Exhibit No.:	_____
Issue(s):	*Tartan* Criteria
Witness/Type of Exhibit:	Burdge/Surrebuttal
Sponsoring Party:	Public Counsel
Case No.:	EA-2016-0208

SURREBUTTAL TESTIMONY

OF

J. RICHMOND BURDGE

Submitted on Behalf of
The Office of the Public Counsel

UNION ELECTRIC COMPANY
D/B/A AMEREN MISSOURI

CASE NO. EA-2016-0208

September 30, 2016

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Permission and Approval of a Certificate of Public Convenience and Necessity Authorizing it to Offer a Pilot Distributed Solar Program and File Associated Tariff.	))))))	**File No. EA-2016-0208**

AFFIDAVIT OF J. RICHMOND BURDGE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

J. Richmond Burdge, of lawful age and being first duly sworn, deposes and states:

1. My name is J. Richmond Burdge. I am a Research Analyst for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

J. Richmond Burdge

Subscribed and sworn to me this 30th day of September 2016.

NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI

JERENE A. BUCKMAN
My Commission Expires
August 23, 2017
Cole County
Commission #13754037

Jerene A. Buckman
Notary Public

My Commission expires August 23, 2017.

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SURREBUTTAL TESTIMONY

OF

J. RICHMOND BURDGE

UNITED ELECTRIC d/b/a AMEREN MISSOURI

CASE NO. EA-2016-0208

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is J. Richmond Burdge and my business address is P.O. Box 2230, Jefferson City, Missouri 65102.

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

A. I am employed by the Missouri Office of the Public Counsel ("OPC") as a Research Analyst.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of the OPC.

Q. Are you the same J. Richmond Burdge who provided rebuttal testimony in this case?

A. Yes, I am.

Q. What is the purpose of this testimony?

A. The purpose of this testimony is to respond to the rebuttal testimony provided by Claire M. Eubanks on behalf of Missouri Public Service Commission Staff ("Staff") in this case. Specifically, I address her application of the "*Tartan* Criteria."

Q. What is OPC's position?

A. The solar project Ameren Missouri has proposed does not meet several of the so-called "*Tartan* Criteria" for judging the appropriateness of utility projects.

II. THE "*TARTAN* CRITERIA"

Q. What are the *Tartan* Criteria and what purpose do they serve?

A. The *Tartan* Criteria were first described in the Commission's Report and Order (pp. 10-26) in case GA-94-127, *In the Matter of the Application of Tartan Energy Company, LLC, d/b/a Southern Missouri Gas Company*.

The five *Tartan* Criteria are as follows:

1. Need for Service;
2. Applicant's Qualifications;
3. Applicant's Financial Ability;
4. Economic Feasibility of Proposal; and
5. Promotion of the Public Interest.

It is my understanding that the Commission applies the *Tartan* Criteria in order to assist in determining whether a company's request for a certificate of convenience and necessity ("CCN") is "necessary or convenient for the public service."

Q. Why did Ms. Eubanks discuss these criteria in her testimony?

A. She proposed that the Commission's Report and Order in KCP&L Greater Missouri Operations Company's ("GMO's") Greenwood solar facility case (EA-2015-0256) could "provide…guidance" to the Commission in deciding whether Ameren Missouri's proposed solar facility is "necessary or convenient for the public service".[1]

[1] EA-2016-0208, Rebuttal Testimony of Claire M. Eubanks, p. 2.

Q. Did Staff perform any analysis to demonstrate that the project proposed in the current case meets the *Tartan* Criteria?

A. No. Staff did not quantify any considerations of economic feasibility concerning this project and did not quantify any benefit to ratepayers that would result from its approval.[2] To make its case that the Company's application meets certain *Tartan* Criteria, Staff relies on the parallel case of GMO's Greenwood solar facility without examining Ameren Missouri's proposed facility adequately.

Q. Are there problems with allowing EA-2015-0256 to provide guidance in the present case?

A. Yes. It is my understanding that the Commission's Report and Order in EA-2015-0256 is currently under appeal. In this instance, the Commission's Staff has forgone the duty of analyzing the proposal at hand to present an informed analysis. Instead, Staff relies on the Commission's decision in the Greenwood case despite the imperfect parallel between the two cases as well as the uncertain position of that particular case.

III. APPLYING THE *TARTAN* CRITERIA

Q. The *Tartan* Criteria refer to a "service" provided by the utility.[3] What service would Ameren Missouri be providing to its customers with this proposal?

A. As described in my rebuttal testimony, Ameren Missouri has ample generating capacity for the next several years so the proposal cannot be said to be necessary for generating

[2] EA-2016-0208, Responses to DR 0042 Opitz, DR 0044 Opitz.
[3] GA-94-127, *In the Matter of the Application of Tartan Energy Company, LLC, d/b/a Southern Missouri Gas Company*, Report and Order, p. 10.

capacity. Ameren Missouri is also compliant with its requirements for Solar Renewable Energy Credits ("S-RECs") so the proposal does not provide the "service" of helping to meet that need. There is no evidence showing a need for the proposed "service" in order to provide safe and adequate electric service. In fact, due to the complete lack of details concerning location and construction, it is reasonable to conclude that there is not even a "proposal" for the Commission to consider.

Q. Applying the *Tartan* Criteria as closely as possible given these ambiguities, according to the first of the five criteria, is the service provided by the proposed solar facility needed?

A. No. As I have demonstrated in my rebuttal testimony and mentioned above, Ameren Missouri does not need additional facilities to serve its customers at the current time. Furthermore, this project is not necessary for Renewable Energy Standard ("RES") compliance.

Q. Is Ameren Missouri qualified to provide the service?

A. Yes, Ameren Missouri's current operation of its O'Fallon Solar plant demonstrates the company can operate solar facilities.

Q. Does Ameren Missouri have the financial ability to build the proposed solar facility?

A. OPC does not dispute that Ameren Missouri currently collects more than $3.2 billion from ratepayers and other sources annually.[4] If this project is permitted, the company will include a related $10 million in rate base, causing a concomitant rise in customer rates. In that sense, Ameren Missouri has the financial ability to complete the project. Judging by

[4] ER-2016-0179, Direct Testimony of William R. Davis, Schedule WRD-3.

its own quarterly earnings reports, which included a positive assessment from the president and chief executive officer and an upward adjustment of 2016 share price guidance, Ameren Missouri's financial health is quite robust and very capable of supporting the construction of a potential project of this size.[5]

Q. Is the proposed facility economically feasible?

A. No. There is no evidence to demonstrate the project is economically feasible. This proposal will increase rates for a potential project that customers do not need. To consider a project "economically feasible" because it will result in a relatively minor rate increase within the context of overall rate increases is not appropriate. Such a standard disregards potential impacts on low-income ratepayers, many of whom already require help from low-income assistance programs to pay their bills or arrearages. Rather, to show economic feasibility, a party should demonstrate that the benefits to customers outweigh the costs to customers. The Commission should evaluate "economic feasibility" from the ratepayer's perspective when evaluating this project.

Q. Does Ameren Missouri's proposed solar facility promote the public interest?

A. No. As I have described above and in my rebuttal testimony, this project would burden Ameren Missouri's ratepayers with the cost of a project which they do not need and provides them no known benefits. For these reasons, it would not promote the public interest, and should be rejected by the Commission.

Q. Does this conclude your testimony?

A. Yes, it does.

[5] Ameren, Q2 2016 Earnings Press Release, http://phx.corporate-ir.net/phoenix.zhtml?c=91845&p=irol-calendar