

Exhibit No.: _____
Issue(s): COVID-19 Response/
Customer Affordability/Residential Rate Design/
Decoupling Tracker/ 12M Aluminum Smelter Rate/
Class Cost of Service Studies/Low-income Programs/
Community Solar/Green Button
Witness/Type of Exhibit: Marke/Rebuttal
Sponsoring Party: Public Counsel
Case No.: ER-2021-0240

REBUTTAL TESTIMONY
OF
GEOFF MARKE

Submitted on Behalf of the Office of the Public Counsel

UNION ELECTRIC COMPANY
D/B/A AMEREN MISSOURI

FILE NO. ER-2021-0240

October 15, 2021

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

In the Matter of the Union Electric)
Company d/b/a Ameren Missouri's)
Tariffs to Increase its Revenues for)
Electric Service)
)
)


Case No. ER-2021-0240

AFFIDAVIT OF GEOFF MARKE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Geoff Marke, of lawful age and being first duly sworn, deposes and states:

1. My name is Geoff Marke. I am a Chief Economist for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

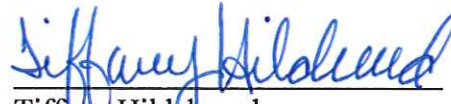


Geoff Marke
Chief Economist

Subscribed and sworn to me this 15th day of October 2021.



TIFFANY HILDEBRAND
My Commission Expires
August 8, 2023
Cole County
Commission #15637121



Tiffany Hildebrand
Notary Public

My Commission expires August 8, 2023.

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REBUTTAL TESTIMONY
OF
GEOFF MARKE
UNION ELECTRIC COMPANY
D/B/A AMEREN MISSOURI
CASE NO. ER-2021-0240

1 **I. INTRODUCTION**

2 **Q. Please state your name, title, and business address.**

3 A. Geoff Marke, PhD, Chief Economist, Office of the Public Counsel (OPC or Public Counsel),
4 P.O. Box 2230, Jefferson City, Missouri 65102.

5 **Q. Are you the same Dr. Marke that filed direct revenue requirement testimony in this case?**

6 A. I am.

7 **Q. What is the purpose of your rebuttal testimony?**

8 I am responding to the direct testimony of other parties' witnesses on select topics. The
9 following is a list of those topics and the witnesses:

- 10 • COVID-19 response
 - 11 ○ Ameren Missouri witness Warren Wood
 - 12 • Customer Affordability
 - 13 ○ Ameren Missouri witness Warren Wood
 - 14 • Residential Rate Design
 - 15 ○ Ameren Missouri witnesses Ahmad Faruqui, Steven M. Wills and Michael
 - 16 W. Harding;
 - 17 ○ Missouri Public Service Commission Staff ("Staff") witness Sarah L.K.
 - 18 Lange and Robin Kliethermes; and
 - 19 ○ Consumer Council of Missouri ("CCM") witness Jacqueline A. Hutchinson
 - 20 • 12M Aluminum Smelter Rate
 - 21 ○ Ameren Missouri witness Michael W. Harding
- 22

- 1 • Decoupling Tracker
- 2 ○ Ameren Missouri witness Steven. M. Wills
- 3 • Class Cost of Service Studies
- 4 ○ Ameren witness Thomas Hickman
- 5 ○ Staff witnesses Sarah L.K. Lange and Robin Kliethermes;
- 6 ○ Missouri Industrial Energy Consumers (“MIEC”) witness Maurice
- 7 Brubaker; and
- 8 ○ Midwest Energy Consumers Group (“MECG”) Steve W. Chriss
- 9 • Low Income Programs
- 10 ○ CCM witness Jacqueline A. Hutchinson
- 11 • Community Solar
- 12 ○ Ameren Missouri witnesses Annemarie Nauert
- 13 • Green Button
- 14 ○ MECG witness Andrew D. Teague

15 My silence regarding any issue should not be construed as an endorsement of, agreement
16 with, or consent to any other party’s filed position.

17 **II. COVID-19 RESPONSE**

18 **Q. Could you provide some context for the impact of COVID-19 on Missouri to date?**

19 A. Yes. Consider what has occurred over just the past year. At the beginning of October 2020, we
20 had registered 142,732 positive cases and 2,360 deaths. Since then, Missouri added 706,206
21 new cases and 10,036 new deaths. Of the new cases added in the last year, somewhere between
22 10% (70,000) to 35% (246,000) of those people became (or will become) “long haulers.”¹ That
23 is, they had symptoms that did not fade after days or weeks. For many, it continued months
24 later or continues to exist today. Thus, this data obscures the tens or hundreds of thousands of

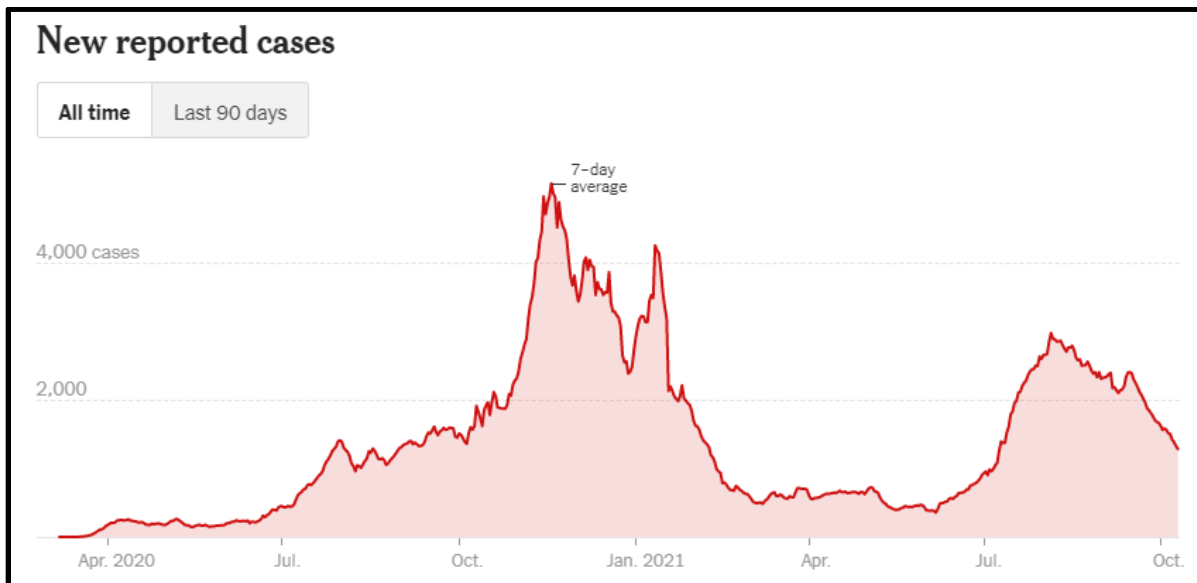
¹ Rubin, R. (2020) As Their Numbers Grow, COVID-19 “Long Haulers” Stump Experts. *Journal of American Medical Association*. <https://jamanetwork.com/journals/jama/fullarticle/2771111>; Hirschtick, Jana (2021) Severe COVID-19 may be linked to long-haul symptoms. University of Michigan. <https://news.umich.edu/severe-covid-19-may-be-linked-to-long-haul-symptoms/>

1 Missourians living with long-term, chronic health issues resulting from their COVID-19
2 illness. Table 1 provides a one-year comparison of total reported Missouri COVID-19 cases
3 and deaths in early October 2020 and early October 2021 as reported by *The New York Times*.
4 Figure 1 provides a graphical illustration of the daily positive cases in Missouri since the spring
5 of 2020.

6 **Table 1: *The New York Times* Missouri COVID-19 October 2020 and 2021 Data²**

Missouri	Oct. 9, 2020	Oct. 9, 2021
Positive Cases	142,732	848,938 ³
Deaths	2,360	12,396

7 **Figure 1: *The New York Times* Missouri COVID-19 New Reported Cases⁴**



8 As of October 9th 2021 it is estimated that approximately 57% of Missouri citizens 12 and up
9 are fully vaccinated with roughly 79% of Missouriian's 65 and older fully vaccinated.⁵ 2020
10

²Tracking Coronavirus in Missouri: Latest Map and Case Count (2021) *The New York Times*.
<https://www.nytimes.com/interactive/2021/us/missouri-covid-cases.html>

³ 848,938 represents approximately 14% of all Missouriians based on the latest census data.

⁴ Ibid.

⁵ Ibid.





1 also marked the first time in at least a century in which more people in Missouri died than
2 were born (4,555 more deaths than births).⁶

3 **Q. Mr. Wood claims that Ameren Missouri “earnestly endeavored to be a good corporate
4 citizen” throughout the ongoing COVID-19 pandemic. Do you agree?**

5 **A.** I do. Ameren Missouri’s actions helped numerous customers afford Ameren’s electric
6 service during the pandemic. Some of those actions can be seen by looking at Ameren
7 Missouri’s payment assistance webpage shown in Figure 2.

8 Figure 2: Ameren Missouri Payment Assistance Webpage⁷

Is your bill past due?

			
Clean Slate	Disconnection/Shut-Off Help	Payment Agreements	Neighbors Helping Neighbors
<small>The Clean Slate 2021 Program helps customers get assistance catching up now on their past due balance.</small>	<small>LIHEAP can provide emergency assistance if you're in threat of disconnection or shut-off.</small>	<small>If you owe for past due service, you may be able to make an arrangement with Ameren Missouri and avoid disconnection of your utility service.</small>	<small>Dollar More can help if you're struggling to afford your energy bill. You can also donate to help customers in need.</small>
Learn More >	Learn More >	Learn More >	Learn More >

9

10

⁶ Suntrup, Jack (2022) For the first time in at least a century, more people died in Missouri than were born, new figures show. *St. Louis Post Dispatch*. https://www.stltoday.com/news/local/state-and-regional/for-the-first-time-in-at-least-a-century-more-people-died-in-missouri-than/article_63a3f432-7179-5df6-821b-365965adb1cd.html

⁷ Ameren Missouri (2021) Energy Assistance. <https://www.ameren.com/missouri/residential/energy-assistance>

Do you need ongoing help with your bill?



Help for Renters

SAFHR for Renters provides up to 12 months of rental and utility bill assistance (including gas and electric).

[Eligibility Requirements](#)

[Apply Now >](#)



Seasonal Assistance

You have multiple options if you need seasonal help paying your bill.

[Learn More >](#)



Get Current on Your Bill

Keeping Cool and Keeping Current make paying your energy bill more affordable.

[Learn More >](#)



Weatherization Assistance

This program provides financial assistance with energy-saving home improvements.

[Learn More >](#)

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2
3
4
5
6

Ameren Missouri has also been receptive to OPC's suggestions and requests regarding outreach, networking with state and non-profit agencies, and funding dispersal from various settlements since its last rate case.⁸ As a result, Ameren's disconnection and arrearage numbers are considerably better than Liberty, Evergy Metro, or Evergy West and their networking and outreach is well positioned to help facilitate federal funding moving

⁸ Case No. ER-2019-0335 \$8M in shareholder funds and ratepayer/shareholder Keeping Current Funds were directed and redirected as follows:

March 28, 2020

- \$500K for energy assistance related to T.E.H. Realty tenants (unused redirected to bill assistance)
- \$500K for Missouri Community Action Network Agency Headquarters
- \$7M to Ameren Missouri's Community Action Agencies that administer LIWAP.

May 31, 2020 - \$7M reallocated as follows

- \$3.5M donated to 14 CAAP agencies to administer LIWAP
- \$500K to MOCAN Headquarters
- \$3.5M to low income energy assistance (Clean Slate)

April 24, 2021 \$3.5M reallocated as follows

- \$1.3M to fund low-income energy efficiency programs
- \$1.2M to fund low-income energy assistance (Clean Slate)
- \$1M to fund administrative costs for agencies assisting low-income customers

September 4, 2021 \$1.5M reallocated as follows

- \$150K to fund Keeping Current Program Manager two-year period
- \$150K to Keeping Current agencies to facilitate hiring of additional personnel, outreach and marketing
- \$1M for energy assistance (Clean Slate)
- Keeping Cool expanded program from May through September

1 forward. Despite other issues I may have with Ameren Missouri in this rate case, I believe
2 Ameren Missouri stepped up their efforts when it counted and continues to be a standard
3 that I hope other utilities in Missouri strive to emulate.

4 **Q. Did Ameren Missouri recently garner national attention regarding select utilities who
5 received federal funding but continued disconnections from COVID-19?**

6 A. Yes. A recent *UtilityDive* article with the headline “16 utilities took \$1.2B in COVID relief
7 while continuing power shutoffs: report” highlighted a report issued by the Center for
8 Biological Diversity and Bailout Watch that included Ameren Corp. as a recipient of
9 \$8,500,000 in CARES ACT Benefits.⁹

10 **Q. Did you issue discovery in response to this finding?**

11 A. Yes. On October 1st, I issued OPC DR-2036 and DR-2037 which included the following
12 questions for Ameren Missouri:

13 2036. Did Ameren Missouri receive any tax benefits from the government’s COVID-19
14 economic relief packages (e.g., The CARES Act), while also disconnecting
15 customers? If yes, how much and when was this money received?

16 2037. In relation to OPC-DR-2036, please provide a narrative response to the inclusion
17 of Ameren Corporation in the “Powerless in the Pandemic: After Bailouts, Electric
18 Utilities Chose Profits Over People” September 2021, from the Center of
19 Biological Diversity found at the following
20 url:[https://bailout.cdn.prismic.io/bailout/973caeea-9a3f-4b46-
21 bc1cf68eb8cf63b33_Powerless_Report_v5.pdf](https://bailout.cdn.prismic.io/bailout/973caeea-9a3f-4b46-bc1cf68eb8cf63b33_Powerless_Report_v5.pdf)

22 **Q. Did you receive a response?**

23 A. Yes. OPC DR-2036’s reply by Ameren Missouri witness Warren Wood is as follows:

24 No, Ameren Missouri has not received any tax benefits from the government's COVID-
25 19 economic relief packages.

⁹ Su, Jean & Christopher Kuveke. (2021) Powerless in the Pandemic: After Bailouts, Electric Utilities Chose Profits Over People. *Bailout Watch*. https://bailout.cdn.prismic.io/bailout/973caeea-9a3f-4b46-bc1cf68eb8cf63b33_Powerless_Report_v5.pdf

1 OPC DR-2037's reply by Ameren Missouri witness Warren Wood is as follows:

2 When the Covid-19 pandemic began impacting our customers and communities in
3 early 2020, Ameren Missouri voluntarily implemented a disconnect for non-payment
4 moratorium, reconnected recently disconnected accounts, stopped charging late fees,
5 and, introduced new energy assistance funding and flexible payment agreement
6 options. To support this need, besides shareholder funding, we also collaborated with
7 the Missouri Office of Public Counsel to redirect funding from a previous agreement.
8 These efforts ultimately provided energy assistance to thousands of customers in need
9 of help.

10 The company implemented these initiatives and revised policies in response to a real
11 and ongoing crisis with relatively little new federal relief assistance funding available
12 to help struggling customers. In the months that followed, significant federally funded
13 energy assistance funding became available. The company noticed when we suspended
14 regular policies, customers were accumulating large balances while energy assistance
15 dollars were made available, but not being accessed. In other words, when we imposed
16 the moratorium, we inadvertently discouraged customers from accessing available
17 energy assistance. In parallel with resuming late payment fees and disconnections, to
18 encourage customers to access energy assistance while available, we expanded our
19 communications and partnership efforts with community action agencies on available
20 energy assistance and extended payment agreements. These efforts have resulted in
21 fewer customers being disconnected now than in 2019 before the pandemic. Average
22 residential customer past due amounts are also very similar to where they were in 2019.
23 We are continuing to communicate, through a number of outreach channels, available
24 assistance funding and working to connect our customers to these programs.

25 **Q. What is your response?**

26 **A** It is not entirely clear to me where the \$8,500,000 in federal funds went to, what they were
27 applied to, and what, if any, limitations were made on these funds. Further inquiry is warranted
28 as to whether or not Ameren Corporation or Ameren Illinois received the federal funds and

1 whether or not Ameren Missouri could have received such funds and used said funds to offset
2 arrearages or ratepayer expenses but chose not to solicit funding.

3 **III. CUSTOMER AFFORDABILITY**

4 **Q. Did Mr. Wood address customer affordability in reference to the 12% rate increase in**
5 **his testimony?**

6 A. He did. Mr. Wood devoted roughly a page-and-half of testimony on customer affordability
7 stating, in part:

8 “At the same time, the Company believes it must work to keep rates affordable,
9 consistent with delivering safe and adequate service while also transitioning to more
10 renewable power as set forth in Ameren Missouri’s IRP. To help us achieve that
11 balance, we have launched an initiative to ensure that during this time of major system
12 investment, we don’t forget to focus on customer affordability.”¹⁰

13 **Q. Did Mr. Wood provide examples of such initiatives to help Ameren not forget about**
14 **customer affordability?**

15 A. He did. In addition to providing high-level context for the \$299 million overall revenue
16 requirement increase he also identified the use of mechanized trimmers for vegetation
17 management that have resulted in \$5 million in annual savings.

18 Additionally, Mr. Wood identified two “value added” services (electrification and surge
19 protectors) and past (and implied future) legislative changes that the Company has pursued as
20 potential nonessential service revenue offsets.

21 **Q. What is your response?**

22 A. O&M savings are always welcomed; however, the alarming disproportion between CAPEX
23 spending (\$299 M) relative to O&M savings (\$5 M) Mr. Wood chose to highlight is both
24 disappointing and concerning moving forward. Perhaps this single example was meant to be

¹⁰ ER-2021-0240 Direct Testimony of Warren Wood. P. 10, 9-13.

1 merely illustrative and greater ratepayer benefits have resulted from the copious amounts of
2 CAPEX investment in this case, but I have seen no such analysis. My direct testimony
3 discussed my concern over the lack of any cost-benefit analysis, or perhaps more importantly,
4 any performance metrics to gauge success on Ameren Missouri's plant-in-service accounting
5 (PISA) investments.

6 As it pertains to non-traditional, value-added service filings (promotional practice variances
7 for electrification, surge protectors, bitcoin mining, broadband expansion, etc.) to potentially
8 offset revenue requirements, I find it troubling to consider that this is where we are at to
9 mitigate rate shock. Any time a natural monopoly (investor-owned utility) operates outside of
10 its traditional, defined role it raises fair competition concerns and almost always results in
11 increased risk exposure to ratepayers.

12 **Q. You mentioned rate shock. Do you consider a 12% rate increase rate shock?**

13 A. I do. Especially when you factor the many surcharge increases that are also increasing rates
14 but outside the scope of this rate case (e.g., MEEIA, RESRAM, FAC) as well as the many
15 households still struggling in light of the changing economy the COVID pandemic has
16 ushered in. A double-digit rate increase will have a negative impact on effectively the
17 bottom third of Ameren Missouri's residential households. Primarily low and fixed income
18 households will be most impacted, with those impacts compounded by general rate and
19 surcharge increases from their water and natural gas service providers.

20 **Q. Have any Ameren Missouri customers publicly raised concerns about this 12% rate
21 increase that you would like to highlight?**

22 A. Yes. In addition to comments made to the Commission through EFIS and in the public
23 hearings, on September 8th a coalition of environmental, veteran and tenant advocates held a

1 press conference publically opposing the rate increase and calling for a more equitable outcome
2 in the Ameren rate case.¹¹ Specifically, the group listed the following concerns:

- 3 1. **No bill increases for families:** Ameren must put people first. In the midst of a
4 pandemic and the resulting economic crisis it has caused, Ameren’s residential
5 customers—families, seniors, medically vulnerable individuals, and regular folks
6 just trying to survive—cannot afford to pay higher utility bills.
- 7 2. **No increase to the fixed monthly charge:** Thousands of working families are
8 already facing high energy burdens. Low-income households generally use less
9 energy and higher fixed charges harm customers for conserving energy.
- 10 3. **Include consumer protections alongside new rate designs:** Ameren should work
11 with communities to proactively protect Missourians. Innovations like time-of-use
12 rates, which charge customers more for energy used during dangerously hot
13 summer temperatures, should include robust consumer protections and be tested
14 with non-low-income households first, until the impacts are better understood.
- 15 4. **No shut-offs for non-payment:** Ameren must immediately implement a shut-off
16 moratorium for the duration of the COVID-19 pandemic. Further, as utility service
17 is essential to public health, Ameren should propose and implement a plan to
18 achieve permanent elimination of shut-offs due to non-payment of bills, including
19 but not limited to higher bill assistance budgets to help families, greater debt
20 forgiveness, realistic payment plans, the elimination of penalties and fees, better
21 assistance programs, and tools like efficiency and renewables that reduce bills in
22 the long term.
- 23 5. **Invest corporate profits in debt forgiveness:** Ameren shareholders should do
24 their part by pitching in to forgive families’ utility debts after the COVID-19 crisis,
25 rather than expecting struggling households to shoulder this burden alone. Excess
26 profits that Ameren earned from its residential customers during the COVID-19
27 crisis should be returned to directly benefit struggling households with low or
28 fixed incomes via bill credits, debt forgiveness, and energy efficiency offerings.
29 Debt forgiveness allows families to remove debt built up prior to program
30 participation and meet current bill payment obligations. Families, seniors, and
31 others who were unable to afford their bills prior to payment program participation
32 are unlikely to be able to afford even a discounted bill if they also have
33 responsibility for paying off large, accumulated past debt.

¹¹ Kite, Allison (2021) ‘Simply unconscionable’: Advocates push Ameren to keep electric bills low during pandemic. *Missouri Independent*. <https://missouriindependent.com/2021/09/08/simply-unconscionable-advocates-push-ameren-to-keep-electric-bills-low-during-pandemic/>

- 1 6. **Realistic and expanded payment and billing plans:** Ameren should implement
2 strategies to ensure families can keep the lights on, maintain a safe temperature,
3 and stay in their homes. Payment plans should reflect the financial realities of the
4 households Ameren serves. Payment plans should be available all year and
5 include, but not be limited to, 18-month or longer payment plans, the ability for
6 families to renegotiate plans, percent of income payments, and more. Families
7 have expressed a preference for predictable monthly energy bills that do not
8 fluctuate over the course of the year. Percent of income payment plans provide
9 more equitable benefits based on energy burden, result in fixed monthly payments,
10 serve lower-income households, and have greater impacts on reducing energy
11 burden, providing a greater opportunity for bill management.
- 12 7. **No penalties/fees:** Ameren should eliminate penalties and fees that punish
13 households—families, seniors, medically vulnerable individuals and regular folks
14 just trying to survive—for not having the money to pay their utility bills. This
15 should include, but is not limited to the following, no more late payment fees, shut-
16 off fees, or reconnection of services fees.
- 17 8. **Greatly increase funding for bill assistance and do more to help working**
18 **families and those on fixed incomes achieve lower bills in the long**
19 **term:** Building on its success to date, Ameren should expand eligibility and
20 greatly increase the budgets for the Keeping Current and Keeping Cool programs
21 in order to allow more families to receive assistance and for a longer period.
22 Ameren should continue the collaborative process to review bill assistance
23 program recommendations and make consensus changes. Ameren should
24 collaborate with partners to incentivize families to participate in other assistance
25 programs, but avoid requirements that can pose barriers to participation. Further,
26 Ameren needs to establish strong linkages between payment assistance programs,
27 energy efficiency/weatherization, and income-eligible renewable energy programs
28 in order to help struggling families achieve lower bills in the long term.
- 29 9. **Greater data transparency:** Ameren should track and publicly report out data on
30 energy burden and residential shut-offs for non-payment, both demographically
31 and geographically. This will enable better policy and program design so that
32 families receive equitable benefits in proportion to their need for assistance.¹²

¹² Empower Missouri (2021) Ameren Rate Case Calls to Action. <https://empowermissouri.org/affordable-housing-coalition/ameren-rate-case-calls-to-action/>

1 **Q. Do you agree with these sentiments?**

2 A. I won't address each issue individually but I generally agree with many of the
3 concerns/demands raised above and those are reflected in both my direct and rebuttal testimony
4 in this case and in other dockets (e.g, Case No: AW-2020-0148 "In the Matter of a Working
5 Case to Consider a Proposed Customer Disconnection Data Reporting Rule").

6 **Q. Is there anything else the Commission should be aware of that will compound the crisis
7 many households would face from a 12% rate increase?**

8 A. Yes. Inflation has surged in 2021 and is at a 30-year high. According to the U.S. Bureau of
9 Economic Analysis:

10 The price index tracking consumer spending — the PCE price index — was up 4.3%
11 over the 12 months ending in August. That was a faster pace than July's 4.2%. Inflation
12 continued to run at the fastest pace since January 1991.¹³

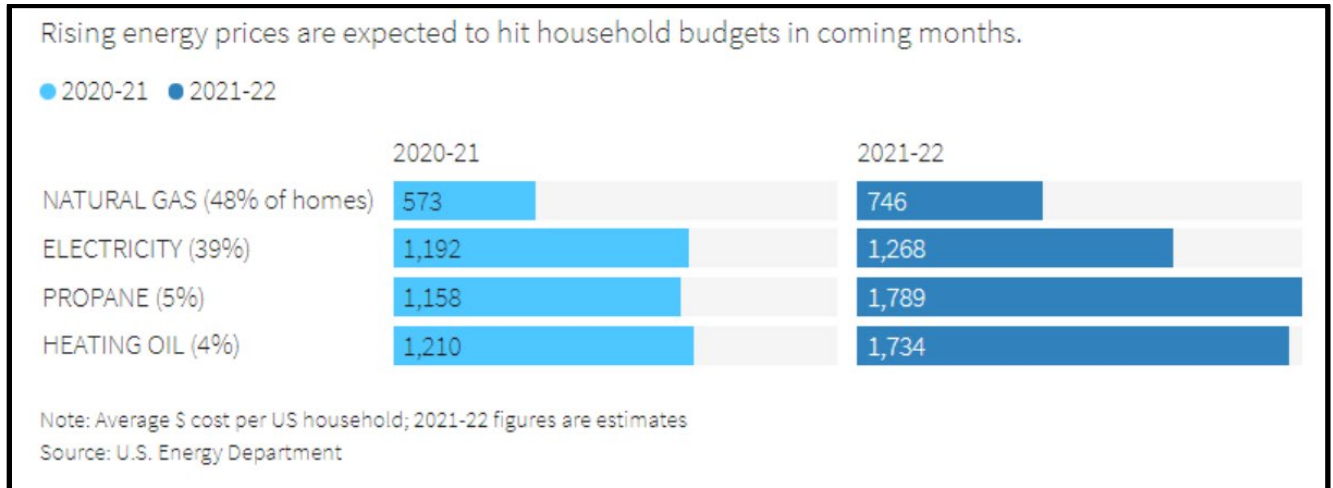
13 Some analyst are concerned that the U.S. may be approaching a period of stagflation.¹⁴ That
14 is, a combination of inflation, slow economic growth and high unemployment. Regardless, an
15 overall decrease in the purchasing power of the dollar coupled with Ameren Missouri's 12%
16 rate increase will impact vulnerable households most of all and underscores the importance of
17 my recommendations regarding low and fixed-income customers in direct, and now in rebuttal
18 testimony to be discussed later. The Commission should also be cognizant that the U.S. Energy
19 Information Administration reported on Wednesday (Oct. 13) that it expects households to see
20 their heating bills jump as much as 54% compared to last winter as already tight global supply
21 conditions will be pressed by colder overall forecasts.¹⁵ A breakdown of expected rising energy
22 prices in the coming months can be found in Figure 3.

¹³ Bureau of Economic Analysis (2021) News Release: Personal Income and Outlays, August 2021.
<https://www.bea.gov/news/2021/personal-income-and-outlays-august-2021>

¹⁴ Detrixhe, John (2021) Why economists are talking about stagflation. *Quartz* <https://qz.com/2068772/why-economists-are-talking-about-stagflation/>

¹⁵ Disavino, Scott (2021) U.S. home heating bills expected to surge this winter EIA says. *Reuters*.
<https://www.reuters.com/world/us/us-home-heating-bills-seen-higher-this-winter-eia-says-2021-10-13/>

1 Figure 3: Home Heating bills to rise this winter (2021-2022) ¹⁶



2
3 Finally, the Commission should be cognizant that potentially major costs could be on the
4 horizon related to the recent U.S. Court of Appeals ruling on Ameren’s Rush Island Power
5 Station.¹⁷ What exactly Ameren Missouri will do with Rush Island and the interplay between
6 shareholder/management or ratepayer responsibility looms large in the background of this rate
7 case.

8 **Q. Do you have any recommendations for the Commission as it pertains to customer
9 affordability, cost-effectiveness and performance metrics regarding PISA investments?**

10 **A.** Yes. I recommend the Company work with OPC, Staff and other interested stakeholders to
11 solicit feedback on quantitative metrics to both justify cost expenditures moving forward and
12 select performance metrics to demonstrate that expensive PISA investments are not solutions
13 looking for problems that don’t exist. This could be done over a series of stakeholder webinars
14 and/or live workshops where the end result would include quarterly reports to the Commission
15 in Ameren Missouri’s PISA docket beginning within the first quarter of Ameren Missouri’s

¹⁶ Ibid.

¹⁷ Barker, Jack (2021) US Court of Appeals: Ameren must install scrubbers at Jefferson County Coal Plant. *St. Louis Post-Dispatch* https://www.stltoday.com/news/local/state-and-regional/u-s-court-of-appeals-ameren-must-install-scrubbers-at-jefferson-county-coal-plant/article_4209c272-4bef-56c6-a27c-08b6ad7a8ccc.html

1 new rates going into effect to provide proper, transparent accountability and regulatory
2 oversight.

3 **Q. Do any metrics come to mind?**

4 A. Yes. Of course any benchmark metrics would need to consider historic numbers that preceded
5 investments, and should include: disconnections and reconnections; average arrearages;
6 reliability metrics overall as well as select grid locations; affordability benchmarks; load shape
7 data, time-of-use (TOU) participation, O&M savings, and customer service metrics. No doubt
8 parties could offer up additional suggestions and perhaps the Commission may have some
9 specific metrics they would want tracked.

10 Such an ask seems more than reasonable and long-overdue considering the billions in funding
11 ratepayers are being asked to shoulder.

12 **IV. RESIDENTIAL RATE DESIGN**

13 **Evening/Morning Savers Billing Issues**

14 **Q. What is the status of residential TOU rates since Ameren Missouri's last rate case?**

15 A. Not good. The 2019 rate case stipulation called for a staged implementation of a new default
16 rate that Ameren Missouri refers to as the "Evening/Morning Savers" rate. The idea was that
17 existing AMR customers would be assigned the same traditional rates (Ameren Missouri refers
18 to these as the "Anytime Users") and that as AMI was deployed customers would be defaulted
19 to the "training wheel" TOU rate that Ameren refers to as the "Evening/Morning Savers" rate.
20 Each rate customer with an AMI would then have an option to choose from one of the other
21 suite of rate offerings.

22 In October of 2020, Ameren Missouri requested additional time to complete the transformation
23 of its billing system to support the default process, rate comparisons, and implementation of
24 new rates. In short, nothing has happened since we last had Ameren Missouri here for a rate
25 case. No training wheels. No rate comparisons, no online tool comparisons based on historic
26 data—everything has been postponed to the spring of 2022.

1 **Q. What is your response?**

2 A. I am disappointed. Admittedly, my disappointment with Ameren Missouri does not approach
3 that of Evergy Metro or Evergy West that has had AMI hardware and software fully deployed
4 and in rate base earning a return on and return of its investment for six years, but this is not a
5 good start to Ameren Missouri's Smart Energy Plan roll-out. According to Mr. Wills'
6 testimony:

7 As of March 1, 2021, there are approximately 170,000 residential customers that are
8 currently being served through AMI meters. Of these customers, 5 are currently taking
9 service on the Overnight Savers rate, and 14 on the Smart Savers rate.¹⁸

10 To be clear, a grand total of 19 customers were utilizing TOU rates as of the date of Ameren
11 Missouri's filing and more than 170,000 units of AMI are being added to rate base for the
12 Company to earn a profit off of. I encourage the Commission to be mindful of this cost-
13 ineffective ratio when it considers the appropriate ROE to set for Ameren Missouri.

14 **Q. Do you support Ameren Missouri's recommendation to keep the residential rate
15 parameters largely the same?**

16 A. I do. To be clear, I support that largely across the board. It also extends to maintaining the
17 residential customer charge and not instituting a decoupling tracker to account for potential
18 "lost" revenues. On those two topics, I have more to say in this testimony. Ameren Missouri
19 dropped the ball on what they could deliver with its TOU rates from the last rate case. I am
20 willing to give the Company the benefit of the doubt, especially in light of the COVID-19
21 pandemic that immediately followed their last rate case, but if the Company wants to not rock
22 the boat on rate differentials—then it needs to be consistent—across the board.

¹⁸ ER-2021-0240 Direct Testimony of Steven M. Wills p. 8, 17-20.

1 **Customer Charge**

2 **Q. What is the customer charge?**

3 A. A fixed charge to customers each billing period, typically to cover metering, meter reading
4 and billing costs that do not vary with size or usage. Also known as a basic service charge
5 or standing charge.

6 **Q. What kind of costs should be recovered in the customer charge?**

7 A. To state the obvious, customer-related costs should be recovered in the customer charge.
8 These should be costs sensitive to connecting a customer irrespective of the customer's load
9 (e.g., meter, billing). That is, customer-related costs exist even when kW demand and kWh
10 are zero.

11 When adding one or more customers on the system raises the utility's cost regardless of
12 how much the customer uses (billing is an example) then a fixed charge to reflect that
13 additional fixed cost the customer imposes on the system makes perfect economic sense.
14 Utilities can justify a customer charge recovering these basic costs because they are directly
15 related to the number of customers receiving an essential monopoly service. The idea that
16 each household has to cover its customer-specific fixed cost also has obvious appeal on
17 grounds of equity. This is contrasted with system-wide "fixed" costs, such as maintaining
18 the distribution network, which do not change if one customer were to drop off the system.

19 **Q. What is the end-result of raising or lowering the customer charge?**

20 A. An increase to the customer charge positively impacts above-average use customers and
21 negatively impacts below-average use customers. On the other hand, a decrease to the
22 customer charge positively impacts below-average use customers and negatively impacts
23 above-average use customers. Stated differently, "in general," a lower customer charge
24 tends to favor low-income customers, renters, and customers who have invested in energy
25 efficiency and solar (or plan on investing in those items).¹⁹ In contrast, a higher customer

¹⁹ I say "in general", as there will be affluent customers who have below average use and low-income customers with above-average usage.

1 charge favors affluent customers and electric space-heating customers. It also provides
2 greater revenue certainty for the utility.

3 **Q. What amount is Ameren Missouri proposing for a residential customer charge?**

4 A. Ameren Missouri has effectively proposed a 22.2% increase to the customer charge (\$9 to \$11)
5 for the majority of its customers (i.e., the “anytime user” or non-TOU plan, as well as the
6 Evening/Morning Savers or AMI-default plan, and the Overnight Savers). Ameren has
7 proposed a lower residential customer charge for rate plans it deems as “more risky”. A
8 breakdown of the proposed residential customer charges is as follows in Table 2 below:

9 Table 2: Ameren Missouri’s Proposed Residential Rate Plan Customer Charge Amounts

Rate Plan Name	Proposed Customer Charge
Anytime User (non-AMI)	\$11
Evening/Morning Savers	\$11
Overnight Savers	\$11
Smart Savers	\$10
Ultimate Savers	\$9

10 **Q. What amount is Staff proposing for a residential customer charge?**

11 A. Staff’s class cost of service (CCOS) study resulted in a residential customer charge of \$7.92.
12 However, given the data limitations expressed earlier in this testimony, Staff is recommending
13 that the customer charge remain at its current level of \$9.00.

14 **Q. What amount is CCM proposing for a residential customer charge?**

15 A. Citing the importance of maintaining customer control of their bills, CCM has proposed to
16 maintain the residential customer charge at \$9.00.

17 **Q. How did stakeholders reach such different conclusions?**

18 A. Different methodologies utilized in their CCOS studies produce different results. However,
19 this specific issue comes down to how FERC Accounts 364-368, or the fixed distribution
20 investments, are allocated.

1 The appropriate allocation of these costs are not a new problem. In his 1961 seminal work,
2 *Principles of Public Utility Rates*, James Bonbright concludes that there is no sound basis
3 for the allocation of these costs as either customer or demand:

4 But if the hypothetical costs of a minimum-sized distribution system is properly
5 excluded from the demand-related costs for the reasons just given, while it also
6 denied a place among the customer costs for the reason stated previously, to which
7 cost function does it belong then? **The only defensible answer, in my opinion, is**
8 **that it belongs to none of them. Instead, it should be recognized as a strictly**
9 **unallocable portion of total costs.** And this is the disposition that it would probably
10 receive in an estimate of long-run marginal costs. But the fully-distributed cost
11 analyst dare not avail himself of this solution, since he is the prisoner of his own
12 assumption that “the sum of the parts equals the whole.” **He is therefore under**
13 **impelling pressure to “fudge” his cost apportionments by using the category of**
14 **customer costs as a dumping ground for costs that he cannot plausibly impute**
15 **to any of his other cost categories** (emphasis added).²⁰

16 **Q. Is the allocation process involved in the fixed distribution costs arbitrary?**

17 **A.** Like Bonbright, I believe so. If the allocation can be dramatically changed by replacing one
18 persuasive allocation criterion by another with no less plausibility, then the process
19 ultimately functions as suggestive “guideposts” for the Commission to consider when
20 setting how revenue will be collected. Economist William J. Baumol concurred:

21 No form of cost allocation can pretend to be compatible, generally, with efficiency
22 in resource allocation, no matter how sophisticated its derivation.²¹

23 It is also unfair to allocate these cost increases uniformly because any standard of
24 “uniformity” inherently handicaps one class of customers to the benefit of another. As
25 Economist Richard L. Schmalensee notes:

²⁰ Bonbright, J., et al. (1988) *Principles of Public Utility Rates* p. 492

²¹ Baumol, W.J. & D. Fischer (1986) *Superfairness: Applications and Theory*. Cambridge. p. 146

1 It is not a matter of improving cost studies or methodologies; costs that do not vary
2 with the volume of service cannot be allocated on a cost-causative basis to individual
3 services. Indeed, any allocation of fixed costs is necessarily arbitrary. . . . Shippers
4 of diamonds, coal and feathers would prefer that the railroad allocate the fixed
5 common costs of the railroad tracks on the basis of volume, value, and weight
6 respectively, but none of these allocators is objectively better than the others. Since
7 these fixed costs do not vary with the volume shipped, there is no objectively
8 ‘reasonable share of the joint and common costs of facilities’ to allocate, and yet
9 each party has a passionate stake in the outcome of the allocation.²²

10 **Q. If allocations are in part arbitrary, what should the Commission rely on?**

11 A. I suggest that the Commission be cognizant that reasonable minds can and will differ over
12 the appropriate allocation of the distribution system. Moreover, the Commission is not
13 bound to set the customer charge based solely on the results of any CCOS. Cost studies
14 (both marginal and embedded) rely on a host of simplifying assumptions in order to produce
15 workable results. Since one objective of regulation is to serve as a proxy for competition, to
16 impose upon a single provider the disciplines of competitive markets, it is reasonable to
17 consider the structure of prices in competition when pricing monopoly services. Two
18 relevant facts emerge. The first is that goods and services in competition are invariably
19 available and priced on a unit basis. And the second is that the extent to which more
20 restrictive pricing schemes exist is a measure of the lack of competition in that particular
21 market. In competition, a consumer who does not consume a product or service does not
22 nevertheless pay for the mere ability to consume it. Thus, as a general matter, prices should
23 be structured so that, if a consumer chooses not to purchase a good or service, he or she has

²² Qtd in (1999) Federal Communications Commission filings found in:
<http://apps.fcc.gov/ecfs/document/view;jsessionid=yRkfTYLdrdGzpzSNVhHML9FcznF98ppyPfQ1vMgvSky3cDnL14LY!1281169505!1675925370?id=1319580003>

1 no residual obligation to pay for some portion of the costs to provide that good or service.

2 In this sense, from the consumer’s perspective, costs should be “avoidable.”²³

3 Looking at how energy markets operate, it is apparent that the marginal cost of electricity
4 generation goes up at higher-demand times, and all generation gets paid during those high
5 peak prices. That means extra revenue for Ameren Missouri’s baseload plants above its
6 marginal costs, and those revenues can go to pay the fixed costs of said plants. The same
7 argument goes for transmission lines, where price differentials between locations means that
8 the transmission line generates revenue above its marginal cost (which is effectively zero),
9 and can go to pay the fixed cost of transmission lines.

10 In fact, the fixed costs of generation and transmission should generally be covered without
11 resorting to increased fixed monthly charges. Likewise, distribution costs are driven by
12 demand, number of customers, and energy needs. This is true both in the short and long
13 runs. Utilities are continually investing in distribution plants—new facilities, upgrades, and
14 replacements—in response to changes in load, and therefore costs can be avoided.
15 Collecting this revenue through a fixed customer charge suggests that on-peak consumption
16 is less costly than in fact it is.

17 An efficient price signal recognizes resource allocation is most efficient when all goods and
18 services are priced at marginal cost. For efficient electricity investments to be made, the
19 marginal cost should be based on the appropriate timeframe. Bonbright states:

20 I conclude this chapter with the opinion, which would probably represent the
21 majority position among economists, that, as setting a general basis of minimum
22 public utility rates and of rate relationships, the more significant marginal or
23 incremental costs are those of a relatively long-run variety—of a variety which treats
24 even capital costs or “capacity costs” as variable costs.²⁴

²³ Weston F. (2000) Charging for distribution utility services: issues in rate design. The Regulatory Assistance Project. <http://www.oca.state.pa.us/cinfo/DistributedResourcesWorkshop/DistributionUtilityIssues/DistributionUtilityRateDesign.pdf>

²⁴ Bonbright, J., et al. (1961) Principles of Public Utility Rates (New York: Columbia University Press) p. 336

1 A fixed charge including long-run marginal costs provides no price signal relevant to
2 resource allocation, since customers cannot reduce consumption enough to avoid the charge.
3 In contrast, an energy charge reflecting long-run marginal costs will encourage customers
4 to consume electricity efficiently and, thereby avoiding inefficient future utility
5 investments.²⁵

6 Economist Jim Lazard provides a useful analogy for Commission consideration:

7 "A person living alone pays much less to the grocery store, where all fixed costs
8 are built into the per-item prices, than a family of six, and we consider that fair,"
9 Lazar said. The per-item price is like the per-kWh price, which is where grocery
10 store and the utility must meet their revenue requirements.

11 A fixed charge is like a price all customers would pay to enter the store. "A market
12 cannot charge \$20 to enter the store, because the customer would go to another
13 store," Lazar said. "The purpose of regulation is to enforce on monopolies the
14 pricing discipline that markets enforce under competition."²⁶

15 **Q. What is your recommendation?**

16 A. Historically, distribution costs have been recovered through the energy charge in light of
17 economic and public welfare characteristics. More recently, an emphasis on public policy
18 goals focusing on energy efficiency and environmental stewardship have reinforced those
19 decisions. I see very little reason to deviate from that rationale. This is especially true in
20 light of Ameren Missouri's MEEIA Cycle III compensation, reward and two additional
21 extensions. I recommend that the Commission maintain the \$9.00 residential customer
22 charge across each of the residential offerings.

²⁵ Whited, M. et al. (2016) Caught in a fix Synapse Energy Economics
<http://www.synapseenergy.com/sites/default/files/Caught-in-a-Fix.pdf>

²⁶ Trabish, Herman K. (2018) Are regulators starting to rethink fixed charges? *Utility Dive*.
<https://www.utilitydive.com/news/are-regulators-starting-to-rethink-fixed-charges/530417/>

1 **Smart Savers Rate Change**

2 **Q. What changes does Ameren Missouri propose for its Smart Savers Rate?**

3 A. Despite taking the position to not change rate design parameters, Mr. Wills does recommend
4 changing the rate design parameters around the Smart Savers rate by removing the 2 o'clock
5 hour from the peak period during the summer months. To his credit, Mr. Wills is forthright
6 with this inconsistency and provides eight pages of testimony supporting his position. Mr.
7 Wills request is premised on the idea that such a move will help future-proof the rate as more
8 rooftop solar comes online.

9 **Q. Do you support this change?**

10 A. I do. Mr. Wills makes a persuasive argument as it will likely be a few years before the solar
11 development will be at a level that can have an impact on the net system load shape.

12 **Promotional Names for TOU Rates**

13 **Q. What is Staff's position regarding Ameren Missouri's promotional names for rates?**

14 A. Ameren Missouri has utilized a series of residential TOU rate names that Staff has
15 characterized are promotionally positive but omit the risk inherent in, for example, being an
16 "Ultimate Saver." As such, Staff recommends that the Commission order Ameren Missouri to
17 rename their rates with more objective titles.

18 **Q. Do you agree?**

19 A. I do. Admittedly, I had not given Ameren Missouri's TOU residential rate names as much
20 thought as is probably warranted, but based on Staff's position I could see a scenario where
21 such promotional name "nudges" could result in unintended repercussions due to
22 misunderstandings on the customers' end.

23 **Q. What do you propose as an alternative?**

24 A. For the sake of discussion I'll suggest a color scale rate plan name as an alternative as shown
25 below in Table 3:

1 Table 3: Possible Color Coded Rate Plan Name

Current Rate Plan Name	Color Code Rate Plan Name
Anytime User (non-AMI)	Blue
Evening/Morning Savers	Purple
Overnight Savers	Orange
Smart Savers	Red
Ultimate Savers	Yellow

2
3 Any emphasize on risk and reward for a given plan should then lean heavily on Ameren's
4 marketing and education side. I would encourage other parties to weigh in accordingly in
5 surrebuttal testimony as there are no doubt other objective names that warrant consideration.

6 **V. 12M ALUMINUM SMELTER RATE**

7 **Q. Ameren Missouri proposes to remove the 12M rate from its tariff. Do you agree?**

8 A. No. I would offer up the same arguments I made in Case No: ED-2019-0309 to keep this
9 tariff in place:

- 10 • The Commission and the General Assembly have recognized the importance of the
11 New Madrid Smelter's load to current Ameren customers and to the Missouri
12 economy at large;
- 13 • Since 2003, the New Madrid Smelter has switched electric providers four times;
- 14 • Currently, the New Madrid Smelter has three options for procuring reliable
15 electricity at competitive rates.²⁷ The cancellation of the Ameren certificate will
16 eliminate one future option and may have a detrimental impact on the future
17 financial viability of the smelter.

²⁷ 1.) Associate Electric Cooperative; 2.) Access through the electric market under Section 91.026; and 3.) Ameren Missouri at a discounted retail rate under Section 393.355.

- 1 • There are presently no direct costs incurred for keeping the tariff open and the
2 certificate active. Therefore, there are no benefits associated with cancelling the
3 12M rate class;
- 4 • Ameren Missouri lost approximately 10% of its energy sales following the Noranda
5 bankruptcy and is otherwise forecasting no future load growth; and
- 6 • Ameren Missouri is long on capacity, is planning on spending billions of dollars in
7 their “smart energy plan” over the next few years and could be exposed to either
8 hundreds of millions of dollars in stranded investments or environmental compliance
9 costs in the near future dedicated to its Rush Island Energy Center. A 12M customer
10 would help shoulder these costs.

11 Given the aforementioned facts, it would be irrational and detrimental to the public interest
12 to take actions to actively discourage a future customer when there are virtually no costs
13 associated with maintaining the tariffed rate. Canceling the 12M rate class option merely
14 increases the uncertainty for the smelter and the economic health of Southeast Missouri.
15 Finally, it negates the potential that the New Madrid smelter could help mitigate future
16 Ameren rate increases.

17 **VI. DECOUPLING TRACKER**

18 **Q. Why is Ameren Missouri proposing a decoupling tracker?**

19 A. To provide revenue certainty for shareholders.

20 **Q. Can Ameren Missouri propose a decoupling tracker?**

21 A. No.

22 Senate Bill 564 allows utilities to elect Plant-In-Service Accounting *or* revenue decoupling.
23 Ameren Missouri elected the former. Effectively, the only difference between the SB 564
24 decoupling option and what Ameren Missouri is proposing is the ability for the Company to
25 collect “lost” revenues outside of a rate case. Ameren Missouri is proposing a tracker which
26 provides the same end result—shareholder risk reduction through revenue certainty. Ameren

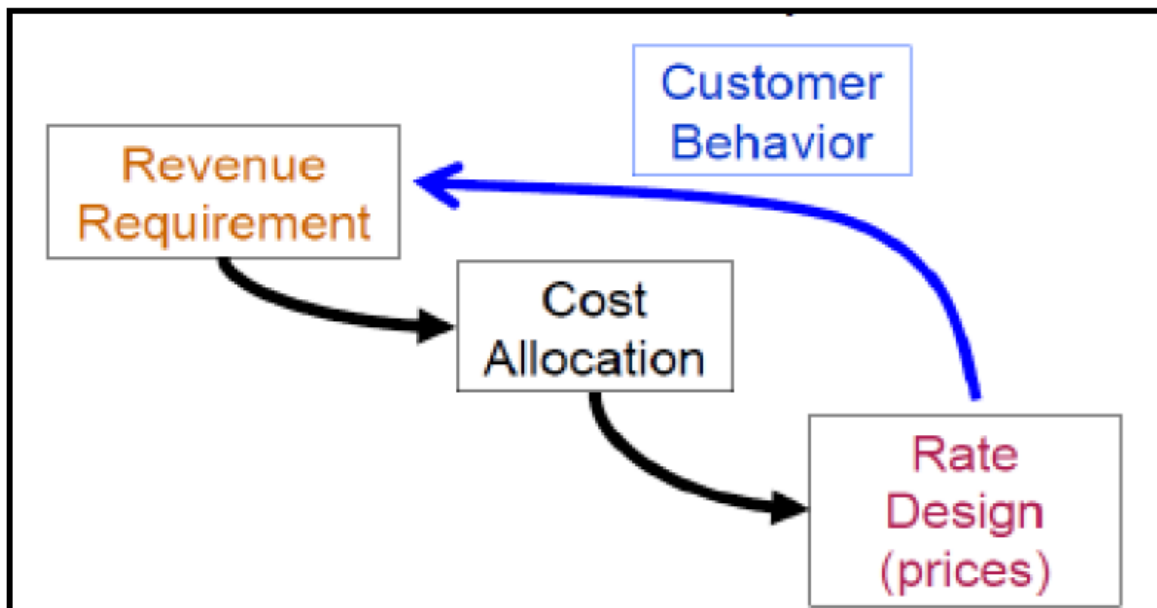
1 Missouri wants to have it both ways. The Commission should reject this request out-of-hand
2 as the General Assembly only allowed for one shareholder risk reduction track.

3 VII. CLASS COST OF SERVICE STUDIES

4 Q. What is a CCOS?

5 A. It is an analysis that allocates a utility's allowed costs to provide service among its various
6 customer classes. The total cost allocated to a given class represents the costs that class
7 would pay to produce an equal rate of return to other classes. There is no one definitive
8 accepted method. Instead, there are different methodologies (e.g., Average and Peak,
9 Average and Excess, Base-Intermediate-Peak, Capacity-Assigned, etc.) and cost allocation
10 factors that produce different outcomes. If step one in a rate case is determining the revenue
11 requirement then step two is allocating those costs among customer classes. Step three then
12 focuses on designing the rates for appropriate cost recovery. How rates are designed
13 influences future revenue requirements, thus providing a feedback loop on the entire
14 process. Figure 4 provides a simplified, illustrative feedback loop of the rate case process.

15 Figure 4: The Rate Case Feedback Loop



1 **Q. What were the parties' CCOS positions?**

2 A. Predictably, they all varied.

3 **Q. Did OPC perform a CCOS study?**

4 A. No. There was not enough time or resources available so I base my recommendations, in
5 part, on the studies filed in this case.

6 **Q. What CCOS study do you believe the Commission should rely on?**

7 A. In my opinion, the Commission should rely on Staff's study for an objective perspective in
8 this case. I would strongly encourage the Commission to read Staff's CCOS report in total
9 as the text and footnotes document the many challenges the Staff had in securing cost
10 allocation data from Ameren Missouri in this case.

11 **Q. Wasn't this a theme in the last Ameren Missouri rate case as well?**

12 A. It was. In fact, a Corrected Non-Unanimous Stipulation and Agreement was entered into in
13 which Ameren Missouri would provide disaggregation data related to distribution system
14 infrastructure investments (the primary cost driver in this case) to prevent the very thing
15 Staff is frustrated with.

16 As it stands, I will wait to see Ameren Missouri's response to the Staff report before I opine
17 further on this topic (in surrebuttal testimony).

18 **Q. What did the Staff CCOS conclude?**

19 A. Utilizing three separate methodologies the Staff concluded the following:

20 These results indicate that the lighting rate class appears to be over-contributing to
21 Ameren Missouri's return on investment, and that the LPS class may be under-
22 contributing to Ameren Missouri's return on investment, however, most classes are
23 generally within a reasonable range of providing their target contribution to Ameren
24 Missouri's Staff-recommended rate of return upon application of a system average
25 increase to revenue requirement. . . .

26 based on the results of Staff's direct CCoS Studies and its expert judgement
27 considering the precision of such studies in general and known shortcomings of

1 these studies in particular Staff recommends that the approximate \$221,386,208, or
2 8.88%, be allocated to the classes as an equal percentage increase, based on Staff's
3 direct revenue requirement as constituted and analyzed as described in this Report.²⁸

4 **Q. Do you have any recommendations now?**

5 A. I recommend an equivalent percentage increase in rates across all classes consistent with
6 Staff recommendations.

7 **Q. Are you concerned about the data underlying Ameren Missouri's Smart Energy Plan
8 Capital Projects as raised by Staff?**

9 A. I am, and will monitor that development accordingly. OPC represents all customer classes
10 and will strive to provide an objective, equitable analysis, as such; I reserve the right to
11 amend my recommendation.

12 **VIII. LOW-INCOME PROGRAMS**

13 **Q. What were Consumers Council of Missouri's recommendations regarding the Keeping
14 Current program?**

15 A. CCM witness Ms. Hutchinson recommended the following modifications:

- 16 • Increase annual funding to \$5 million annually, split 50/50 shareholders and
17 ratepayers; and
- 18 • Increase eligibility to 250% of the federal poverty level ("FPL").

19 **Q. Do you agree with these recommendations?**

20 A. I support the increase and the sharing of funding for the Keeping Current program. Keeping
21 Current has long been held up as a gold standard for utility low-income assistance programs
22 in Missouri. Multiple 3rd party studies have validated its results and shown spillover benefits
23 for all ratepayers. An increase in overall funding is both appropriate and frankly overdue.

²⁸ ER-2021-0240 Staff Class Cost of Service Report, p. 46, 7-11 & p. 48, 19-23.

1 Normally I would be less inclined to support Ms. Hutchinson’s recommendation to expand
2 the eligibility threshold to 250% FPL; however, given the uncertainty surrounding federal
3 assistance, the ongoing pandemic, as well as the sheer size of Ameren Missouri’s requested
4 rate increase and the increase in inflation, I think a 250% increase could be justified and
5 reexamined in the next rate case. Table 4 provides a breakdown of the income/household
6 size eligibility requirements for Keeping Current (200% FPL) and Keeping Cool (250%
7 FPL) programs.²⁹

8 Table 4. Breakdown of Existing Keeping Cool and Keeping Current Eligibility

Keeping Current (200% Poverty)			Keeping Cool (250% Poverty)		
Family	Annually	Monthly	Family	Annually	Monthly
1	\$25,760	\$2,147	1	\$32,200	\$2,683
2	\$34,840	\$2,903	2	\$43,550	\$3,629
3	\$43,920	\$3,660	3	\$54,900	\$4,575
4	\$53,000	\$4,417	4	\$66,250	\$5,521
5	\$62,080	\$5,173	5	\$77,600	\$6,467
6	\$71,160	\$5,930	6	\$88,950	\$7,413
7	\$80,240	\$6,687	7	\$100,300	\$8,358

9
10 **Q. Did Ms. Hutchinson make any additional low-income recommendations?**

11 A. Yes. She recommended the following:

²⁹ Keeping Cool provides up to three bill credits of \$25 during summer months. Best suited for seniors, people with disabilities, the chronically ill or households with young children, it is effectively a subsidy to ensure vulnerable households do not have their AC disconnected in the summer. In contrast, Keeping Current is a payment assistance program that includes a monthly bill credit, along with help to reduce the total amount you owe.

- Redesign Ameren’s medical registry, including an online portal that is accessible to medical health professionals; and
- To no longer institute reconnect, collection trip and late fee charges.

Q. Do you agree with these recommendations?

A. Yes. I support the inclusion of an online registry accessible to medical health professionals. I believe such an option complements my recommendation in direct testimony regarding funding for the Critical Needs Program.

Reconnection and collection trip charges should no longer be applicable moving forward with AMI technology. As it pertains to late fees I continue to maintain my recommendation that late fees be set at Ameren Missouri’s short-term debt which should align more closely with the actual cost of service, minimize the punitive pressure on struggling customers and still incentivize timely payments by having the “threat” of late payment.

IX. COMMUNITY SOLAR

Q. What changes does Ameren Missouri propose to the Community Solar Pilot Program?

A. A summary of the changes to the existing Community Solar Pilot Program proposed in the Direct Testimony of Ameren witness Annemarie Nauert are included in Table 5:

Table 5: Ameren Missouri’s Current and Proposed Community Solar Change

Pilot	Proposed
Solar Blocks of 100 kWh	Fixed Percentage of kWh
Customers can subscribe to replace up to 50% of last 12 months' average annual energy usage, in whole block increments (rounding down)	Customers can subscribe to replace up to 100% of monthly usage, in 1% increments
Resource construction cannot begin until 90% subscription level	Resource construction cannot begin until 50% subscription level
Participation fee of \$25/block for new resource (not replacement from waitlist) enrollments only	Fixed participation fee of \$25 for all enrollments

1 **Q. Do you support changing the subscription blocks to a fixed percentage?**

2 A. Yes. The amendment appears reasonable.

3 **Q. Do you support changing the subscription percentage to include up to 100% of usage?**

4 A. Yes. The amendment appears reasonable.

5 **Q. Do you support changing beginning new resource construction from 90% subscription**
6 **level to 50% subscription level?**

7 A. No.

8 **Q. Why?**

9 A. My primary concern surrounding Ameren Missouri's Community Solar program centers on
10 liability surrounding unsubscribed blocks that could result in non-participants having to pay
11 for even more generation that is not needed to serve load. The 90% subscription threshold was
12 put in place to ensure that there would be enough customers interested to justify future projects.
13 It's great that Ameren Missouri was able to fulfill subscriptions in under 100 days with its first
14 pilot program. The same could not be said for the west-side of the state.³⁰ We are however
15 relatively early in this process (i.e., one operational project in five years).³¹ At this point, I
16 believe it is premature to move off the 90% subscription threshold. The program is working as
17 intended but with only a sample size of 1 considerable more evidence is warranted.

18 **Q. Do you support a fixed participation fee of \$25 for all enrollments?**

19 A. Yes. The amendment appears reasonable.

20 **Q. Do you have any additional recommendations to the Community Solar program?**

21 A. Yes. I articulated my concern about building out additional rate base and excess generation at
22 a reduced subscription level, but that is not the only fear I have surrounding the viability of the
23 Community Solar Program. Long-term concerns remain surrounding participating customers

³⁰ Uhlenhuth, Karen (2020) Kansas City utility's community solar project a slow starter with customers. *Midwest Energy News*. <https://energynews.us/2020/03/16/kansas-city-utilitys-community-solar-project-a-slow-starter-with-customers/>

³¹ The Montgomery Community Solar project was approved by the Commission on June 12, 2021 and is not expected to be completed until March 2022 based on Ameren Missouri's 3rd Quarter Report issued October 11, 2021.

1 continuing to stay subscribed to a program that is asking for additional fees in light of Ameren
2 Missouri's double-digit rate increase in this case and future PISA spending. With that in mind,
3 I recommend the Commission adjust the tariff to align with Evergy's Community Solar risk-
4 sharing mechanism that allocates 75% of any undersubscribed costs to shareholders and 25%
5 to ratepayers. Alternatively, I could also support shareholders bearing the risk for any
6 undersubscribed portion of the Community Solar program to a 50% undersubscribed threshold.
7 If the subscription rate falls below 50%, non-participant ratepayers would shoulder the costs.

8 For ease of understanding, imagine there were 100 solar blocks and 100 community solar
9 participants each with a single block subscribed. If an economic downturn resulted in 35
10 customers withdrawing from the program and no replacement customers, Ameren would
11 absorb the costs. If the hypothetical economic downturn resulted in 75 customers dropping out
12 of the program Ameren would bear 50% of the non-subscribed costs and ratepayers would bear
13 the other 25%.

14 I believe both sharing mechanisms recognize that shareholders stand to gain more in profit
15 from an increase in rate base from a generation source that is not needed than non-participant
16 ratepayers stand to gain from excess generation from a Community Solar program. The
17 mechanisms I propose place the risk and reward accordingly.

18 **X. GREEN BUTTON**

19 **Q. What changes does MECG witness Andrew D. Teague propose regarding customer**
20 **data?**

21 A. Mr. Teague recommends:

22 ...that the Commission require the Company to include the option for customers to retrieve
23 and download energy usage interval data for multiple accounts, up to and including all
24 accounts, through one data file. MECG also recommends that the Commission require

1 customer interval data for commercial and industrial customers be available in the Green
2 Button CMD format.³²

3 **Q. What is the Green Button platform?**

4 A. According to its website:

5 The Green Button initiative is an industry-led effort that responds to a 2012 White
6 House call-to-action to provide utility customers with easy and secure access to their
7 energy usage information in a consumer-friendly and computer-friendly format for
8 electricity, natural gas, and water usage.³³

9 The history of Green Button as well as select questions OPC issued to Green Button's
10 Executive Director Jeremy J. Roberts in 2018 can be found in GM-1.

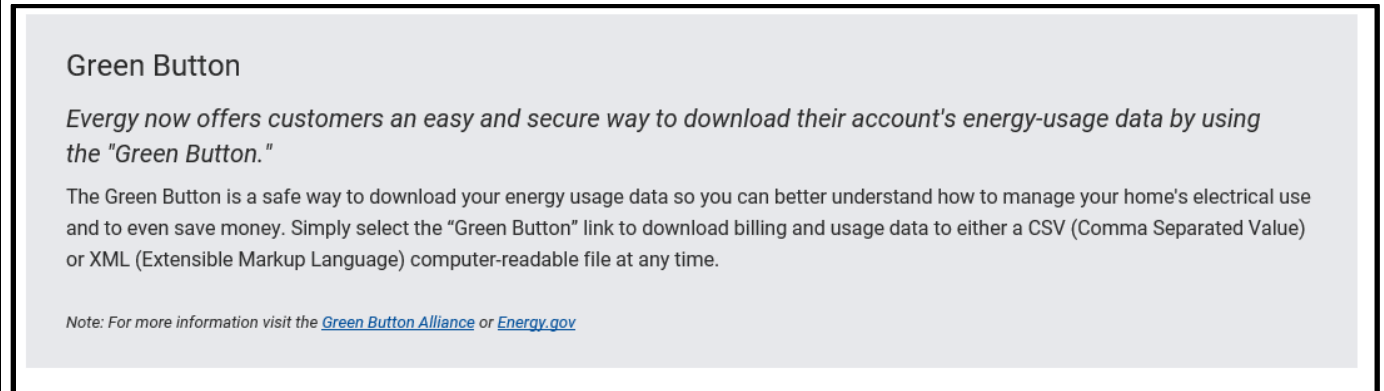
11 **Q. Has OPC supported the Green Button option in other cases before this Commission?**

12 A. Yes. In Case Nos: ER-2018-0145 (KCPL) and ER-2018-0146 (KCPL GMO) I recommended
13 that KCPL and KCPL GMO adopt the Green Button platform which was agreed to by parties
14 and approved by the Commission. The Green Button service is a secure, cost-effective platform
15 that allows data access to be shared with 3rd parties that is currently in place with a number of
16 utilities across the country. Figure 5 shows a snippet from Evergy's website demonstrating
17 their adoption of the Green Button platform.

³² Case No. ER-2021-0240 Direct Testimony of Andrew D. Teague p. 6, 18-22.

³³ Green Button Data (2021) The Green Button Alliance. <https://www.greenbuttondata.org/>

1 Figure 5: Example of Evergy Green Button notice on website³⁴



2

3 **Q. Were there any related data/privacy actions undertaken by the Commission following**
4 **that case?**

5 A. Yes. The Commission opened working docket AW-2018-0393 on July 11, 2018 to consider a
6 new rule regarding the treatment of customer information. Excluding utilities, parties that filed
7 comments included:

- 8 • Missouri Office of Public Counsel
- 9 • Consumers Council of Missouri
- 10 • Pepper IoT ("Internet of Things")
- 11 • ArchCity Defenders
- 12 • Empower Missouri
- 13 • ACLU of Missouri
- 14 • Missouri Attorney General's Office (Joshua D. Hawley)
- 15 • State Representative Bill Kidd
- 16 • TGH Litigation, LLC.

17 **Q. What came of the data/privacy docket?**

18 A. The docket was progressing with comments and draft language and then COVID-19 hit and it
19 has since been stagnant.

³⁴ <https://www.evergy.com/ways-to-save/resources/energy-tools/energy-analyzer>

1 **Q. What is your position in this case?**

2 A. I support MECG's recommendation for Ameren Missouri to offer interval data from AMI
3 meters in customer-friendly, easy-to-access formats under the Green Button platform.

4 I would also strongly encourage the Commission to consider moving forward with the AW-
5 2018-0393 case in 2022 to ensure proper consumer protections as it pertains to data privacy.

6 The most appropriate action would be to hold another workshop in the first quarter of 2022 to
7 solicit any changes to Staff's proposed language in light of the two-year pause with the docket.

8 **Q. Does this concluded your testimony?**

9 A. Yes.