Exhibit No.:

Issues: Fuel Adjustment Clause

Witness: Matthew J. Barnes

Sponsoring Party: MO PSC Staff
Type of Exhibit: Rebuttal Testimony

Case No.: ER-2014-0258

Date Testimony Prepared: January 16, 2015

MISSOURI PUBLIC SERVICE COMMISSION REGULATORY REVIEW DIVISION

REBUTTAL TESTIMONY

OF

MATTHEW J. BARNES

UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

CASE NO. ER-2014-0258

Jefferson City, Missouri January 2015

** Denotes Highly Confidential Information **



BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Union Electric Company) d/b/a Ameren Missouri's Tariff to Increase) Its Revenues for Electric Service) Case No. ER-2014-0258
AFFIDAVIT OF MATTHEW J. BARNES
STATE OF MISSOURI)) ss COUNTY OF COLE)
Matthew J. Barnes, of lawful age, on his oath states: that he has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.
Matthew J. Sarver Matthew J. Barnes
Subscribed and sworn to before me this day of January, 2015.
SUSAN L. SUNDERMEYER Notary Public - Notary Seal State of Missouri Commissioned for Callaway County My Commission Expires: October 28, 2018 Commission Number: 14942086

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12	Q.	Please state your name and business address?	
13	A.	My name is Matthew J. Barnes and my business address is Missouri Public	
14	Service Commission, P.O. Box 360, Jefferson City, MO 65102.		
15	Q.	What is your position at the Commission?	
16	A.	I am a Utility Regulatory Auditor IV in the Energy Unit of the Regulatory	
17	Review Division.		
18	Q.	Are you the same Matthew J. Barnes that contributed to Staff's Revenue	
19	Requirement Cost of Service Report ("COS") filed on December 5, 2014, and to Staff's Clas		
20	Cost-of-Service Rate Design Report ("CCOS") filed on December 19, 2014?		
21	A.	Yes, I am.	
22	Q.	What is the purpose of your rebuttal testimony?	
23	A.	The purpose of my rebuttal testimony is to explain a correction to Staff's fuel	
24	adjustment clause ("FAC") Base Factor ("BF") it filed in Staff's CCOS. I will respond to		
25	Missouri Industrial Energy Consumer's ("MIEC") witness Maurice Brubaker's FAC proposa		
26	in his direct testimony. I will also address Office of the Public Council's ("OPC") witnes		
27	Lena M. Mantle's suggestions to either delete or change language in Union Electric Company		
28	d/b/a Amere	en Missouri's ("Ameren Missouri") current FAC tariff sheet.	

Correction to Staff's FAC Base Factor

Q.	Please explain the corrections to Staff's FAC Base Factor ("BF") rates filed in
the CCOS.	
A.	Staff first corrects the summer BF rate from ** ** per kWh to

** _____ ** per kWh and the winter BF rate from ** ____ ** per kWh to
** ____ ** per kWh. The BF rates filed in the CCOS included replacement power insurance that should have been excluded from the calculation of the BF rates. Replacement power insurance is not a variable cost that should flow through the FAC as a "fuel and purchased power expense."

Q. Did the BF rates change by removing replacement power insurance from the BF calculations?

A. Yes. The summer BF rate is reduced from ** _____ ** per kWh to

** ____ ** per kWh and the winter BF rate is reduced from ** ____ ** per kWh to

** ____ ** per kWh.

Response to MIEC Witness Maurice Brubaker

Q. What is your understanding of Mr. Brubaker's FAC proposal on behalf of the MIEC concerning Noranda?

A. Mr. Brubaker proposes to create a new tariff rate schedule applicable to Aluminum Smelters under rate classification 10(M) and leave the current Large Transmission Service rate schedule 12(M) unchanged for future use by other large transmission customers. Noranda is currently the only customer on the Large Transmission Service rate.

Q. Does Staff support Mr. Brubaker's proposal to move Noranda from the Large Transmission Service rate schedule 12(M) to the new rate schedule 10(M)?

¹ Staff's Class Cost of Service, page 41, line 14 filed December 19, 2014.

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Not at this time. Staff witness Michael S. Scheperle explains Noranda's proposals and Staff's recommendation in more detail in his rebuttal testimony.

Response to OPC Witness Lena M. Mantle

- On page 25, lines 13 through 15, of Ms. Mantle's direct testimony, she Q. suggests removal of the "Adjustment For Reduction of Service Classification 12(M) Billing Determinants" from Ameren Missouri's current FAC tariff sheet or at a minimum change the language. How do you respond?
- A. Staff does not agree that the language should be deleted from Ameren Missouri's current FAC tariff sheet. However, if the Commission decides the language should be changed, as Ms. Mantle suggests as an alternative, the Commission should set the exclusion of off-system sales amount to no more than the fixed costs set in this rate case.
 - Q. Does Staff recommend an amount for the Commission to set in this case?
- Yes. Staff witness Sarah Kliethermes recommends an amount in her rebuttal A. testimony.
 - Does this conclude your testimony? Q.
- A. Yes.