Exhibit No.:	
Issues:	*Report on Revenue Requirement Cost of Service, Overview of the Staff's Filing*
Witness:	*John P. Cassidy*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Direct Testimony*
Case No.:	*ER-2012-0166*
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MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION

UTILITY SERVICES

DIRECT TESTIMONY

OF

JOHN P. CASSIDY

UNION ELECTRIC COMPANY
d/b/a Ameren Missouri

CASE NO. ER-2012-0166

Jefferson City, Missouri
July 6, 2012

Staff Exhibit No. 200
Date 9-27-12 Reporter KF
File No. ER-2012-0166

EXHIBIT 200

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DIRECT TESTIMONY

OF

JOHN P. CASSIDY

UNION ELECTRIC COMPANY
d/b/a AMEREN MISSOURI

CASE NO. ER-2012-0166

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DIRECT TESTIMONY

OF

JOHN P. CASSIDY

UNION ELECTRIC COMPANY,
d/b/a AMEREN MISSOURI

CASE NO. ER-2012-0166

Q. Please state your name and business address.

A. John P. Cassidy, 111 North 7th Street, Suite 105, St. Louis, MO 63101.

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

A. I am employed by the Missouri Public Service Commission ("Commission" or "PSC") as a Utility Regulatory Auditor V.

Q. Please describe your educational background and work experience.

A. I attended Southeast Missouri State University, receiving a Bachelor of Science degree in Business Administration, with a double major in Marketing and Accounting in 1989 and 1990, respectively. Since joining the Commission's Staff in 1990, I have assisted with and directed audits and examinations of the books and records of utility companies operating within the state of Missouri.

Q. Have you previously filed testimony before this Commission?

A. Yes, I have. Please refer to Schedule 1, which is attached to this direct testimony, for a list of cases in which I have previously filed testimony as well as the issues that I have addressed in testimony.

Q. What knowledge, skills, experience, training and education do you have in the areas of which you are testifying as an expert witness?

A. I have been employed by this Commission as a Utility Regulatory Auditor for over twenty-one years and have submitted testimony on ratemaking issues numerous times before the Commission. I have also been responsible for the supervision of other Commission employees in rate cases and other regulatory proceedings. Since the time I began my employment with the Commission, I have received continuous training with regard to technical ratemaking matters both in-house and through attending National Association of Regulatory Utility Commissioners ("NARUC") sponsored regulatory seminars as well as other regulatory symposiums and conferences.

Q. Have you participated in the Commission Staff's audit of Union Electric Company, d/b/a Ameren Missouri ("Ameren Missouri" or "Company"), concerning its request for a rate increase in this proceeding?

A. Yes, I have, with the assistance of other members of the Staff. I am the Utility Services Department case coordinator facilitating the work of Staff members within that Department, and I interface and work with the Staff members from other Commission Departments that are involved in the Staff's direct case.

EXECUTIVE SUMMARY

Q. Please summarize your direct testimony in this proceeding.

A. I am sponsoring the Staff's Revenue Requirement Cost of Service Report ("Report") in this proceeding that is being filed concurrently with this direct testimony. I also provide in this direct testimony an overview of the Staff's revenue requirement determination. The Staff has conducted a review of all the components (capital structure, return on rate base, rate base, operating revenues and operating expenses)

that determine Ameren Missouri's revenue requirement. My testimony provides an overview of the Staff's work in each area.

REVENUE REQUIREMENT COST OF SERVICE REPORT

Q. Please explain the organizational format of the Staff's Revenue Requirement Cost of Service Report.

A. The Staff's Report has been organized by topic as follows:

I. Executive Summary

II. Background of Ameren Missouri

III. Test Year/True-Up Period

IV. Economic Policy

V. Major Issues

VI. Rate of Return

VII. Rate Base

VIII. Allocations

IX. Income Statement

X. Fuel Adjustment Clause (FAC)

XI. Other Items

The Rate Base and Income Statement sections have numerous subsections which explain each specific area and/or adjustment made by the Staff to the test year ending September 30, 2011. The individual Staff member responsible for each area of the Staff's direct case and/or adjustment is identified in the Report following the written discussion he or she authored, and is the expert/witness respecting that section of the Staff's Report. The Staff

may have a different or an additional expert/witness for rebuttal or surrebuttal testimony in a given area if this case goes to hearing.

OVERVIEW OF STAFF'S RECOMMENDED REVENUE REQUIREMENT

Q. In its audit of Ameren Missouri for Case No. ER-2012-0166, has the Staff examined all of the cost-of-service components comprising the revenue requirement for Ameren Missouri's electric operations in Missouri?

A. Yes.

Q. What are the cost-of-service components that comprise the revenue requirement for a regulated, investor-owned public utility?

A. The revenue requirement for a regulated, investor-owned public utility can be defined by the following formula:

Revenue Requirement = Cost of Providing Utility Service (Cost of Service)

or

$$RR = O + (V - D)R \quad \text{where,}$$

RR = Revenue Requirement

O = Operating Costs (Fuel, Payroll, Maintenance, etc.), Depreciation and Taxes

V = Gross Valuation of Property Required for Providing Service (including plant and additions or subtractions of other rate base items)

D = Accumulated Depreciation Representing Recovery of Gross Depreciable Plant Investment

V – D = Rate Base (Gross Property Investment less Accumulated Depreciation = Net Property Investment)

(V – D)R = Return Allowed on Rate Base

The "revenue requirement" calculated by this formula is the utility's total revenue requirement. In rate cases, the term "revenue requirement" generally refers to the utility's necessary incremental change in revenues based on the utility's existing rates and total cost of service.

Q. What is the objective of an audit of a regulated, investor-owned public utility for ratemaking purposes?

A. The objective of an audit is to determine the appropriate level of the components identified in my previous answer in order to calculate the revenue requirement for such a regulated utility. All relevant factors are examined and a proper relationship of revenues, expenses, and rate base is maintained. The process for making that revenue requirement determination can be summarized as follows:

1) Selection of a test year. The test year income statement represents the starting point for determining a utility's existing annual revenues, operating costs and net operating income. Net operating income represents the return on investment based upon existing rates. The test year approved by this Commission for Case No. ER-2012-0166, is the twelve months ending September 30, 2011. "Annualization," "normalization" and "disallowance" adjustments are made to the test year results when the unadjusted amounts do not fairly represent the utility's most current, ongoing and appropriate annual level of revenues and operating costs. Annualization, normalization and disallowance adjustments are explained in more detail later in this direct testimony. Also, as discussed below, additional information through July 31, 2012 will be considered for inclusion in the cost of service during the true-up audit agreed to by the Parties and ordered by the Commission.

2) Selection of a "test year update period." A proper determination of revenue requirement is dependent upon matching the rate base, return on investment, revenues, and operating costs components at the same point in time. This ratemaking principle is commonly referred to as the "matching" principle. It is a standard practice in ratemaking in Missouri to utilize a period beyond the established test year in which to match the major components of a utility's revenue requirement. By updating test year financial results to reflect information beyond the established test year, rates can be set based upon more current information. Although it is a common practice to update the test year, the Parties to this case agreed that an update was not necessary, and that post-test year financial results for the determination of revenue requirement could be adequately reflected by performing a true-up.

3) Selection of a "true-up date" or "true-up period." A true-up date generally is established when a significant change in a utility's cost of service occurs after the end of the test year update period, but prior to the operation-of-law date, and the significant change in cost of service is one the parties and/or Commission has decided should be considered for cost of service recognition in the current case. In this proceeding, the Company is expecting to experience large increases in total fuel costs, pensions and other post retirement benefits ("OPEBs") costs and to add a significant amount of plant, after the end of the test year. The cost of these and other changes will be considered for inclusion in the cost of service during the true-up audit authorized by the Commission for this case, but substantive issues that can be quantified within the timeframe of the main evidentiary hearings will be tried then and not in the true-up phase of the case.

4) Determination of Rate of Return. A cost-of-capital analysis must be performed to allow Ameren Missouri the opportunity to earn a fair rate of return on its net investment ("rate base") used in the provision of utility service. Staff witness David Murray, of the Commission's Financial Analysis Department, has performed a cost-of-capital analysis and is sponsoring a section of the Staff's Revenue Requirement Cost-of-Service Report to explain and provide the results of his analysis.

5) Determination of Rate Base. Rate base represents the utility's net investment used in providing utility service, on which the utility is permitted the opportunity to earn a return. For its direct filing, the Staff has determined Ameren Missouri's rate base consistent with the end of the test year established for this case, September 30, 2011, and estimated amounts through the true-up cut-off date, July 31, 2012, for plant, depreciation reserve and accumulated deferred income taxes. These estimates will be replaced with actual amounts following the true-up as authorized by the Commission. Other rate base components reflect the last known balance, which will also be replaced with actual amounts following the true-up. Rate base includes, e.g., plant in service (plant fully operational and used for service), cash working capital, materials and supplies, prepayments, fuel inventories, accumulated reserve for depreciation, accumulated deferred income tax, etc.

6) Net Operating Income from Existing Rates. The starting point for determining net income from existing rates is the unadjusted operating revenues, expenses, depreciation, and taxes for the test year which is the twelve-month period ending September 30, 2011, for this case. All of the utility's specific revenue and expense categories are examined to determine whether the unadjusted test year results require adjustments in order to fairly represent the utility's most current level of operating revenues

and expenses. Numerous changes occur during the course of any year that will impact a utility's annual level of operating revenues and expenses. The September 30, 2011, test year has been adjusted to reflect the Staff's determination of the appropriate ongoing levels of revenues and expenses. These items will be re-examined based on actual data as part of the true-up through July 31, 2012.

7) Determination of Net Operating Income Required. The net income required for Ameren Missouri is calculated by multiplying the Staff's recommended rate of return by the rate base. Net income required is then compared to net income available from existing rates discussed in Item 6 above. The difference, when factored-up for income taxes, represents the incremental change in the utility's rate revenues required to cover its operating costs and to provide a fair return on investment used in providing electric service.

If a utility's current rates are insufficient to cover its operating costs and provide a fair return on investment, the comparison of net operating income required (Rate Base x Recommended Rate of Return) to net income available from existing rates (Operating Revenue less Operating Costs, Depreciation and Income Taxes) will result in a positive amount which would indicate that the utility requires a rate increase. If the comparison results in a negative amount, this indicates that the utility's current rates may be excessive.

Q. Please identify the types of adjustments which are made to unadjusted test year results in order to reflect a utility's current annual level of operating revenues and expenses.

A. The types of adjustments made to reflect a utility's current annual operating revenues and expenses are:

1) Normalization adjustments. Utility rates are intended to reflect normal ongoing operations. A normalization adjustment is required when the test year reflects the

impact of an abnormal event. One example of this type of adjustment that is made in all electric rate cases is the Staff's revenue adjustments to normalize weather. Actual weather conditions during the test year are compared to a 30-year "normal." The weather normalization adjustment restates the test year sales volumes and revenue levels to reflect normal weather conditions.

2) Annualization adjustments. Annualization adjustments are required when changes have occurred during the test year, update and/or true-up period, which are not fully reflected in the unadjusted test year results. For example, a portion of Ameren Missouri's employees received a wage increase during July of 2011. As a result, only a portion of the twelve months ending September 30, 2011, reflect the impact of this payroll increase. An annualization adjustment was made to capture the financial impact of the payroll increase for the portion of the test year prior to the wage increase.

3) Disallowance adjustments. Disallowance adjustments are made to eliminate costs in the test year results that are not considered prudent, reasonable, appropriate, and/or of benefit to Missouri ratepayers for recovery from ratepayers. An example in this case is certain executive incentive compensation costs. In the Staff's view, these costs are incurred to primarily benefit shareholder interests and it is not appropriate policy to pass these costs onto customers in rates, since these costs do not benefit ratepayers. Therefore, these costs should be eliminated from the cost of service borne by ratepayers and the Staff has proposed to disallow these costs from recovery in rates.

4) Pro forma adjustments. Pro forma adjustments reflect the impact of items and events that occur subsequent to the test year. These items or events significantly impact the revenue, expense and rate base relationship and should be recognized to address

the forward-looking objective of the test year. Caution must be exercised when including pro forma adjustments in a recommended cost of service to ensure that all items and events subsequent to the test year are also examined and any appropriate offsetting adjustments are included as well. In addition, some post-test year items and events may not have occurred yet and/or may not be capable of adequate quantification at the time of the case filing. As a result, quantification of pro forma adjustments may be more difficult than the quantification of other adjustments. As a consequence, use of a true-up audit that considers a full range of auditable items and events that occur subsequent to the test year attempts to address the maintenance of the proper relationship among revenues, expenses and investment at a consistent point in time is generally a superior approach than considering stand-alone pro forma adjustments for inclusion in cost of service.

Q. What rate increase amount, based on what return on equity (ROE) percentage, did the Company request from the Commission in this case?

A. Ameren Missouri requested that its annual revenues be increased by approximately $375.6 million, based on an ROE of 10.75%.

Q. Please describe the Staff's direct case revenue requirement filing in this proceeding.

A. The results of the Staff's audit of Ameren Missouri's rate case request can be found in the Staff's filed Accounting Schedules and is summarized on Accounting Schedule 1, Revenue Requirement. This Accounting Schedule shows that the Staff's recommended revenue requirement for Ameren Missouri in this proceeding ranges from approximately $152,480,937 to $210,300,136, based upon a recommended rate of return (ROR) range of 6.99% to 7.52%. Staff's recommended ROE range is 8.00% to 9.00%, as

calculated by Staff expert/witness David Murray. However, Staff is recommending the high end of its ROE range at 9.00%.

Q. What portion of the Staff's recommended increase in the cost of service is the result of increasing net fuel expense above the amount currently included in base rates?

A. The revenue requirement calculated by the Staff includes an increase of approximately $129.2 million in the net fuel cost included in base rates. This increase includes the changes in net fuel cost since the February 28, 2011, true-up cut-off date in Case No. ER-2011-0028 that are currently being recovered through the fuel adjustment clause. This increase also includes the changes in net fuel cost that are estimated to occur through July 31, 2012, the true-up cut-off date in this rate case. The remainder of the Staff's revenue requirement, approximately $81.1 million at the high end of its rate-of-return range, is due primarily to increases in non-fuel related costs.

Q. What items are included in the Staff's recommended rate base in this case?

A. The rate base items include: Plant in Service, Accumulated Depreciation Reserve, Cash Working Capital, Materials and Supplies, Prepayments, Fuel Inventories, the unamortized portion of the Energy Efficiency DSM Regulatory Asset, Customer Advances for Construction, Customer Deposits, Financial Accounting Standards Board Interpretation No. 48 ("FIN 48") regulatory liability, unamortized FAS 87-Pension and FAS 106-OPEBs Tracking Liabilities, and the Accumulated Deferred Income Tax (ADIT) reserve. The Plant, Depreciation Reserve and ADIT balances reflect the Staff's estimates through the July 31, 2012, true-up cut-off date. Other rate base items reflect various levels at or beyond the end of the September 30, 2011, test year. The rate base components will be trued-up through July 31, 2012.

Q. What are the significant income statement adjustments the Staff made in determining Ameren Missouri's revenue requirement for this case?

A. A summary of the Staff's significant income statement adjustments follows:

Operating Revenues

Retail revenues were adjusted for the elimination of unbilled revenue and gross receipts taxes, customer growth, weather normalization, and the increase ordered by the Commission in Ameren Missouri's last general rate increase case effective July 31, 2011, Case No. ER-2011-0028. Other electric revenues were adjusted for Lake of the Ozark shoreline management fees, storm assistance revenues, coal refinement projects, off-system sales, capacity sales, bilateral sales and financial swaps, Midwest Independent System Transmission Operator ("MISO") Day 2 revenues, transmission revenues and ancillary service market revenues.

Depreciation and Amortization Expense

Depreciation expense was annualized based upon the plant in service as of September 30, 2011, the Staff's true-up estimate through July 31, 2012, and the depreciation rates resulting from Case No. ER-2011-0028, with the exception of a new depreciation rate that was developed by Staff witness Guy C. Gilbert to address Ameren Missouri's investment in new reporting systems collectively referred to as Project First. A new depreciation rate proposed by the Company for the new Maryland Heights methane gas energy center will also be addressed by the Staff as part of its true-up audit.

Staff rebased the amortization period for the ER-2008-0318 test year storm cost amortizations, the EU-2008-0141 and ER-2008-0313 storm cost AAO amortization, the ER-2010-0036 Voluntary Separation Election (VSE) and Involuntary Separation Program (ISP)

related severance amortization, Revenue Sufficiency Guarantee (RSG) amortization, vegetation management and infrastructure inspection trackers, energy efficiency amortization, SO_2 amortization and Pension and OPEB amortizations. Staff included a new amortization to address deferred costs associated with the Missouri Renewable Energy Standard (RES). Staff also included new amortizations to reflect the refunds Ameren Missouri received related to Property Taxes and Entergy Equalization Payments. The Staff also proposes to eliminate the ER-2007-0002 storm amortization based on its inclusion of the entire amount of this unamortized balance in the cost of service calculation. As part of its direct filing, the Company proposed amortizations to address storm costs that occurred during the test year ending September 30, 2011 as part of this rate proceeding, changes in PSC assessment and severance costs associated with the recent Voluntary Separation ("VS11") program. Staff has excluded these three proposed amortizations as discussed in the Staff's Revenue Requirement Cost-of-Service Report.

Payroll, Payroll Taxes and Employee Benefit Costs

- Payroll expense annualized for all known wage increases through July 31, 2012, changes in employee levels through September 30, 2011, changes in employee levels as a result of the voluntary separation (VS-11) program through December 31, 2011.
- Payroll taxes consistent with the payroll annualization.
- Incentive compensation and restricted stock awards disallowances.
- Employee benefits including pensions and OPEBs.

Other Non-Labor Expenses

- Property taxes based on the most recent actual tax payments and the inclusion of a two-year amortization to reflect all property tax refunds that Ameren Missouri received since the February 28, 2011, true-up cut-off date established in Case No. ER-2011-0028.

- Fuel, purchased power and off-system sales annualizations to reflect January 1, 2012, coal prices, Staff's recommended market energy prices, and the dispatch of power sources to meet the Staff's determination of Ameren Missouri's generation requirements.
- Rate case expense adjustment.
- Disallowance of certain advertising, dues and donations.
- Insurance premiums adjustment.
- Test year storm cost normalization.
- Elimination of Taum Sauk upper reservoir failure expenses.

Q. What reliance did you place on the work or conclusions of other Staff members working on Staff's behalf?

A. All of the Staff auditors, including myself, relied on the work from numerous other Staff members in calculating a revenue requirement for Ameren Missouri in this case. Weather-normalized sales and the recommended rate of return are some examples of data and analysis supplied to the Auditing Department as inputs into the Staff's revenue requirement cost-of-service calculation. Signed affidavits and the qualifications for all Staff members who are responsible for a section of the Staff's Revenue Requirement Cost-of-Service Report and for whom that section constitutes direct testimony in this rate proceeding are attached in an appendix to the Report. Each Staff member who is responsible for a section of the Staff's Revenue Requirement Cost-of-Service Report is identified at the conclusion of the section he or she authored as being the Staff expert/witness responsible for that section.

Q. What are the biggest differences between the rate increase request filed by the Company and the Staff revenue requirement recommendations being filed in this proceeding?

A. From the Staff's perspective, there are five primary revenue requirement differences.

- Return on Equity (ROE).

  As previously stated, Ameren Missouri's return on equity recommendation is 10.75%, while the Staff has developed a range of 8.00% through 9.00%. The dollar difference between the Company's recommended ROE and Staff's recommended high end for ROE, 10.75% compared to 9.00%, is approximately $101 million.

- Property Tax Expense.

  Ameren Missouri is seeking an increase in ongoing property taxes based on estimated growth in investment and also for investment associated with their new methane powered energy center. Staff annualized property taxes based on actual 2011 property tax bills. The difference between the Company and Staff for this issue is approximately $12.7 million.

- Entergy Refunds.

  Ameren Missouri contested certain pass-through equalization charges that it was required to pay Entergy as part of a former purchased power agreement. In June 2012 Ameren Missouri received a refund from Entergy based upon a recent ruling by the Federal Energy Regulatory Commission regarding these contested payments. Since the refund occurred subsequent to the Company's direct testimony filing in this case, the Company has not reflected this refund as part of its cost of service calculation. Staff proposes to reduce the cost of service calculation by $10.2 million in order reflect this refund over a

three-year amortization period beginning with the effective date of rates in this rate proceeding.

- Revenues / Weather History Data Used to Determine Weather Normalization of Usage.

  The total difference in revenues that exists between Company and Staff is $9.0 million. The primary difference that exists between Company and Staff in this area has to do with the fact that Company and Staff relied on different sets of weather history data to calculate weather normalization for usage. Every ten years the National Oceanic and Atmospheric Administration ("NOAA") updates its definition of "normal" weather using the most recent thirty years of weather. This update includes adjustments to the weather variables to account for changes in weather measurements that occur if weather instruments are relocated, replaced or recalibrated and if there are changes in observation procedures or the instrument's environment. Staff used minimum monthly temperatures adjusted for change in weather measurements for the 30-year period of January 1, 1981, through December 31, 2010, on which NOAA bases its calculation of normal weather. Currently, the Staff estimates that the differing sets of weather history data will create a difference of $11.8 million at true-up.

- Severance Costs.

  Ameren Missouri is seeking recovery of severance costs through inclusion of a three-year amortization for these costs that are related to a recent voluntary separation package that was offered to certain employees. Staff contends that Ameren Missouri will achieve cost savings to more than offset these severance

costs and therefore no inclusion of these costs is necessary. The difference between the Staff and the Company for this issue is approximately $8.6 million.

There are other significant differences between the Staff and the Company, based upon their respective direct filings. However, these items are less significant than the differences discussed above.

Q. Is it possible that significant differences exist between the Staff's revenue requirement positions and those of other Parties besides Ameren Missouri in this proceeding?

A. Yes. However, the other Parties are filing their prepared direct testimony, if any, concurrently with the Staff's direct filing. Until the Staff has a chance to examine the direct testimony of the other Parties, it is impossible for the Staff to determine what differences exist and how material they may be.

Q. Are there other significant differences that exist between the Staff and Ameren Missouri in their direct filings that are not specifically quantified on the Accounting Schedules?

A. Yes. Staff Witness Lena M. Mantle is recommending that the sharing mechanism of Ameren Missouri's Fuel Adjustment Clause (FAC) be changed to 85% returned to/recovered from Ameren Missouri customers and 15% kept/absorbed by Ameren Missouri from 95% returned to/recovered from the customers and 5% kept/absorbed by Ameren Missouri. The Company has proposed no change to the current FAC sharing mechanism.

The Company recommends that the Commission allow Ameren Missouri to implement a new regulatory mechanism they have named "Plant-In-Service Accounting"

(also called "construction accounting"). Specifically, the Company seeks accounting authority to accrue for return and the deferral of depreciation expense for all non-revenue producing plant additions in a regulatory asset during the period between the date when those assets begin serving customers until they can be reflected in rate base in a later rate case. In each future rate case, the Company would include these deferred amounts in its revenue requirement to be amortized in rates set in that future rate case over the lives of the underlying assets. The Company is also requesting a two-way storm tracker to track storm costs between rate cases. The Staff is opposed to the Company's proposed Plant-In-Service Accounting mechanism and two-way storm tracker. The Staff's recommendations regarding all of these issues are discussed in its Revenue Requirement Cost-of-Service Report.

Q. Please identify the Staff experts/witnesses responsible for addressing each area where there is a known and significant difference between the Staff and the Company that is addressed in this direct testimony or in the Staff Report in Section V, Major Issues.

A. The Staff experts/witnesses for each listed issue are as follows:

Issue	Staff Witness
Return on Equity/Rate of Return	David Murray
Property Tax Expense	Erin M. Carle
Entergy Refunds	Kofi Agyenim Boateng
Revenues/Weather Normalization	Seoung Joun Won Shawn E. Lange Curt Wells
Severance Costs	Lisa M. Ferguson
Fuel and Purchased Power Net of Off-System Sales	Alan J. Bax Shawn E. Lange Erin L. Maloney David W. Elliot Lisa K. Hanneken

Construction Accounting AAOs[1]	John P. Cassidy
Two Way Storm Tracker	Kofi Agyenim Boateng
Renewable Energy Standards AAO	Michael E. Taylor John P. Cassidy
Fuel Adjustment Clause	Lena M. Mantle

Q. When will the Staff be filing its customer-class-cost-of-service and rate design direct testimony and report in this proceeding?

A. The Staff's customer-class-cost-of-service and rate design direct testimony and report and schedules will be filed on July 19, 2012.

Q. Does this conclude your prepared direct testimony in this proceeding?

A. Yes, it does.

[1] "AAO" stands for Accounting Authority Order, an order by the Commission authorizing a particular accounting treatment for some item.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service	)))	File No. ER-2012-0166

AFFIDAVIT OF JOHN P. CASSIDY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

John P. Cassidy, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 19 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.

John P. Cassidy

John P. Cassidy

Subscribed and sworn to before me this 6th day of July, 2012.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 08, 2012
Commission Number: 08412071

D. Suzie Mankin

Notary Public

JOHN P. CASSIDY

EDUCATIONAL AND EMPLOYMENT BACKGROUND AND CREDENTIALS

Position

I am a Utility Regulatory Auditor V in the Auditing Unit, Utility Services Department. My business address is 111 North Seventh Street, Suite 105, St. Louis, Missouri 63101. Since joining the Missouri Public Service Commission's Auditing Department Staff in 1990, I have assisted with and directed audits and examinations of the books and records of utility companies operating within the State of Missouri. I have also conducted numerous audits of small water and sewer companies in conjunction with the Commission's informal rate proceedings. Please refer to the attached Schedule JPC 1 for a list of rate case proceedings in which I have previously filed testimony.

Education

Southeast Missouri State University
Cape Girardeau, Missouri
Bachelor of Science Degree in Business Administration
Double Major: Marketing 1989 and Accounting 1990

RATE CASE PROCEEDING PARTICIPATION

JOHN P. CASSIDY

COMPANY	CASE NO.
Missouri Cities Water Company	**WR-91-172**
Payroll and Related Pensions OPEBS Insurance Expense Advertising Expense Miscellaneous Expenses Type of Testimony Filed: Direct and Surrebuttal	
St. Louis County Water Company	**WR-91-361**
Tank Painting Main Failures Residue Removal General Insurance Expense PSC Assessment Miscellaneous Expenses Type of Testimony Filed: Direct	
Southwestern Bell Telephone Company	**TC-93-224**
Advertising Expenses Promotional Giveaways Miscellaneous Expenses Type of Testimony Filed: Direct and Surrebuttal	
Laclede Gas Company	**GR-94-220**
Payroll and Payroll Taxes Incentive Compensation 401 (K) Dental and Vision Insurance Data Processing Type of Testimony Filed: Direct	
The Empire District Electric Company	**ER-95-279**
Revenues Uncollectibles Expense Municipal Franchise Taxes Postage Expense Emission Credits Type of Testimony Filed: Direct	

Imperial Utility Corporation **SC-96-247**

Rate Base
Depreciation Reserve
Depreciation Expense
CIAC
Property Taxes
Property Insurance
Lab Testing Expense
Sludge Removal Expense
Type of Testimony Filed: Rebuttal

St. Louis County Water Company **WR-97-382**

Payroll and Payroll Taxes
Employee Benefits
Employee Savings
Shared Employees
Type of Testimony Filed: Direct

Laclede Gas Company **GR-98-374**

Payroll and Payroll Taxes
401 (K)
Health Care Costs
Pension Plan
Director's Pension Plan
Trustee Fees
SERP
Outside Consulting
Incentive Compensation
Advertising Expense
Type of Testimony Filed: Direct

United Water Missouri, Inc. **WR-99-326**

Payroll and Payroll Taxes
401 (K)
Health Care Costs
Employee Relocation
Corporation Franchise Tax
Advertising Expense
Dues and Donations
Miscellaneous Expenses
Type of Testimony Filed: Direct

Union Electric Company **EC-2000-795**

Injuries and Damages
Legal Expense
Environmental Expense
Type of Testimony Filed: Direct

Union Electric Company **GR-2000-512**

Revenues
Uncollectibles Expense
Customer Deposits
Type of Testimony Filed: Direct

Laclede Gas Company **GR-2001-629**

Revenues
Gross Receipts Tax
Gas Supply Incentive Plan
Gas Costs
Uncollectibles Expense
Non-Utility Operations
Type of Testimony Filed: Direct

Union Electric Company, d/b/a AmerenUE **EC-2002-01**

Fuel Expense
Callaway Refueling
Legal Expense
Environmental Expense
Capacity Purchases
Midwest ISO
Payroll and Related
Incremental Overtime
Type of Testimony Filed: Direct and Surrebuttal

Union Electric Company, d/b/a AmerenUE **EC-2002-1025**

Legal Expense
Environmental Expense
Midwest ISO
Type of Testimony Filed: Direct

Laclede Gas Company **GR-2002-356**

Revenues
Gross Receipts Tax
Gas Supply Incentive Plan
Gas Costs
Uncollectibles Expense
Income Taxes
Type of Testimony Filed: Direct

Laclede Gas Company **GT-2003-0117**

Financial Aspects
Type of Testimony Filed: Direct

Missouri-American Water Company **WR-2003-0500 & WC-2004-0168**

Allocation of Belleville Labs Cost to MAWC
National Call Center
Compensation for Services Provided from MAWC to AWR
Information Technology Services
Capitalization of Shared Services
Transition Costs
Cost Allocation Manual
Affiliate Transactions
Severance Costs
National Call Center Transition Costs
National Shared Services Transition Costs
Type of Testimony Filed: Direct & Surrebuttal

Missouri-American Water Company **SM-2004-0275**

Acquisition Adjustment
Type of Testimony Filed: Direct

The Empire District Electric Company **ER-2004-0572**

Interim Energy Charge
Fuel Expense
Purchased Power
Off System Sales
KCPL Transmission Expense
Income Taxes
Type of Testimony Filed: Direct & Surrebuttal

Union Electric Company d/b/a AmerenUE **GR-2007-0003**

Environmental Expense
Type of Testimony Filed: Direct

Union Electric Company d/b/a AmerenUE **ER-2007-0002**

Fuel Expense
Fuel Inventories
Callaway Refueling Costs
Combustion Turbine Maintenance Expense
Environmental Expense
Gains on the Sale of Sulfur Dioxide Emission Allowances
Type of Testimony Filed: Direct, Rebuttal and Surrebuttal

Missouri-American Water Company **WR-2007-0216**

Belleville Labs Allocation
Compensation for Services MAWC Provided to AWR
Income Taxes
Type of Testimony Filed: Direct

Union Electric Company d/b/a AmerenUE **ER-2008-0318**

Fuel and Purchased Power Expense
Off System Sales
Fuel Inventories
Callaway Refueling Costs
Generating Plant Outages
Capacity Charges
Entergy Refunds
Non-Labor Storm Costs – Test Year
Non-Labor Storm Cost AAO
Non-Labor Storm Cost Amortization
SO2 Emission Allowance Sales and Tracker
Deferred Income Taxes for Rate Base
Income Taxes
Production Cost Model Issues
Type of Testimony Filed: Direct and Surrebuttal

Union Electric Company d/b/a AmerenUE **ER-2010-0036**

Corporate Allocations
Potential Refundable Entergy Charges
Payroll and Payroll Taxes
Employee Benefits
Voluntary Separation Election
Involuntary Separation Program
Severance Costs
Callaway Security Force
Type of Testimony Filed: Direct

Laclede Gas Company **GR-2010-0171**

Report on Revenue Requirement Cost of Service
Overview of Staff's Filing
Revenue Associated with Propane Sale
Insulation Financing
Energy Wise
NITEC Study
Home Sales Reinspection Fees
Gain on Sale of Property
Emergency Cold Weather Rule AAO
IFRS AAO
Gas Safety AAOs
Line of Credit Fees
Type of Testimony Filed: Direct, Rebuttal and Surrebuttal

Union Electric Company d/b/a AmerenUE **ER-2011-0028**

Accumulated Deferred Income Taxes
Potential Refundable Entergy Charges
Payroll
Payroll Taxes
Voluntary Separation Election Plan
Involuntary Separation Program
Test Year Severance Costs
Amortization of Severance Costs
Other Employee Benefits
Test Year Storm Costs
Storm Cost AAO Case Nos. EU-2008-0141 and ER-2008-0318
Rebranding Costs
Income Tax
Type of Testimony Filed: Direct and Surrebuttal