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 STATEMENT OF POSITIONS

COMES NOW the Midwest Energy Consumers Group (MECG), and for its Statement of Positions, respectfully states:

3. Severance

Should the Company's expenditures (capital and expense) for severance payments be included in the Company's revenue requirement?

Position: No, all severance payments should be removed from the cost of service. There has been no analysis to show how the severed employees' savings from ongoing labor costs included in rates will not offset the severed payments.[1]

4. Class Cost of Service, Revenue Allocation, Rate Design and Rate-Switching Tracker.

A. How should production costs be allocated among customer classes within a Class Cost of Service Study?

Position: The A&E 4NCP methodology, as calculated by Ameren or as modified to comply with Section 393.1620.1(1) RSMo, is reasonable for the allocation of production plant cost. However, for the purposes of this docket and to comply with Section 393.1620.1(1) RSMo, MECG supports the allocation of production plant cost using the Company's proposed A&E 4NCP allocator as modified to use the four months with the highest system peak loads.[2]

[1] Meyer Surrebuttal, p. 9.
[2] Chriss Direct, p. 4.

B. How should distribution costs be allocated among customer classes within a Class Cost of Service Study?

Position: The distribution cost allocation as proposed by the company is not unreasonable and is consistent with the NARUC manual on class cost of service.

C. Which party's Class Cost of Service Study should be used in this case and used as a starting point for the non-residential rate design working case agreed to by the parties to the Company's last electric general rate case, File No. ER-2021-0240?

Position: The CCOS starting point for any rate design working docket should follow the A&E 4NCP methodology, as calculated by Ameren or as modified to comply with Section 393.1620.1(1) RSMo, for the allocation of production plant cost. For the purposes of this docket and to comply with Section 393.1620.1(1) RSMo, MECG supports the allocation of production plant cost using the Company's proposed A&E 4NCP allocator as modified to use the four months with the highest system peak loads.

D. How should any rate increase be allocated to the several customer classes?

Position: If the Commission awards a revenue requirement increase lower than that proposed by the Company, MECG recommends the Commission take significant steps to bring rates for all classes closer to their cost of service-based levels. Specifically, MECG recommends that the Commission allocate the revenue increase using the following steps:

1) 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

2) Apply the remaining difference between the approved revenue requirement and Ameren's proposed revenue requirement on an equal percentage basis to all customer classes.[3]

E. What should the customer charges associated with the Residential Class rate plans be?

Position: MECG takes no position on this issue at this time.

F. What changes should be made, if any, to the Residential rate plans offered by the Company?

a. Should Staff's proposal to eliminate the Anytime (flat) rate option for any Residential customers who have an AMI meter be approved?
b. What changes, if any, should be made to the deployment of residential ToU rate plans?

Position: MECG takes no position on this issue at this time.

G. What changes should be made, if any, to the Non-Residential, Non-Lighting rate options offered by the Company?

a. Should Staff's proposal to introduce a time-based overlay for all Non-Residential, Non-Lighting classes for all customers who have an AMI meter and are not served on a time-based schedule be adopted?

Position: 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 and discussed in the Direct testimony of Steve Chriss. 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.[4]

b. Should MECG's proposed shift to increase the demand component for Large General Service and Small Primary Service and decrease energy charges be adopted?

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[3] Chriss Direct, p. 25.
[4] Chriss Rebuttal, p. 12.

Position: Yes, Contrary to the results of its cost of service study, Ameren proposes to inappropriately collect the majority of LGS and SP revenue requirements through the energy charges, as opposed to setting all charges to reflect the underlying cost of service study results and assigning customer, demand, and energy costs to their respective charges. 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.[5]

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

Position: Yes, the Commission should require Ameren to create alternative optional LGS ("LGS-EV") and SP ("SP-EV") rates for EV charging customers with load sizes that would qualify to take service on LGS or SP rates. These alternatives could then serve as a basis from which the Company and stakeholders can design durable EV charging rate schedules in the rate redesign process.

For the purposes of this docket, MECG proposes to reallocate the summer demand charge revenue requirement to the first block of the summer energy rate and reallocate the winter demand charge revenue requirement to the first block of the winter energy rate. This reallocation would serve two purposes: first, it would reduce the barrier to entry for very low usage EV chargers versus LGS and SP's demand charges; and second, it would recover the demand charge revenue

[5] Chriss Direct, p. 35.

requirements in the low load factor first blocks (up to 20.8 percent monthly load factor), which would provide more meaningful fixed cost recovery than spreading demand charge revenue across the three energy blocks.[6]

d. Should the Rider C factor be adjusted?

Position: MECG takes no position on this issue at this time.

e. Should the values for the monthly customer charge, Rider B credits, and Reactive Charge remain consistent for SPS and LPS customers because these costs are effectively the same regardless of the customer

Position: MECG takes no position on this issue at this time.

I. Should the Commission authorize Ameren Missouri to track some valuation of estimated revenue changes that may arise from residential customer rate switching?

a. Is the Ameren Missouri requested method for calculating the tracker balance reasonable?

b. Are alternative approaches available to address what Ameren Missouri characterizes as an inherent disincentive for the utility to pursue a rapid transition toward broad adoption?

Position: MECG takes no position on this issue at this time.

7. Litigation Costs

A. What amount of litigation costs relating to FERC ROE should be included in the Company's revenue requirement?

B. What amount of litigation costs relating to the Rush Island New Source Review case should be included in the Company's revenue requirement?

Position: MECG takes no position on this issue at this time.

8. Fuel Adjustment Clause ("FAC")

A. Should the Company’s FAC tariff sheets contain language that explicitly states that decommissioning and retirement costs are not included in the Company’s FAC?

B. Should the Company’s tariff sheet contain language describing the treatment of coal costs when a coal plant is retired?

[6] *Id.*

C. Should language be included in the Company's FAC tariff sheets related to the treatment of costs related to Research and Development? If so, what language should be included in its FAC tariff sheets?

D. Should Ameren Missouri include the information that is currently provided in tabs 5Dp3 and 5Dp4 in the Company's monthly FAC reports for RES compliance generation resources for all generation resources added between this rate case and Ameren Missouri's next general rate case?

E. Should Ameren Missouri include hourly day ahead and real-time locational market prices for Ameren Missouri's load and each generating resource be included in the monthly as-burned fuel report required by 20 CSR 4240-3.190(1)(B)?

F. Should language be included in the Company's FAC tariff sheets to include MISO Schedule 43K?

Position: MECG takes no position on this issue at this time.

9. Net Base Energy Costs.

A. What is the level of variable fuel and purchased power expense that should be included in the Ameren Missouri's revenue requirement and its FAC net base energy costs?

B. What net base energy costs should be included in the Company's revenue requirement (including the calculation of the Company's cash working capital)?

C. What are the appropriate Fuel Adjustment Clause seasonal Base Factors and transmission percentages?

Position: MECG takes no position on this issue at this time.

10. RESRAM Base.

A. What should be the base amount for the Company's Renewable Energy Standard Rate Adjustment Mechanism?

Position: MECG takes no position on this issue at this time.

11. Coal Inventory.

A. What should be the level of coal inventory costs included in rate base?

Position: MECG takes no position on this issue at this time.

12. Transmission Expense/Revenue.

A. What is the appropriate level of transmission expense related to MISO Schedules 26A and 9?

Position: MECG takes no position on this issue at this time.

13. Equity Issuance Cost Amortization

A. What amount of amortization relating to previously deferred equity issuance costs should be included in the Company's revenue requirement?

Position: MECG takes no position on this issue at this time.

14. Low-Income and Other Customer Programs.

A. Should the changes to the Keeping Current/Keeping Cool Program proposed by CCM be approved?

B. Should the changes to the Keeping Current/Keeping Cool Program proposed by OPC be approved?

Position: MECG takes no position on this issue at this time.

15. Membership Dues.

A. Should the Company's expenditures for membership dues be included in the Company's revenue requirement?

B. Should the Company's expenditures for membership dues related to the Utility Solid Waste Activities Group?

Position: MECG takes no position on this issue at this time.

16. Blues Power Play Goal For Kids

A. What orders, if any, should the Commission make regarding Ameren Missouri's Blues Power Play Goal for Kids sponsorship?

Position: MECG takes no position on this issue at this time.

17. Employee Benefit Costs

A. Should employee benefit costs be updated to account for headcount as of the true-up cutoff date?

Position: MECG takes no position on this issue at this time.

18. Non-qualified Pension Costs

A. What amount of non-qualified pension costs should be included in the Company's revenue requirement?

Position: MECG takes no position on this issue at this time.

19. Return on Common Equity ("ROE")

A. In consideration of all relevant factors, what is the appropriate value for Return on Equity ("ROE") that the Commission should use in setting Ameren Missouri's Rate of Return?

Position: The ROE that should be applied to Ameren Missouri's authorized common equity ratio is 9.25%.[7]

20. Capital Structure.

A. What is the appropriate capital structure to use for ratemaking in this case?

Position: MECG takes no position on this issue at this time.

21. Allowance for Funds Used During Construction:

A. What short-term debt balances should be included in the Company's calculation for AFUDC?

Position: MECG takes no position on this issue at this time.

22. Rush Island.

A. Should any of the Company's investment in the Rush Island Energy Center be excluded from rate base in this case?

Position: MECG takes no position on this issue at this time.

[7] Murray Direct, p. 26.

23. High Prairie.

A. Should a portion of the Company's investment in the High Prairie Energy Center be excluded from rate base in this case? If so, how much should be excluded?

Position: The Commission should accept the recommendations of MECG witness Meyer.

B. Should MECG witness Meyer's proposal to impute energy revenues, production tax credits, renewable energy credits and disallow any monitoring expenses or mitigation projects based on his contention that the High Prairie is underperforming be adopted?

Position: Yes, as set forth in the Rebuttal and Surrebuttal of MECG witness Meyer, the Commission should make the following adjustments related to High Prairie:

- the energy sales should be increased for the underperformance of High Prairie during the 12 months ended November 30, 2022;
- Production Tax Credits ("PTC") should be recognized for the underperformance of High Prairie during the 12 months ended November 30, 2022;
- RECs should be recognized for the underperformance of High Prairie during the 12 months ended November 30, 2022, and;
- recovery of monitoring expenses or mitigation projects should not be recovered from Ameren Missouri's ratepayers.[8]

C. Should Staff witness Eubanks' proposal to impute energy revenues, renewable energy credit costs, and production tax credits into the Company's revenue requirement be adopted?

Position: The Commission should accept the recommendations of MECG witness Meyer.

[8] Meyer Surrebuttal, pp. 18-19.

24. Depreciation/Continuing Property Record ("CPR").

A. What depreciation rates should be ordered?

B. Should the Company be ordered to change the manner that property retirements are recorded to its CPR?

Position: MECG takes no position on this issue at this time.

25. Property Taxes/Tracker.

A. What is the appropriate level of Missouri property tax to be included in rates?

B. What base level of property taxes should the Commission approve for Ameren Missouri to track property tax?

C. What amount of property tax deferrals should be included in the Company's revenue requirement used to set customer rates in this case?

Position: MECG supports the position of the Commission staff. The property tax tracker should take effect in the rate case following the enactment of 393.1275 RSMo. This means the property tax tracker should be included prospectively in the context of this rate case when all relevant factors surrounding the use of the property tax tracker can be considered at the same time.[9]

26. Income Taxes.

A. Should any amount of federal tax credit carryforwards be included in the Company's revenue requirement as an offset to ADIT in rate base?

Position: MECG takes no position on this issue at this time.

27. Cash Working Capital

A. What cash working capital factors should be used for income taxes to determine the amount to adjust the Company's rate base in this case?

[9] Meyer Surrebuttal, p. 5.

B. What cash working capital factors should be used for sales and use taxes to determine the amount to adjust the Company's rate base in this case?

Position: MECG takes no position on this issue at this time.

28. Inflation Reduction Act ("IRA") Tracker.

A. Should Ameren Missouri be allowed to implement an IRA Tracker, and if so, what costs and benefits should be included?

Position: MECG takes no position on this issue at this time.

29. Retail Revenues.

A. What level of billing units and normalized revenues should be used in calculating rates?

1. What block adjustment should be used in calculating rates?

2. What weather normalization adjustment should be applied when determining rates?

3. What customer-owned solar adjustment should be used in calculating rates?”

4. What growth adjustment should be used in calculating rates?

5. What energy efficiency annualization adjustment should be used in calculating rates?

6. Should the Community Solar adjustment be annualized?

Position: MECG takes no position on this issue at this time.

30. Identification of Avoided Capital Investments for the Sioux and Labadie Coal Plants.

A. Should the Company be required to identify avoided capital investments should the Sioux or Labadie Energy Centers retire earlier than currently planned as recommended by Sierra Club witness Comings?

Position: MECG takes no position on this issue at this time.

31. Meramec Return.

A. What is the appropriate level of return for deferred costs of operating the Meramec plant up until its closure to be included in rates?

Position: MECG takes no position on this issue at this time.

32. Rate Case Expense.

A. What is the appropriate amount to include in Ameren Missouri's revenue requirement for Rate Case Expense?

Position: MECG takes no position on this issue at this time.

WHEREFORE, MECG submits its Statement of Positions.

Respectfully,

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 27th day of March 2023:

/s/ Tim Opitz