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Date Testimony Prepared:

Rate Design
James R. Dauphinais
Surrebuttal Testimony
Missouri Industrial Energy Consumers
ER-2011-0028
April 15, 2011

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

**In the Matter of Union Electric
Company, d/b/a Ameren Missouri's
Tariff to Increase Its Annual
Revenues for Electric Service**

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Case No. ER-2011-0028
Tariff No. YE-2011-0166

Surrebuttal Testimony of

James R. Dauphinais

on Rate Design

On behalf of

Missouri Industrial Energy Consumers

April 15, 2011



Project 9371

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)	

Surrebuttal Testimony of James R. Dauphinais

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A James R. Dauphinais. My business address is 16690 Swingley Ridge Road,
3 Suite 140, Chesterfield, MO 63017.

4 **Q ARE YOU THE SAME JAMES R. DAUPHINAIS WHO HAS FILED DIRECT**
5 **TESTIMONY ON REVENUE REQUIREMENT AND RATE DESIGN?**

6 A Yes.

7 **Q WHAT IS THE SUBJECT OF YOUR RATE DESIGN SURREBUTTAL TESTIMONY?**

8 A I respond to Ameren Missouri witness Mr. Mark Birk's rebuttal of my rate design direct
9 testimony regarding the performance trend of Ameren Missouri's generation facilities.

10 My silence on any issue should not be taken as a tacit endorsement of any
11 position taken by Ameren Missouri.

1 **Q PLEASE VERY BRIEFLY SUMMARIZE WHAT YOU DISCUSSED IN YOUR RATE**
2 **DESIGN DIRECT TESTIMONY REGARDING THE PERFORMANCE TREND OF**
3 **AMEREN MISSOURI’S BASELOAD GENERATION FACILITIES.**

4 A I presented evidence that the rolling 12-month trend line from December 2007
5 through August 2010 for Ameren Missouri’s baseload generation Equivalent Forced
6 Outage Rate (“EFOR”) increased, while Ameren Missouri’s Equivalent Availability
7 Factor (“EAF”) for that same generation decreased (Direct Rate Design Testimony of
8 Dauphinais at 3-4). I also presented an indicative example showing how a small
9 decrease in Ameren Missouri’s coal-fired generation EAF could increase Ameren
10 Missouri’s net fuel cost by millions of dollars (*Id.* at 5).

11 I concluded by recommending the Commission carefully monitor the
12 performance of Ameren Missouri’s generation facilities, especially of Ameren
13 Missouri’s baseload generation facilities.

14 **Q HOW DID MR. BIRK RESPOND IN HIS REBUTTAL TESTIMONY?**

15 A Mr. Birk responded with 12 pages of testimony. He ultimately indicated that Ameren
16 Missouri has no objection to the annual reporting of Ameren Missouri’s generating
17 unit statistics or to providing those statistics to parties to the case where the FAC at
18 issue was established (Rebuttal Testimony of Birk at 3). However, he also indicated
19 that to accurately assess the performance of a generation fleet, one must not only
20 look at EFOR and EAF, but also look at planned outages, consider the reason
21 planned outages are done, the timing of planned outages, consider the impact of all
22 of the various factors on availability, and finally, one must review that data over a
23 longer period than I did in my Rate Design Direct Testimony (*Id.* at 4). Among other
24 things, he suggested examining a six-year rolling average of EAF in addition to a
25 rolling 12-month average (*Id.* at 6). He also provides some specific discussion

1 regarding why the 12-month rolling averages of EFOR and EAF may be respectively
2 increasing and decreasing.

3 **Q HOW DO YOU RESPOND TO MR. BIRK?**

4 A Let me start by indicating, as Mr. Birk recognizes, that my testimony did not claim any
5 imprudence or inappropriate action on Ameren Missouri's part. I simply indicated the
6 data I examined suggested some slippage in EFOR and EAF values. Such slippage
7 can have a significant effect on net fuel cost. As a result, the Commission should
8 carefully monitor the performance of base load generation facilities. Also, I agree
9 with Mr. Birk's statement regarding the items that should be considered in addition to
10 the rolling 12-month EFOR and EAF when monitoring the performance of Ameren
11 Missouri's generation facilities. In regard to the additional testimony he provided
12 regarding the performance of the baseload generation facilities, I believe that is the
13 type of testimony Ameren Missouri should present with its Filings to Adjust Rates
14 under its FAC.

15 **Q DOES MR. BIRK'S REBUTTAL TESTIMONY CHANGE YOUR DIRECT**
16 **TESTIMONY RECOMMENDATION?**

17 A No. Mr. Birk's testimony only further defines the type of information that will need to
18 be reviewed in carefully monitoring the performance of Ameren Missouri's generation
19 facilities. Furthermore, his testimony regarding specific generation performance is
20 illustrative of the type of testimony Ameren Missouri should file with each of its Filings
21 to Adjust Rates. However, none of his testimony affects my recommendation that the
22 Commission carefully monitor Ameren Missouri's generation performance.

