Exhibit No.:

Issue(s): Fuel Adjustment Clause Witness: Marci L. Althoff
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Union Electric Company
File No.: ER-2019-0335

Date Testimony Prepared: Jan 21, 2020

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ER-2019-0335

REBUTTAL TESTIMONY

OF

MARCI L. ALTHOFF

ON

BEHALF OF

UNION ELECTRIC COMPANY

D/B/A AMEREN MISSOURI

St. Louis, Missouri January 2020

TABLE OF CONTENTS

I.	INTRODUCTION	. 1
II.	FUEL ADJUSTMENT CLAUSE ISSUES	. 2

REBUTTAL TESTIMONY

OF

MARCI L. ALTHOFF

FILE NO. ER-2019-0335

1		I. INTRODUCTION
2	Q.	Please state your name and business address.
3	A.	My name is Marci L. Althoff. My business address is One Ameren Plaza,
4	1901 Choute	au Ave., St. Louis, Missouri.
5	Q.	Are you the same Marci Althoff that submitted Direct Testimony in this
6	case?	
7	A.	Yes, I am.
8	Q.	What is the purpose of your rebuttal testimony?
9	A.	The purpose of my rebuttal testimony is to address certain aspects of the
10	Missouri Pub	olic Service Commission ("Commission") Staff Report's recommendations to
11	change certai	n requirements regarding the provision of information about Union Electric
12	Company d/	o/a Ameren Missouri's ("Ameren Missouri" or "Company") fuel adjustment
13	clause ("FAC	"). The proposed recommendations that I will address are:
14	•	Staff's recommendation to include the Company's managerial accounting in the
15		FAC tariff;
16	•	Staff's recommendation to require the inclusion of additional information in the
17		FAC monthly reports filed under the Company's FAC to aid Staff in performing
18		FAC tariff prudence and true-up reviews; and

1	 Staff's recommendation regarding the Voltage Adjustment Factors ("VAF") to 					AF") to				
2	be used in the FAC tariff.									
3			II.	FUEL ADJ	USTM	ENT C	LAUSI	E ISSUES		
4	Q.	What	reco	mmendations	has	Staff	made	regarding	the	filing
5	requirement	s of Ame	eren N	Missouri's FA	C?					
6	A.	Staff or	utlined	l six specific re	comm	endatio	ns at pag	ge 150 of the	Staff I	Report,
7	reflected in si	ix bullete	d item	ns. As noted ab	ove, I v	will add	ress the	second and t	hird b	ullets.1
8	The Report p	roposes t	hat A	meren Missour	ri inclu	de Atta	chment	C of my dire	ect test	timony
9	either within	the tariff	or as	an attachment	to the	tariff ir	n order t	o clarify the	major	/minor
10	accounts affiliated with the FAC. The Report also proposes that Ameren Missouri provide							orovide		
11	additional information in the FAC monthly reports, including supplemental pages and									
12	appendices included in the monthly report before the FAC rules were amended by the							by the		
13	Commission in 2018.									
14	Q.	Do you	agre	e with Staff's	recom	menda	tion to i	nclude Atta	chmei	nt C of
15	your direct testimony in the tariff or as an attachment to the tariff?									
16	A.	No, I d	o not.							
17	Q.	Do you	ı agre	e that the con	tents (of Attac	hment	C should be	inclu	ded as
18	part of FAC	monthly	repo	orts?						
19	A.	Yes, I	do. At	tachment C co	ntains	highly	detailed	explanation	s of th	e costs
20	and revenues	included	in the	e Company's FA	AC and	l provid	les the F	ederal Energ	y Reg	ulatory
21	Commission	("FERC") acco	ounts in which	those c	osts and	l revenu	es are includ	ed wit	hin the

¹ With regard to the fourth bullet, the Company of course has no objection to complying with the terms of the Commission-approved Non-Unanimous Stipulation and Agreement in File No. ET-2018-0063 but does not see a need for a further order requiring it to do so insofar as the order approving that stipulation already requires that the Company (and other parties) comply with the stipulation's terms.

- 1 Company's general ledger. Attachment C also contains certain managerial accounting
- designations (subaccounts, activity codes, and resource types) used by the Company for
- 3 further identification of FAC components.² Attachment C is included in each of the
- 4 Company's current FAC monthly reports in section 5I, pages 1-5.

5 Q. What benefit is there to including Attachment C in the tariff or as an

attachment to the FAC tariff?

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- 7 A. There is no benefit to including Attachment C in the tariff itself or as an
- 8 attachment. Indeed, the Commission's rules specifically contemplate reporting of this
- 9 information in the required FAC monthly reports instead of including it in the tariff itself.
- 10 See 20 CSR 4240-20.090(5)(I).

11 Q. Why does the Company disagree with including Attachment C in or

attached to the FAC tariff?

A. As indicated, there is no benefit to doing so because the detail provided in

Attachment C is provided each and every month as part of the periodic reporting

15 requirements under the FAC rules. Including this information in the tariff is problematic

because subaccounts or other managerial designations may be added, adjusted, or deleted

as a result of internal or external requirements. Such additions or changes, however, do not

impact the proper inclusion of the costs and revenues included in the FAC as defined by

the FERC accounts described in the Company's FAC tariff. While changes to this

20 managerial accounting have occurred from time-to-time in the past, I expect that there will

be more managerial accounting changes as a result of initiatives currently underway at the

² As prescribed by the FERC Uniform System of Accounts for Electric Utilities. Commission Rule 20 CSR 4240-20.030 requires Missouri electric utilities to keep their books and records in accordance with this FERC System of Accounts.

- 1 Company that are designed to improve and streamline the Company's managerial
- 2 accounting and reporting, and reduce accounting and reporting costs to the ultimate benefit
- 3 of Ameren Missouri customers. By including detailed managerial accounting in or attached
- 4 to the FAC tariff, the Company would effectively be prevented from making desirable
- 5 changes in its managerial accounting between general rate proceedings because, as I
- 6 understand it, FAC tariffs cannot be changed except in a general rate proceeding.
- 7 Q. How will the Company notify of any changes to managerial accounting
- 8 that impact FERC accounts included in Ameren Missouri's FAC?
- 9 A. By including notice of those changes in its monthly reports as the rule
- 10 requires.
- 11 Q. Turning to Staff's recommendation about the inclusion of additional
- information in the FAC Monthly Reports in order to aid Staff in performing FAC
- tariff prudence and true-up reviews, including supplemental pages and appendices
- included in the monthly report before the 2018 FAC rule change, do you agree with
- 15 that recommendation?
- A. Yes, in principle, I have no concern about making sure Staff has the
- information it needs. However, I would like to clarify the additional information to be
- 18 provided.
- 19 Q. What additional information does the Company agree to provide?
- 20 A. The Company agrees to provide the managerial accounting detail
- 21 previously provided in Supplemental pages 2-9 prior to the 2018 FAC rule change. The
- 22 information previously provided in Supplemental page 1 is included in the new monthly
- 23 report as part of section 5D and a summary of Supplemental page 10 is now included in

- the Fuel Adjustment Rate ("FAR") workpapers section 8.2(A).VII, which is appropriate as
- 2 the MISO settlement kilowatt-hours in the monthly report are preliminary. The information
- 3 previously provided in the appendices A and B of the Company's pre-December 2018
- 4 monthly reports is already provided to Staff through other monthly submissions apart from
- 5 the FAC monthly report. The Company agrees to continue those monthly submissions. The
- 6 information previously provided in appendix C is included in the new monthly reports in
- 7 section 5(I), as I noted earlier.

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- 8 Q. Will the supplemental detail be provided in the same format as in the
 - FAC Monthly Reports filed prior to the 2018 FAC rule change?
- 10 A. No, because in part as a result of additional requirements imposed by the
- 2018 FAC rule change, the Company now uses the Oracle Hyperion Financial Management
- 12 ("HFM") reporting system to review and report this level of managerial accounting detail.
- Put another way, the information formerly provided in Supplemental pages 2-9 used to be
- 14 generated through a manual process that has now been automated with this tool.
- 15 Consequently, while we can provide the same information, it will not be in the same format.
- 16 Instead, the Company is agreeable to providing the HFM reports used to review sections
- 5D, 5E, and 5F of the FAC monthly report as additional pages in the FAC Monthly Report.
- 18 The reports include all managerial accounting detail for each FERC account included in
- 19 the Ameren Missouri FAC.
- Q. Does this additional information provide Staff with the ability to
- 21 perform FAC tariff prudence and true-up reviews with the consistent level of detail
- 22 as they did prior to the 2018 FAC rule change?

- 1 A. Yes, I see no reason that it would not. As noted, Staff will be getting all the
- 2 information it indicated it needs to conduct FAC tariff, prudence, and true-up reviews, just
- 3 in a different format.
- 4 Q. Do you agree with Staff witness Alan Bax's calculation of the 5 appropriate Voltage Adjustment Factors ("VAF") for the FAC?
- 6 A. No, I do not. The VAF is used to adjust the FAR based on the voltage at 7 which customers are served. Customers served at primary voltages and above are 8 responsible for causing fewer line losses, and therefore, have a slightly lower FAR than 9 customers served at secondary voltages. These primary customers – those taking service 10 on rate schedules 4(M) – Small Primary Service or 11(M) – Large Primary Service – do 11 not all take service at identical voltage levels, though. Mr. Bax appears to have calculated 12 the VAF applicable to primary customers as if they all took service at the lowest primary 13 voltage level, which is incorrect. Some 4(M) or 11(M) customers connect directly to the 14 system at sub-transmission or transmission voltages. It is appropriate for the VAF 15 applicable to primary customers to reflect a weighted average of the actual voltages at 16 which primary customers are served. When factoring in the more than a quarter of load 17 served on the 4(M) and 11(M) rates that is served at these higher voltages, and employing 18 the appropriate loss factors from the Company's loss study (which both the Company and 19 Staff relied on to develop VAFs), the Primary VAF should be approximately a half percent 20 lower than the value calculated by Staff, as reflected in the Company's original filing.
- Q. Does this conclude your rebuttal testimony?
- A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Union Elec Missouri's Tariffs to Decrea Electric Service.)) File No. ER-2019-0335)			
	AFFIDAVIT OF MARCI L.	ALTHOFF		
STATE OF MISSOURI)) ss			
CITY OF ST. LOUIS)			

COMES NOW Marci L. Althoff, and on her oath declares that she is of sound mind and lawful age; that she has prepared the foregoing *Rebuttal Testimony*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Marci L. Althoff

Subscribed and sworn to before me this 2/2 day of January, 2020.

Men a. Best Notary Public

My commission expires:

GERI A. BEST
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Louis County
By Commission Expires: February 15, 2022
Commission Number: 14839811