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Witness: *Jason Kunst*  
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**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**REBUTTAL TESTIMONY**

**OF**

**JASON KUNST**

*Staff* Exhibit No. 114P  
Date 8-15-19 Reporter COT  
File No. GR-2019-0077

**UNION ELECTRIC COMPANY,  
d/b/a AMEREN MISSOURI**

**CASE NO. GR-2019-0077**

*Jefferson City, Missouri  
June 2019*

**\*\* Denotes Confidential Information \*\***



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**JASON KUNST**  
**UNION ELECTRIC COMPANY,**  
**d/b/a AMEREN MISSOURI**  
**CASE NO. GR-2019-0077**

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1 PROPERTY TAX APPEALS AND REFUNDS

2 Q. Please provide a summary of Ameren Missouri's recent property tax appeals.

3 A. Ameren Missouri has been involved in ongoing appeals related to its gas  
4 operations since 2013. The appeals are for taxable years 2013 through 2018, and have  
5 accumulated to an amount of \*\* \_\_\_\_\_ \*\*. In its appeals Ameren Missouri claimed that  
6 various county assessors failed to appropriately consider depreciation when determining the  
7 assessed value of the property, and alleged that this resulted in overvaluation, non-uniformity,  
8 and failure to comply with state law on the part of the counties. This overvalued property was  
9 then used to determine the ongoing property tax expense for which Ameren Missouri has  
10 continued to pay in protest.

11 The appeals were denied by the various counties and were taken by Ameren Missouri  
12 to the Missouri State Tax Commission in 2015. The Missouri State Tax Commission ruled in  
13 favor of the counties in October of 2015, and Ameren Missouri appealed the ruling to the circuit  
14 courts who upheld the ruling of the Missouri State Tax Commission. Finally, Ameren Missouri  
15 appealed to the Missouri Court of Appeals.

16 In the fall of 2017, Ameren Missouri prevailed in the three Missouri Courts of Appeals  
17 (Western, Eastern, and Southern Districts) regarding the property tax issues. The counties then  
18 appealed to the Missouri Supreme Court, who declined to hear the issue so the issue was  
19 remanded back to the Missouri State Tax Commission. The Missouri State Tax Commission  
20 then held a hearing in September of 2018, to determine the appropriate assessed value of the  
21 property, this time with consideration of depreciation.

22 On May 17, 2019 the Missouri State Tax Commission issued an order ruling in favor of  
23 Ameren Missouri in regards to the appeal with Cole County for the 2013 property taxes.

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1 The parties<sup>1</sup> agreed that the findings of the Cole County appeal would be applicable to all of  
2 the 2013 property tax appeals that were remanded back to the Missouri State Tax Commission.  
3 The Missouri State Tax Commission ordered the counties to retain the disputed amount of taxes  
4 in escrow, as any of the parties still has the ability to file an Application for Review<sup>2</sup>. The  
5 counties can also seek further appeals of the most recent Missouri State Tax Commission ruling.

6 Q. Has Ameren Missouri paid the full amount of property tax, including any  
7 amount under protest, during the years of appeal?

8 A. Yes. Ameren Missouri paid the full amount of the property tax that was due;  
9 however, a portion of each payment has been put into an escrow account as the appeals have  
10 been ongoing.

11 Q. Does the Missouri State Tax Commission ruling apply to years other than 2013?

12 A. No. The State Tax Commission's ruling is only applicable to property tax  
13 appeals for year 2013. \*\* \_\_\_\_\_  
14 \_\_\_\_\_  
15 \_\_\_\_\_ \*\*

16 Q. What level of property tax expense has Staff included in its cost-of-service  
17 calculation?

18 A. Staff has included \*\* \_\_\_\_\_ \*\* which represents the actual payments  
19 made by Ameren Missouri in December 2018. That amount includes \*\* \_\_\_\_\_ \*\* that  
\_\_\_\_\_

<sup>1</sup> Ameren Missouri, Bollinger County, Butler County, Callaway County, Cape Girardeau County, Cole County, Cooper County, Howard County, Lincoln County, Moniteau County, Pike County, Ralls County, Randolph County, Scott County, Stoddard County, and Warren County.

<sup>2</sup> An application for review is a filing with the Missouri State Tax Commission requesting that the Decision of the Hearing Officer be reviewed. The Commissioners will then review the Decision of the Hearing Officer and may then affirm, modify, or reverse the Decision.

1 Ameren Missouri paid under protest and is seeking a refund of as part of its efforts in the  
2 ongoing property tax appeals process.

3 Q. Is Staff recommending inclusion of any property tax refunds in the cost of  
4 service in this rate proceeding?

5 A. \*\* \_\_\_\_\_  
6 \_\_\_\_\_  
7 \_\_\_\_\_  
8 \_\_\_\_\_ \*\* Staff

9 recommends that any refunded amounts received by Ameren Missouri that are known and  
10 measurable through the true-up cutoff date of this case should be returned to the ratepayers over  
11 \*\* \_\_\_\_\_ \*\* as part of this rate proceeding.

12 Q. Why is Staff recommending these amounts be returned to ratepayers over  
13 \*\* \_\_\_\_\_ \*\*?

14 A. \*\* \_\_\_\_\_  
15 \_\_\_\_\_  
16 \_\_\_\_\_  
17 \_\_\_\_\_ \*\*3

18 Q. What is Staff's recommendation for the remaining property tax amounts in  
19 escrow that Ameren Missouri may receive at the conclusion of appeal?

20 A. Staff proposes to track the amount of refunds Ameren Missouri receives  
21 as a result of the ongoing property tax appeals for its gas distribution operations between

<sup>3</sup> Staff Cost of Service Report – Pages 4-7.

1 June 1, 2019<sup>4</sup> through the true-up cutoff established by the Commission in its next general rate  
2 case<sup>5</sup>. Staff recommends that the Commission require Ameren Missouri to record all property  
3 tax refund amounts as a deferred regulatory liability during this interval of time. Specifically,  
4 Staff proposes to track the amounts Ameren Missouri is refunded from the appeals for years  
5 2013 through 2018 and for any additional property tax appeal refunds from 2019 and 2020 if  
6 they exist. Refunds that are received prior to the May 31, 2019 true-up period in the current  
7 case would be excluded from the tracker. The proper ratemaking treatment for this regulatory  
8 liability would be determined by the Commission in a future rate case.

9 Q. Would Staff's proposed tracking mechanism capture the change in property  
10 taxes from year to year?

11 A. No. Staff is not proposing to track the yearly increases and/or decreases that  
12 occur in the level of property tax payments made by Ameren Missouri. Staff's tracking  
13 mechanism would solely track the property tax refunds received by Ameren Missouri that occur  
14 past the true-up cutoff date in the current case for the on-going property tax appeals.

15 Q. Is there Commission precedent for tracking property tax refunds?

16 A. Yes. In a prior Ameren Missouri electric rate case, Case No. ER-2011-0028,  
17 Ameren Missouri was in the process of appealing \$29 million of the \$119 million property taxes  
18 paid in 2010. In its Report and Order the Commission issued the following ruling:

19 The only question before the Commission at this time is  
20 whether to order Ameren Missouri in this case to return any  
21 tax refund it may receive to its customers. There is no  
22 disagreement about Ameren's duty to track that refund. If

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<sup>4</sup> June 1, 2019 is one day after the May 31, 2019 true-up cutoff established by the Commission in Case No. GR-2019-0077.

<sup>5</sup> Staff would address the appropriate ratemaking treatment for any property tax refund amounts that may occur beyond the true-up cutoff date in Ameren Missouri's next general rate proceeding during the course of that proceeding.

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1 Ameren Missouri does receive a tax refund, then the  
2 Commission would certainly expect that the company would  
3 return that refund to its customers who are ultimately paying  
4 the tax bill. It is hard to imagine any circumstance in which  
5 such a refund would not be ordered. However, such an order  
6 must wait until a future rate case in which that decision will  
7 be presented to the Commission.

8 Any such order the Commission could issue in this case  
9 would be ineffective, as this Commission cannot bind a  
10 future Commission. At this time, The Commission can only  
11 order Ameren Missouri to track any possible refund.  
12 A decision about how any such refund is to be handled must  
13 be left to a future rate case.

14 Q. Did Staff include the full amount, including that paid in protest, of property taxes  
15 paid by Ameren Missouri in the cost of service in Case No. ER-2011-0028?

16 A. Yes.

17 Q. Did Ameren Missouri receive property tax refunds in its subsequent electric rate  
18 case, Case No. ER-2012-0166, and how did the Commission treat the tracked property tax  
19 refund amount?

20 A. Yes. During the summer of 2011, Ameren Missouri reached a settlement with  
21 all of the counties involved in the property tax appeal at that time. As a result of the settlement  
22 agreement Ameren Missouri received an approximate \$2.9 million property tax refund which  
23 represented roughly one-tenth of the overall \$29 million appeal amount.

24 Q. In Case No. ER-2012-0166, did the Commission ultimately determine that the  
25 \$2.9 million property tax settlement refund that was received by Ameren Missouri should be  
26 returned to ratepayers?

27 A. Yes. On Page 47 of its *Report and Order* in that rate case the Commission stated  
28 the following:



1 Ameren Missouri shall return the \$2.9 million tax refund to  
2 ratepayers, amortized over two years.

3 Q. Is Staff recommending the same treatment as ordered by the Commission in  
4 Case No. ER-2011-0028 for the property tax refunds?

5 A. Yes, for refunds received by Ameren Missouri after the true-up date of May 31,  
6 2019 in the current case, Staff is recommending that Ameren Missouri track any refunds it  
7 receives beyond that date so that a future Commission may determine the appropriate regulatory  
8 treatment for those refunds.

9 Q. Please quantify the potential impact of the refunds to ratepayers.

10 A. Ameren Missouri gas operations has approximately 130,000<sup>6</sup> customers  
11 compared to Ameren Missouri's approximately 1.2 million electric customers. At the time  
12 of the 2011 electric rate case the potential \$29 million refund that Ameren Missouri was  
13 ordered to track in the electric case, amounted to approximately \$24/customer, while the  
14 potential refund for the gas customers is approximately \*\* \_\_\_\_\_ \*\* with potential to  
15 become even larger if the appeals process is extended to tax years 2019 and beyond. For  
16 perspective, in the current case Ameren Missouri requested a rate increase of \$4.26 million and  
17 the amount of just the 2018 property taxes under appeal is \*\* \_\_\_\_\_<sup>7</sup> \_\_\_\_ \*\* . The reduction  
18 in ongoing property taxes of this amount alone would nearly offset the rate increase amount  
19 requested in this case to \*\* \_\_\_\_\_ \*\* if Ameren Missouri is ultimately successful with the  
20 remainder of their appeals.

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<sup>6</sup> From page 7, line 3 of the Direct Testimony of Ameren Missouri witness Warren Wood.

<sup>7</sup> \*\*

\*\*

1 SOFTWARE ALLOCATIONS

2 Q. Please provide a brief description of the issue.

3 A. Ameren entities utilize various software packages in the course of their  
4 operations. These software packages are owned by various regulated affiliates but are also used  
5 by the various regulated and non-regulated subsidiaries of Ameren. Previously, when Ameren  
6 affiliates used software that was not owned by the affiliate, they were charged rental expense  
7 for their use of the software packages that were owned and recorded on the books of another  
8 affiliate. The affiliate that owned the software then recorded rental revenue for the other  
9 affiliates use of their assets. \*\*

10 \_\_\_\_\_  
11 \_\_\_\_\_  
12 \_\_\_\_\_  
13 \*\*

14 Specifically the issue that has arisen in this case regards Ameren Missouri's allocation  
15 of software assets amongst its electric and gas operations. It was discovered that Ameren  
16 Missouri's gas operations had not been properly allocated its portion of certain software assets  
17 that had been recorded fully on the books of the electric utility. Ameren Missouri's position as  
18 proposed in this case is that the gas operations were not properly allocated their portion of the  
19 return on investment and depreciation for software assets owned by Ameren Missouri nor were  
20 they allocated the software rental expense and rental income associated with software assets  
21 that are either owned by Ameren Missouri and used by other Ameren affiliates or owned by  
22 other Ameren affiliates and used by Ameren Missouri.

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1 Q. How did Ameren Missouri propose to remedy the software assets allocation  
2 error in its direct testimony?

3 A. In her direct testimony Ameren Missouri witness Laura M. Moore proposed an  
4 adjustment to include in this case the gas portion of certain software assets and the related  
5 revenues and expenses that are currently being recovered from electric customers in rates that  
6 were established in Ameren Missouri's most recent electric rate case, Case No. ER-2016-0179.  
7 The following chart summarizes the gas revenue requirement impact of the software allocations  
8 as proposed by Ameren Missouri witness Moore:

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Q. How did Ameren Missouri propose to account for the double recovery that would result from inclusion of the software in gas rates that is currently being recovered through electric rates?

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A. In her direct testimony, Ms. Moore proposed to track the return on investment, expenses, and revenues associated with the allocated software that was included in electric rates beginning with the effective date of rates in the current gas case. The tracked amounts would then be returned to electric rate payers in the next Ameren Missouri electric rate case.

12

Q. Does Staff agree with the tracking proposed by Ameren Missouri witness Moore?

14

A. No. Staff's position is that it is inappropriate to include the software assets and the corresponding rental revenues in gas cost-of-service at this time as it will create a double recovery situation. As these costs and revenues are currently being fully recovered from electric

16

1 customers, Staff cannot support a tracker that would allow Ameren Missouri to double recover  
2 these costs from both its electric and gas ratepayers.

3 Q. Should Ameren Missouri gas operations receive an allocated portion of these  
4 capital costs and related revenues?

5 A. Yes, a portion of these capital costs and revenues should be properly allocated  
6 to Ameren Missouri gas operations. However, as stated above, it would be inappropriate  
7 to allow Ameren Missouri to effectively double recover these costs through both gas and  
8 electric rates.

9 Q. What does Staff recommend?

10 A. Staff's position is that since these costs are already being recovered in current  
11 electric rates, it would be more appropriate to first correct the allocation issue in the planned  
12 2019 Ameren Missouri electric rate case<sup>8</sup> by removing the portion that should be allocated to  
13 gas at that time. \*\* \_\_\_\_\_

14 \_\_\_\_\_ \*\*

15 Q. Is there other software that is not being currently recovered in electric rates as  
16 established in Case No. ER-2016-0179 that a portion should be included in the current gas case?

17 A. Yes, Staff has included the estimated net value of these assets as of May 31,  
18 2019 in its gas cost-of-service calculation. These are new software assets that were not  
19 in-service at the time of the true-up cutoff of the previous electric rate case. The actual value  
20 of these assets will be included in the cost of service during Staff's true-up audit.

21 Q. Has Ameren changed the way it allocates software between the affiliates that  
22 should prevent allocation errors in the future?

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<sup>8</sup> On May 3, 2019, in Case No. ER-2019-0335, Ameren Missouri filed a Notice of Intention to File a Case, indicating it may file new or modified tariff sheets to initiate a general electric rate increase.

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A. \*\*

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Q. \*\*

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A. \*\*

\*\* Staff will further examine this issue during its true-up audit in the  
current gas case and in the upcoming Ameren Missouri electric rate Case No. ER-2019-0335.

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1 **GAS OPERATING FACILITIES**

2 Q. \*\* \_\_\_\_\_  
3 \_\_\_\_\_ \*\*

4 A. \*\* \_\_\_\_\_  
5 \_\_\_\_\_ 11 \_\_\_\_\_  
6 \_\_\_\_\_  
7 \_\_\_\_\_  
8 \_\_\_\_\_

9 \_\_\_\_\_ \*\*

10 Q. Did Staff propose any adjustments in its direct testimony to address any of the  
11 changes that occurred due to \*\* \_\_\_\_\_ \*\*?

12 A. No. At the time of its direct filing, Staff had not received the responses  
13 to several data requests that sought additional information regarding specifics of the  
14 \*\* \_\_\_\_\_ \*\* and any changes to investment, expense, or revenue related to  
15 Ameren Missouri's facilities before internal deadlines.

16 Q. Has Staff since received responses to its discovery regarding Ameren Missouri  
17 facilities?

18 A. Yes. Staff has been provided with responses to Staff Data Request Nos. 0218.1,  
19 0218.2, 0218.3, and 0228. \*\* \_\_\_\_\_  
20 \_\_\_\_\_  
21 \_\_\_\_\_  
22 \_\_\_\_\_

<sup>11</sup> HOK is a design, architecture, engineering and planning firm.

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2 \_\_\_\_\_  
3 \_\_\_\_\_

4 \_\_\_\_ \*\* Staff is recommending an adjustment of \*\* \_\_\_\_ \*\* to remove remaining costs  
5 for the \*\* \_\_\_\_\_ \*\* that occurred during the test year as these costs  
6 will no longer be ongoing.

7 Q. Did the \*\* \_\_\_\_\_ \*\* provide an opportunity for Ameren  
8 Missouri to \*\* \_\_\_\_\_ \*\*?

9 A. \*\* \_\_\_\_\_  
10 \_\_\_\_\_  
11 \_\_\_\_\_  
12 \_\_\_\_\_ \*\*

13 Q. \*\* \_\_\_\_\_ \*\*

14 A. \*\* \_\_\_\_\_  
15 \_\_\_\_\_  
16 \_\_\_\_\_ \*\*

17 Q. \*\* \_\_\_\_\_  
18 \_\_\_\_\_ \*\*

19 A. \*\* \_\_\_\_\_  
20 \_\_\_\_\_  
21 \_\_\_\_\_ \*\*

22 Q. Is Staff proposing a recommendation related to the \*\* \_\_\_\_\_  
23 \_\_\_\_\_ \*\*?



1 A. No. \*\* \_\_\_\_\_  
2 \_\_\_\_\_  
3 \_\_\_\_\_  
4 \_\_\_\_\_

5 \_\_\_\_\_ 12 \*\*  
6 Q. It seems Staff plans to recommend future ratemaking treatment regarding  
7 \*\* \_\_\_\_\_ \*\*. Why is Staff not  
8 recommending certain ratemaking treatment regarding \*\* \_\_\_\_\_  
9 \_\_\_\_\_ \*\*?

10 A. The \*\* \_\_\_\_\_  
11 \_\_\_\_\_  
12 \_\_\_\_\_ \*\*

13 **DONATED PROPERTY**

14 Q. Does Staff have any other concerns regarding Ameren Missouri's facilities?  
15 A. Yes. \*\* \_\_\_\_\_  
16 \_\_\_\_\_ \*\* It has  
17 come to Staff's attention that in 2007, Ameren Missouri had already previously owned and then  
18 donated the land and structures that were located at 701 Colorado in Eldon Missouri to  
19 American Legion Post 229 for use as a clubhouse, replacing the property on the West side of  
20 the Osage River that was being leased by the Legion from Ameren Missouri. \*\* \_\_\_\_\_

\_\_\_\_\_ 12 \*\*  
\_\_\_\_\_ \*\*

1 \_\_\_\_\_  
2 \_\_\_\_\_ \*\* It is concerning to Staff that Ameren Missouri \*\* \_\_\_\_\_ \*\*  
3 a rate regulated asset that was previously owned by Ameren Missouri and funded by ratepayers  
4 that was then donated in 2007 without Commission permission.

5 Q. Please provide a timeline of the events leading to the \*\* \_\_\_\_\_ \*\* of the  
6 facilities located at 701 Colorado.

7 A. The American Legion post had been leasing property from Ameren Missouri  
8 that was located on the west side of the Osage River below Bagnell Dam since 1984.

9 Ameren Missouri had been assisting the American Legion to find a new site for a  
10 clubhouse since 2005 because Ameren Missouri had announced its intentions to sell and lease  
11 a portion of the land below Bagnell Dam, (including the land that was leased to the American  
12 Legion), to Silver Star Development, LLC.<sup>13</sup>

13 In December of 2007, Ameren Missouri donated the property located at 701 Colorado  
14 to the American Legion in exchange for \*\* \_\_\_\_\_ \*\*, a copy of the quit claim deed is attached as  
15 Confidential Schedule JK-r1, and then moved the operations that were located at 701 Colorado  
16 to a new facility \*\* \_\_\_\_\_

17 \_\_\_\_\_ \*\* at 804 South Walnut in Eldon, MO.<sup>14</sup> Ameren Missouri donated the  
18 701 Colorado property because of Ameren Missouri's intention to sell and lease land to

<sup>13</sup> The transaction with Silver Star Development, LLC included the lease of approximately 64 acres that were located in the flood plain below Bagnell dam. Ameren Missouri was required to retain the ownership of that portion of the transaction per FERC requirements. Ameren filed a request with the FERC to amend Ameren Missouri's license in order to sell the lands to Silver Star, but was denied. The 64 acres were the land that had been leased to the American Legion since 1984.

<sup>14</sup> \*\*

\_\_\_\_\_ \*\*

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1 Silver Star Development. Silver Star Development intended to develop the land for use as a  
2 “family-oriented entertainment, shopping and recreational complex.”<sup>15</sup>

3 \*\*

5 16

7 17

10 \*\*

11 Q. What is Staff’s concern regarding the donation of the 701 Colorado property to  
12 the American Legion?

13 A. Staff is concerned that Ameren Missouri donated utility property that was  
14 included in rates and paid for by ratepayers without a) seeking Commission approval for the  
15 sale and/or transfer of the property and b) failing to obtain fair market value for the property  
16 that could have been used to offset the construction of the replacement facilities that were  
17 constructed to house the relocated operations at 804 South Walnut.

18 Q. Should Ameren Missouri have sought Commission approval before donating the  
19 facility to the American Legion?

<sup>15</sup> [https://www.lakeexpo.com/news/top\\_stories/amerenue-donates-building-to-american-legion-post/article\\_1a2c9069-5bd3-540f-8c57-590f7bff752a.html](https://www.lakeexpo.com/news/top_stories/amerenue-donates-building-to-american-legion-post/article_1a2c9069-5bd3-540f-8c57-590f7bff752a.html). A copy is attached as Schedule JK-r2.

16 \*\*

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17 \*\*

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1 A. Yes, according to Missouri Revised Statutes section 393.190.1:

2 No gas corporation...hereafter sell, assign, lease, transfer,  
3 mortgage or otherwise dispose of or encumber the whole or  
4 any part of its franchise, works or system, necessary or  
5 useful in the performance of its duties to the public...without  
6 having first secured from the commission an order  
7 authorizing it so to do. Every such sale, assignment, lease,  
8 transfer, mortgage, disposition...made other than  
9 accordance with the order of the commission authorizing the  
10 same shall be void.

11 Q. Does Staff believe the donated property was necessary or useful to Ameren  
12 Missouri at the time of the donation?

13 A. Yes. The fact that Ameren Missouri had to construct a replacement facility  
14 nearby to house the operations that were located at the donated property indicates that the  
15 facility was still necessary and useful in the provision of service at the time of the donation.

16 Q. What was the net book value of the property located at 701 Colorado at the time  
17 of the donation to the American Legion?

18 A. \*\* \_\_\_\_\_  
19 \_\_\_\_\_ \*\*

20 Q. What was the appraised value of the property at the time of the donation?

21 A. \*\* \_\_\_\_\_  
22 \_\_\_\_\_

23 \_\_\_\_\_ \*\* At the time  
24 of the donation to the American Legion, the property had an appraised value between

25 \*\* \_\_\_\_\_  
26 \_\_\_\_\_ \*\*

1 Q. How much did Ameren Missouri spend to construct the replacement facility  
2 located at 804 South Walnut in Eldon Missouri?

3 A. Ameren Missouri spent \*\* \_\_\_\_\_ \*\* to construct the replacement structure  
4 and improvements for the facility located at 804 South Walnut.

5 Q. Could the proceeds from the sale of the 701 Colorado facility have been used to  
6 offset the costs of constructing the new facility at 804 South Walnut?

7 A. Yes. If Ameren Missouri had sold the Colorado facility instead of donating it,  
8 given the assessed value of \*\* \_\_\_\_\_<sup>18</sup> \*\* and the net book value of \*\* \_\_\_\_\_ \*\*,  
9 Ameren Missouri could have offset \*\* \_\_\_\_\_ \*\* of the costs of constructing the  
10 replacement facility with the proceeds from selling the 701 Colorado facility.

11 Q. What does Staff propose in this case regarding the donation of the 701 Colorado  
12 facility to the American Legion?

13 A. \*\* \_\_\_\_\_  
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15 \_\_\_\_\_  
16 \_\_\_\_\_  
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18 \_\_\_\_\_  
19 \_\_\_\_\_

20 \_\_\_\_\_<sup>19</sup> \*\* In the next Ameren Missouri electric case, Case No.

<sup>18</sup> \*\* \_\_\_\_\_ \*\*

<sup>19</sup> \*\* \_\_\_\_\_ \*\*

1 ER-2019-0335, it will be necessary to make a similar adjustment to reduce rate base for the  
2 electric portion of the allocated plant.

3 Q. Why is Staff recommending that the net book value of the property, updated to  
4 current, be used to replace the purchase price of the facility?

5 A. It is Staff's position that it was inappropriate and imprudent for Ameren  
6 Missouri to donate property that was included in rates without Commission permission or  
7 giving consideration to the ratepayers when the proceeds of the sale of the facility could have  
8 been used to offset the construction of the replacement facility. Staff's position to substitute the  
9 net book value, updated through the true-up date in this case, of the 701 Colorado property,

10 \*\*

11 \_\_\_\_\_  
12 \_\_\_\_\_ \*\*

13 Q. Was it necessary for Ameren Missouri to \*\*

14 \_\_\_\_\_ \*\*?

15 A. \*\*

16 \_\_\_\_\_  
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19 \*\*

\_\_\_\_\_ \*\*

20 Q. \*\*

\_\_\_\_\_ \*\*

21 A. \*\*

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1 Q. \*\* \_\_\_\_\_ \*\*

2 A. \*\* \_\_\_\_\_

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9 Q. \*\* \_\_\_\_\_

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11 A. \*\* \_\_\_\_\_

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18 Q. \*\* \_\_\_\_\_

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20 A. \*\* \_\_\_\_\_

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Q. \*\*

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A. \*\*

<sup>21</sup> Staff Cost of Service Report – Page 37, Lines 10-20.

Rebuttal Testimony of  
Jason Kunst

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10 ALLOCATION OF AMEREN MISSOURI COSTS BETWEEN ELECTRIC AND  
11 GAS OPERATIONS

12 Q. Has Staff received a response to Staff Data Request Nos. 0186.1 and 0186.2  
13 \*\* \_\_\_\_\_  
14 \_\_\_\_\_ ? \*\*

15 A. Yes.

16 Q. Is Staff proposing further adjustments to its recommendation in direct testimony  
17 to remove \*\* \_\_\_\_\_ \*\*?

18 A. \*\* \_\_\_\_\_  
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BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

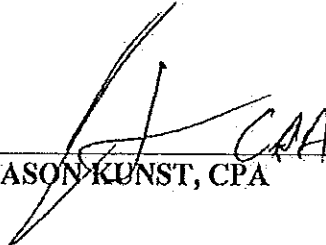
In the Matter of Union Electric Company            )  
d/b/a Ameren Missouri's Tariffs to Increase        )  
its Revenues for Natural Gas Service             )        Case No. GR-2019-0077

AFFIDAVIT OF JASON KUNST, CPA

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


COMES NOW JASON KUNST, CPA and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
JASON KUNST, CPA

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of St. Louis, State of Missouri, at my office in St. Louis, on this 6<sup>th</sup> day of June 2019.

  
\_\_\_\_\_  
Notary Public

LISA M. FERGUSON Notary Public - Notary Seal State of Missouri Commissioned for St. Louis County My Commission Expires: June 08, 2020 Commission Number: 16631502
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**SCHEDULE JK-r1**

**HAS BEEN DEEMED**

**CONFIDENTIAL**

**IN ITS ENTIRETY**

[https://www.lakeexpo.com/news/top\\_stories/amerenue-donates-building-to-american-legion-post/article\\_1a2c9069-5bd3-540f-8c57-590f7bff752a.html](https://www.lakeexpo.com/news/top_stories/amerenue-donates-building-to-american-legion-post/article_1a2c9069-5bd3-540f-8c57-590f7bff752a.html)

## AmerenUE donates building to American Legion Post 229

By LakeExpo.com Dec 21, 2007

ELDON, Mo. — AmerenUE has donated its former Eldon service building to American Legion Post 229 for use as a clubhouse, replacing property on the west side of the Osage River below Bagnell Dam that the company had leased to the organization since 1984. The Eldon property, located at 701 Colorado Avenue, includes a 6,400-square-foot building on a five-acre site. It has been appraised at \$223,000. AmerenUE representatives transferred the property today as part of a ribbon-cutting ceremony at the facility conducted by the Eldon Chamber of Commerce.

AmerenUE had been working to help the Legion find a suitable new site for the clubhouse since 2005, when the company announced its intention to sell a portion of the property below Bagnell Dam to Silver Star Development, LLC, for use as a family-oriented entertainment, shopping and recreational complex. The transaction with Silver Star involved the sale of 115 acres, plus the lease of an additional 65 acres for which AmerenUE is required to retain ownership under provisions of its federal license for Bagnell Dam and the Osage Power Plant. Terms of the sale and lease agreement were not disclosed.

"This transaction paves the way for a major new development that will benefit the economy of Lake Ozark, Miller County and the Lake of the Ozarks area for many years to come," said Mark Jordan, general supervisor, Real Estate, for AmerenUE. "In addition, the donation of our former Eldon service building provides significant benefits for the American Legion, because they will now own their own facility instead of using leased space for their activities," Jordan said.

AmerenUE's employees and equipment based in Eldon now operate from a new service building located at 804 South Walnut Street.

Case No. GR-2019-0077  
Schedule JK-r2, Page 1 of 2

Case No. GR-2019-0077  
Schedule JK-r2, Page 2 of 2



**SCHEDULE JK-r3**

**HAS BEEN DEEMED**

**CONFIDENTIAL**

**IN ITS ENTIRETY**

**SCHEDULE JK-r4**

**HAS BEEN DEEMED**

**CONFIDENTIAL**

**IN ITS ENTIRETY**