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MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ER-2019-0335

DIRECT TESTIMONY

OF

KELLY S. HASENFRATZ

ON

BEHALF OF

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

****DENOTES CONFIDENTIAL INFORMATION****

St. Louis, Missouri
July 2019

Ameren Exhibit No. 027P
Date 3/4/20 Reporter JnB
File No. ER-2019-0335

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DIRECT TESTIMONY

OF

KELLY S. HASENFRATZ

FILE NO. ER-2019-0335

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Kelly S. Hasenfratz. My business address is One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.

Q. By whom are you employed and what is your position?

A. I am employed by Ameren Services Company ("Ameren Services") as Director, Compensation & Performance. Ameren Services Company provides various corporate support services to Ameren and its subsidiaries, including Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company"), such as accounting, human resources, legal, financial, and treasury services.

Q. Please describe your educational background and employment experience.

A. I was awarded a Bachelor of Science in Business Administration in 1985 from the University of Missouri-Columbia. In addition, I have over 25 years of experience with Ameren in increasingly responsible roles—18 of which were focused on total rewards and human-resources related activities.¹ I have been in my current role since December 2016.

¹ References to "Ameren" in my testimony refer to Ameren Corporation or its affiliates.

1 **Q. Please describe your additional qualifications.**

2 A. In addition to my education and experience as described above, I also
3 attend continuing education programs related to human resources, total rewards and
4 compensation. I am a member of the Compensation & Benefits Council for The
5 Conference Board, a network of professional peers focusing on key trends, metrics, and
6 challenges in compensation and employee benefits. I also participate in the Compensation
7 Affinity Group sponsored by Willis Towers Watson, which gives compensation
8 professionals an avenue to share ideas and stay up to date on new and relevant trends.
9 Further, throughout my career I have successfully managed many strategic projects,
10 including compensation structure design and implementation, incentive plan re-design,
11 benefit plan redesign, total rewards strategy, benefits administration outsourcing, and
12 technology implementations.

13 **Q. What are your responsibilities in your current position?**

14 A. As Director of Compensation & Performance, I am responsible for
15 overseeing the strategy, design, and delivery of broad-based compensation and executive
16 compensation programs for employees of Ameren subsidiary companies. This includes
17 base pay infrastructure, merit, short- and long-term incentive programs, paid time off, and
18 recognition programs. In addition, I am responsible for providing relevant information and
19 supporting materials for the Human Resources Committee of the Ameren Board of
20 Directors.

21 **II. PURPOSE OF TESTIMONY**

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

1 A. The purpose of my direct testimony is to describe Ameren's compensation
2 and benefits philosophies and how we design and manage compensation programs to
3 ensure that employee wages, salaries, and benefits are aligned and competitive with the
4 market.

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III. COMPENSATION

7 **Q. Please describe the overall employee compensation philosophy.**

8 A. We utilize a market-based compensation philosophy. The objective is to
9 provide a package that attracts, retains, and motivates a talented workforce and reinforces
10 strong performance, in a financially sustainable manner. Ameren's compensation programs
11 are designed to align with similarly situated companies and jobs in the broader labor
12 market, balance business priorities with co-worker expectations, comply with federal and
13 state regulations, and recognize that experience and performance are the basis for
14 individual compensation. With this approach, we can be confident that our pay is
15 competitive and aligned with the market. Ameren sets pay levels for non-bargaining unit
16 represented positions using this market-based philosophy.

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1 **Q. How do you know if this compensation structure is appropriately**
2 **aligned with the market?**

3 **A. Determining the appropriate competitive range of pay for a particular job is**
4 **a detailed and disciplined process of gathering competitive national, regional, and local**
5 **market pay data from a number of reliable, reputable third-party survey sources, and then**
6 **using the data to set competitive pay levels. The survey process is completed annually to**
7 **ensure a good understanding of current market data for a given role. This approach is**
8 **common in the marketplace and is considered a best practice among our many peers within**
9 **the industry. A summary of the third-party compensation surveys that we have utilized to**
10 **gain insight into external market-based pay and compensation practices is reflected below**
11 **in Table 1:**

12

****Table 1**

Direct Testimony of
Kelly Hasenfratz

1 **
2 Once all survey responses are received from participating companies, the survey
3 provider summarizes and normalizes data submissions to ensure data consistency and
4 integrity. This process ensures that the benchmarked roles are comparable from company
5 to company. On a regular and on-going basis, we evaluate non-bargaining unit represented
6 salaries both individually and in the aggregate to ensure that we are abiding by our market-
7 based compensation philosophy. ** _____
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17 **Q. How do you align your benefits with the market?**
18 A. Similar to our compensation philosophy, our benefits philosophy is to
19 provide a competitive benefits package with an overall value at approximately the overall
20 market average. By benchmarking benefit offerings against comparable peer utilities, we
21 are able to ensure our benefits programs are consistent with this philosophy.

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1 We participate in benchmarking services where the value of Ameren benefits is
2 compared to the benefits programs offered by other participating companies. These
3 benchmarking results provide a quantitative evaluation of each company's benefits
4 provisions and overall benefits program, and facilitate a comparison of these benefits
5 values from company to company.

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14 These results are consistent with our philosophy to provide market-based benefits
15 programs.

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

17 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 Decrease Its Revenues for) File No. ER-2019-0335
Electric Service.)

AFFIDAVIT OF KELLY S. HASENFRATZ

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

Kelly S. Hasenfratz, being first duly sworn on her oath, states:

1. My name is Kelly S. Hasenfratz. I work in the City of St. Louis, Missouri, and I am employed by Ameren Services Company as a Director of Compensation and Performance.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Union Electric Company d/b/a Ameren Missouri consisting of 6 pages and Schedule(s) no schedules, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

Kelly S. Hasenfratz
Kelly S. Hasenfratz

Subscribed and sworn to before me this 27th day of June, 2019.

Gerri A. Best
Notary Public

My commission expires:

