Service class recorded 37,020,625 in the first block. It would also mean Staff's first block is approximately 3.8 million higher than the 15 year average. By comparison, the Company's normalized first block is 33,613,167, or approximately 185,000 over the 15 year average. Table 4 below summarizes annual actual Ccf usage in the first block from the Company's General Service class over the last 15 years.

Table 4

	General Service
Year	First Block Usage (0-7000)
2010	36,593,335
2011	35,621,160
2012	28,249,557
2013	34,788,992
2014	37,020,625
2015	30,959,789
2016	28,051,365
2017	28,402,485
2018	36,378,263
2019	36,076,742
2020	31,878,964
2021	34,216,059
2022	36,878,480
2023	34,223,128
2024	32,086,009
15yr Average	33,428,330
Ameren True Up	33,613,167
Staff True Up	37,252,468

Q. Can you determine what is causing this difference in blocking allocations between Company and Staff in the General Service class?

A. Not completely, however I did find a few things in the most recent work paper that helped narrow the allocation between the first and second block somewhat. In Staff's "Growth and Seasonality Workpaper" the actual usage that informs Staff's blocking percentages didn't align with the actual units provided by Ameren Missouri for the true up data provided in MPSC 0160. Updating this on the "Block (GS)" tab resulted in an update to the overall first block percentage allocation of 88.6%, compared to 93.8% before the correction. Customer counts in the table aligned with the Company's and we're unimpacted. Below are the results of this update:

Table 5

Staff Current			Actuals Updated to TU	
1st Block	1st Block <7000 Ccf	Tail Block >7000 Ccf	1st Block <7000 Ccf	Tail Block >7000 Ccf
PE	93.8%	6.2%	90.4%	9.6%
SE	82.6%	17.4%	81.9%	18.1%
total	91.5%	8.5%	88.6%	11.4%

Q. How did these updates to Staff's model impact the billing unit allocations to the General Service class?

A. The percentage changes that feed through Staff's model onto the "GEN Revenue" tab did adjust the GS blocking allocation and slightly reduce the overall revenue difference, but do not account for the total unit difference between Company and Staff of approximately 3.5 million Ccf. Additionally, this large difference in the first block still remains abnormally high compared to historical averages.

Table 6

General Service		
	Staff Current	Actuals Updated to TU
block1	37,252,468	36,081,966
block2	3,449,664	4,620,166
total	40,702,132	40,702,132
	Ameren TU	
	block1	33,613,167
	block2	3,612,126
	total	37,225,293

Q. What is causing the overall difference in normalized units between Company and Staff in the General Service class?

A. This is much less clear, however it seems to stem primarily from Staff's regression coefficient and their weather normalization method. The actual Ccf usage and counts present in Staff's weather normalization model and those copied into Staff's "All Div (GS)" tab used to calculate revenues on their Growth and Seasonality workpapers align with Ameren's, so starting actuals isn't the issue. Unlike Ameren's weather normalization that retains actual block data and then applies adjustments to each, Staff's approach to normalization makes adjustments to the entire class usage and then attempts to break the usage back out into separate 1st and 2nd blocks, as mentioned and corrected earlier in this testimony. These methodological differences likely result in this much larger total normalization application than Ameren's approach.

Q. Is Staff's total normalization for the General Service class reasonable?

A. No, in the Company's last gas rate case, Staff's normalized Ccf usage for Panhandle was 29,641,283 compared to their normalization in this case of 32,442,804. Implying in the last 2 years Ameren's normalized usage on Panhandle alone has grown 9.5%. Staff's normalizations in the case for the Texas Eastern pipeline display a similar pattern, implying growth of 10.5% in two years with normalizations going from 7,480,033 to 8,259,328. Given normalizations are driven by 30-year normal temperatures and actual temps compared to normal, it's highly improbable that Staff's normalizations would have changed by that much in only 2 years.

Q. How does Staff's total General Service Ccf normalization compare to actuals over the last 15 years?

A. Staff's General Service normalization of 40,702,132 Ccf would represent the highest total usage Ameren has ever experienced — not simply the highest normalization, but the highest actual consumption on record. The closest historical comparison is from the winter of 2014, when Missouri experienced the 9th coldest winter on record with temperatures averaging 4-7 degrees below normal. During that year, the total Ccf consumed by the General Service class was 40,028,446, approximately 700,000 Ccf below Staff's proposed normalization in this case. Utilizing Staff's normalized units for the General Service class would be the equivalent of saying that you believe the General Service class' normal weather adjusted usage is 700,000 Ccf higher than the highest usage ever recorded for the class.

The historical data indicates that Ameren's gas usage in the General Service class has remained relatively flat over the last 15 years. Despite this consistency, Ameren's proposed General Service normalization in this case exceeds the 15-year average by over one million Ccf and is higher than the total normalization Staff proposed in the previous gas case. This makes the Company's proposed normalization an aggressively higher, yet more reasonable approach to normalization compared to Staff's record setting figure.

Table 7

GS - Total Actual Ccf		
Year	Total Ccf	Y/Y
2010	39,596,256	
2011	38,696,079	-2%
2012	30,516,562	-21%
2013	37,377,951	22%
2014	40,028,446	7%
2015	33,400,237	-17%
2016	29,561,909	-11%
2017	30,069,633	2%
2018	38,628,728	28%
2019	39,091,345	1%
2020	33,787,546	-14%
2021	36,767,253	9%
2022	39,922,006	9%
2023	38,452,305	-4%
2024	33,867,765	-12%
15yr Average	35,984,268	
Ameren True Up	37,225,293	
Staff True Up	40,702,132	

Q. Given the outstanding difference between the Company and Staff billing units in the General Service class what do you recommend?

A. I continue to recommend we use the Company's normalized billing units to develop new rates in this case. The Company's normalized units are reasonable and in line with what one would expect in the Company's test year.

Q. Does Staff oppose the Company's weather normalization in this case?

A. No.

Q. What does Staff recommend concerning the Company's normalizations?

A. Staff has reviewed and found "Ameren's calculations to be reasonable and recommends Ameren's proposed weather normalizations be approved." [1]

III. BILLING UNIT UPDATES

Q. Has the Company updated its billing units for the true-up date of December 31, 2024?

A. Yes, the Company billing units are updated through December 31, 2024. Schedule MWH-TUD1 details the Company's updated revenue allocations, normalized billing units and proposed rates required to set new rates in this case.

Q. Does this conclude your surrebuttal and true-up testimony?

A. Yes, it does.

[1] File No. GR-2024-0369, Direct Testimony of Michael D. Irwin, p. 5, ll. 8-9.

Schedule MWH - TUD1

Ameren Missouri - Gas
12 Months Ended 06-30-2024
Growth TU 12-31-2024

Current Revenue	$78,214,474
Change	$38,009,663
Target	$116,224,137
Special Contracts	$373,709
Target less Special Contracts	$115,850,428
Current less Special Contracts	$77,840,765
	1.4883

Class Revenue Allocation

	Normal	RN Shift	Current Rev Adj.	Target Revenue	Increase	
RES	$47,905,122		$47,905,122	$71,297,204	$23,392,082	1.4883
GS	$16,578,579		$16,578,579	$24,673,903	$8,095,324	1.4883
INT	$413,028		$413,028	$614,709	$201,682	1.4883
STDTRN	$8,702,751	-$174,055	$8,528,696	$12,693,260	$3,990,509	1.4585
LVTRN	$4,241,285	$174,055	$4,415,340	$6,571,352	$2,330,067	1.5494
	$77,840,765	$0	$77,840,765	$115,850,428	$38,009,663	1.4883

Rate Component Allocation

			Present Rates		Proposed Rates	Proposed	
Residential							
	Customer	1,476,610	$15.00	$22,149,150	$22.32	$32,957,935	48.8%
	Ccf	72,839,288	$0.3536	$25,755,972	$0.5263	$38,335,317	48.8%
		72,839,288		$47,905,122		$71,293,253	48.8%
General Service							
	Customer Bills	160,960	$30.33	$4,881,917	$45.14	$7,265,734	48.8%
	0-7,000 Ccf	33,613,167	$0.3251	$10,927,641	$0.4838	$16,262,050	48.8%
	Over 7,000 Ccf	3,612,126	$0.2129	$769,022	$0.3169	$1,144,683	48.8%
		37,225,293		$16,578,579		$24,672,467	48.8%
Interruptible Service							
	Customer Bills	36	$281.87	$10,147	$419.51	$15,102	48.8%
	0-7,000 Ccf	249,943	$0.3251	$81,256	$0.4838	$120,922	48.8%
	Over 7,000 Ccf	1,839,954	$0.1748	$321,624	$0.2602	$478,756	48.9%
	Total	2,089,897					
	Assurance Gas						
	First 250 per day	0	$0.0118	$0	$0.0176	$0	
	Over 250 per day	0	$0.0164	$0	$0.0244	$0	
				$413,028	Total	$614,781	48.8%
Standard Transportation							
	Customer Bills	7,117	$30.23	$215,147	$45.14	$321,261	49.3%
	Admin. Charge	2,652	$45.73	$121,276	$45.73	$121,276	0.0%
	0-7,000 Ccf	12,299,645	$0.3251	$3,998,615	$0.4838	$5,950,568	48.8%
	Over 7,000 Ccf	23,980,824	$0.1815	$4,352,520	$0.2627	$6,299,762	44.7%
	Total Ccf	36,280,469		$8,687,557		$12,692,868	
	School Entities (volumes)						
	0-7,000 Ccf	3,295,429	$0.0044	$14,500	$0.0044	$14,500	0.0%
	Over 7,000 Ccf	157,750	$0.0044	$694	$0.0044	$694	0.0%
				$15,194		$15,194	
				$8,702,751	Total	$12,708,062	46.0%
Large Volume Transportation							
	Customer Bills	240	$1,527.31	$366,554	$1,527.31	$366,554	0.0%
	Admin. Charge	240	$45.73	$10,975	$45.73	$10,975	0.0%
	0-7,000 Ccf	1,634,315	$0.3251	$531,316	$0.4838	$790,682	48.8%
	Over 7,000 Ccf	21,348,107	$0.1561	$3,332,440	$0.2531	$5,403,206	62.1%
	Total Ccf	22,982,422		$4,241,285		$6,571,417	54.9%
			Base Rate Revenue	$77,840,765		$115,859,980	48.84%
			Special Contracts	$373,709		$373,709	
				$78,214,474		$116,233,688	48.61%
					Over/Under	$9,552	

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.	)))	File No.: GR-2024-0369

AFFIDAVIT OF MICHAEL W. HARDING

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

Michael W. Harding, being first duly sworn on his oath, states:

My name is Michael W. Harding, and hereby declare on oath that I am of sound mind and lawful age; that I have prepared the foregoing *Surrebuttal and True-Up Testimony*; and further, under the penalty of perjury, that the same is true and correct to the best of my knowledge and belief.

/s/ Michael W. Harding
Michael W. Harding

Sworn to me this 2nd day of May 2025.