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 Adjust	)	File No. ER-2022-0337
its Revenues for Electric Service	)	

MECG'S REPLY BRIEF

Tim Opitz, Mo. Bar No. 65082
Opitz Law Firm, LLC
308 E. High Street, Suite B101
Jefferson City, MO 65101
T: (573) 825-1796
tim.opitz@opitzlawfirm.com

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COMES NOW the Midwest Energy Consumers Group (MECG), and for its Reply Brief, respectfully states:

I. Introduction

The Commission's decisions on the remaining issues of class cost of service (CCOS), revenue allocation, and rate design are the primary drivers of how this rate case will impact commercial and industrial customers.[1] The decisions on these issues will also fundamentally impact how stakeholders view regulatory principles – such as cost based rates and methods of cost recovery – as applied in Missouri. Below, MECG focuses its reply to the arguments made by parties within those categories. Broadly, MECG: 1) aligns with MIEC and Ameren Missouri on CCOS and opposes the Staff's approach; 2) opposes Ameren Missouri and the Staff's proposals for equal allocation of the revenue requirement and supports gradual movement towards cost of service; and 3) supports rate design modifications to align recovery with how costs are incurred and opposes Staff's "overlay" rate design changes that serves to further complicate customers' rates.

II. Class Cost of Service

A. Overview

[1] Revenue requirement, or how much the overall increases will be, was settled among the parties.

On class cost of service there are two basic approaches presented to the Commission: 1) Ameren Missouri, MECG, and MIEC urging reliance on accepted principles of the Average and Excess method and 2) the Staff demanding that only its new approach is appropriate. Staff's narrative is that it alone is competent to determine class cost of service. This unreasonable approach flips determining cost of service on its head with the impact being that commercial and industrial customers would pay even more when it has been widely accepted that they have been over-contributing. The fact that commercial and industrial customers have been paying rates above cost to serve has been pointed out by MECG in its rate case testimony since at least 2007.[2]

Table 4. LGS/SP Rate of Return, Ameren Cost of Service Study Results, Past Rate Cases.

Case	LGS/SP Rate of Return (%)	Total Missouri Rate of Return (%)	Rate of Return Index Value
ER-2007-0002 (LGS)	5.86	2.74	2.14
ER-2007-0002 (SP)	4.47	2.74	1.63
ER-2008-0318	7.01	4.06	1.73
ER-2010-0036	6.12	1.89	3.24
ER-2011-0028	8.26	4.59	1.80
ER-2012-0166	6.32	2.89	2.19
ER-2014-0258	7.57	4.44	1.71
ER-2016-0179	9.73	5.41	1.80
ER-2019-0335	11.35	7.37	1.54
ER-2021-0240	7.35	4.76	1.54
Present Case	7.09	5.15	1.38

Source: Table 3, Direct Testimony of Steve W. Chriss, Table 5, on behalf of The Midwest Energy Consumers Group, Case No. ER-2021-0240.

In its Report and Order in Ameren Missouri's last rate case, the Commission implicitly recognized this over contribution by noting that "the 'residential subsidy' whereby the Residential

[2] Ex. 400, Chriss Direct, p. 21. *See* Table 4.

class contributes less than its calculated cost of service, is not a new situation" and finding that it had "taken steps in the last seven Ameren Missouri rate cases to move the classes closer to their calculated cost of service."[3] Staff's approach reverses all of that progress. As summarized in Ameren Missouri's brief:

> The unreasonableness of the overall results of Staff methods is further illustrated by a comparison of Ameren Missouri rates to national averages by customer segment (Residential, Commercial, and Industrial). Staff's unreasonable and flawed study, if followed for class allocations, would result in Residential rates more than 20% below the national average and Industrial rates more than 10% above the national average.[4]

Staff's CCOS approach is an outlier that should be rejected. Reviewing its initial brief, we are left to ponder whether Staff believes its approach is consistent or is it revolutionary? For production cost allocation – on one hand – Staff says its treatment is what it has "relied on as far back as 1985".[5] But then – on the other hand – Staff argues its new approach is justified because Ameren participates in MISO.[6] Never mind that Ameren has participated in the MISO since 2005.[7] For distribution allocation, Staff says it is only doing what has been its "understanding on distribution allocation for decades."[8] Then, Staff argues that its new granular approach is necessary because the "distribution system today is much different" than in the past.[9] For each component of the CCOS, Staff essentially claims it is doing what its always done but then goes on to detail its

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[3] Report and Order, p. 19, Case No. ER-2021-0240.
[4] Ameren Br. p. 12. Citing Exhibit 37, Surrebuttal Testimony of Thomas Hickman, p. 5, Table TH-1.
[5] Staff Br. p. 21.
[6] Staff Br. pp. 23-24. Claiming, "The Ameren Missouri study fails to recognize Ameren Missouri's participation in the MISO IM[.]"
[7] Ex. 41, Wills Surrebuttal, p. 27.
[8] Staff Br. p. 21.
[9] Staff Br. p. 7.

new approach. Dwelling on the inconsistencies in staff's arguments is, perhaps, unnecessary because since 2021 we have direction from the legislature on how to proceed.

Setting aside Staff's conflicting arguments, hypothetically, even if we assume that its approach was consistent for decades – the legislature would have superseded Staff's various flawed approaches when it passed Section 393.1620 RSMo that became effective in August 2021. That statute, names the A&E 4NCP method as *the* standard allocation to use. No other method is named. Every other party examining CCOS understands that this is the appropriate approach to use. Not Staff though. Staff insists it – and only it – knows better; it picks and chooses various out-of-context approaches to assemble Frankenstein's class cost of service monster. Staff's hubris is illuminated – and its position undercut – by its admission it hasn't known what it was doing for well over a decade.[10] Staff's witness admitted at hearing: "I can say without hyperbole – having been involved either as an attorney or a staff person in Staff's CCOSs since 2007, we're doing now what we thought we were doing in 2007."[11] It is unreasonable to rely on Staff's latest gambit in a series of approaches that – in addition to ignoring the named CCOS approach in Section 393.1620 RSMo – demonstrate "a pattern of arbitrary energy allocations with an apparent targeted result of shifting costs away from the Residential class to large customer[s] without supporting cost causation."[12] The Commission should decline to follow Staff's approach.

Instead, the Commission should follow the CCOS approach that is generally agreed upon by Ameren Missouri, MECG, and MIEC – the A&E 4NCP method. It's what the commission approvingly recognized as providing a more "reasonable estimation of class cost of service" just

[10] Tr. Vol. 8. Pp. 415-416. "I can say without hyperbole – having been involved either as an attorney or a staff person in Staff's CCOSs since 2007, we're doing now what we thought we were doing in 2007."
[11] Tr. Vol. 8. Pp. 415-416.
[12] Ameren Br. p. 12. Citing Exhibit 38, Surrebuttal Testimony of Craig Brown, p. 15, lines 20 – 23.

fifteen months ago.[13] This method is consistent with the statutory guidance in Section 393.1620 RSMo; consistent with the NARUC[14] manual; consistent with national norms and consistent with past commission practice.

B. Reply to Staff's production allocation

Staff claims that the A&E 4NCP approach is "not consistent with how Ameren Missouri has built its generation fleet."[15] As support it cites to Staff Witness's colloquy at hearing describing that Ameren is retiring coal plants and adding renewable generation.[16] Staff also goes on to argue that Ameren's CCOS is unreasonable because of "Ameren Missouri's participation in the MISO IM, which causes its fuel costs to vary with the demand for energy in a given hour of the regional load, not vary with the Ameren Missouri load."[17] Staff then surmises that, because Ameren is in MISO, Staff's approach to rely on "hourly class loads and MISO DA LMPs to find the variable cost of energy for each class" is reasonable.[18] It is not.

First, regardless of the kind of generation, Ameren's resource planning is examined in the IRP process (and later vetted through CCN applications). Ameren's Mr. Wills testified that the advent of the MISO market did not fundamentally alter the economic paradigm of vertically-integrated utilities but that its largest impact was "simply that it increased the efficiency and transparency of wholesale market transactions and mechanisms that have existed for years."[19] He explained:

> Prior to the advent of the MISO market, the Company would still dispatch its units in a manner that was informed by wholesale market prices. If the market could

[13] Report and Order, pages 16 and 23, Case No. ER-2021-0240.
[14] NARUC is the National Association of Regulatory Utility Commissioners.
[15] Staff Br. p. 20.
[16] See Tr. Vol. 8, p. 453.
[17] Staff Br. pp. 20-21.
[18] Staff Br. p. 21.
[19] Ex. 41, Wills Surrebuttal, p. 27.

> provide energy cheaper than the Company could produce it, the Company would back down the production from the more expensive generating unit(s), and purchase energy from the market. If the Company could produce excess energy at a cost lower than the prevailing market price of energy, then it would dispatch up its unit(s) above the level needed to meet its own load obligations and sell the excess energy off-system. The exact same dynamics exist with MISO – except that, as I said above, the market is more efficient and transparent in achieving these outcomes when a central agent publishes prices and accepts standardized bids and offers to buy and sell energy, and even sends dispatch instructions to the unit operators consistent with the offers that cleared in the market.[20]

While the MISO market's improved transparency makes it very clear what the Company's marginal cost of energy and capacity are, **it does little if anything to change the embedded cost of the Company's generation fleet that it has constructed to meet its customers' energy and capacity requirements pursuant to its integrated resource planning process – and the embedded costs of which are the basis of the rates that are being established in this proceeding**.[21]

MECG's Witness Mr. Chriss testified that Staff's proposal misplaces generation resource planning and procurement responsibility.[22] This Commission, not MISO, governs Ameren's resource choices and integrated resource planning to meet energy, reliability, and resilience needs. This reality is articulated with a FERC order cited by Mr. Chriss:

> Notably, approximately 90% of the load in MISO is served by vertically integrated LSEs, the vast majority of which are subject to state integrated resource planning

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[20] *Id.*
[21] *Id* at 28. Emphasis added.
[22] Ex. 401, Chriss Rebuttal, p. 10.

> processes. To accommodate the make-up of the MISO's footprint, MISO's proposed Tariff provisions accepted in the February 2018 Order provide that its resource adequacy requirements "are complementary to the reliability mechanisms of the states and the Regional Entities . . . within the [MISO] region." Moreover, MISO's proposed Tariff language explains that the resource adequacy requirements "are not intended to and shall not in any way affect state actions over entities under the states' jurisdiction." In other words, unlike the centralized capacity constructs used in the Eastern RTOs/ISOs, MISO's Auction is not—and has never been—the primary mechanism for its LSEs to procure capacity." *See MISO Order, Christie Concurrence,* at 4.[23]

Staff's methodology ignores the reality that production capacity cost allocation should follow responsibility for resource decisions – Ameren Missouri's resource choices are approved by the Commission at the state and retail levels, and production capacity cost allocation should follow with broadly utilized and time-tested production capacity cost allocation methodologies.[24] The A&E 4NCP already inherently recognizes that the Company's generation fleet is designed to meet both the energy and capacity needs of the Company's customers and remains appropriate even in the context of Ameren's participation in MISO.[25]

C. Reply to Staff's distribution allocation

The Staff's approach and demands for ever increasing levels of granular information is unprecedented, unreasonable, and should be rejected. In its initial brief Staff admits that when you use its method for distribution allocation "on a class level, you do get numbers that aren't too far

[23] Ex. 401, Chriss Rebuttal, p. 10.
[24] Id.
[25] Ex. 41, Wills Surrebuttal, p. 28.

off of the energy allocators. But if you do this on a customer level, you see huge differences in customers."[26] First, this is a difference in what Staff is attempting to do verses what other parties in this case – and every other utility that witnesses in this case were aware of – for allocating distribution costs. Most parties want to look at a class level, Staff wants to look at it on an individual customer level.

Second, a method that mimics energy allocation is inappropriate in this context. MIEC witness Mr. Brubaker testified: "based 50 years of experience in reviewing class cost of service studies performed by numerous electric utilities in 34 different regulatory jurisdictions" Ameren's approach is "generally consistent with the level of detail and the practices of other electric utilities.[27]

The impact of Staff's approach to industrial customers alone should give the Commission an idea of the level of unreasonableness. MIEC witness Brubaker compared Ameren Missouri and Staff's allocation of distribution related costs. He found that:

> whereas Ameren Missouri allocated approximately 2.5% of such costs to the LPS class, Staff allocated over 9% of such costs to the LPS class. This suggests to me that either Staff has double-counted costs or has simply over-allocated or assigned the amount of costs associated with the distribution system to the LPS class, which uses hardly any of the distribution system. This is clearly a "red flag" and serves as a kind of "sanity check" on Staff's allocations.[28]

Ameren Missouri's analysis confirms this shift and frames it in the context comparing what the outcome would be compared to average national rates. Staff's flawed study, if followed for class

[26] Staff Br. p.19.
[27] Ex. 351, Brubaker Rebuttal, p. 11.
[28] Ex. 351, Brubaker Rebuttal, pp. 11-12.

allocations, would result in Residential rates more than 20% below the national average and Industrial rates more than 10% above the national average.[29] The commission should reject the Staff's approach and, instead, follow Ameren's approach that is "generally consistent with the level of detail and the practices of other electric utilities.[30]

III. Revenue allocation

The Commission should take significant steps to bring rates for all classes closer to their cost of service-based levels. Ameren Missouri summarizes that MECG and MIEC both propose to allocate the revenue requirement increase to move each rate class closer to its cost of service under the Company's CCOS and it does not "oppose the direction of MECG's and MIEC's proposed intra-class revenue-neutral shifts."[31] Both MECG and MIEC's revenue shift proposals are gradual moves toward cost of service and either rather than moving to cost-of-service in one case.

The Commission Staff's proposal to allocate revenue is muddled. In one breath, the Staff states: "[t]he Commission can dispose of Issues 1A and 1B by determining as a matter of policy on Issue 1.D. that an equal percentage increase in class revenue responsibility (with or without the non-contested lighting revenue allocation issue) is appropriate in the face of its rate modernization objectives."[32] In the next breath Staff says the Commission could also find in its favor on Issues 1A and 1B but still "order an equal percentage increase in class revenue responsibility (with or without the non-contested lighting revenue allocation issue) as appropriate in the face of its rate modernization objectives."[33] Finally, Staff says the "recommended shifts in revenue responsibility [from its testimony] are appropriate."[34] To be clear, in its testimony Staff's recommend revenue

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[29] Ex. 37, Hickman Rebuttal, pp. 4-5.
[30] Ex. 351, Brubaker Rebuttal, p. 11.
[31] Ameren Missouri Br. p. 22.
[32] Staff Br. p. 3. The issues identified relate to the class cost of service approaches.
[33] Staff Br. pp. 3-4.
[34] Staff Br. p. 4.

allocation would have allocated more of the increase to commercial and industrial customers based on its flawed CCOS approaches. As discussed above, Staff's CCOS approach cannot be relied upon, and so, should not be used to for purposes of revenue requirement allocation. Its muddled position on how the revenue requirement should be allocated gives an additional reason for the Commission to reject its approach.

MECG continues to recommend that the Commission allocate the revenue increase using the following steps:

- Apply 30 percent of the difference between the approved revenue requirement and Ameren's proposed revenue requirement as a reduction to LGS, SP, LPS, and Company Owned Lighting based on the proportional contribution of each class to the overall revenue neutral shift to cost of service from the Company's proposed cost of service study; and
- Apply the remaining difference between the approved revenue requirement and Ameren's proposed revenue requirement on an equal percentage basis to all customer classes.[35]

This is a gradual approach that corresponds with the overall revenue requirement increase compared to the company's initial filings. Because in this case the difference between the company's filed case and the final stipulated revenue requirement was significant, MECG believes this allows the Commission to take measured steps to bring all classes closer to cost-of-service.

IV. Rate design

A. Overview

As described in MECG's initial brief, in Ameren Missouri's last rate case, Case No. ER-2021-0240, the Commission agreed that it was appropriate to convene a workshop to consider

[35] Chriss Direct, p. 25.

whether and how certain commercial and industrial class rates might be redesigned. Specifically, the Report and Order included:

> The Commission agrees that the Large General Service and Small Primary Service rates should be redesigned to make them more comprehensible for customers. That redesign process can begin now with Ameren Missouri gathering information and insight from customers who are already being served by AMI meters. The Commission will establish, by separate order, a working case to facilitate the collaboration between Ameren Missouri, Staff, Public Counsel, and the affected customers in redesigning these rates.

In general, MECG supports the Commission opening that docket so that parties can collaboratively work to evaluate what rate structures should look like for commercial and industrial classes in the future while making them more comprehensible to customers. However, there are also changes that should be made *in this case* to address cost-causation imbalances within the current rate structures without creating any comprehension issues among customers.

B. Response to Staff's non-residential "overlay"

Staff's "overlay" rate for non-residential customers should be rejected, in part, because it is another complication added onto customer's bills that contains a multitude of problems, identified by Staff itself in its initial brief:

- There is a need to "mitigate unexpected bill volatility as the Staff's recommended ToU overlay is introduced"[36];

[36] Staff Br. p. 33.

- The need to create "a parallel rate schedule for each non-residential non-lighting rate class which includes a time-based overlay applicable to all customers equipped with an AMI meter"[37];
- Creating "two sets of rates for each non-residential rate element in the tariffs promulgated in compliance with the Commission's order in this case"[38];
- Addressing how to treat Ameren's customers that already participate in optional time of day rates[39]; and
- It will be subject to drastically change in the future based on Staff's recommendations from a 2018 workshop.[40]

Staff's efforts to begin the discussion on transitioning away from hours-use rate structures or otherwise making bills more comprehensible are appreciated. However, adding an overlay runs counter to the goal of simple and understandable bills and will only introduce additional complications as noted above. For the purposes of this docket, MECG recommends that the Commission reject Staff's proposed time-of-use "overlay" rates and commence the rate design review process for the Company ordered in Docket No. ER-2021-0240. This will give all interested parties a collaborative opportunity to fully examine the universe of relevant factors, inputs, and outputs to ensure that the resulting rates are cost-based, equitable, and just and reasonable.[41]

C. MECG's proposed shift to increase the demand component for Large General Service and Small Primary Service

[37] Staff Br. pp. 33-34.
[38] Staff Br. p. 34.
[39] Staff Br. p. 35, footnote 132.
[40] Staff Br. p. 5, footnote 8.
[41] Ex. 401, Chriss Rebuttal, p. 12.

The Company recommends all rate elements be adjusted by equal percentages.[42] Importantly, Ameren Missouri "acknowledges that increasing the proportion of revenues coming from the demand charge to the extent that the distribution demand-related costs are not currently fully reflected by the level of the current demand charge for the 3(M) and 4(M) classes is directionally consistent with cost of service principles."[43] Accordingly, the Company "does not oppose a modest additional increase in the demand charge with a correspondingly smaller increase in the energy charge."[44] MECG agrees with a gradual approach, and so, that what it has proposed in this case.

In its brief, Staff "recommends that all rate elements for the SGS, LGS, SPS, and LPS rate schedules be adjusted uniformly within each rate class, except for the Reactive kVar charges which should be adjusted consistent with the overall increase applicable to non-residential non-lighting classes, but held consistent across rate schedules."[45] It makes this recommendation in order to "mitigate unexpected bill volatility as the Staff's recommended ToU overlay is introduced".[46] Because the Staff's overlay rate adds unnecessary and unproductive complication to customers bills, as discussed above, it should be rejected. Once rejected, staff's concerns about unexpected volatility stemming from its overlay should go away and a greater portion of the class increase for commercial and industrial customers should be allocated to the demand component consistent with cost-of-service principles.

As MECG noted in its initial brief the current imbalance of how costs are recovered between the different rate elements (i.e. customer charge, demand charge, energy charge) is

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[42] Ameren Missouri Br. p. 31.
[43] Ameren Missouri Br. p. 31.
[44] Ameren Missouri Br. p. 31.
[45] Staff Br. p. 33.
[46] Staff Br. 33.

significant. Approximately 77 percent of the costs incurred by the Company to serve LGS and SP customers are demand-related while only approximately 21 percent are energy related.[47] That said, while 77 percent of costs are demand-related, only 14 percent of LGS revenues and 10 percent of SP revenues are collected through demand costs. Further demonstrating this problem, while 20.4 percent of LGS / SP costs are energy related, 83.6 percent of LGS revenues and 88.8 percent of SP revenues are collected through energy charges. It is clear from this mismatch between how costs are incurred and how they are collected that the LGS and SP rate components are sending incorrect price signals.[48] To make progress towards correcting this imbalance MECG proposes the Commission:

1) Accept Ameren's proposed customer charges and on-peak and off-peak adjusters for both LGS and SP, and Ameren's proposed Rider B credits and reactive charge for SP;

2) Increase the summer and winter demand charges for LGS and SP by one and one-half times the approved percent class increases; and

3) Apply the remaining proposed increase on an equal percentage basis to the summer and winter energy charges.[49]

There is a recent analogue for making a gradual adjustment to the demand component. In its recent Report and Order in Evergy Missouri's recent rate cases, the Commission found:

> Evergy proposed to apply 125% of each class increase to the fixed cost rate components (i.e. customer charges and demand charges) and 75% to the variable cost rate components (i.e. energy charges)[50]

[47] Ex. 400, Chriss Direct, pp. 29-30.
[48] *Id.*
[49] Ex. 400, Chriss Direct, p. 35.
[50] Amended Report and Order, p. 68, Case Nos. ER-2022-0129 and ER-2022-0130.

It concluded: "[t]he Commission agrees with Evergy's proposal for non-residential rates, schedules and structure, which MECG supported."[51] This adjustment to apply a larger portion of the increase to the demand component avoids the complications that might give reason to delay correcting the imbalance. MECG's adjustment here is wholly within the context of current rate structures, does not add any new line item, charge, or require years of education. It can be done now and MECG's gradual adjustment *should* be done in this case.

D. Should the Commission approve MECG's proposed optional EV charging 3M/4M rate design?

Staff opposes MECG's proposal because, in staff's view, it reduces the justification for Ameren Missouri's Charge Ahead portfolio.[52] Ameren Missouri also opposes MECG's proposal but notes it should consider "EV charging specific rates or even rate classes as part of the rate design working docket to be opened as ordered in the Company's last electric rate review."[53] MECG acknowledges that EV rates and policies to encourage or facilitate EV adoption have been the focus of several cases before the Commission in recent years. MECG specifically took note of the Commission's interest in polices that impact the adoption of EV charging in the Report and Order in Ameren Missouri's last rate case.[54] Responding to the Commission's interest, as well as the interest from Commercial and industrial customers, MECG filed testimony proposing an optional tariff for EV to address the issues affecting both the relationship of LGS and SP demand charges and the Commission's desire to ensure that barriers to EV charging adoption are reduced.[55] The proposal is not one that will create customer confusion or complicate bills, unlike Staff's

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[51] *Id.* at 76.
[52] Staff Br. p. 37.
[53] Ameren Br. pp. 31-32.
[54] Report and Order, Docket No. ER-2021-0240, page 28; See also Ex. 400, p. 34.
[55] Ex. 400, Chriss Direct, p. 35.

"overlay" charge, because it will be *optional* for certain qualifying customers. Missouri has a concentration of interstate highway corridors along which EV charging will take place as the car market continues to electrify. Walmart, alone, has planned to deploy thousands of EV chargers across the country at stores by 2030, with Missouri an area of high interest due to our interstate highways.[56] MECG's optional EV proposals should be adopted in this case.

V. Conclusion

There are three major categories in this case where MECG asks the Commission to make rulings on the issues. First, the Commission should find that the Average & Excess 4NCP methodology is the most reasonable approach for determining class cost of service. This method is consistent with the statutory guidance in Section 393.1620 RSMo; consistent with the NARUC[57] manual; consistent with national norms; consistent with past commission practice; and consistent with the approaches of all parties submitting CCOS studies besides the Commission Staff.

Second, when allocating the revenue requirement among the customer classes the Commission should take steps to bring rates for all classes closer to their cost of service-based levels. Here – in the current case – MECG's, Ameren Missouri's, and MIEC's cost of service study results show that Large General Service (LGS) and Small Primary (SP), provide a rate of return significantly above the cost-of-service level for the class. Additionally, Large Power Service (LPS), and Company Owned Lighting are also paying rates in excess of their respective cost of service levels. The Commission should take steps to address this subsidy – as it had tended to do in the past – by following MECG's recommended revenue allocation approach.

Third, the Commission should design rates for the commercial and industrial classes with a goal that the rates should reflect recovery based on how the costs are incurred. In other words,

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[56] Tr. Vol. 9, pp. 601-602.
[57] NARUC is the National Association of Regulatory Utility Commissioners.

fixed costs – those that do not vary with the amount of electricity generated –should be collected through a demand or customer charge. Variable costs – those that fluctuate based on the amount of energy used – should be collected through energy charges. Presently, Ameren Missouri's rates for commercial and industrial classes recover a disproportionate amount of fixed costs through energy charges. MECG proposes that the Commission take an incremental step to address this imbalance by applying a larger portion of any increase to the LGS and SP classes to the winter and summer demand charges relative to energy charges. In addition to this adjustment, MECG outlines an optional LGS (LGS-EV) and SP (SP-EV) rate for Electric Vehicle charging customers with load sizes that would qualify to take service on LGS or SP rates. These EV options could then serve as a basis from which Ameren Missouri and stakeholders can design durable EV charging rate schedules in a working docket. Lastly, MECG recommends the Commission reject Staff's proposed "overlay" rates and instead commence the rate design review process that was ordered in Ameren's last rate case.

Adopting the foregoing positions of MECG ensures that rates from this case make progress towards cost of service, progress towards rate design that reflects cost causation, and will result in just and reasonable rates.

WHEREFORE, MECG submits its Reply Brief.

Respectfully,

/s/ Tim Opitz
Tim Opitz, Mo. Bar No. 65082
Opitz Law Firm, LLC
308 E. High Street, Suite B101
Jefferson City, MO 65101
T: (573) 825-1796
tim.opitz@opitzlawfirm.com

ATTORNEY FOR MIDWEST
ENERGY CONSUMERS GROUP

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 15th day of May 2023:

/s/ Tim Opitz