

Exhibit No.:
Issue: Fuel Adjustment Clause
Witness: Greg R. Meyer
Type of Exhibit: Direct Testimony
Sponsoring Party: MIEC
Case No.: EO-2012-0074
Date Testimony Prepared: May 14, 2012

**BEFORE THE PUBLIC SERVICE
COMMISSION OF THE STATE OF MISSOURI**

FILED
July 11, 2012
Data Center
Missouri Public
Service Commission

In the Matter of the Second Prudence
Review of Costs Subject to the
Commission-Approved Fuel Adjustment
Clause of Union Electric Company,
d/b/a Ameren Missouri

Case No. EO-2012-0074

Direct Testimony of

Greg R. Meyer

On behalf of

Missouri Industrial Energy Consumers

May 14, 2012
Project 9165

MIEC Exhibit No. 11
Date 6-21-12 Reporter KF
File No. EO-2012-0074

BAI
BRUBAKER & ASSOCIATES, INC.
CHESTERFIELD, MO 63017

BEFORE THE PUBLIC SERVICE
COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Second Prudence
Review of Costs Subject to the
Commission-Approved Fuel Adjustment
Clause of Union Electric Company,
d/b/a Ameren Missouri

Case No. EO-2012-0074

STATE OF MISSOURI

COUNTY OF ST. LOUIS

SS

Affidavit of Greg R. Meyer

Greg R. Meyer, being first duly sworn, on his oath states:

1. My name is Greg R. Meyer. I am a consultant and an Associate with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by the Missouri Industrial Energy Consumers in this proceeding on their behalf.

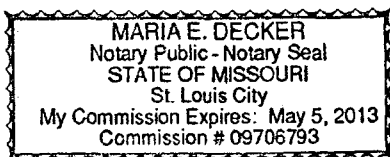
2. Attached hereto and made a part hereof for all purposes is my direct testimony which was prepared in written form for introduction into evidence in the Missouri Public Service Commission's Case No. EO-2012-0074.

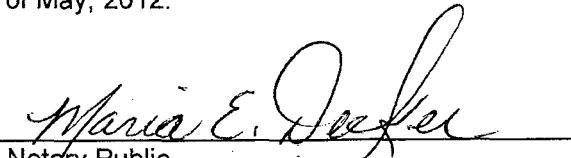
3. I hereby swear and affirm that the testimony is true and correct and that it shows the matters and things that it purports to show.



Greg R. Meyer

Subscribed and sworn to before me this 14th day of May, 2012.





Notary Public

**BEFORE THE PUBLIC SERVICE
COMMISSION OF THE STATE OF MISSOURI**

**In the Matter of the Second Prudence
Review of Costs Subject to the
Commission-Approved Fuel Adjustment
Clause of Union Electric Company,
d/b/a Ameren Missouri**

Case No. EO-2012-0074

Direct Testimony of Greg R. Meyer

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, MO 63017.

4 **Q WHAT IS YOUR OCCUPATION?**

5 A I am a consultant in the field of public utility regulation and an Associate with
6 Brubaker & Associates, Inc., energy, economic and regulatory consultants.

7 **Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

8 A This information is included in Appendix A to my testimony.

9 **Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

10 A I am appearing on behalf of the Missouri Industrial Energy Consumers ("MIEC").
11 MIEC member companies are large consumers of electricity and are materially
12 impacted by Ameren Missouri's rates.

**Greg R. Meyer
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1 **Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A I will respond to the Direct Testimony of Gary Weiss. Specifically, I am disputing the
3 assertions of Mr. Weiss as it relates to the agreement reflected in the Second
4 Nonunanimous Stipulation and Agreement ("Stipulation") approved by the
5 Commission in Case No. ER-2010-0036.

6 **Q DO YOU AGREE WITH MR. WEISS' POSITION THAT RATEPAYERS HAVE**
7 **ALREADY RECEIVED \$3.3 MILLION OF MARGINS FROM SALES TO AMERICAN**
8 **ELECTRIC POWER COMPANY ("AEP") AND WABASH VALLEY POWER**
9 **ASSOCIATION, INC. ("WABASH") CONTRACTS?**

10 A No, absolutely not. This is Paragraph 5 from the Stipulation:

11 "5. The fuel adjustment clause tariff sheets shall also be revised to
12 include an additional reduction in the numerator of the FPA factor in
13 the amount of \$300,000 per month during a twelve-month period
14 commencing with the first full month for which new rates from this case
15 are effective, which shall be accomplished in accordance with the
16 following two highlighted changes to AmerenUE's fuel adjustment
17 clause, which are in addition to changes agreed to in the First
18 Nonunanimous Stipulation and Agreement:

19
$$FPA_{(RP)} = \frac{[(CF+CPP-OSSR-TS-S-W) - (NBFC \times S_{AP})] \times ___\%}{+ I + R - N} / S_{RP}$$

21 W = \$300,000 per month for the months, ___\, 2010 through,
22 ___\, 2011. This factor "W" expires on ___\, 2011."

23 The above paragraph does not specify that the \$300,000 per month has any
24 relation to the margins actually collected from the AEP and Wabash contracts. Mr.
25 Weiss' attempt to link the provisions of Paragraph 5 to the actual margins collected
26 from the AEP and Wabash contracts is completely unfounded.

Greg R. Meyer
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1 Q WERE YOU INVOLVED IN THE NEGOTIATIONS WHICH LEAD TO THE
2 AGREEMENTS CONTAINED IN THE STIPULATION?

3 A Yes. I was a representative of the MIEC.

4 Q DO YOU BELIEVE MR. WEISS HAS CHARACTERIZED THE STIPULATION
5 CORRECTLY?

6 A No. Mr. Weiss has fundamentally misrepresented the Stipulation.

7 Q CAN YOU DESCRIBE THE MISCHARACTERIZATIONS OF MR. WEISS?

8 A Pursuant to Commission Rule 4 CSR 240-2.090(7), I cannot divulge the discussions
9 or negotiations which ultimately resulted in the Stipulation. However, I can testify that
10 Mr. Weiss has not interpreted the language contained in Paragraph 5 correctly.

11 Q SHOULD THE COMMISSION RELY ON MR. WEISS' TESTIMONY IN
12 DETERMINING THE VALUE OF SALE FROM THE AEP AND WABASH
13 CONTRACTS?

14 A No. The Commission should determine the proper level of sales margins from the
15 AEP and Wabash contracts separate and distinct from the Stipulation. The
16 Stipulation is not relevant to these proceedings.

17 Q WAS MR. WEISS THE AMEREN SPOKESPERSON FOR THE DISCUSSIONS AND
18 NEGOTIATIONS FOR THIS PORTION OF THE STIPULATION?

19 A No, he was not.

1 **Q PLEASE SUMMARIZE YOUR TESTIMONY.**

2 A Ameren has mischaracterized the conditions of the Stipulation. Mr. Weiss has a
3 complete misunderstanding of the events which lead to the establishment of
4 Paragraph 5 of the Stipulation. The Commission should not adopt the adjustment to
5 the level of margins from the AEP and Wabash contracts as proposed by Ameren.

6 **Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

7 A Yes, it does.

Qualifications of Greg R. Meyer

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, MO 63017.

4 **Q PLEASE STATE YOUR OCCUPATION.**

5 A I am a consultant in the field of public utility regulation and an Associate with the firm
6 of Brubaker & Associates, Inc. (BAI), energy, economic and regulatory consultants.

7 **Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
8 **EXPERIENCE.**

9 A I graduated from the University of Missouri in 1979 with a Bachelor of Science Degree
10 in Business Administration, with a major in Accounting. Subsequent to graduation I
11 was employed by the Missouri Public Service Commission. I was employed with the
12 Commission from July 1, 1979 until May 31, 2008.

13 I began my employment at the Missouri Public Service Commission as a
14 Junior Auditor. During my employment at the Commission, I was promoted to higher
15 auditing classifications. My final position at the Commission was an Auditor V, which I
16 held for approximately ten years.

17 As an Auditor V, I conducted audits and examinations of the accounts, books,
18 records and reports of jurisdictional utilities. I also aided in the planning of audits and
19 investigations, including staffing decisions, and in the development of staff positions in
20 which the Auditing Department was assigned. I served as Lead Auditor and/or Case

1 Supervisor as assigned. I assisted in the technical training of other auditors, which
2 included the preparation of auditors' workpapers, oral and written testimony.

3 During my career at the Missouri Public Service Commission, I presented
4 testimony in numerous electric, gas, telephone and water and sewer rate cases. In
5 addition, I was involved in cases regarding service territory transfers. In the context of
6 those cases listed above, I presented testimony on all conventional ratemaking
7 principles related to a utility's revenue requirement. During the last three years of my
8 employment with the Commission, I was involved in developing transmission policy
9 for the Southwest Power Pool as a member of the Cost Allocation Working Group.

10 In June of 2008, I joined the firm of Brubaker & Associates, Inc. as a
11 Consultant. Since joining the firm, I have presented testimony and/or testified in the
12 state jurisdictions of Florida, Idaho, Illinois, Indiana, Maryland, Missouri and
13 Washington. I have also appeared and presented testimony in Alberta and Nova
14 Scotia, Canada. These cases involved addressing conventional ratemaking
15 principles focusing on the utility's revenue requirement. The firm Brubaker &
16 Associates, Inc. provides consulting services in the field of energy procurement and
17 public utility regulation to many clients including industrial and institutional customers,
18 some utilities and, on occasion, state regulatory agencies.

19 More specifically, we provide analysis of energy procurement options based
20 on consideration of prices and reliability as related to the needs of the client; prepare
21 rate, feasibility, economic, and cost of service studies relating to energy and utility
22 services; prepare depreciation and feasibility studies relating to utility service; assist
23 in contract negotiations for utility services, and provide technical support to legislative
24 activities.

- 1 In addition to our main office in St. Louis, the firm has branch offices in
- 2 Phoenix, Arizona and Corpus Christi, Texas.

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