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 Its Revenues for Electric Service.	)))	File No. ER-2024-0319

STATEMENT OF POSITION OF
THE MISSOURI INDUSTRIAL ENERGY CONSUMERS

COMES NOW the Missouri Industrial Energy Consumers ("MIEC") and provides its Statement of Position as follows:

1. **How should any rate increase be allocated to the customer classes?**

Class Cost of Service is the starting point and most important guideline for establishing the level of rates that should be charged to customers.[1]

Ameren Missouri's test year load characteristics exhibit three significant summer peak demands as compared to demands in other months. Additionally, Ameren Missouri exhibited one winter peak demand that was within 10 percent of the annual system peak.[2]

For generation, Ameren Missouri uses the Average and Excess ("A&E") method using four class Non-Coincident Peak ("NCP") demands. This methodology considers both class maximum demands and class load factor, as well as diversity between class peaks and the system peak. A reasonable alternative to Ameren's method would be a Four Coincident Peak ("4CP") A&E approach, but in this case the difference between the two allocation factors for every major class is insignificant. Accordingly, the MIEC supports Ameren Missouri's production capacity allocation factor.[3]

Ameren Missouri's allocation of transmission costs reflects a 12CP demand approach. While a 4 CP allocator could be justified based on the utility's load characteristics, the 12CP approach aligns with the way AMO incurs transmission costs from the Midcontinent Independent System Operator ("MISO").[4]

The Company classifies a portion of distribution costs in Federal Energy Regulatory Commission (FERC) accounts 364 and 368 as customer related on a Minimum-Size Study. This approach reflects cost-causation and should be adopted.[5]

[1] Direct Testimony of Jessica York, p. 2 ll. 10-11.
[2] Id. at ll. 12-14.
[3] Id. at ll. 15-22.
[4] Id. at ll. 23-26.
[5] Id. at ll. 27-30.

Ameren Missouri recognizes that adjustments would need to take place (before factoring in any potential overall Ameren Missouri rate change) to move each customer class to cost of service, because its rates are significantly out of line with cost of service. As shown on Schedule JAY-COS-2 of the Direct Testimony of Jessica York, the Large Primary Service ("LPS" or Rate 11M) class is so currently so over-priced that a 16.9 percent decrease would be required just to bring the LPS rate to cost of service. It is very unusual to find this level of a departure from cost of service for LPS customers, which are the least expensive to serve. It would be appropriate to correct this significant disparity, which unnecessarily burdens the LPS customer class.[6]

Table JAY-3 of Ms. York's Direct Testimony shows class revenue adjustments required to move 33 percent toward cost of service. Table JAY-4 of Ms. York's Direct Testimony shows the class revenue adjustments that would be needed to make a 25 percent movement toward cost of service. Ms. York recommends an adjustment for all major classes be 33 percent of the amount needed to move to cost of service (while noting that the customer-owned lighting class may require some moderation). Any overall change in revenue should be applied as an equal percent to the base rate revenues of all classes after making the interclass adjustments.[7]

For purposes of implementing the final rates in this case, Ameren Missouri's proposal to apply approximately the same percentage change to all rate elements except the Low-Income Pilot Program Charge is generally reasonable; however, it would not be objectionable in this case to increase the demand rates to move them closer to the cost of service with a corresponding reduction in energy rates.[8]

2. How should the rate increase be implemented within certain classes? To resolve that issue, the following issues should be addressed:

   A. Should the demand rates of the 3M and 4M classes be increased by a greater amount with a corresponding decrease to the energy charges, as proposed by MECG?

The MIEC does not currently take a position on this issue.

[6] Direct Testimony of Jesssica York p. 3, ll. 1 – 13.
[7] Id. at ll. 9 – 20.
[8] Id. at ll. 21-25.

B. Should the Rider B rates be adjusted?

The MIEC does not currently take a position on this issue.

C. Should the time-of-day adjustments for non-residential customers in classes 3M, 4M and 11M be modified or held constant?

The MIEC does not currently take a position on this issue.

D. Should the Commission authorize a new end-use-rate schedule for EV charging as proposed by MECG?

The MIEC does not currently take a position on this issue.

E. Should the Commission order a progress report on the non-residential rate design working docket File No. EW-2023-0031 as proposed by MECG?

The MIEC does not currently take a position on this issue.

Respectfully submitted,

Curtis, Heinz, Garrett & O'Keefe, P.C.

By: /s/ Diana M. Plescia_____________
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CERTIFICATE OF SERVICE

I do hereby certify that a copy of the foregoing will be served on the parties on the Commission's service list in this case.

/s/ Diana M. Plescia_____________