

**Comments of the Missouri Industrial Energy Consumers
on the Draft SB376 Rules Distributed by the Staff
of the Missouri Public Service Commission on June 18, 2010**

Missouri Industrial Energy Consumers (MIEC) appreciates the efforts that Staff has put into revising the SB376 Rules. MIEC believes that the June 18, 2010 version is a significant improvement over the prior versions.

MIEC does have a few additional comments on these draft rules. Because our comments are relatively brief and not complex, we are providing commentary rather than creating an additional set of documents for Staff to deal with.

4 CSR 240-3.163

In (1)(I) DSIM rate is defined as “dollar per kilowatthour (\$ per kWh). While it may be appropriate for these costs to be recovered purely on a kWh basis in some tariff schedules, it may not be appropriate in others. For example, for rate schedules that have both a demand component and an energy component to the charge, it may be appropriate to have separate kWh and kW components, or a percentage surcharge may be appropriate. To leave this collection mechanism neutral, MIEC suggests that the definition be as follows:

“DSIM rate means the charge on customer’s bill for the portion of the DSIM revenue requirement assigned by the Commission to a rate class.”

(8) addresses recovery of DSIM costs between general rate proceedings. MIEC takes the position that this type of cost recovery is unlawful, and that section (8) should be deleted. Corresponding deletions should be made to other parts of this and other chapters that address this issue.

4 CSR 240-3.164

The definition section includes definitions of societal cost test, total resource cost test and utility cost test. There is no reason that the other customary tests (which all of the utilities

routinely calculate already) should not be included. MIEC requests that the definitions of participant test and the rate impact measure (RIM) be restored to the definition section.

4 CSR 240-20.093

In (1)(S) DSIM rate is defined as “dollar per kilowatthour (\$ per kWh). While it may be appropriate for these costs to be recovered purely on a kWh basis in some tariff schedules, it may not be appropriate in others. For example, for rate schedules that have both a demand component and an energy component to the charge, it may be appropriate to have separate kWh and kW components, or a percentage surcharge may be appropriate. To leave this collection mechanism neutral, MIEC suggests that the definition be as follows:

“DSIM rate means the charge on customer’s bill for the portion of the DSIM revenue requirement assigned by the Commission to a rate class.”

The definition section includes definitions for total resource cost test and the utility cost test. There is no reason that the other customary tests (which all of the utilities routinely calculate already) should not be included. MIEC requests that the definitions of participant test and the rate impact measure (RIM) be restored to the definition section.

(4) this section addresses adjustments between rate cases. It is MIEC’s position that this type of adjustment is not lawful, and that this section should be deleted. Corresponding deletions should be made to other parts of this and other chapters that address this issue.

4 CSR 240-20.094

(2) sets forth energy savings targets and demand savings targets. MIEC believes that these targets are unsupported and should not be included in the rule. The rule should simply provide that the Commission, in an evidentiary hearing, may establish targets. In addition, the rule provides that the Commission should use the “greater” of the realistic achievable savings or a set of targets. MIEC respectfully suggests that it would be inappropriate to require utilities to

strive for savings in excess of the “realistic achievable” savings, so if the concept is retained, the requirement should be the “lesser” of.

(6)(G) in the fifth line, identifies certain additional costs that would not be charged to customers who opt out. This specific language addresses 4 CSR 240-20.093. MIEC believes that 4 CSR 240-20.094 and 4 CSR 240-3.164 should also be added to this list to properly encompass the charges that are not applicable to customers who have opted out.