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

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In the matter of Union Electric Company, d/b/a AmerenUE's Tariffs to Increase Its Annual Revenues for Electric Service

Case No. ER-2012-0166

## APPLICATION FOR REHEARING OF THE MIDWEST ENERGY CONSUMERS GROUP

COMES NOW the Midwest Energy Consumers Group ("MECG"), pursuant to Section 386.500 and 4 CSR 240-2.160 of the Missouri Public Service Commission's Rules of Practice and Procedure, and for its Application for Rehearing respectfully states as follows:

1. The Commission's Report and Order, pertaining to coal in transit, is unlawful in that it directly violates the dictates of Section 393.270.4.

In its Report and Order, the Commission allowed Ameren to earn a return on coal in transit. While recognizing that such coal has not been paid for by Ameren, the Commission nevertheless allowed Ameren to earn a return on the basis that Ameren had taken ownership of this coal at the time that the coal was placed in a railcar.

Section 393.270.4 provides that the Commission shall establish electric rates "with due regard, among other things, to a reasonable average return upon capital <u>actually expended</u>." (emphasis added). In its Report and Order, the Commission acknowledges that the capital underlying coal in transit has not been "actually expended." Rather, the Commission repeatedly admits that the capital associated with such coal is not "actually expended" for two weeks after Ameren takes ownership. Recognizing that

Ameren has not actually expended the capital associated with this coal in transit, it is unlawful for the Commission to allow Ameren to earn a return on such coal.

WHEREFORE, MECG respectfully requests that the Commission revise its Report and Order to disallow any recovery on coal in transit on the basis that it is in direct contravention of Section 393.270.4

Respectfully submitted,

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ATTORNEY FOR THE MIDWEST ENERGY CONSUMERS GROUP

## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have this day served the foregoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.

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David L. Woodsmall

Dated: December 21, 2012