

Exhibit No. 40

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Issue(s): Grid Investments
Witness: Mark Birk
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Sponsoring Party: Union Electric Company
File No.: ER-2021-0240
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MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ER-2021-0240

SURREBUTTAL TESTIMONY

OF

MARK BIRK

ON

BEHALF OF

UNION ELECTRIC COMPANY

d/b/a Ameren Missouri

**St. Louis, Missouri
November, 2021**

SURREBUTTAL TESTIMONY

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MARK BIRK

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1 **Q. Please state your name and business address.**

2 A. Mark Birk, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri"
3 or "Company"), One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.

4 **Q. Are you the same Mark Birk that filed rebuttal testimony in this proceeding?**

5 A. Yes, I am.

6 **Q. What is the purpose of your surrebuttal testimony in this proceeding?**

7 A. I respond to recommendations by Office of the Public Counsel ("OPC") witness
8 Dr. Geoff Marke pertaining to what he refers to as "PISA investments."¹

9 **Q. What is your response to Dr. Marke's recommendations?**

10 A. We, of course, are willing to spend time with OPC and other interested stakeholders
11 discussing the Company's ongoing capital investment needs and our plan to address the needs of
12 our system. As I noted in my rebuttal testimony, the Company has submitted to the Commission
13 three separate detailed reports on its Smart Energy Plan ("SEP") investments, held three
14 stakeholder meetings about those investments, and presented on two separate occasions at the
15 Commission's Agenda meetings on the same topic. OPC was undoubtedly aware of those reports,
16 meetings, and presentations. Aside from asking rhetorical questions about analyses and metrics in
17 a couple of pages of Dr. Marke's rebuttal testimony in Ameren Missouri's last electric rate case,

¹ File No. ER-2021-0240, Geoff Marke Rebuttal Testimony, pp. 13-14.

1 File No. ER-2019-0335,² OPC has not made any effort of which I am aware of to inquire
2 about, or otherwise understand, the reasons why we are making the significant investments in our
3 energy delivery system. OPC did not ask a single question regarding any kind of cost/benefit
4 analyses, metrics, or project prioritization at any of the stakeholder meetings. They did not request
5 a single discussion after those plans were submitted, nor did OPC reach out after the Agenda
6 presentations were made. In fact, the legislation that requires these stakeholder meetings to occur
7 specifically contemplates that stakeholders can provide feedback. In addition, OPC and Dr. Marke
8 routinely send many dozens (or more) of data requests in our rate reviews, but have sent none on
9 the topic on which Dr. Marke has testified. Additionally, we filed a triennial Integrated Resource
10 Plan ("IRP") more than a year ago and discussed our SEP investment plans in significant detail in
11 that filing, and we utilized the investment levels we are planning under the SEP in our alternative
12 resource plan analyses. OPC has essentially not participated in the IRP docket at all.

13 **Q. But it is true that Dr. Marke broached the subject of "metrics" in your last**
14 **rate review, is it not?**

15 A. He did broach the subject, but he did so in response to Ameren Missouri witness
16 Warren Wood's very general description of the SEP investments that we were planning to make in
17 testimony that Mr. Wood filed very early in our execution of the SEP (specifically, just six months
18 into the program). As the Commission knows, rate cases are largely about determining a revenue
19 requirement to be used in resetting the utility's rates. As such, we spend most of our time and
20 testimony addressing issues that the Commission must decide to resolve the case. Nothing in Dr.
21 Marke's testimony in that case suggested that OPC was presenting an issue for the Commission's
22 decision. Having said that, when Dr. Marke, in this case, indicated that he felt he was being ignored

² Dr. Marke essentially repeated those questions in his direct testimony in this case.

1 on the issue we took the time to address why we are investing in our energy delivery grid in the
2 manner and at the level we are, as reflected in my rebuttal testimony.

3 **Q. So the Company is willing to meet with OPC, the Staff, and other interested**
4 **stakeholders?**

5 A. Yes. We are willing to meet, and we always have been, within reason. We also have
6 actually met with stakeholders about our SEP investments. Early in the SEP, the Missouri
7 Industrial Energy Consumers ("MIEC") asked us a number of questions about why we were
8 making the investments we were making and we went to MIEC's consultants' offices, sat down,
9 and had a detailed discussion on that topic. I would suggest that it would make sense to have such
10 a meeting around the time we will be making our next SEP plan submission, i.e., in roughly
11 February or March of next year. This will allow us to account for what we have completed through
12 the end of 2021 and to finalize plans going forward in 2022 and beyond.

13 **Q. What about Dr. Marke's focus on soliciting feedback on "quantitative**
14 **metrics" and on filing reports?**

15 A. My rebuttal testimony addresses in detail Dr. Marke's premise (which is flawed)
16 that the investments we are making should, or even can be justified by a quantitative exercise. I
17 also addressed certain specific metrics that he mentioned as possibilities and explained why they
18 are not useful given the system's condition, its needs, and the problems on the system our
19 investments are addressing. That being said, having further discussions about Dr. Marke's ideas is
20 something we absolutely are willing to do. Whether and to what extent we will agree on various
21 ideas I cannot say, but I think it is always helpful to have dialogue about important issues like the
22 long-term condition and performance of our system, what its needs are and will be, and how we
23 can address those needs.

1 **Q. Do you have an opinion on whether some kind of prescribed report, quarterly**
2 **or otherwise, is warranted or even makes sense?**

3 A. Yes, I do. My opinion is that additional reporting is not warranted. The legislature
4 outlined the level of reporting that is appropriate for the investments that qualify for PISA. We are
5 in full compliance with that reporting. As I just discussed, there are opportunities for dialog and
6 formal discovery in the rate reviews when the investments we are making are placed into the
7 Company's revenue requirement. While I am not an attorney, as I understand it, the legal
8 framework under which we operate in Missouri is that we invest in our systems and those
9 investments are presumed to be prudent. We are not required to present detailed reports on them,
10 but if a party in a rate review where we seek to have those investments reflected in our rate base,
11 presents evidence raising a serious doubt about whether a particular investment was prudent, then
12 it would be incumbent on us to present evidence to the Commission on that point. Staff asked us
13 dozens of data requests in this rate case about a wide variety of aspects of our SEP investments in
14 order to evaluate the prudence of our decisions. OPC did not do this, however, they could have.
15 After we meet, as I indicated that we are willing to do, if OPC believes in future rate reviews that
16 it does not have information it needs on this topic, then they are free to ask for it.

17 **Q. Dr. Marke discusses metrics that came to mind in the context of this topic. Do**
18 **you have any comment on them?**

19 A. Dr. Marke's discussion about these metrics is not clear to me, certainly not in the
20 context of his direct testimony where it appeared that he was looking for cost/benefit analyses
21 results (which I addressed in my rebuttal testimony), and reliability metrics for our energy delivery
22 investments. Disconnection and reconnection, and arrearage data do not appear to have anything
23 to do with those topics. It is also unclear to me how load shape data, time-of-use participation, or

1 customer service metrics do either. I am not sure how he is defining an "affordability benchmark"
2 but we have routinely presented evidence in our rate reviews about how our rates compare to those
3 of other electric utilities. While we have not included that information in testimony thus far in this
4 case, I pulled the most recent data available. It shows that Ameren Missouri's residential rates are
5 24% lower than our peers both in Missouri and nationally, and that our overall rates (factoring in
6 all rate classes) are 23% lower than our peers in Missouri and 20% lower than our peers nationally.³
7 And as Mr. Wood also explained in his direct testimony in this case, if our full requested increase
8 in this case were granted, our electric rates will have increased at an annual rate of just 1.4% per
9 year over roughly the past 5 years.

10 **Q. What about Dr. Marke's reference to reliability metrics, and operations and**
11 **maintenance ("O & M") expense savings?**

12 A. We do track metrics that measure outage frequency and duration (SAIFI and
13 SAIDI) for our system and if the Commission believed it would be helpful, we would be willing
14 to submit those results annually as part of the existing reliability reporting required by 20 CSR
15 4240-23.010. In terms of O & M savings, I am not sure what Dr. Marke has in mind, but it is a
16 topic we would be willing to discuss with OPC if we meet, as I suggested earlier.

17 **Q. Does this conclude your surrebuttal testimony?**

18 A. Yes it does.

³ As of the end of 2020.

**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)
Increase Its Revenues for Electric Service.)

Case No. ER-2021-0240

AFFIDAVIT OF MARK C. BIRK

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

Mark C. Birk, being first duly sworn on his oath, states:

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

/s/ Mark C. Birk
_____)
Mark C. Birk

Sworn to me this 2nd day of November, 2021.