

Exhibit No.: 229
Issues: Expense
Witness: Michael E. Taylor
Sponsoring Party: MO PSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: ER-2011-0028
Date Testimony Prepared: March 25, 2011

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

MICHAEL E. TAYLOR

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

CASE NO. ER-2011-0028

*Jefferson City, Missouri
March 2011*

*Staff Exhibit No. 229
Date 4/26/11 Reporter JTB
File No. ER-2011-0028*

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

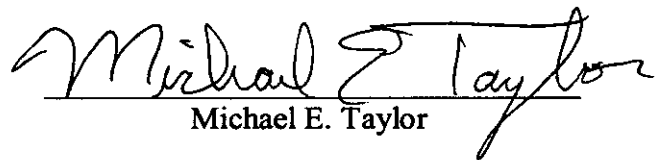
In the Matter of Union Electric Company)
d/b/a AmerenUE's Tariff to Increase Its)
Annual Revenues for Electric Service)

File No. ER-2011-0028

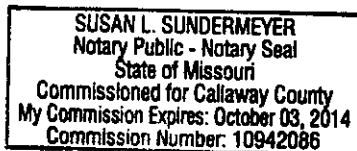
AFFIDAVIT OF MICHAEL E. TAYLOR

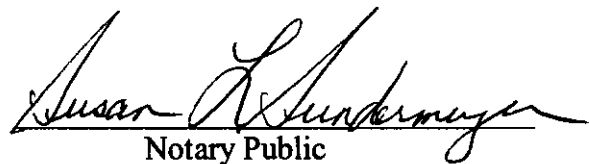
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Michael E. Taylor, of lawful age, on his oath states: that he has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 3 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.


Michael E. Taylor

Subscribed and sworn to before me this 24th day of March, 2011.




Notary Public

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REBUTTAL TESTIMONY

OF

MICHAEL E. TAYLOR

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

CASE NO. ER-2011-0028

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Q. Please state your name and business address.

A. Michael E. Taylor, P.O. Box 360, Jefferson City, Missouri, 65102.

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

A. I am employed by the Missouri Public Service Commission (Commission) as a Utility Engineering Specialist III in the Energy Department of the Utility Operations Division.

Q. Did you contribute to the Staff's Revenue Requirement Cost of Service Report filed in this case?

A. Yes.

Q. What is the purpose of your rebuttal testimony?

A. I am responding to the direct testimony of Union Electric Company d/b/a Ameren Missouri (Ameren Missouri) witness Gary S. Weiss regarding expenses associated with complying with the Missouri Renewable Energy Standard (RES) as required by Section 393.1030 (RSMo).

Q. What is your experience with respect to the RES, Sections 393.1020, 393.1025, and 393.1030 (RSMo)?

A. The RES is a voter initiative known as Proposition C. Following the passage of Proposition C in November 2008, I was involved in stakeholder workshops associated with

Rebuttal Testimony of
Michael E. Taylor

1 the implementation of the RES and the preparation of proposed rules for Commission
2 approval.

3 Q. What is the status of the RES statute and rules?

4 A. Portions of the statute became effective January 1, 2010, and other portions
5 became effective January 1, 2011. The Commission's rule associated with the RES (4 CSR
6 240-20.100, Electric Utility Renewable Energy Standard Requirements) became effective
7 September 30, 2010. In July 2010, the Missouri Joint Committee on Administrative Rules
8 (JCAR) disapproved 4 CSR 240-20.100(2)(A) and (2)(B)2 as proposed. The Missouri Senate
9 and House of Representatives subsequently upheld the JCAR action by passing Senate
10 Concurrent Resolution No. 1 (SCR 1) on January 24, 2011, and February 1, 2011,
11 respectively. The Governor allowed SCR 1 to become effective and communicated this to the
12 leaders of the Senate and House of Representatives in a letter dated February 16, 2011. The
13 disapproved subsection and paragraph related to geographic sourcing of renewable energy and
14 renewable energy certificates.

15 Q. What RES-related expenses did Mr. Weiss address in his direct testimony?

16 A. As stated on page 36, lines 1 through 13, Mr. Weiss included RES-related
17 expenses associated with solar rebates, building renewable energy facilities, and purchasing
18 renewable energy or renewable energy credits.

19 Q. What mechanism did Mr. Weiss propose for recovery of these expenses?

20 A. Mr. Weiss included in the revenue requirement the costs incurred for the solar
21 rebates through February 28, 2011 (the true-up period in this case) and he proposed use of an
22 accounting authority order (AAO) for expenses incurred after February 28, 2011.

Rebuttal Testimony of
Michael E. Taylor

1 Q. As requested by Mr. Weiss, is an AAO necessary to recover costs incurred to
2 comply with the RES after the true-up date?

3 A. No it is not. The RES statute and 4 CSR 240-20.100(6) provide for recovery
4 of prudently incurred costs associated with the RES by way of the Renewable Energy
5 Standard Rate Adjustment Mechanism (RESRAM). The Company can utilize the RESRAM
6 outside of or in a general rate proceeding. It is Staff's recommendation that expenses
7 associated with RES compliance (solar rebates, administrative expenses, purchase of
8 renewable energy, construction of renewable energy facilities, and/or purchase of renewable
9 energy certificates) be recovered through a RESRAM.

10 Q. Do you have a recommendation for treatment of RES expenses that have been
11 incurred through the test year for this case?

12 A. Yes. The Company's expenses associated with the RES must be analyzed to
13 determine compliance with the RES statute and rule. 4 CSR 240-20.100 (5) requires the RES
14 retail rate impact not exceed one percent (1%) when compared to the Company's revenue
15 requirement incorporating non-renewable and purchased power generation. The Staff
16 recommends including the Company's actual solar rebate expenses incurred during calendar
17 year 2010 to determine the level of RES expenses to include in the pending rate case, as this
18 amount does not exceed the one percent (1%) rate cap.

19 Q. Does this conclude your rebuttal testimony?

20 A. Yes.