

Exhibit No.: 104
Issue: Variances/RESRAM
Witness: Sarah L.K. Lange
Sponsoring Party: MoPSC Staff
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MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

TARIFF/RATE DESIGN

SURREBUTTAL TESTIMONY

OF

SARAH L.K. LANGE

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

CASE NO. EA-2018-0202

*Jefferson City, Missouri
September 2018*

~~STAFF~~ Exhibit No. 104
Date 10/31/18 Reporter SA
File No. EA 2018 0202

Surrebuttal Testimony of
Sarah L.K. Lange

1 A. Yes.

2 Q. What variance does Staff recommend to 4 CSR 240-20.100(6)?

3 A. 4 CSR 240-20.100(6) provides "In all RESRAM applications, the increase in utility
4 revenue requirements shall be calculated as the amount of additional RES compliance costs
5 incurred since the electric utility's last RESRAM application or general rate proceeding, net
6 of any reduction in RES compliance costs . . . and any new RES compliance benefits."

7 Staff and Ameren Missouri recommended the Commission grant a variance to allow
8 the market value at generation node/meter of the energy generated and associated capacity
9 sold from a renewable resource (a RES compliance benefit) to be included in the
10 determination of base and actual net energy costs in the Company's fuel adjustment clause
11 instead of in the RESRAM.

12 Q. Is it important to consider the variance to 4 CSR 240-20.100(6) as recommended in
13 the Stipulation in conjunction with variance from 4 CSR 240-20.100(6)(A)10 which states
14 "The RESRAM charge will be calculated as a percentage of the customer's energy charge for
15 the applicable billing period."?

16 A. Yes. First, recall that the RESRAM Rule requires that all costs and all benefits be
17 passed through the RESRAM. Depending on the nature of constituent parts included in any
18 given RESRAM revenue requirement at any given point in time, those costs and benefits may
19 be allocated in base rates and billed through customer charges related to capacity
20 determinants, energy determinants, or something else entirely. As netted against each other,
21 the rule requires the net cost be collected from customers as a percentage of the
22 energy charge.

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1 However, under the RESRAM tariff design initially requested by Ameren Missouri,
2 and as modified in the Stipulation, a significant portion of the RESRAM benefits (as initially
3 reflected and as changes occur over time) are excluded from the RESRAM charge. Instead,
4 those benefits – and ongoing deviations in the level of those benefits – are largely reflected in
5 the FAC. Failure to consider variances to these rules in conjunction with one another would
6 result in a mismatch to the classes – and to customers – of RESRAM costs and benefits.

7 Q. Does this conclude your surrebuttal testimony?

8 A. Yes.

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