

Exhibit No.:
Issue: Rolla Incremental PGA
Witness: Anne M. Crowe
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
Case Nos.: GR-2019-0077
Date Testimony Prepared: June 7, 2019

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

PROCUREMENT ANALYSIS

Staff Exhibit No. 112
Date 8-15-19 *Reporter* COT
File No. GR-2019-0077

REBUTTAL TESTIMONY

OF

ANNE M. CROWE

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

CASE NO. GR-2019-0077

*Jefferson City, Missouri
June, 2019*



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**TABLE OF CONTENTS OF
REBUTTAL TESTIMONY OF
ANNE M. CROWE
UNION ELECTRIC COMPANY
d/b/a AMEREN MISSOURI
CASE NO. GR-2019-0077**

EXECUTIVE SUMMARY 2
ROLLA AREA INCREMENTAL PGA BACKGROUND..... 3
**STAFF’S RECOMMENDATION CONCERNING CONSOLIDATING THE
ROLLA AREA PGA/ACA..... 3**

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **ANNE M. CROWE**

4 **UNION ELECTRIC COMPANY**

5 **d/b/a AMEREN MISSOURI**

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

7 Q. Please state your name and business address.

8 A. Anne M. Crowe, P.O. Box 360, Jefferson City, MO. 65102.

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

10 A. I am employed by the Missouri Public Service Commission ("Commission") as
11 Regulatory Auditor in the Procurement Analysis Unit.

12 Q. Please describe your educational background and work experience.

13 A. I graduated from the University of Missouri in Columbia with a Bachelor of Science
14 degree in Accounting in 1989. I am currently a licensed Certified Public Accountant in the state
15 of Missouri.

16 During college and after graduation, I worked for Capital Bank as a Teller, New Accounts
17 Representative, and temporary Branch Manager. I began employment with the Commission in
18 1990 as a Regulatory Auditor in the Auditing Department. My duties included assisting with
19 audits and examinations of the books and records of utility companies operating within the state
20 of Missouri.

21 In October 1993, I obtained by current position as a Regulatory Auditor in the Procurement
22 Analysis Unit. Since that time, my responsibilities include reviewing and analyzing amounts
23 charged by natural gas local distribution companies (LDCs) through the Purchased Gas
24 Adjustment (PGA)/Actual Cost Adjustment (ACA) mechanism. Since my time in the Procurement

1 Analysis Unit, I have performed and/or assisted in performing numerous
2 ACA reviews.

3 Q. Have you previously filed testimony before this Commission?

4 A. Yes. Schedule AMC-r1, attached to my rebuttal testimony, is a listing of cases and
5 issues I have addressed in testimony.

6 Q. Have you participated in the Commission Staff's ("Staff") review of Ameren
7 Missouri's general rate case filing?

8 A. Yes, with the assistance of other members of Staff.

9 **EXECUTIVE SUMMARY**

10 Q. What is the purpose of your rebuttal testimony?

11 A. The purpose of my testimony is to respond to the direct testimony of
12 Mr. Michael W. Harding concerning Ameren Missouri's proposal to consolidate the incremental
13 Rolla Area PGA/ACA rate with the system wide PGA/ACA rate and provide Staff's
14 recommendation.

15 Q. Please explain Staff's position regarding the consolidation of the incremental Rolla
16 Area PGA/ACA rate with the system wide PGA/ACA rate.

17 A. Staff recommends consolidating the incremental Rolla Area PGA/ACA rate with
18 the system-wide PGA/ACA rate. Staff is of the opinion the consolidation of the Rolla Area
19 incremental PGA/ACA with the state-wide PGA/ACA may provide a benefit to all of Ameren
20 Missouri's customers in terms of offering a competitive PGA rate that may attract new customers
21 and potential opportunities for economic development in the communities of Rolla, Salem, and
22 Owensville. Since Ameren's acquisition of the Rolla Area, changes have occurred in the pipelines

1 serving the Rolla Area and the corresponding transportation contracts such that it seems reasonable
2 to combine the Rolla Area PGA/ACA with the state-wide PGA/ACA.

3 **ROLLA AREA INCREMENTAL PGA BACKGROUND**

4 Q. Please explain the background of the Rolla Area incremental PGA rate.

5 A. The Commission approved Ameren Missouri's purchase of the Rolla Area,
6 which includes the communities of Rolla, Salem, and Owensville, from Aquila in 2004 in
7 Case No. GM-2004-0244. The Rolla Area was served by transporting gas supply first through
8 Panhandle Eastern Pipe Line ("PEPL"),¹ then through Missouri Pipeline Company, LLC ("MPC"),
9 and finally through Missouri Gas Company, LLC ("MGC") which is the only pipeline physically
10 connected to the Rolla Area. MPC and MGC were intrastate pipelines regulated by
11 the Commission.

12 At the time of the Rolla Area acquisition, Ameren Missouri already used PEPL and MPC
13 to deliver gas supply to its Columbia/Jefferson City service area. In Case No. GM-2004-0244 the
14 Commission ordered that Rolla Area customers would pay the Columbia/Jefferson City service
15 area PGA/ACA rates and, in addition, an incremental PGA/ACA that consisted solely of
16 MGC pipeline charges.²

17 **STAFF'S RECOMMENDATION CONCERNING CONSOLIDATING THE ROLLA**
18 **AREA PGA/ACA**

19 Q. What is Ameren Missouri's proposal regarding the Rolla Area PGA/ACA?

20 A. Mr. Michael Harding proposes to consolidate the Rolla Area PGA/ACA with
21 Ameren Missouri's state-wide PGA/ACA rate.

¹ Panhandle Eastern Pipe Line is a Federal Energy Regulatory Commission ("FERC") regulated interstate pipeline

² Order Approving *Stipulation and Agreement*, Case No. GM-2004-0244, dated April 30, 2004.

Rebuttal Testimony of
Anne M. Crowe

1 Q. What is Staff's recommendation with regard to the proposal to consolidate the
2 Rolla Area PGA/ACA? Please explain.

3 A. Staff recommends consolidating the Rolla Area PGA/ACA. Since the time of
4 Ameren Missouri's acquisition of the Rolla Area, MPC and MGC have become MoGas Pipeline
5 LLC ("MoGas")³, a single interstate, FERC regulated pipeline. MoGas' pipeline rates are divided
6 into two zones. Zone 1 was formerly MPC and MIG and Zone 2 was formerly MGC. The Rolla
7 Area is in a similar geographic area as the Columbia/Jefferson City service area and is now served
8 through the same gas supply, storage, and transportation contracts that serve the
9 Columbia/Jefferson City service area. In addition, due to the incremental Rolla Area PGA/ACA
10 rate, the Rolla Area's total PGA rate has been consistently higher than the rest of Ameren's system.
11 Consolidating the Rolla Area PGA/ACA with the system-wide PGA/ACA rate, may give Ameren
12 Missouri the ability to attract additional customers to the Rolla Area, which would benefit all of
13 Ameren Missouri's customers by lowering the PGA rate.

14 Q. Do you agree with Mr. Harding's calculations of the estimated impact to the
15 non-Rolla Area customers, if the Rolla Area PGA/ACA is consolidated with the state-wide
16 PGA/ACA rate? Please explain.

17 A. No, I do not agree with the estimated impact to the non-Rolla Area customers
18 because Mr. Harding's calculations do not consider the impact of any increase in rates due to the
19 pending MoGas rate case filed on May 31, 2018⁴. Mr. Harding's calculations are based on the
20 MoGas rates in effect prior to its rate case.

³ FERC Docket No. CP06-407-000 authorized the reorganization of three affiliated pipelines MPC, MGC, and Missouri Interstate Gas LLC ("MIG") into one interstate pipeline company.

⁴ MoGas Pipeline LLC filed May 31, 2018 as docket no. RP18-877-000

Rebuttal Testimony of
Anne M. Crowe

1 Q. What is Staff's calculation of the total impact of the pending MoGas rate case to
2 both the Rolla Area and non-Rolla Area residential customers?

3 A. On May 10, 2019, MoGas filed a *Stipulation and Agreement of Settlement*
4 ("Stipulation") which contains settled rates. If FERC were to approve the Stipulation, the impact
5 of consolidating the Rolla Area PGA/ACA with the state-wide PGA/ACA rates would be a total
6 increase to non-Rolla Area residential customers of approximately \$.0107 per Ccf which is
7 approximately \$8.59 per year. The total decrease to the Rolla Area customers would be
8 approximately \$.2961 per Ccf which is approximately \$237 per year.

9 Q. Does this conclude your rebuttal testimony?

10 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 Increase)
its Revenues for Natural Gas Service) Case No. GR-2019-0077

AFFIDAVIT OF ANNE M. CROWE

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW ANNE M. CROWE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

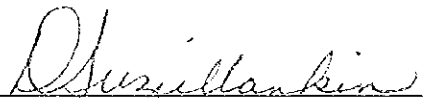


ANNE M. CROWE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 5th day of June 2019.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070



Notary Public

ANNE M. CROWE

SUMMARY OF TESTIMONY

Company Name	Case Number	Issues
Missouri Gas Energy	GR-2017-0216	School Transportation Program, Gas Supply Incentive Plan, Off-System Sales and Capacity Release Sharing Mechanism, Gas Supply and Transportation Standards of Conduct
Laclede Gas Company	GR-2017-0215	Gas Supply Incentive Plan, Off-System Sales and Capacity Release Sharing Mechanism, PGA/ACA Tariff, Gas Supply and Transportation Standards of Conduct
Missouri Gas Energy	GE-2011-0282	Waiver Request
Laclede Gas Company	GC-2011-0006	Stipulation and Agreement in Case No. GM-2001-342
Laclede Gas Company	GR-2010-0171	Natural Gas Underground Storage and Gas Supply Incentive Plan
Missouri Gas Energy	GR-2009-0355	Capacity Release and Off-System Sales
Missouri Gas Energy	GR-2007-0256	Billing Error
Union Electric Company	GR-2007-0003	Gas Inventory, ACA documentation
Missouri Gas Energy	GR-2006-0422	Gas Inventory, Uncollectible Expense, and ACA documentation
Missouri Gas Energy	GR-2004-0209	Gas Inventory, Capacity Release and Gas Purchasing Practices
Union Electric Company	GR-2003-0517	Gas Inventories
Missouri Gas Energy	GR-2001-382, GR-2000-425, GR-99-304 & GR-98-167 (Consolidated)	Purchasing Practices; Refunds
Atmos Energy Corporation and United Cities Gas Company	GR-2001-396 & GR-2001-397 (Consolidated)	Purchasing Practices – Neelyville; Purchasing Practices-Consolidated District; Deferred Carrying Cost Balance; Propane

cont'd Anne M. Crowe
 Summary of Testimony

Company Name	Case Number	Issues
UtiliCorp United Inc. and St. Joseph Light and Power Company	EM-2000-292	Conditions to be Made Part of Approved Merger
St. Joseph Light and Power Company	GR-99-246	Natural Gas Inventory Prices
Ozark Natural Gas Company	GA-98-227	Cost of Gas per Dth; Reliability of Supply and Transportation
Missouri Gas Energy	GR-98-140	Natural Gas Storage Inventory Prices
Missouri Public Service	GR-96-192	Winter Storage Allocation; Overrun Penalties
Union Electric Company	GR-97-393	Natural Gas Storage Inventory Prices
St. Joseph Light and Power Company	GR-96-47	Gas Purchasing Practices
Missouri Gas Energy	GR-96-285	Natural Gas Storage Inventory Prices
Ozark Natural Gas Company	GA-96-264	Cost of Gas per Dth; Reliability of Transportation
St. Louis County Water Company	WR-93-204	Rate Base; CWC; Dues & Donations; Misc. Expenses
United Cities Gas Company	GR-93-47	Rate Base; CWC; Dues & Donations; Misc. Expenses
Laclede Gas Company	GR-92-165	Payroll; Payroll Taxes; Employee Pensions and Benefits
Choctaw Telephone Company	TR-91-336	Payroll; Payroll Taxes; Employee Pensions/Benefits; Voucher Analysis; Other Misc. Expenses