

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

|  |   |                       |
|--|---|-----------------------|
| In the matter of Union Electric Company, | ) |                       |
| d/b/a AmerenUE's Tariffs to Increase Its | ) | Case No. ER-2012-0166 |
| Annual Revenues for Electric Service     | ) |                       |

**STATEMENT OF POSITIONS OF  
THE MIDWEST ENERGY CONSUMERS GROUP**

COMES NOW the Midwest Energy Consumers Group ("MECG"), in reference to the *List of Issues, List and Order of Witnesses, Order of Cross Examination, and Order of Opening Statements* ("List of Issues") filed by the Commission Staff on September 19, 2012, and respectfully provides the corresponding position statements on the following issues:

Generally, MECG supports the positions advanced by Staff and MIEC on the various revenue requirement issues. For purposes of this Statement of Positions, MECG provides positions on the class cost of service / rate design issues. That said, MECG reserves the right to address additional issues in its briefing and to modify its positions based upon cross-examination and additional evidence that arises during the evidentiary hearing.

**25. Class Cost of Service, Revenue Allocation and Rate Design**

**A. What methodology should the Commission use to allocate generation fixed costs among customer classes?**

Position: Consistent with its decision in ER-2010-0036, the Commission should allocate generation fixed costs on the basis of the four non-coincident peak version of the Average and Excess Demand Allocation methodology. This methodology was utilized in the class cost of service studies advanced by both Ameren (Cooper) and MIEC (Brubaker).

**B. How should the non-fuel, non-labor components of production, operation and maintenance expense be classified and allocated?**

Position: MECG agrees with MIEC's position on this issue. The non-fuel, non-labor, components of generation operation and maintenance expense are essentially fixed costs and do not vary with the amount of energy generated. The Commission should classify these costs as fixed and allocate them to classes using the generation fixed costs allocator (i.e., the familiar "expenses follow plant" method), which is consistent with how Commission Staff and MIEC have treated these costs.

**C. How should any rate increase be collected from the several customer classes?**

Position: MECG agrees with the recommendation advanced by MIEC witness Brubaker. Recognizing that commercial and industrial rates continue to be above cost of service, Mr. Brubaker proposes a modest step toward the cost of service should be made in this case. Specifically, the Residential class and Lighting class should receive a modest 2% revenue increase, offset by a revenue neutral decrease of approximately 1.75% to all other customer classes. A similar approach was adopted by the Commission in the last Ameren case. After this revenue neutral shift, any rate increase should be allocated as an equal percentage on base rates of all customer classes.

**D. What should the Residential Class customer charge be?**

Position: MECG takes no position on this residential class issue.

**E. What should the Small General Service Class customer charge be (single- phase and three-phase)?**

Position: MECG takes no position on this Small General Service class issue.

**F. Should the Commission address declining block rate design either by opening a separate docket on rate design or by ordering Ameren to address the rate design in its next general rate case?**

Position: As proposed by NRDC, the declining block rate design issue is focused on the residential class. Therefore, MECG takes no position on this issue. To the extent that the declining block energy charge issue is expanded to other classes, MECG asks that the Commission address it in a manner that allows all interested parties to participate.

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: September 24, 2012