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Service Commission

Exhibit No. 206

OPC – Exhibit 206
Angela Schaben
Direct Testimony
File No. ER-2022-0337

Exhibit No.: _____
Issue(s): Fuel Adjustment Clause (FAC)
Witness/Type of Exhibit: Schaben/Direct
Sponsoring Party: Public Counsel
Case No.: ER-2022-0337

DIRECT TESTIMONY

OF

ANGELA SCHABEN

Submitted on Behalf of the Office of the Public Counsel

UNION ELECTRIC COMPANY
D/B/A AMEREN MISSOURI

CASE NO. ER-2022-0337

January 10, 2023

DIRECT TESTIMONY
OF
ANGELA SCHABEN
UNION ELECTRIC COMPANY
d/b/a AMEREN MISSOURI INC.
CASE NO. ER-2022-0337

1 **INTRODUCTION**

2 **Q. What is your name, title, and business address?**

3 A. Angela Schaben, Utility Regulatory Auditor, Office of the Public Counsel (“OPC” or “Public
4 Counsel”), P.O. Box 2230, Jefferson City, Missouri 65102.

5 **Q. What are your qualifications and experience?**

6 A. Please refer to the Schedule ADS-D-1 attached hereto.

7 **Q. Have you testified previously before the Missouri Public Service Commission?**

8 A. I have prepared and pre-filed written testimony, but I have not yet testified live before the
9 Commission. Please refer to the Schedule ADS-D-2 attached hereto

10 **Q. What is the purpose of your testimony?**

11 A. The purpose of my testimony is to recommend modifications to Ameren Missouri’s fuel
12 adjustment clause (“FAC”).

13 **Q. Would you summarize your recommendations?**

14 A. I am recommending the Commission order the following changes to Ameren Missouri’s
15 current FAC:

- 16 1. Fuel and purchased power costs related to Ameren Missouri research and
17 development projects (“R&D”) not flow through the FAC:

1 2. The cost of energy purchased for use by R&D projects should be recorded in a
2 readily identifiable minor account in FERC account 555 and reported in
3 Ameren Missouri’s monthly FAC reports to the Commission; and

4 3. Remove references to Schedule 11, a Midcontinent Independent System
5 Operator, Inc. (“MISO”) schedule from Ameren Missouri’s FAC tariff sheets
6 71.20 and 71.27.

7 **Q. Should energy used in research and development projects be included in Ameren**
8 **Missouri’s FAC?**

9 A. No.

10 **Q. Why not?**

11 A. Research and development projects’ end results may or not provide value to customers.
12 Ratepayers should not be obligated to pay for these costs until measurable benefits are proven.
13 If the full benefits of research and development projects reside outside of the FAC, then all
14 costs relating to these projects should reside outside the FAC, and be recorded in R&D project
15 specific accounts.

16 **Q. Why are you addressing the recovery of R&D costs through Ameren Missouri’s FAC in**
17 **this case?**

18 A. In Case No. ER-2020-0026, Ameren Missouri requested to defer its fuel and purchase power
19 costs relating to a digital currency research and development project resulting in FAC language
20 excluding digital currency mining energy costs from flowing through its FAC. The FAC
21 language pertaining to research and development energy costs should cover all R&D projects,
22 not just a defined subset.

1 **Q. Is there currently language in Ameren Missouri’s FAC tariff sheets that specifically state**
2 **that energy used for R&D projects cannot flow through Ameren Missouri’s FAC?**

3 A. No. However there is FAC language about purchased power costs and revenues relating to a
4 specific R&D project. The current language excludes “digital currency mining by the
5 Company”. Ameren Missouri has since ended the digital currency project as of December
6 2021. There is no language in Ameren Missouri’s FAC that generally excludes R&D projects.

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

8 All R&D project associated costs should be delineated by unique major/minor accounts,
9 activity codes, or resource types, etc. Additionally, minor accounts used should be identified
10 in FAC monthly reports so that energy costs can be tracked and audited to make sure that they
11 aren’t included in the FAC and energy utilized in R&D projects should be excluded from
12 Account 555. FAC language should require the exclusion of energy costs relating to
13 research and development projects from FAC Actual Net Energy Costs (“ANEC”).

14 **Q. Should references to MISO Schedule 11 be removed from Ameren Missouri’s FAC**
15 **language?**

16 A. Yes.

17 **Q. Why?**

18 A. MISO Schedule 11 is associated with wholesale distribution service provided to effectuate
19 transactions with municipalities, not to transmit electricity to Ameren Missouri ratepayers.
20 Related revenues are reflected in base rates and considered in revenue requirement. For
21 these reasons, Ameren Missouri’s FAC should not include these charges, and language
22 referencing MISO Schedule 11 in the FAC tariff sheet 71.20 and 71.27 is unnecessary.

1 **Q. Should R&D project costs flow through FACs?**

2 A. In my opinion they should not, at least before they are shown to provide tangible benefit to
3 retail customers.

4 **Q. Why not?**

5 A. R&D projects are essentially experimental in nature and the results of such projects may or
6 may not lead to beneficial outcomes for rate payers. The difficulty in acquiring pertinent
7 details regarding the Sioux Energy Center research and development project shows that all
8 R&D project associated costs should be delineated by unique major/minor accounts, activity
9 codes, or resource types, etc. Additionally, minor accounts used should be identified in FAC
10 monthly reports so that energy costs can be tracked and audited to make sure that they aren't
11 included in the FAC and energy utilized in R&D projects should be excluded from Account
12 555.

13 FAC language should require the exclusion of energy costs relating to research and
14 development projects from FAC Actual Net Energy Costs ("ANEC"). Advancements in
15 technology development, to include varying data center model applications and digital asset
16 development methods, are front and center in pivotal research. At some point, successful
17 outcomes resulting from R&D projects relating to these technologies, may lead to
18 measurable benefits for ratepayers. However, until measurable benefits for customers exist,
19 there is absolutely no reason to include these costs in the FAC ANEC.

20 **Q. Does this conclude your testimony?**

21 A. Yes.

**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 Electric Service) Case No. ER-2022-0337

AFFIDAVIT OF ANGELA SCHABEN

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Angela Schaben, of lawful age and being first duly sworn, deposes and states:

1. My name is Angela Schaben. I am a Utility Regulatory Auditor for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my direct 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.

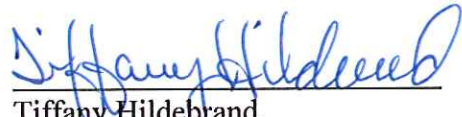


Angela Schaben
Utility Regulatory Auditor

Subscribed and sworn to me this 10th day of January 2023.



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



Tiffany Hildebrand
Notary Public

My Commission expires August 8, 2023.

Educational Background and Work Experience of Angela Schaben

My educational background includes a Master of Business Administration degree from Columbia College in Columbia, Missouri and a Bachelor of Science degree in Accounting from Lincoln University in Jefferson City, Missouri.

Prior to joining the Office of the Public Counsel in December 2021, I held various fiscal, administrative, and information technology related positions within Missouri Government totaling seventeen years.

Highlights of my Missouri Government career include the following:

- From 2019 to 2021, I oversaw the fiscal responsibilities of several programs within the Department of Health and Senior Services (DHSS). These responsibilities included grant management, budget/ expenditure approval and tracking, and liaising with managers of grant programs awarded over \$9 million in funding.
- Prior to the Department of Health, I was employed within the Information Technology Services Division (ITSD) of the Department of Administration (OA) from 2016 to 2019. During this period, I held positions in both application development and server administration.
- Preceding ITSD, I held positions of progressive responsibility within the Department of Social Services (DSS) and again with the Department of Health and Senior Services between the years of 2008 to 2016. During these years, responsibilities included:
 - Approximately four and a half years of auditing which required statewide travel to various locations with the goal of ensuring Departmental, State, and Federal policies were followed.
 - Oversight of data and expenditure reporting on a variety of different levels. I assisted with the State budgetary process and utilized several different software programs for the purpose of extracting data to support managerial decisions in budget and grant management.
- Prior to 2008, I held various entry level accounting, auditing, and administrative positions.

**CASE PARTICIPATION
OF
ANGELA SCHABEN**

<u>Company Name</u>	<u>Case No.</u>
Evergy Missouri West, Inc.	EO-2021-0416
Evergy Missouri Metro, Inc.	EO-2021-0417
Evergy Missouri West, Inc.	ER-2022-0129
Evergy Missouri Metro, Inc.	ER-2022-0130
Spire Missouri, Inc.	GR-2022-0179
Missouri American Water Company	WR-2022-0303
Ameren Missouri	ER-2022-0337