

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

In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Tariffs to)
Increase Its Annual Revenues for)
Electric Service.)

Case No. ER-2014-0258

**FIRST AMENDED
JOINT LIST OF ISSUES, LIST AND ORDER OF
WITNESSES, ORDER OF CROSS-EXAMINATION, AND
ORDER OF OPENING STATEMENTS**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and on behalf of all the parties, tenders this *First Amended List of Issues, List and Order of Witnesses, Order of Cross Examination, and Order of Opening Statements* in satisfaction of the Commission's *Order Adopting Procedural Schedule, Establishing Test Year, and Delegating Authority* issued herein on August 20, 2014:¹

Monday, February 23, 2015

- Mark Exhibits
- Entries of Appearance
- Motions and Outstanding Matters
- Opening Statements:
 - Ameren Missouri
 - Staff of the Missouri Public Service Commission
 - Office of the Public Counsel
 - Missouri Industrial Energy Consumers/Noranda
 - Sierra Club
 - Consumers Council of Missouri
 - Midwest Energy Consumer Group
 - Missouri Department of Economic Development – Division of Energy
 - Wal-Mart and Sam's Club

¹ As Staff noted in the original *Joint List of Issues*, last-minute schedule changes and issue re-writes were pending when it was filed. It was therefore necessary for Staff to file this *First Amended Joint List of Issues, List and Order of Witnesses, Order of Cross-Examination and Order of Opening Statements*.

Cities of O'Fallon and Ballwin
IBEW Local 1439
Missouri Retailers Association
Natural Resources Defense Council
Renew Missouri
United Steelworkers
United For Missouri

1. Regulatory Policy and Economic Considerations

Moehn (Ameren Missouri) (Policy)
Stahlman (Staff) (Economic Considerations)
Marke (OPC) (Economic Considerations)

2. Advertising & Communications

- A. *What amount of advertising or communications expense should be included in Ameren Missouri's revenue requirement?*
- B. *What amount, if any, of the costs incurred by Ameren Missouri for its Community Lights campaign should be included in revenue requirement?*
- C. *What amount, if any, of the costs incurred by Ameren Missouri for its Social Media campaign should be included in revenue requirement?*
- D. *What amount, if any, of the costs incurred by Ameren Missouri for its Energy Efficiency campaign should be included in revenue requirement?*
- E. *What amount, if any, of the costs incurred by Ameren Missouri for its Cardinal Digital Outdoor Signs should be included in revenue requirement?*
- F. *What amount, if any, of the costs incurred by Ameren Missouri for its Storm Response campaign should be included in revenue requirement?*
- G. *What amount, if any, of the costs incurred by Ameren Missouri for its Reliability Fair should be included in revenue requirement?*
- H. *What amount, if any, of the costs incurred by Ameren Missouri for its Solar Energy Center Artwork should be included in revenue requirement?*
- I. *What amount, if any, of the costs incurred by Ameren Missouri for its Downtown Banners should be included in revenue requirement?*
- J. *What amount, if any, of the costs incurred by Ameren Missouri for its Louie the Lightning Bug balloon should be included in revenue*

requirement?

Muniz (Ameren Missouri)
Kunst (Staff)

Tuesday, February 24, 2015

2. Advertising & Communications

(continued if necessary)

3. Dues, including EEI and Environmental Working Groups Dues

- A. *What amount should be included in Ameren Missouri's revenue requirement for dues?*
- B. *What amount, if any, of the dues paid by Ameren Missouri to EEI should be included in revenue requirement?*
- C. *What amount, if any, of the dues paid by Ameren Missouri to the Utility Water Act Group should be included in revenue requirement?*
- D. *What amount, if any, of the dues paid by Ameren Missouri to the Utility Air Regulatory Group should be included in revenue requirement?*
- E. *What amount, if any, of the dues paid by Ameren Missouri to the United Solid Waste Activities Group should be included in revenue requirement?*
- F. *What amount, if any, of the dues paid by Ameren Missouri to the Midwest Ozone Group should be included in revenue requirement?*

Moore (Ameren Missouri)
Kunst (Staff)

4. Weather Normalization

- A. *What level of weather normalized sales should be used to establish the billing units used to set rates?*
- B. *How should the LGS and SPS weather normalization adjustments be allocated to the various rate blocks in order to establish normalized revenues at present rates?*
- C. *What capacity factor should be used for solar distributed generation systems for purposes of calculating the solar annualization adjustment to test year billing units proposed by the Company and Staff?*

- D. *What level of sales to Noranda should be assumed for the test year for purposes of establishing billing units?*

Wills (Ameren Missouri)
Kliethermes, R. (Staff)
Stahlman (Staff)
Kliethermes, S. (Staff)
Won (Staff)

5. Income Tax

- A. *Should Ameren Missouri's Net Operating Loss Carryforward Related to ADIT be included in Ameren Missouri's rate base?*
- B. *Should the Company's IRC Section 199 Deduction be computed without regard to Net Operating Loss Carryovers from prior years in determining the Company's income tax expense?*

Warren (Ameren Missouri)
Hanneken (Staff)
Brosch (MIEC)

Wednesday, February 25, 2015

5. Income Tax

(continued if necessary)

6. Coal Issues

- A. *Should the value of Ameren Missouri's coal inventory include the value of coal in transit?*
- B. *What amount should be included in the revenue requirement for coal refinements revenues for the Labadie Energy Center?*

Jones (Ameren Missouri)
Hanneken (Staff)

7. Amortizations

- A. *Should the amount of solar rebates paid by Ameren Missouri and recorded to a solar rebate regulatory asset through the end of the true-up period be included in Ameren Missouri's revenue requirement using a 3-year*

amortization period?

Moore (Ameren Missouri)²
Reed (Ameren Missouri)
Cassidy (Staff)
Meyer (MIEC)
Dittmer (CCM)

- B. *Should the amount of pre-MEEIA energy efficiency expenditures incurred by Ameren Missouri and recorded to a regulatory asset through the end of the true-up period be included in Ameren Missouri's revenue requirement and, if so, over what period should they be amortized?*
- C. *Should the amount of Fukushima flood study costs incurred by Ameren Missouri and recorded to a regulatory asset be included in Ameren Missouri's revenue requirement and, if so, over what period should they be amortized?*

Moore (Ameren Missouri)
Cassidy (Staff)
Meyer (MIEC)

8. Noranda AAO

Should the sums authorized for deferral in Case No. EU-2012-0027 be included in Ameren Missouri's revenue requirement and, if so, over what period should they be amortized?

Barnes (Ameren Missouri)
Reed (Ameren Missouri)
Cassidy (Staff)
Meyer (MIEC)
Robertson (OPC)

Thursday, February 26, 2015

9. Board of Directors-Related Expenditures

Should Ameren Missouri's allocated share of compensation paid to Ameren Corporation directors be included in revenue requirement?

Barnes (Ameren Missouri)
Kunst (Staff)

² Witnesses will take the stand once on all amortization issues or sub-issues.

Robertson (OPC)

10. Uncollectibles

What level of uncollectible accounts expense should be included in the revenue requirement?

Moore (Ameren Missouri)³
Boateng (Staff)

11. Storm Expense and Two-Way Storm Costs Tracker

- A. *Should the Commission continue a two-way storm restoration cost tracker whereby storm-related non-labor operations and maintenance (“O&M”) expenses for major storms would be tracked against the base amount with expenditures below the base creating a regulatory liability and expenditures above the base creating a regulatory asset, in each case along with interest at the Company’s AFUDC rate?*
- B. *If the storm cost tracker is not continued, what annualized level of major storm costs should the Commission approve in this case?*
- C. *Should an amount of major storm cost over-recovery by Ameren Missouri be included in Ameren Missouri’s revenue requirement and, if so, over what period should it be amortized?*

Barnes (Ameren Missouri)
Wakeman (Ameren Missouri)
Boateng (Staff)
Meyer (MIEC)
Robertson (OPC)

12. Vegetation Management and Infrastructure Inspection Trackers

- A. *What amount should be included in the revenue requirement for Vegetation Management and Infrastructure Inspection?*
- B. *Should the vegetation management and infrastructure inspection trackers be continued?*
- C. *If the vegetation management and infrastructure inspection trackers are not continued, what annualized level of vegetation management and*

³ Staff changed its position on this issue in Surrebuttal Testimony. Consequently the Company shall be allowed to conduct a live examination of Ms. Barnes to address Staff’s change of position.

infrastructure-inspection costs should the Commission approve in this case?

- D. *Should an amount of vegetation management and infrastructure inspection cost over-recovery by Ameren Missouri be included in Ameren Missouri's revenue requirement and, if so, over what period should they be amortized?*

Moore (Ameren Missouri)
Wakeman (Ameren Missouri)
Hanneken (Staff)
Meyer (MIEC)
Robertson (OPC)

13. Union Proposals

- A. *Can the Commission mandate or require that the Company address its workforce needs in a particular manner and, if so, should it do so?*
- B. *Should the Commission require the additional reporting requested by Mr. Walters?*

Wakeman (Ameren Missouri)
Walters (Unions)

Friday, February 27, 2015

14. Rate Case Expense

What is the appropriate amount to include in Ameren Missouri's revenue requirement for Rate Case Expense?

Moore (Ameren Missouri)
Sharpe (Staff)
Robertson (OPC)

15. Miscellaneous Revenue Requirement Issues

- A. *What amount of corporate franchise tax should be included in the revenue requirement?*
- B. *Should the investment through December 31, 2014, in an extension of the Nuclear Regulatory Commission ("NRC") license for the Callaway Energy Center be included in rate base if the extension is issued by the NRC by the filing of reply briefs in this case?*

- C. *How should the DOE breach-of-contract settlement amounts be treated in this case?*

Moore (Ameren Missouri)
Sharpe (Staff, Franchise Tax)
Cassidy (Staff, Callaway Life Extension)
Ferguson (Staff, DOE Breach of Contract Settlements)
Robertson (OPC)

Gary Rygh (Fuel Adjustment Clause)⁴

Monday, March 2, 2015

16. Return on Common Equity ("ROE")

In consideration of all relevant factors, what is the appropriate value for Return on Equity ("ROE") that the Commission should use in setting Ameren Missouri's Rate of Return?

Hevert (Ameren Missouri)
Gorman (MIEC)
Schafer (OPC)
Murray (Staff)

Tuesday, March 3, 2015

17. Lobbying Expenditures

Should rent allocated to Ameren Missouri for Ameren Services' office in Washington D.C. be included in the revenue requirement?

Moore (Ameren Missouri)
Kunst (Staff)
Robertson (OPC)

18. Incentive Compensation

A. *Should the safety component of the EIP-O incentive compensation plan be included in revenue requirement?*

B. *Should payments made under the BNA program be included in revenue*

⁴ Mr. Rygh, who is from New York, will be in the Midwest at this time and will stand cross-examination on fuel adjustment clause issues on this date.

requirement?

- C. *Should payments made to non-union employees made under the BBI program be included in revenue requirement?*

Bauer (Ameren Missouri)
Weisenborn (Ameren Missouri)
Sharpe (Staff)
Wells (Staff)

19. Class Cost of Service, Revenue Allocation and Rate Design

- A. *What methodology should the Commission use to allocate generation fixed costs among customer classes?*
- B. *How should the non-fuel, non-labor components of production, operation and maintenance expense be classified and allocated?*
- C. *How should any rate increase be collected from the several customer classes?*
- D. *What should the Residential Class customer charge be?*
- E. *Should the Commission approve Wal-Mart's proposed shift to increase the demand component of the hours-use rate design for Large General Service and Small Primary Service?*
- F. *Should the Commission approve Wal-Mart's recommendation to require the Company to present analyses of alternatives to the hours-use rate design in its next rate case?*
- G. *What methodology should the Commission use to allocate off-system sales revenues among customer classes?*
- H. *What methodology should the Commission use to allocate income tax expense among customer classes?*
- I. *What methodology should the Commission use to allocate fuel and purchased power costs among customer classes?*

Warwick (Ameren Missouri)
Davis (Ameren Missouri)
Brubaker (MIEC)
Scheperle (Staff)
Robin Kliethermes (Staff)

Sarah Kliethermes (Staff)
Forston (Staff)
Chriss (Wal-Mart and Sam's Club)
Marke (OPC)

Wednesday, March 4, 2015

19. Class Cost of Service, Revenue Allocation and Rate Design

(continued if necessary)

20. Depreciation

- A. *What amount of depreciation expense, including for the Meramec Energy Center retirement, should be included in Ameren Missouri's revenue requirement?*
- B. *What amount of depreciation expense should be included in Ameren Missouri's revenue requirement for Accounts 364 and 369 (minor account 1)?*

Spanos (Ameren Missouri)
Michels (Ameren Missouri)
Loos (Ameren Missouri)⁵
Rice (Staff)
Robertson (OPC)

21. Economic Development Rate Design Mechanisms

- A. *Should the Commission expand the application of Ameren Missouri's existing Economic Development Riders?*
- B. *Should the Commission modify Ameren Missouri's existing Economic Development Riders to require recipients to participate in the Company's energy efficiency programs?*
- C. *Should the Commission open a docket to explore the role economic development riders have across regulated industries (i.e. water, electric, natural gas) and/or to further explore issues raised by parties in this case and issues the Commission inquired about at the beginning of the case?*

⁵ By agreement, Mr. Loos will not stand cross-examination, but his pre-filed testimony will be admitted to the record.

Davis (Ameren Missouri)
Marke (OPC)
Scheperle (Staff)
Beck (Staff)
Lohraff (DED)
Brubaker (MIEC)

22. MEEIA Low Income Exemption

Should the Commission approve an exemption of MEEIA charges for low income customers? If so, should the cost of exemption be paid by only residential customers or all customers?

Davis (Ameren Missouri)
Stahlman (Staff)
Marke (OPC)

Thursday, March 5, 2015

23. Street Lighting

- A. *Can the Commission mandate or require that the Company sell its street lights to the Cities?*
- B. *Should the Commission approve a revenue-neutral adjustment between customer-owned and Company-owned lighting rates?*
- C. *Should the Commission eliminate the termination fees from the Ameren Missouri-owned lighting rate?*

Wakeman (Ameren Missouri)
Davis (Ameren Missouri)
Bender (City of O'Fallon)
Kuntz (City of Ballwin)

24. LED Street Lighting

Should the Commission order Ameren Missouri to continue to study the cost-effectiveness of replacement of all or parts of existing company-owned street lights with LED lights, and, no later than twelve (12) months following the Commission's Report and Order in this case, to file either proposed LED lighting tariffs or an update to the Commission on when it will file a proposed LED lighting tariff to replace existing company-owned street lights?

Davis (Ameren Missouri)
Kang (Staff)

25. Other Tariff issues

Should the Commission order the Company to eliminate the 7(M) lighting class (Municipal Incandescent Street Lighting)?

Davis (Ameren Missouri)

26. Supplemental Service

Should the Commission eliminate or modify the terms of Ameren Missouri's Supplemental Service tariff (aka. Rider E)?

Davis (Ameren Missouri)
Miller (DED)
Schroeder (DED)

Friday, March 6, 2015

27. Ameren Services Allocations

- A. *What level of Ameren Services Company allocations should be included in the Company's revenue requirement?*
- B. *Should the Commission open a separate docket to further examine Ameren Services Company's costs after this rate case is over?*

Porter (Ameren Missouri)
Hanneken (Staff)
Robertson (OPC)
Carver (MIEC)

28. Net Base Energy Costs

At what level should net base energy costs be set in this case?

Peters (Ameren Missouri)
Haro (Ameren Missouri)
Ferguson (Staff)

Hanneken (Staff)
Lange (Staff)
Maloney (Staff)
Phillips (MIEC)
Mantle (OPC)

29. Labadie ESPs

- A. *Should the Company's investment in electrostatic precipitators installed at the Labadie Energy Center be included in the Company's rate base?*

Iselin (Ameren Missouri)
Michels (Ameren Missouri)
Hausman (Sierra Club)
Carle (Staff)

- B. *Should Ameren Missouri's rate base be reduced by \$408,048 because of damage to collector plates used in the Labadie ESP project?*

Iselin (Ameren Missouri)
Carle (Staff)

Monday, March 9, 2015

30. Fuel Adjustment Clause ("FAC")

- A. *Did the Company fail to comply with the "complete explanation" provisions of 4 CSR 240-3.161(3)(H) and (I) and, if so, would this justify the elimination of the Company's fuel adjustment clause?*
- B. *Did the Company fail to provide information on the magnitude, volatility and the Company's ability to manage the costs and revenues that it proposes to include in its FAC and, if so, would this justify the elimination of the Company's fuel adjustment clause?*
- C. *If the FAC continues should the sharing percentage be changed to 90%/10%?*
- D. *What transmission charges should be included in the FAC?*
- E. *If the FAC continues, what costs and revenues should be included in the Company's FAC:*

1. *Should only fuel and purchased power costs, transportation of the fuel commodity, transmission associated with purchased power costs and off-system sales revenues be included?*
2. *If costs and revenues other than those listed in item 1 above are included in the FAC, should cost or revenue types in which the Company has incurred less than \$360,000 in the test year be included, and what charges and revenues from MISO should be included?*
3. *Should transmission revenues continue to be included in the FAC?*

Barnes (Ameren Missouri)
Francis (Ameren Missouri)
Haro (Ameren Missouri)
Jones (Ameren Missouri)
Rygh (Ameren Missouri)⁶
Dauphinais (MIEC)
Matt Barnes (Staff)
Mantle (OPC)

Tuesday, March 10 – Thursday, March 12, 2015

31. Noranda Rate Proposal

- A. *Is Noranda experiencing a liquidity crisis such that it is likely to cease operations at its New Madrid smelter if it cannot obtain relief of the sort sought here?*
 1. *If so, would the closure of the New Madrid smelter represent a significant detriment to the economy of Southeast Missouri, to local tax revenues, and to state tax revenues?*
 2. *If so, can the Commission lawfully grant the requested relief?*
 3. *If so, should the Commission grant the requested relief?*
- B. *Would rates for Ameren Missouri's ratepayers other than Noranda be lower if Noranda remains on Ameren Missouri's system at the reduced rate?*

⁶ To stand cross-examination February 27, 2015.

- C. *Would it be more beneficial to Ameren Missouri's ratepayers other than Noranda for Noranda to remain on Ameren Missouri's system at the requested reduced rate than for Noranda to leave Ameren Missouri's system entirely?*
- D. *Is it appropriate to redesign Ameren Missouri's tariffs and rates on the basis of Noranda's proposal, as described in its Direct Testimony and updated in its Surrebuttal Testimony?*
1. *If so, should Noranda be exempted from the FAC?*
 2. *If so, should Noranda's rate increases be capped in any manner?*
 3. *If so, can the Commission change the terms of Noranda's service obligation to Ameren Missouri and of Ameren Missouri's service obligation to Noranda?*
 4. *If so, should the resulting revenue deficiency be made up by other rate payers in whole or in part?*
 5. *If so, how should the amount of the resulting revenue deficiency be calculated?*
 6. *If so, can the resulting revenue deficiency lawfully be allocated between ratepayers and Ameren Missouri's shareholders?*
 - i. *How should the revenue deficiency allocated to other ratepayers be allocated on an interclass basis?*
 - ii. *How should the revenue deficiency allocated to other ratepayers be allocated on an intra-class basis?*
 7. *If so, what, if any, conditions or commitments should the Commission require of Noranda?*
- E. *What is Ameren Missouri's variable cost of service to Noranda?*
1. *Should this quantification of variable cost be offset by an allowance for Off-System Sales Margin Revenue?*
 2. *What revenue benefit or detriment does the Ameren Missouri system receive from provision of service to Noranda at a rate of \$32.50/MWh?*

- F. *Should Noranda be served at rate materially different than Ameren Missouri's fully distributed cost to serve them? If so, at what rate?*
- G. *Is it appropriate to remove Noranda as a retail customer as proposed by Ameren Missouri in its Rebuttal Testimony?*
1. *Can the Commission cancel the Certificate of Convenience and Necessity that was granted for Ameren Missouri to provide service to Noranda and, if so, would the cancellation of the CCN be in the public interests?*
 2. *Can the Commission grant Ameren Missouri's proposal since notification regarding the impact of this proposal on its other customers' bills was not provided to Ameren Missouri's customers?*
 3. *If the Commission grants Ameren Missouri's proposal, should the costs and revenues flow through the FAC?*
 4. *Can Ameren Missouri and Noranda end their current contract without approval of all of the parties to the Unanimous Stipulation and Agreement in the case in which Ameren Missouri was granted the CCN to serve Noranda?*

Humphreys (Ameren Missouri)⁷

Reed (Ameren Missouri)⁸

Boyles (Noranda)⁹

Schwartz (Noranda)

Harris (Noranda)

Pratt (Noranda)

Brubaker (Noranda)

Dauphinais (Noranda)

Fayne (Noranda)

Kip Smith (Noranda)

Scheperle (Staff)

Kliethermes, S. (Staff)

Mantle (OPC)

Haslag (MIEC/Noranda)¹⁰

⁷ Due to travel commitments, Mr. Humphreys will testify first.

⁸ Due to travel commitments, Mr. Reed's testimony needs to conclude on March 9.

⁹ Due to travel commitments, Mr. Boyles' testimony will need to conclude on or before March 11.

¹⁰ Due to his teaching schedule, Mr. Haslag is available to testify only Wednesday, March 11.

Davis (Ameren Missouri)
 Michels (Ameren Missouri)
 Mudge (Ameren Missouri)

Friday, March 13, 2015

(If Needed)

ORDER OF CROSS EXAMINATION:

<i>Company Witnesses:</i>	<i>MIEC/Noranda Witnesses:</i>	<i>DED Witnesses</i>
United for Missouri	United Steel Workers	Renew Missouri
MECG	OPC	Sierra Club
Wal-Mart and Sam's Club	CCM	NRDC
Union	Staff	United Steel Workers
DED	Wal-Mart and Sam's Club	CCM
Cities	Cities	MIEC/Noranda
Sierra Club	Sierra Club	Cities
NRDC	Renew Missouri	Wal-Mart and Sam's Club
MRA	MRA	MRA
Renew Missouri	NRDC	MECG
United Steel Workers	DED	United For Missouri
CCM	Union	Union
OPC	United For Missouri	OPC
MIEC	MECG	Staff
Staff	Ameren Missouri	Ameren Missouri

<i>Sierra Club Witnesses:</i>	<i>OPC Witnesses:*</i>	<i>Staff Witnesses:*</i>
DED	CCM	MIEC/Noranda
NRDC	NRDC	United Steel Workers
Renew Missouri	Renew Missouri	OPC
United Steel Workers	Sierra Club	CCM
CCM	Staff	DED
MIEC/Noranda	MIEC/Noranda	Wal-Mart and Sam's
Cities	United Steel Workers	Cities
Wal-Mart and Sam's Club	Cities	Union
MRA	MRA	MRA
MECG	DED	MECG
Union	Wal-Mart and Sam's Club	NRDC
United for Missouri	United for Missouri	Renew Missouri
OPC	Union	Sierra Club
Staff	MECG	United for Missouri
Ameren Missouri	Ameren Missouri	Ameren Missouri

***NOTE:** For Class Cost of Service and Rate Design, MIEC will be the last party to examine OPC and Staff

witnesses.

<i>Cities Witnesses:</i>
DED
NRDC
Renew Missouri
United Steel Workers
CCM
MIEC/Noranda
Sierra Club
Wal-Mart and Sam's Club
MRA
MECG
Union
United for Missouri
OPC
Staff
Ameren Missouri

The parties agree to waive cross examination of any witness not listed in the above *List and Order of Witnesses*.

WHEREFORE, the Staff of the Missouri Public Service Commission and the other parties hereto jointly tender this *List of Issues, List and Order of Witnesses, Order of Cross Examination, and Order of Opening Statements* in satisfaction of the Commission's *Order Adopting Procedural Schedule, Establishing Test Year, and Delegating Authority* issued herein on August 20, 2014.

Respectfully submitted,

s/ Kevin A. Thompson
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Missouri Bar Number
36288
Chief Staff Counsel

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Attorney for the Staff of the Missouri
Public Service Commission.

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this **19th day of February, 2015**, to the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

s/ Kevin A. Thompson