

1 I N - C A M E R A P R O C E E D I N G S

2 JUDGE WOODRUFF: All right. We're
3 in-camera. Go ahead and read the paragraph in the
4 document.

5 JOHN CASSIDY testified as follows:

6 THE WITNESS: Based on the required
7 quarterly FAC surveillance report submitted in EFIS
8 on August 21, 2012, Ameren Missouri reports that
9 for the 12 months ending June 30, 2012, it achieved
10 an actual ROE of 11.52 percent. Please see
11 JPC-SUR-1 attached to this surrebuttal testimony.

12 This schedule indicates that Ameren
13 Missouri has not only achieved its authorized ROE
14 from July 1, 2011, one month before rates were put
15 into effect in its last rate case, ER-2015-0028
16 through June 30, 2012, but has, in fact, overearned
17 during this time period.

18 If Ms. Barnes' plant in service
19 proposal was approved, this would only exacerbate
20 future overearnings occurrences similar to Ameren
21 Missouri's current overearnings situation.

22 BY MR. DOWNEY:

23 Q. Thank you. And --

24 JUDGE WOODRUFF: All right. Now your
25 next question is going to be about correcting that?

1 MR. DOWNEY: Yes.

2 JUDGE WOODRUFF: Does that need to be
3 in-camera?

4 MR. LOWERY: No.

5 JUDGE WOODRUFF: All right. We'll
6 come out of in-camera then.

7 (WHEREUPON, the in-camera portion of
8 John Cassidy's testimony was concluded.)

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1 Mr. THOMPSON: It's highly
2 confidential because it has a projection of when
3 there will be -- are we in camera?

4 JUDGE WOODRUFF: We're in camera.

5 MR. THOMPSON: -- of when there will
6 be another rate case decision after this one.

7 COMMISSIONER HALL: My first question
8 was -- that was my guess -- where does it say that?

9 MR. THOMPSON: It says, in the
10 minutes of the Executive Leadership Team offsite
11 meeting, page 7 notes that Ameren's forecast
12 includes rate cases with new rates effective
13 June '15 -- that would be this case -- and November
14 2016. That would be the following case.

15 MS. TATRO: And Ameren considers that
16 material --

17 CHAIRMAN KENNEY: That's a quote
18 from their -- that's a quote from your Executive
19 Leadership Team?

20 MS. TATRO: Right. And that's
21 material non-public information. So we believe it
22 needs to be treated as highly confidential.

23 COMMISSIONER HALL: So that was the
24 basis for the 18-month normalization?

25 MR. CASSIDY: Well, the basis was an

1 examination of historical rate filings, and this
2 was something we found as part of our review of all
3 of the board minutes.

4 COMMISSIONER HALL: And it's
5 consistent.

6 MR. CASSIDY: And it's consistent
7 with what we found.

8 MS. TATRO: We confirm the accuracy.

9 JUDGE WOODRUFF: Do we still need to
10 be in camera?

11 COMMISSIONER HALL: No. Thank you.

12 JUDGE WOODRUFF: We'll come back out
13 of camera.

14 (WHEREUPON, the in-camera proceedings
15 were concluded.)

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1 JUDGE WOODRUFF: We're in camera.

2 MR. OPITZ: Thank you, Judge.

3 Ameren's highly confidential response to Staff
4 DR 166 shows that even the company had concerns
5 about whether the Commission would be able to grant
6 recovery of the deferred item for this particular
7 AAO.

8 In response to Staff's Data Request
9 No. 166 inquiring about the accounting treatment
10 Ameren used for the deferred amount, the company
11 provided the following HC response.

12 MR. MITTEN: Your Honor, could I
13 interrupt a minute? I want to make sure that
14 everybody who's not authorized to hear highly
15 confidential information has left the room.

16 JUDGE WOODRUFF: If anyone here is
17 not authorized to hear confidential information,
18 you need to leave right now.

19 MR. MITTEN: Thank you.

20 JUDGE WOODRUFF: Okay.

21 MR. OPITZ: Thank you, Judge. So in
22 response to this Staff's data request, Ameren
23 responded: In accordance with GAAP, Generally
24 Accepted Accounting Practices, Ameren Missouri did
25 not record a regulatory asset or revenue for

1 financial reporting purposes in the fourth quarter
2 of 2013 because it could not conclude that recovery
3 of these fixed costs was probable.

4 The response included a memo from an
5 external auditor in which there is a list of
6 uncertainties regarding the Noranda AAO, including
7 a bullet point that states, in a very unusual move,
8 the MoPSC predominantly and directly stated that
9 recovery is uncertain in its Noranda AAO.
10 Specifically, the MoPSC stated, quote, deferred
11 recording does not guarantee recovery in any rate
12 action. Recovery may be granted in whole,
13 partially or not at all, end quote.

14 That's all the highly confidential
15 information I have, Judge.

16 JUDGE WOODRUFF: We're coming back
17 into regular session.

18 (WHEREUPON, the in-camera portion of
19 the proceedings was concluded.)
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