

Exhibit No. 46

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File No.: GR-2021-0241
Date Testimony Prepared: March 31, 2021

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO.

GR-2021-0241

DIRECT TESTIMONY

OF

WARREN WOOD

ON

BEHALF OF

UNION ELECTRIC COMPANY

d/b/a AMEREN MISSOURI

**St. Louis, Missouri
March, 2021**

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DIRECT TESTIMONY

OF

WARREN WOOD

FILE NO. GR-2021-0241

I. INTRODUCTION

1

2

Q. Please state your name and business address.

3

A. My name is Warren Wood and my business address is One Ameren Plaza,

4

1901 Chouteau Avenue, St. Louis, Missouri 63103.

5

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

6

A. I am employed by Union Electric Company d/b/a Ameren Missouri

7

("Ameren Missouri" or "Company") as Vice President, Legislative and Regulatory Affairs.

8

Q. Please describe your duties and responsibilities as Vice President,

9

Legislative and Regulatory Affairs.

10

A. I oversee state legislative and regulatory policy development and

11

compliance for the Company.

12

Q. Please describe your qualifications.

13

A. In December 1987, I received a Bachelor of Science degree in Civil

14

Engineering with honors from the University of Missouri at Columbia, Missouri. Upon

15

graduation, I accepted employment with Black & Veatch and worked in the Energy and

16

Environmental Divisions for a little over ten years.

17

While at Black & Veatch, I designed a wide range of power generation and water

18

treatment facilities, acted as an engineering liaison between the design office and joint

Direct Testimony of
Warren Wood

1 venture partner offices, developed specifications, drafted engineering drawings, designed
2 mechanical equipment supports, and wrote customer computer programs to assist in
3 solving many types of engineering problems. My work while at Black & Veatch focused
4 on new and retrofit work on coal, combustion turbine, and nuclear power plant projects.

5 I worked for Questec Engineering in Columbia, Missouri in 1997 and 1998. While
6 at Questec, I was a project manager in charge of site development and completion of
7 numerous engineering projects for industrial, commercial, and residential customers.

8 I worked for the Missouri Public Service Commission ("Commission") for a little
9 over eight years. Initially, I was hired as a Regulatory Engineer in the Procurement
10 Analysis Department of the Commission. While working in the Procurement Analysis
11 Department, I investigated the natural gas purchasing practices of Missouri's natural gas
12 utilities and filed testimony in the procurement analysis and actual cost adjustment audit
13 cases. Later, I was employed as the Natural Gas Department Manager, promoted to the
14 newly created Energy Department Manager position, and was later promoted to Utility
15 Operations Division Director. As the Natural Gas Department Manager, I oversaw regular
16 tariff filings at the Commission of the natural gas utilities in the state, the Commission's
17 activities in interstate natural gas pipeline cases at the Federal Energy Regulatory
18 Commission, and the activities of the Commission's natural gas safety section. As the
19 Energy Department Manager, I oversaw the activities of the natural gas department
20 sections listed above in addition to the activities of the engineering and economic analysis
21 sections, which dealt primarily with electric utilities in the state. As the Utility Operations
22 Division Director, I oversaw the day-to-day activities of the Operations Division, regularly
23 participated in Commission policy development efforts, participated in discussions and

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1 gave presentations to stakeholder groups and legislative committees, conducted
2 roundtables, and facilitated rulemaking workshops.

3 While at the Commission and now with Ameren Missouri, I have filed testimony
4 in multiple cases. I was employed by the Missouri Public Utility Alliance in 2007 and later
5 employed as President of the Missouri Energy Development Association ("MEDA"). I left
6 MEDA in 2010 to work for Ameren Missouri as Vice President, Legislative and Regulatory
7 Affairs. I have held this position since 2010.

8 **II. PURPOSE OF TESTIMONY**

9 **Q. What is the purpose of your direct testimony in this proceeding?**

10 A. My testimony begins by confirming completion of the Company's
11 commitment from its last gas rate review to file its next (now, this) gas rate review
12 concurrent with its next-to-be-initiated electric rate review, and summarizing a few of the
13 impacts of the COVID-19 pandemic on the Company's gas operations. I then provide a
14 summary of the Company's \$9.4 million revenue requirement increase for natural gas
15 service, outlining the main drivers of the filing, and explain why an increase is necessary
16 to establish just and reasonable rates.

17 **Q. Why is the Company filing this gas rate review concurrent with its**
18 **electric rate review?**

19 A. The Company has filed these cases concurrently, in compliance with its
20 commitment in the First Amended Nonunanimous Stipulation and Agreement from its last
21 gas rate review (File No. GR-2019-0077).¹

¹File No. GR-2019-0077, First Amended Nonunanimous Stipulation and Agreement, p. 7, filed July 18, 2019.

1 **Q. Can you summarize Ameren Missouri's request in this case?**

2 A. As set forth in detail in the direct testimony of Ameren Missouri witness,
3 Mitchell Lansford, the Company has filed tariffs that reflect an increase of \$9.4 million,
4 12.5%, in its overall revenue requirement. This amount reflects significant capital
5 investments to ensure the safety and reliability of our natural gas system.

6 **Q. What initiatives is the Company advancing in this case with respect to**
7 **rate design, tariff issues, and customer programs?**

8 A. Ameren Missouri witness Jeffrey Berg proposes to replace the existing
9 natural gas energy efficiency rebate programs with a residential Pay As You Save®
10 ("PAYS®") natural gas program. PAYS® will allow customers to participate in efficiency
11 programs with no upfront capital investment while also offering more comprehensive
12 whole home offerings and greater savings per customer. The Company believes this is a
13 better approach for incentivizing energy efficiency for its natural gas customers.

14 The Company is also proposing, in the direct testimony of Mr. Lansford, to
15 eliminate additional fees for customers to pay their bills with credit cards. This change
16 provides more flexibility for customers to choose the payment channel that is best for them
17 without incurring additional costs, and aligns with practices that consumers expect based
18 on the way they interact with other vendors and service providers.

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III. COVID-19 IMPACTS

Q. As this case is filed, Ameren Missouri's service territory has not fully recovered from the impacts of the COVID-19 pandemic. Has this had an impact on Ameren Missouri and upon its request in this case?

A. As the Commission is likely aware, Ameren Missouri indicated, as its last electric rate review concluded in early 2020, that it planned to file another electric rate review shortly so it could place the costs and benefits of its wind generation facilities into its cost of service. As I noted earlier, the Company had committed to filing a gas rate review case concurrent with its next electric case. The multiple and immediate impacts of the pandemic, however, caused the Company to rethink its plans. Rather than filing these cases in 2020, Ameren Missouri shifted its filing of both cases until March of 2021 to delay the impact of new rates until 2022.

Q. How has the pandemic impacted Ameren Missouri's relationship with its customers?

A. Ameren Missouri has earnestly endeavored to be a good corporate citizen during these difficult times. We sought a balanced approach to help our customers keep the gas flowing without accumulating unmanageable arrearages. We have focused much of our effort on assisting low-income customers and those directly impacted by COVID-19. None of our actions were required by the Commission; they were all voluntarily undertaken, with support from the Commission Staff and the Office of the Public Counsel (as well as the Commission) as needed for variances and waivers. Schedule WW-D1 attached to my testimony is a fact sheet laying out the different actions the Company has taken on behalf of its customers in light of the pandemic.

Direct Testimony of
Warren Wood

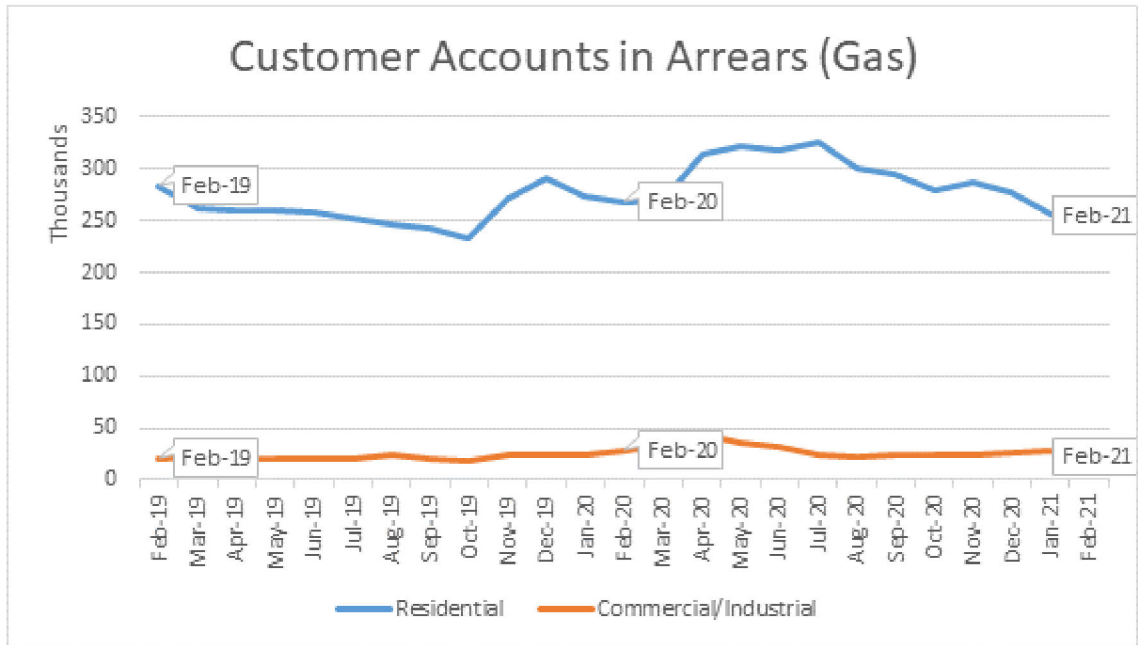
1 In mid-March, swiftly after recognition of the pandemic situation emerging in our
2 area, Ameren Missouri enacted a disconnection moratorium for all customer accounts,
3 waived late fees, and reconnected recently disconnected customers at no charge. While the
4 voluntary disconnection moratorium was in place, we worked to develop additional ways
5 to help our customers. We recognized that a disconnection moratorium without a means to
6 help keep arrearages under control could cause our customers more harm in the long run.
7 We met regularly with the social service agencies to discuss their ideas of how to help our
8 customers. We began aggressive outreach, using email, letters, telephone calls, press
9 releases, and social media to inform customers of programs available to assist them. We
10 provided various types of energy assistance to help mitigate accumulating customer
11 arrearages. We moved funding between programs in order to increase the available amount
12 of bill assistance funding. We modified existing assistance programs to increase the
13 number of customers who could participate. Ameren Missouri has been thoughtful and
14 deliberate in its efforts to help our customers and communities deal with the financial
15 impacts of COVID-19. The initial disconnection moratorium gave us the time to develop
16 and implement all of these measures.

17 Ameren Missouri lifted its disconnection moratorium in stages over the late
18 summer and early fall. At the same time, we offered payment plans with more generous
19 terms, allowed additional time for Low Income Home Energy Assistance Program
20 applications to be processed, and provided an additional \$500,000 through our Clean Slate
21 program. The success of our actions is demonstrated by Figure 1, which depicts the number
22 of accounts in arrears from February of 2019 through February of 2021. Figure 1 shows a

Direct Testimony of
Warren Wood

- 1 definite increase in the first half of 2020, but also shows that number going back to the pre-
- 2 COVID-19 level towards the end of 2020 and into early 2021.

Figure 1



3 **Q. Please describe how the COVID-19 pandemic has impacted Ameren**
4 **Missouri gas operations.**

5 A. There have been many changes made to the way we operate our business.
6 Many of our employees have been working remotely since mid-March of 2020. For those
7 employees who cannot work remotely, we have installed additional protective measures:
8 we have installed Plexiglas at work stations, required masks to be worn, brought in trailers
9 at facilities where there was no room to socially distance, and conducted contact tracing
10 for all known cases. Our efforts appear to have been successful, as we do not believe there
11 have been any cases of COVID-19 transmission that occurred at Ameren Missouri
12 facilities.

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Warren Wood

1 I want to express appreciation for my Ameren Missouri coworkers' amazing
2 tenacity. As I already mentioned, most Ameren Missouri non-field workers and contractors
3 continue to work in a remote or virtual environment to mitigate spread of the virus. They
4 have not skipped a beat in shifting to work-from-home, some returning to work at Company
5 locations, and others continuing to work-from-home. Our essential field workers have risen
6 to the challenge of continuing to work in the field, taking necessary health/safety
7 precautions, and delivering safe and reliable service to our customers throughout the
8 pandemic.² Their unwavering dedication has been truly inspiring.

9 Ameren Missouri believes it has acted as a good corporate citizen during this most
10 trying time, balancing customer, employee, and Company needs during an event that has
11 challenged us all, whether that be Ameren Missouri, the state or the nation.

12 **IV. CUSTOMER AFFORDABILITY**

13 **Q. Given the impact of the pandemic, why is Ameren Missouri filing to**
14 **increase its rates at this time?**

15 A. Ameren Missouri has filed this rate review because its prudently incurred
16 costs to serve customers have increased since its rates were last set. Many of the reasons
17 for this rate increase request are investments needed to maintain and improve the safety of
18 the distribution system. At the same time, the Company believes it must work to keep rates
19 affordable, while delivering safe and adequate service. To help us achieve that balance, we

²As explained in the Company's Request for Leave to Amend Original Application, Amended Application for Variances, Motion for Waiver of 60-Day Notice Requirement, and Motion for Expedited Treatment in File No. GE-2021-0143, filed November 24, 2020, Ameren Missouri's gas operations field workforce was reduced due to COVID-19 quarantine requirements near the end of 2020. Ameren Missouri was ultimately able to complete all the required regulator station and valve inspections by the year-end (and explained that the requested temporary waivers were no longer needed) through the use of overtime, strategically reallocating resources across the territory to provide assistance in areas where the workforce was most impacted by COVID-19 quarantines, and utilizing mutual assistance from Ameren Illinois in the southeast Missouri area.

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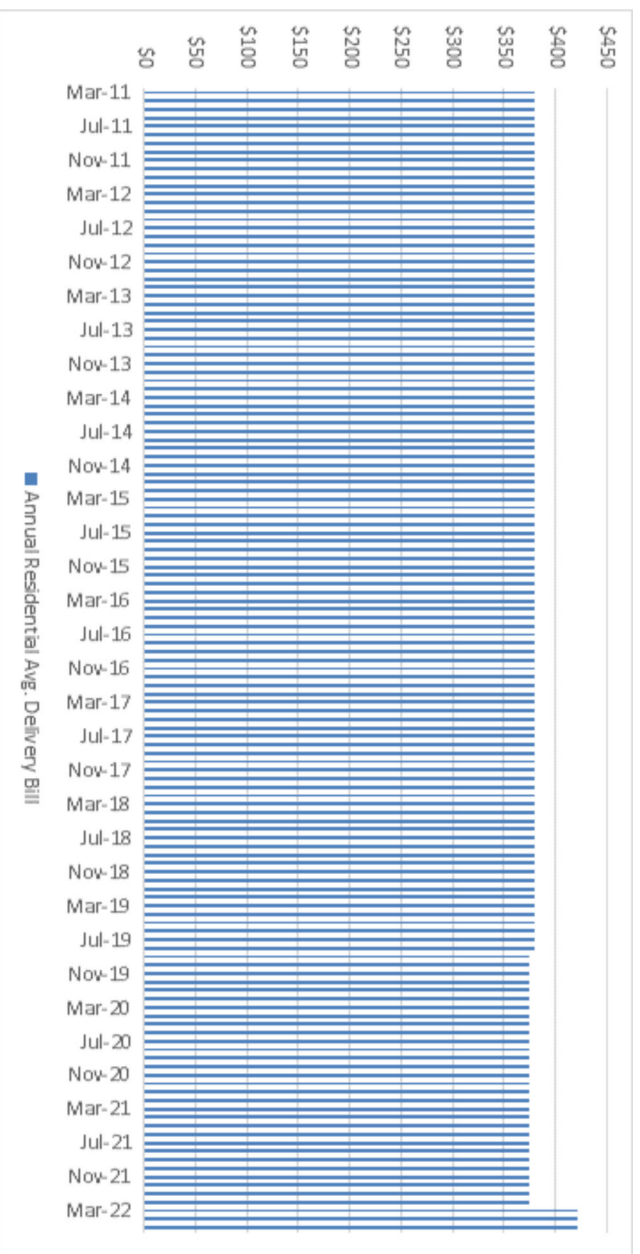
1 have launched an initiative to ensure that during this time of major system investment, we
2 don't forget to focus on customer affordability.

3 Ameren Missouri is also working to hold costs level, and to decrease those
4 expenditures when it makes sense to do so. As an example, our digital group has automated
5 highly repetitive, rules-based tasks that would otherwise be performed manually. The team
6 automated more than 40 processes, saving a cumulative 50,000 annual labor hours
7 (impacting electric and gas costs), which allows us to redeploy those hours to other efforts.
8 We recognize that this must be a continual effort and that it will take time to achieve our
9 desired result, but we believe this effort is the best way to ensure the Company can invest
10 as it needs and still provide affordable service for our customers.

11 The Company's last gas rate review was resolved by settlement and resulted in a
12 decrease of the Company's annual base rate revenues of \$1 million,³ as compared to File
13 No. GR-2010-0363. While the last gas rate review was pending, the Company also
14 implemented an interim rate reduction to reflect the reduction in federal income taxes from
15 the 2018 Tax Cuts and Jobs Act. Prior to the last gas rate review, Ameren Missouri had not
16 filed a rate review in over eight years (since File No. GR-2010-0363). The requested
17 revenue requirement increase, when placed in context with prior rate reductions over the
18 last ten years, represents a 1.2% Compound Annual Growth Rate over that time. Figure 2
19 shows changes in the base portion of an annual residential gas bill for a customer with
20 typical usage based on those rates since 2007. This demonstrates that Ameren Missouri's
21 natural gas base rates have been very stable over the past ten years.

³This amount was exclusive of any applicable license, occupation, franchise, gross receipts taxes, or similar fees or taxes.

Figure 2 – Historic Delivery Charges



V. DRIVERS OF THIS CASE

1
2 **Q.** Please summarize Ameren Missouri's filing and the main drivers for
3 **this case.**

4 A. As set forth in detail in Mr. Lansford's direct testimony, the Company has
5 filed tariffs that reflect an increase of \$9.4 million in its overall revenue requirement. This
6 amount reflects significant capital investments in our gas system through our Main
7 Replacement Program, which is targeted to identify risk areas based on the Company's
8 Distribution Integrity Management Program ("DIMP") and prioritizes replacement
9 projects. The Main Replacement Program is an additional or accelerated action under the
10 DIMP to address threats such as excavation damage (due to polyethylene pipe that cannot
11 be easily located), Aldyl-A plastic pipe material flaws (susceptible to brittle-like cracking),
12 and mechanical couplings.

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1 The revenue requirement also reflects the capital investment to reinforce the
2 northwest Columbia distribution system. Historically, the pressure at one point of the
3 northwest Columbia system would fall as low as 110 pounds per square inch ("psi")
4 threatening reliability of the entire area system. However, after completion of the
5 reinforcement project, during the recent 2021 Polar Vortex that triggered record gas usage,
6 this same area maintained 154 psi to the benefit of the entire area system and customers.

7 In addition, the Columbia Operations and Training Center expansion project,
8 which is anticipated to be placed in-service before the proposed true-up period (on or before
9 September 30, 2021), will expand the classrooms/lecture halls and enhance hands-on
10 experience needed for training our essential field workers, allow employees to be relocated
11 from trailers without operating bathroom facilities, and align the training group with field
12 operation teams.

13 Furthermore, additional operations and maintenance costs are also reflected in the
14 increased revenue requirement for the Company's cross-bore program, which continues to
15 identify and address legacy cross-bores to improve the integrity of the gas system. The
16 increased revenue requirement is necessary to establish just and reasonable rates.

VI. OTHER WITNESSES

18 **Q. Please introduce the other witnesses who will be providing testimony in**
19 **this proceeding.**

20 A. Certainly. The following witnesses provide testimony to support this case:

Witness	Title and Company	Testimony Subject
Mitchell Lansford	Director, Regulatory Accounting Ameren Missouri	Revenue Requirement, including Lead-Lag Study and Depreciation Study

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Warren Wood

Witness	Title and Company	Testimony Subject
Laura Moore	Controller Ameren Missouri	Affiliate Transactions
Tom Byrne	Senior Director – Regulatory Affairs Ameren Missouri	Rate Case Expense
Darryl T. Sagel	Vice President and Treasurer Ameren Missouri and Ameren Services Company	Capital Structure; Cost of Debt and Overall Rate of Return
Kelsey Klein	Regulatory Rate Specialist Ameren Missouri	Class Cost of Service Study
Mike Harding	Manager, Rates & Analysis Ameren Missouri	Tariff changes, Weather normalization, Revenues
Tim Eggers	Manager, Gas Supply Ameren Missouri	Missouri School Board Association Pilot Program
Jeffrey Berg	Sr Program Supervisor Energy Efficiency Ameren Missouri	Energy Efficiency
John Reed	Chairman and Chief Executive Officer Concentric Energy Advisors, Inc. and CE Capital Advisors, Inc.	Affiliate Transactions
Anne Bulkley	Senior Vice President Concentric Energy Advisors, Inc.	Return on Equity

1 **Q. Does this conclude your direct testimony?**

2 **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 Gas Service.)

Case No. GR-2021-0241

AFFIDAVIT OF WARREN WOOD

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

Warren Wood, being first duly sworn on his oath, states:

My name is Warren Wood and on his oath declare that he is of sound mind and lawful age; that he has prepared the foregoing *Direct Testimony*; and further, under the penalty of perjury, that the same is true and correct to the best of my knowledge and belief.

Warren Wood

Sworn to me this ____ day of _____, 2021.

Customer Assistance - Pandemic Onset: March 13, 2020

Temporary Emergency Credit Policy Changes due to COVID 19
Suspend Disconnections – residential and commercial customers
Reconnection of recently disconnected accounts
New COVID 19 Payment Agreement – 12% down/spread balance over 12 months
Allow Keeping Current customers to remain on the program with 2 missed payments

3 New Energy Assistance Programs by 3/19/2020			
Program Name	Target	Implementation Partner	Outcome
Income Relief Program	Customers with income interruption due to COVID19; \$30K - \$60K	United Way	2000 customers received \$250 each - \$500K total
Heat Up COVID 19 Relief	Elderly, disabled and low-income customers; \$0 - \$29 999	Heat Up Missouri	3696 customers received assistance; \$480K total
Internal Pandemic Hardship Relief Fund	Assistance for customers calling into the contact center with hardships	Ameren Missouri Customer Care Advisors	135 customers received 11,693 in assistance

LIHEAP Extension – New Flyer
Coming soon to the Easy Button
Distributed to 350 Agencies and Community Partners

WE'RE IN THIS TOGETHER



If your income has been affected by the coronavirus, you may be eligible for financial assistance for your electric and/or gas service.

If you need help paying your Ameren Missouri electric or gas bill, you may be eligible for help through the Low Income Home Energy Assistance Program (LIHEAP) and the Emergency Crisis Intervention Program (ECIP). These programs are available through the Missouri Department of Social Services. Customers can apply for help with their gas and/or electric service through May 31, 2020. From June 1 – September 30, 2020, customers can apply for help with their electric service only.

To be eligible, customers must:

- Be responsible for paying home heating costs,
- Have \$3,000 or less in bank accounts, retirement accounts, or investments,
- Have a household income less than 135 percent of the federal poverty level (a monthly income of \$2,400 for a family of three or \$2,897 for a family of four) and,
- Be a U.S. citizen or legally admitted for permanent residence.

You'll need the following documents to apply:

- A letter from your employer on company letterhead with details about how your employment and wages have been impacted by the coronavirus.
- Recent home energy bill to qualify for LIHEAP (electricity, natural gas or propane).
- To qualify for ECIP, a disconnection letter or payment reminder letter is needed, or ask your energy assistance agency to contact the utility to confirm your account status.
- Copies of social security cards for all household members.
- Copies of income documentation such as paystubs (for the current month), current award letters or current pension statements (if your household currently receives food stamps, income documentation is not required).

Visit dss.mo.gov/fsd/energy-assistance to apply.

Learn more about other assistance options and account management tools by visiting AmerenMissouri.com/EnergyAssistance or calling 888.552.7382.





LIHEAP Extension - Social Media
16K+ impressions

Dollar More - Neighbors Helping Neighbors

Every dollar makes a big difference.



Help Lift Up Your Community

Ameren Missouri is matching all donations up to \$25,000.

[Login and Donate Today](#)

How You Can Help

You can make a difference. By enrolling in Dollar More and adding just \$1.00 per month to your energy bill, you will join others who have helped families in need with their energy costs. Dollar More assists families with their home energy costs through voluntary donations. Together with the United Way and a network of human service agencies, 100% of all donations go to help families in need within the Ameren Missouri service territory.

All donations are tax deductible.


 Ameren Account


 Call Us


 Mail, Email, or Fax


 Agency Finder

Launching New and Improved Dollar More site
Easier ways to donate including new credit card option

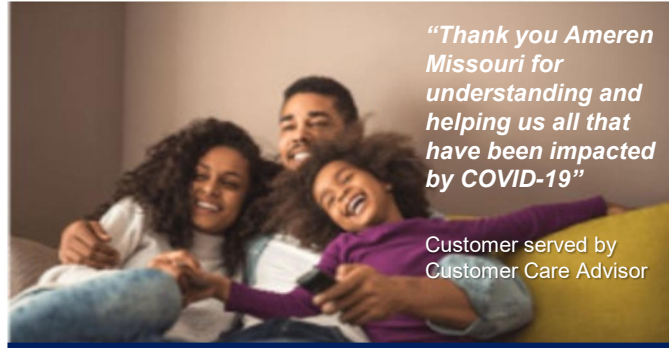
2020: Ameren Missouri Customers received \$27,687,417 in funding from Energy Assistance Programs, including over \$5M in COVID-19 Relief

Coronavirus Income Relief Programs - \$1M



5936 customers with income reduced due to the pandemic crisis received up to \$250 in assistance

Internal Pandemic Relief Program



"Thank you Ameren Missouri for understanding and helping us all that have been impacted by COVID-19"

Customer served by Customer Care Advisor

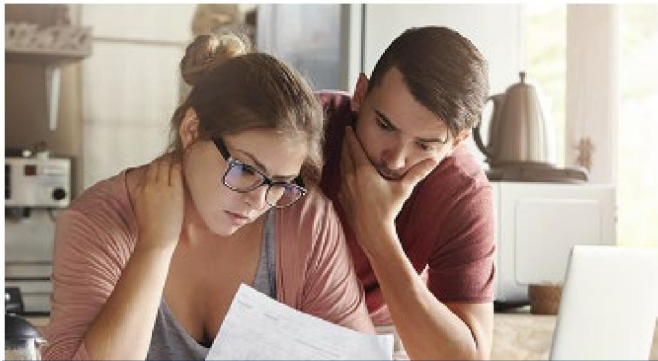
Ameren Missouri Customer Care Advisors received \$250 each to grant to 193 customers needing assistance due to the pandemic crisis (\$17,052)

COVID-19 Small Business Relief Program \$500K



1703 eligible small businesses and non-profits received up to \$250 in bill credits

\$3.5M COVID-19 Clean Slate Program



6518 customers paid 25% and Clean Slate funds covered the remaining balance in phase 1 (summer) and up to \$500 phase 2 (fall/winter)

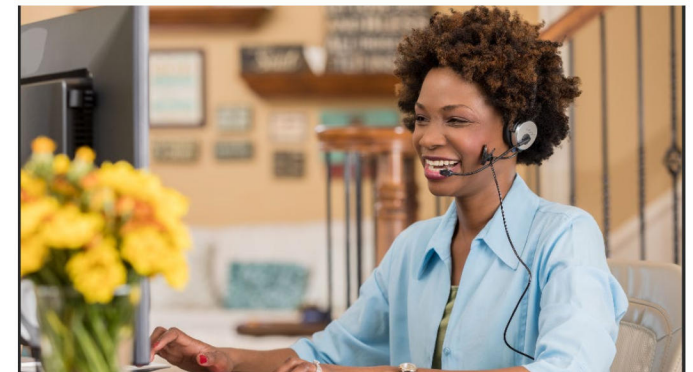
Summer Relief Efforts



Ameren Missouri donated 1000 air conditioners and 1000 packs of LEDs to elder and disabled customers through Cool Down Missouri.

LIHEAP increased its summer program benefit from \$300 to \$600 and temporarily increased the income eligibility from 135% of the federal poverty level to 150%

Internal Joy of Giving Campaign



During the holidays, Customer Care Advisors received \$250 each to grant to 231 customers needing assistance (\$20,889)

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

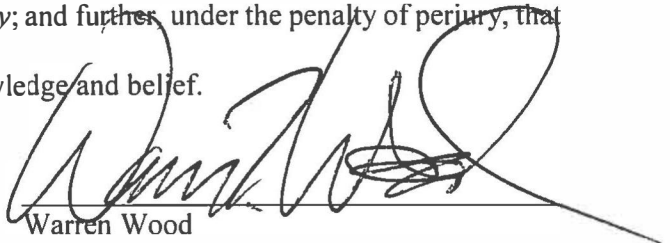
In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Tariffs to Adjust) Case No. GR-2021-0241
Its Revenues for Gas Service.)

AFFIDAVIT OF WARREN WOOD

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

Warren Wood, being first duly sworn on his oath, states:

My name is Warren Wood and on his oath declare that he is of sound mind and lawful age; that he has prepared the foregoing *Direct Testimony*; and further, under the penalty of perjury, that the same is true and correct to the best of my knowledge and belief.



Warren Wood

Sworn to me this 30th day of March, 2021.