

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

In the Matter of the Application of Union                    )  
Electric Company d/b/a Ameren Missouri                    )  
for Approval of a Tariff Setting a Rate for                    )  
Electric Vehicle Charging Stations.                            )                    File No. ET-2016-0246

**INITIAL POST-HEARING BRIEF OF AMEREN MISSOURI**

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three of these questions is yes.<sup>5</sup> Staff<sup>6</sup> also agrees that the Commission has jurisdiction over utilities engaging in electric vehicle charging services,<sup>7</sup> although it contends that: 1) if jurisdiction exists, the Commission must exercise it over all entities, not just utilities, who provide this service (and that a policy decision is unnecessary);<sup>8</sup> and 2) that the Company's tariff should be consistent in offering either time-based or kWh-based charging for both types of charging stations.<sup>9</sup> ChargePoint's position regarding Commission jurisdiction over utility-owned charging stations and services is unclear,<sup>10</sup> but it does believe that utility investment in these types of projects constitutes good public policy. Only OPC,<sup>11</sup> Consumers Council,<sup>12</sup> and MECG<sup>13</sup> dispute both jurisdiction and public policy, although their respective positions on the tariff itself remain either unclear or completely unaddressed. OPC's argument in opposition to the tariff appears to be based on policy concerns regarding subsidies required to support the pilot and whether there is sufficient public policy benefit from the proposed project in the first place.<sup>14</sup>

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<sup>5</sup> Sierra Club and NRDC –*Recommendation of Sierra Club and Natural Resources Defense Council to Approve Proposed Tariff with Modification*, filed October 13, 2016; Jester Rebuttal (Sierra Club); Garcia Surrebuttal (NRDC)

DE – *Response of the Missouri Division of Energy to Ameren Missouri's Revised Tariff*, filed October 13, 2016; *Response of the Missouri Division of Energy to the Commission's Order Directing Filing*, filed October 21, 2016; Hyman Rebuttal; Tinsley Rebuttal; Hyman Surrebuttal; Tinsley Surrebuttal.

KCPL – Rush Rebuttal; Rush Surrebuttal.

<sup>6</sup> Commission Staff

<sup>7</sup> *Staff Response to Order Directing Filing*, filed October 29, 2016; Dietrich Rebuttal, pp. 2-3.

<sup>8</sup> Dietrich Rebuttal, p. 3.

<sup>9</sup> *Staff's Comment*, filed October 13, 2016; Murray Rebuttal, p. 5.

<sup>10</sup> In its *Response to Order Directing Filing*, filed on October 21, 2016, Chargepoint appears to take the position that the Commission does not have jurisdiction over utility-owned and operated charging stations or islands. However, the Rebuttal Testimony of its witness, Anne Smart, at p. 12, states that "the Commission clearly has jurisdiction over any investment made by the utility that it regulates." What is clear is that ChargePoint believes there is no Commission jurisdiction over third-party owned electric vehicle charging stations. ChargePoint does not appear to take any position on the proposed tariff itself.

<sup>11</sup> Office of the Public Counsel

<sup>12</sup> Consumers Council of Missouri

<sup>13</sup> Missouri Energy Consumers Group

<sup>14</sup> Marke Rebuttal, p. 3; Marke Surrebuttal, p. 2; *Transcript* dated January 31, 2017, pp. 558-561, 570.

Consumers Council, which did not submit testimony, does not appear to address the tariff itself in its pleadings.<sup>15</sup> MECG has remained largely silent in this case.

It is helpful to actually visualize the positions, or even lack of positions, of the parties to this case:

**Table 1 – Summary of Parties' Positions on Issues**

Party	Jurisdiction over Utility	Pilot Project is Good Policy	Rate/Tariff is Reasonable
Ameren Missouri	Yes	Yes	Yes
Sierra Club	Yes	Yes	Yes
NRDC	Yes	Yes	Yes
Div. of Energy	Yes	Yes	Yes
KCPL	Yes	Yes	Yes
Staff	Yes	N/A <sup>16</sup>	Yes, if revised <sup>17</sup>
ChargePoint	Unclear	Yes	N/A
OPC	No	No	Unclear
Consumers Council	No	No	N/A
MECG	N/A	N/A	N/A

Table 1 above shows a clear majority of parties in agreement that: 1) the Commission has jurisdiction over utility electric vehicle charging service; 2) the pilot project represents good public policy; and 3) the proposed tariff is reasonable.

To determine that this is a public utility<sup>18</sup> service subject to the Commission's jurisdiction,<sup>19</sup> the Commission need only determine that Ameren Missouri is an electrical

<sup>15</sup> *Consumers Council of Missouri's Concurrence in the Motion to Reject Filed by the Office of Public Counsel*, filed October 13, 2016.

<sup>16</sup> Dietrich Rebuttal, p.3 “[P]olicy decisions are only pertinent when the Commission has discretion... [I]f the Commission has jurisdiction over a service or an offering, the Commission has no choice but to exercise it.”

<sup>17</sup> Since Staff's position is that the tariff would be acceptable if both charges were priced at either per minute or per kWh, instead of one of each as currently reflected in the tariff, Ameren Missouri is assuming that other items – including pricing and terms, are acceptable, and has reflected this as a partial/conditional yes.

<sup>18</sup> § 386.020(43) RSMo Supp. 2016.

<sup>19</sup> § 386.250 RSMo Supp. 2016.

corporation<sup>20</sup> owning and/or operating electric plant<sup>21</sup> so that it can offer a service indiscriminately to the public for compensation.<sup>22</sup> No party disputes that Ameren Missouri is an electrical corporation. And, while there may be dispute regarding the rate charged, no one appears to dispute that Ameren Missouri will be holding this service out to the public for compensation. So, the key to determining Commission jurisdiction appears to lie in whether, as operated by a public utility, a charging island constitutes “electric plant.” Ameren Missouri, as discussed in this brief, believes it clearly does.

Ameren Missouri<sup>23</sup> has proposed a tariff that will allow it to implement a very small, low-cost, but potentially very beneficial pilot project. Specifically, the Company wants to install only six electric vehicle charging islands for an anticipated cost of less than \$600,000. The charging islands would be positioned at certain points along a well-traveled section of interstate highway running through the center of Missouri, a corridor that currently does not have the kind of fast-charging stations available that electric vehicle owners need and want for corridor charging. There are currently close to 200 miles of interstate highway running through the heart of Missouri that have no fast-charging stations capable of fulfilling the electricity needs of electric vehicles other than Teslas.<sup>24</sup> Ameren Missouri is hopeful that if it can fill this significant gap, electric vehicle adoption in the state will increase, and as it increases, the demand for even more stations will encourage other companies – including third-party private sector station owners – to also invest in vehicle charging infrastructure. As has already been demonstrated in the state of

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<sup>20</sup> § 386.020(15) RSMo Supp. 2016.

<sup>21</sup> § 386.020(14) RSMo Supp. 2016.

<sup>22</sup> *Hurricane Deck Holding Company v PSC*, 289 S.W.3d 260 (W Dist 2009).

<sup>23</sup> Union Electric Company d/b/a Ameren Missouri, or "the Company"

<sup>24</sup> Nealon Surrebuttal, pp. 10-13.

California,<sup>25</sup> this type of investment will not take off unless someone is willing to prime the pump.

Why is the Company asking for this? Because it believes increasing the use of electric vehicles will provide numerous benefits to the Company's customers, both those who own such vehicles and those who do not. Ameren Missouri has specifically structured this pilot to encourage electric vehicle adoption within its service territory by filling a gap in the vehicle charging infrastructure that no other entity – business or government – has expressed a near-term willingness to fill.<sup>26</sup> The Company also believes this pilot project will help it gather data relevant to electric vehicle adoption, not just for its own infrastructure and business decisions, but for use by the Commission and other interested parties. The Company believes that the data that could be gathered regarding long-distance electric vehicle charging needs – a need not currently being addressed in the state – can help guide decisions about whether programs such as this one should be expanded, and if so, provide better paths for that expansion.

If this pilot is ultimately successful enough to spur further action, Ameren Missouri's customers – as well as the state of Missouri – will benefit. Even if the only outcome is that the pilot continues past the five-year mark, the Company's customers will benefit from reduced rates.

Ameren Missouri is not asking for any state-wide policy directives, and none need be determined in order for the Commission to approve the Company's proposed pilot program. The Company is not asking for any decision on jurisdiction, or lack of jurisdiction, over third-party

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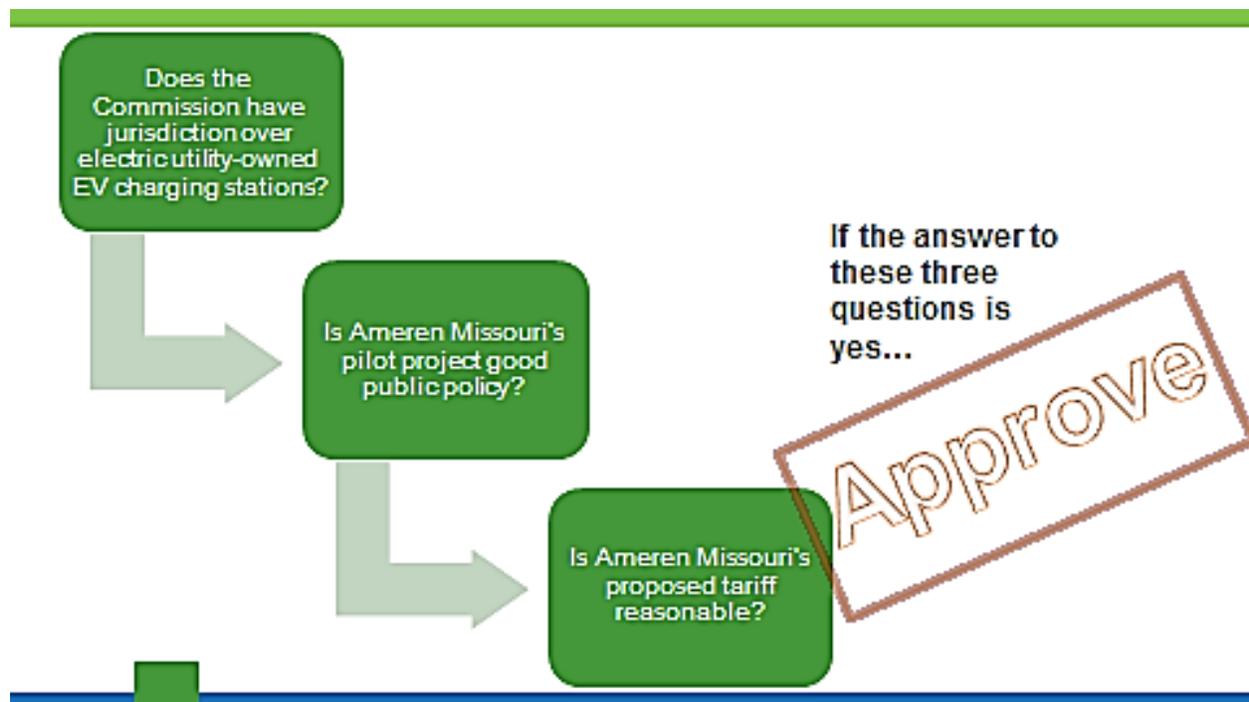
<sup>25</sup> Transcript dated January 12, 2016, pp. 279-281.

<sup>26</sup> As noted in Ameren Missouri witness Mr. Thomas L. Byrne's surrebuttal testimony, the company is also willing to examine appropriate tariff structures, including Time of Use rates, to further incentivize customers. Tariff dated January 12, 2016, pp. 223-224, 230-231. However, Time of Use rates in particular would be best examined in a separate proceeding where full vetting can be afforded to the topic.

owned and operated charging stations or islands. The Company is not trying to stifle competition.<sup>27</sup> The Company is not proposing the imposition of a financial burden in order to unfairly benefit others. These issues, allegations and implications are inconsequential to Ameren Missouri's proposed tariff. These issues are just noise.

As it stands, the most contentious issue in this case does not even appear in either of the lists of issues submitted by the litigating parties.<sup>28</sup> The most contentious issue is identifying what is actually at stake in this case. The parties have brought countless distractions before the Commission that do not have any real bearing on the issue.

Ignore the noise. Because all that is truly relevant is this:



<sup>27</sup> The Company can hardly be accused of stifling competition where there are no known existing or potential competitors. Transcript dated January 12, 2016, p. 184.

<sup>28</sup> *List of Issues, List and Order of Witnesses, Order of Opening Statements and Order of Cross-Examination* submitted by Union Electric Company d/b/a Ameren Missouri, Staff of the Missouri Public Service Commission, Kansas City Power & Light Company, KCP&L Greater Missouri Operations Company, Missouri Division of Energy, Natural Resources Defense Council, and Sierra Club, filed January 4, 2017; and *List or Statement of the Issues Submitted by Office of Public Counsel, ChargePoint, Inc., Midwest Energy Consumers Group and Consumers Council of Missouri*, filed January 4, 2017.

## II. ISSUES FOR RESOLUTION

There are three issues presented in this case for the Commission's resolution:

- Commission Jurisdiction – Does the Commission have jurisdiction to regulate utility-owned and operated electric vehicle charging stations operated in a utility's service area?
- Public Policy – Are there public benefits realized from the installation of electric vehicle charging stations, as proposed in Ameren Missouri's pilot project?
- Rates – Does Ameren Missouri's proposed tariff represent the proper rate design for its electric vehicle charging island pilot project?

If these three issues can be affirmatively resolved, then the Commission should approve Ameren Missouri's proposed pilot project.

### **A. Commission Jurisdiction – Does the Commission have jurisdiction to regulate utility-owned and operated electric vehicle charging stations operated in a utility's service area?**

The Commission has clear authority to regulate utility-owned and operated electric vehicle charging stations operated within a utility's service territory. The law plainly states that the Commission has jurisdiction over “the manufacture, sale or distribution of ... electricity for light, heat, and power, within the state...”<sup>29</sup> Missouri courts have interpreted this language, and other relevant provisions of the Public Service Commission Law, to vest the Commission with full authority “to supervise, regulate and control the public utilities within its jurisdiction.”<sup>30</sup> It therefore follows that if a proposed service involves the sale of electricity for power, and the entity providing the service is a public utility, the Commission has jurisdiction to regulate that service if the utility offers that service through a filed tariff on an above-the-line basis.

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<sup>29</sup> § 386.250, RSMo Supp. 2016.

<sup>30</sup> *State ex rel. Utility Consumers Council of Missouri, Inc. v. Public Service Commission*, 585 S.W.2d 41, 48-49 (Mo. banc 1979).

Four inter-related provisions of Section 386 also are relevant to determining the Commission's jurisdiction:

Section 386.250 RSMo – Jurisdiction of Commission

Commission jurisdiction includes “the manufacture, sale or distribution of ... electricity of light, heat and power, within the state, and to persons or corporations owning, leasing, operating or controlling the same; and to ... electric plants, and to persons or corporations owning, leasing, operating or controlling the same...”

Section 386.020(43) RSMo – Public Utility

“Public utility” includes every “electrical corporation,” each of which “is hereby declared to be a public utility and ... subject to the jurisdiction, control and regulation of the commission...”

Section 386.020(15) RSMo – Electrical Corporation

Includes entities “owning, operating, controlling or managing any electric plant” unless used for rail purposes or private/tenant use.

Section 386.020(14) RSMo – Electric Plant

Includes “all real estate, fixtures and personal property operated, controlled, owned, used or to be used for or in connection with or to facilitate the generation, transmission, distribution, sale or furnishing of electricity for light, heat or power...”

Although the definition of “electrical plant” does not explicitly require facilities to be devoted to the public use or that electricity produced or transmitted by electrical plant be sold to the public, Missouri courts consistently have ruled those requirements are implicit:

[T]he operation of the electric plant must . . . be coupled with a public interest; otherwise the Commission can have no authority whatsoever over it. The electric plant must, in short, be devoted to a public use before it is subject to public regulation.<sup>31</sup>

A Missouri court refined this statement as recently as 2009, when it defined public utilities to include those who hold themselves out “to serve the public for compensation, and thus...providing services ‘for gain’...”<sup>32</sup>

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<sup>31</sup> *State ex rel. M. O. Danciger & Company v. Public Service Commission*, 205 S.W. 36, 40 (Mo. 1918).

<sup>32</sup> *Hurricane Deck Holding Company v. PSC*, 289 S.W.3d 260 (W Dist 2009).

Based on existing statutes and case law, the Commission has jurisdiction if it can answer “yes” to these three questions:

- Is Ameren Missouri an electrical corporation?
- Is Ameren Missouri using electric plant to provide this service?
- Is Ameren Missouri offering this service through facilities devoted to the public service for the use and accommodation of the public?

No party to this proceeding disputes Ameren Missouri’s status as an electrical corporation. The Company clearly owns, operates, controls, and manages significant electric plant, which it uses in its provision of service to customers.

The statutory definition of “electric plant” includes “*all ... fixtures and personal property*”<sup>33</sup> owned, operated, controlled, or used “in connection with or to facilitate the generation, transmission, distribution, sale or furnishing of electricity for light, heat or power.”<sup>34</sup> This implies that if a piece of equipment is part of an infrastructure chain that provides electricity, that piece of equipment is electric plant.<sup>35</sup> If the owner of that equipment uses the equipment to provide a service to the general public, both the service and the provider fall within the Commission's regulatory jurisdiction.

The individual elements of "electrical plant" included in the statutory definition cannot be viewed in isolation. In this case, the charging islands the Company proposes to install are the end of a long chain of infrastructure that Ameren Missouri owns and/or operates to provide electricity to its customers. Because the Company owns and operates all links in that

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<sup>33</sup> § 386.020(14) RSMo Supp. 2016. [Emphasis added].

<sup>34</sup> Consistent with the statutory language, Ameren Missouri witness Mr. Byrne and Staff witness Ms. Natelle Dietrich both acknowledge that the electricity in the electric vehicle will be used for light, heat, and power. Byrne Surrebuttal, p. 4; Dietrich Rebuttal, p. 3.

<sup>35</sup> This may not be the case for third-party charging station owners, as discussed later in this brief.

infrastructure chain, Missouri law requires the Commission to regulate the vehicle charging stations Ameren Missouri proposes to install as at the end of the chain.

But, because non-utility businesses do not own and operate all – or even most – links in the distribution chain used to provide electricity to electric vehicles, they do not qualify as either electrical corporations or public utilities under applicable statutory definitions. That may exempt those businesses from regulation, although that issue does not have to be decided in this case in order for the Commission to approve Ameren Missouri's application and tariff.

That leaves only the final question – Is Ameren Missouri offering this service to the public through facilities devoted to the public service for the use and accommodation of the public? Again, the answer is yes. Ameren will supply electricity through these charging stations indiscriminately to anyone who is able to use them, and will not deny service to anyone who qualifies to take it. Not everyone will be able to take service under this tariff, but this is typical.<sup>36</sup> The Company is offering its services indiscriminately to all persons within its service area it is capable of serving.<sup>37</sup> Whether all customers can use it is irrelevant to any provision of service.<sup>38</sup>

In summary, it is clear that Ameren Missouri is both an electrical corporation and a public utility proposing to use electric plant to provide a public utility service indiscriminately to the public for the use and accommodation of the public. Accordingly, it is appropriate to find that the Commission has jurisdiction over Ameren Missouri's proposed pilot project. Two issues related to jurisdiction, however, remain: The Company's recovery of costs associated with the pilot project and whether third-party charging stations are subject to regulation.

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<sup>36</sup> For example, a residential customer would not qualify to take service under the Industrial Aluminum Smelter Service Rate tariff.

<sup>37</sup> *Hurricane*, 289 S.W.3d at 265.

<sup>38</sup> In fact, to be providing service in the public interest, the provider does not have to make a profit from the sale, or even receive any payment. It is the fact that it *held itself out to serve the public for compensation* that matters. *Id.* at 264.

With regard to rate treatment, now is not the time to render a decision that punishes Ameren Missouri for pursuing this pilot project. The Company will not begin recovering any of these costs from its customers until rates set in Ameren Missouri's pending rate case – File No. ER-2016-0179 – are modified in a subsequent rate case. Until that time, the Company's shareholders will bear the costs of this program. In the meantime, the Company will record these costs above the line<sup>39</sup> and will expect to recover its prudently-incurred costs associated with this pilot in its next rate case.<sup>40</sup>

Staff has recommended that in that subsequent rate case, revenue be imputed to Ameren Missouri to the extent that the pilot program's revenues are not sufficient to cover its costs. Ameren Missouri has been very clear that in the short-term, and only after its next rate case, this program will require a minimal subsidy from its customers.<sup>41</sup> Under Staff's proposal, the imputation of additional revenue sufficient to equal pilot program costs would be automatic; showing Ameren Missouri acted imprudently would not be required. Staff's proposal, therefore, would essentially punish the Company for implementing the pilot program as proposed. Staff's proposal should be rejected because it is unprecedented and almost certainly unlawful.<sup>42</sup> To Ameren Missouri's knowledge, there is no other situation where a utility has been unable to recover the prudently-incurred costs associated with a tariffed utility service.

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<sup>39</sup> Staff acquiesced to Ameren Missouri's position that recording these costs below the line could not stand. *Staff's Position Statement*, p. 2; Transcript dated January 31, 2017, p. 380.

<sup>40</sup> Because the Company has been very forthright with its plans and associated costs, if the Commission approves this program, Ameren Missouri expects that its decision to pursue this program is deemed by the Commission to be prudent. Any imprudence disallowances would have to be associated with implementation of the program.

<sup>41</sup> Marke Direct, p. 6; Nealon Surrebuttal, p. 21. Further, the Company notes the longer the program continues, the greater the potential positive rate impacts for its customers.

<sup>42</sup> Byrne Surrebuttal, pp. 6-8.

As for third parties engaging in charging services, Ameren Missouri has no intention of pursuing any action against such parties within its service territory.<sup>43</sup> A third party is likely to own or operate a charging station and no other infrastructure. Because that third party most likely will be purchasing electricity from a public utility like Ameren Missouri, and re-selling that electricity through a single piece of equipment, the third party does not qualify as either an "electrical corporation" or a "public utility" subject to the Commission's regulatory jurisdiction. Additionally, a third party will have the ability to deny service to any customer it chooses. On its face, therefore, the operation by a third party of an electric vehicle charging station does not appear to be a regulated activity.

Finally, as Mr. Byrne noted at hearing, the Company is happy to modify its applicable tariff to specifically exclude this type of transaction from its "sale for resale" prohibition. Ameren Missouri suggests the following underlined language should resolve this issue:

Sheet No. 137, Section M – Resale of Service:

The furnishing of metered electric service by a customer of Company to a third party for a specific identifiable charge based upon such metered consumption is prohibited except where such practice originated prior to July 24, 1958 and except where the resale of the electricity is for the purpose of electric vehicle charging. Where such practice has continued since July 24, 1958, the charge for electric service from customer to a third party shall not exceed the charge which would result from the application of Company's appropriate rate, contained herein, for comparable electric service.

**B. Public Policy – Are there public benefits realized from the installation of electric vehicle charging stations, specifically if the Commission were to approve Ameren Missouri's proposed pilot project?**

The public benefits that can be realized from this program clearly justify the Commission's approval of Ameren Missouri's proposed pilot program. This pilot program will

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<sup>43</sup> Transcript dated January 12, 2017, p. 233 – Mr. Byrne's live testimony.

remove one readily apparent barrier to increased electric vehicle adoption, will create opportunities for both environmental and financial benefits to the Company's customers, and can be accomplished at a negligible cost.

Right now in the state of Missouri, there is a significant gap in the availability of electric vehicle charging stations, particularly fast chargers, which are designed to enable long-distance travel. At a minimum, there is a stretch of I-70 within Ameren Missouri's service territory, between Booneville and Wentzville of more than 100 miles, that has no publicly-available, non-proprietary fast chargers to enable corridor traffic.<sup>44</sup> As noted at hearing, there are no readily discernable plans by any entity to fill this gap.<sup>45</sup> This is the reason Ameren Missouri chose this corridor within its service territory for the pilot project.

Ameren Missouri witness Mark Nealon indicated he had recently purchased a Nissan Leaf, but was unable to drive it from St. Louis to Jefferson City for the hearing because of the lack of available charging facilities.<sup>46</sup> With more affordable and distance-capable electric vehicles coming into the market, Ameren Missouri hopes that providing the means to power these vehicles will encourage more people to purchase them. Even vehicles like the Chevrolet Bolt, which is capable of traversing a distance of 200 miles without re-charging, is still unable to make a trip from Wentzville to Jefferson City and back due to lack of infrastructure.<sup>47</sup>

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<sup>44</sup> Nealon *Surrebuttal*, p. 12, 13; *Transcript* dated January 12, 2017, pp. 148.

<sup>45</sup> OPC witness Dr. Marke acknowledged during cross-examination that Ameren Missouri's studies indicated such ventures would likely lose money, and that business people do not typically invest in a money-losing endeavor. *Transcript* dated January 31, 2017, pp. 507-508. Further, Dr. Marke indicated, during cross-examination, that he was not aware of and had no information regarding any potential plans for development of electric vehicle charging capabilities along this corridor, save one – the live testimony of ChargePoint, Inc. witness Ms. Anne Smart. *Id.* pp. 505-506. However, upon questioning, Ms. Smart declined to discuss any details about these plans – not with regard to equipment, locations, or even general timelines – to assuage concerns regarding the lack of appropriate charging infrastructure within the corridor. *Transcript* dated January 12, 2017, pp. 331-334.

<sup>46</sup> *Transcript* dated January 12, 2017, pp. 151-154.

<sup>47</sup> *Transcript* dated January 31, 2017, pp. 526-532.

Removing this barrier will provide the opportunity for very important benefits to both Ameren Missouri's customers and the state as a whole. The immediate benefit the Company anticipates is a positive impact on electric vehicle adoption because of a travel barrier being removed. Filling this corridor gap should give potential electric vehicle purchasers confidence that they will be able to do more with their vehicle investment than just drive around town.

This pilot will give us real data that Ameren Missouri, the Commission and other parties can examine and extrapolate to determine what steps to take, if any, going forward in electric vehicle charging station adoption. The more information available to guide charging station installations in the future, the more electric vehicle adoption can be encouraged.<sup>48</sup> The more people buy electric vehicles, the more positive impacts we will see on the environment thanks to lower pollution and carbon emission rates in the region.<sup>49</sup>

Ameren Missouri is able to implement this pilot project at a minimal cost. As Mr. Nealon has testified, we are anticipating a total cost of around \$600,000 for six charging islands total, and operating costs of less than \$7,000 per year. The Company does not propose that any of these costs be recovered through its currently pending rate case.<sup>50</sup> Ameren Missouri customers will not bear any costs of this program until after Ameren Missouri's next rate case; in the meantime, the Company's shareholders will shoulder those costs.<sup>51</sup>

As Mr. Nealon testified, even if Ameren Missouri did include all costs in its rates from day 1, the average cost to customers over the subsidy period would be only \$0.113 annually per customer. That is less than one penny per customer per month. Once the subsidy period ends, the

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<sup>48</sup> Nealon Direct, pp.9-10; Nealon Surrebuttal, p. 3.

<sup>49</sup> Nealon Direct, pp.27-28; Nealon Surrebuttal, pp. 27-28.

<sup>50</sup> Byrne Surrebuttal, pp. 7-8.

<sup>51</sup> Byrne Surrebuttal, pp. 7-8; *Transcript* dated January 12, 2017, p. 225.

customers will enjoy increasing financial benefits that outweigh this minimal initial investment thanks to downward rate pressure due to higher electric vehicle adoption rates.<sup>52</sup>

Clearly, there are direct benefits to both Ameren Missouri's customers and to the state of Missouri that justify the approval of this pilot. At a minimum, interested stakeholders will gain insights into the growth of the electric vehicle market and also into how charging stations and islands could be utilized to further encourage that growth. But, more likely, this low-cost pilot program will provide eventual economic benefits to Ameren Missouri's customers while providing environmental benefits both within and outside of the Company's service territory by providing an accessible charging network for electric vehicle corridor transit.

**C. Rates – Does Ameren Missouri's proposed tariff represent the proper rate design for its electric vehicle charging island pilot project?**

The Company's proposed tariff<sup>53</sup> provides for a 17¢ per minute of plug-in time rate for its fast chargers. This per-minute rate is specifically designed to keep customers that are using the fast chargers moving since those facilities will likely be most in demand along the I-70 corridor.<sup>54</sup> Customers paying a per-minute charge are less likely to leave their cars plugged into a charger and blocking its access for significant periods of time. For standard charging, the Company's proposed tariff specifies a 20¢ per kilowatt-hour<sup>55</sup> rate. Electric vehicles using standard charging can have very different charging speeds.<sup>56</sup> Utilizing a per-kWh rate for standard charging avoids punishing drivers whose electric vehicles are simply built with different capabilities.

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<sup>52</sup> Nealon Direct, p. 6; Nealon Surrebuttal, pp. 21, 28.

<sup>53</sup> Ameren Missouri is very appreciative of its discussions with the NRDC and the Sierra Club. Because of these discussions, the Company is confident that the proposed rates appropriately acknowledge the different charging needs of the vehicle types that will utilize the charging islands.

<sup>54</sup> Nealon Surrebuttal, pp. 2-3.

<sup>55</sup> kWh

<sup>56</sup> *Id.*

As the Company has made clear from the outset of this proceeding, the proposed rates will not cover all the pilot project's costs.<sup>57</sup> Therefore, a small subsidy – less than one cent per customer per month – may be required when the Commission examines all revenues and costs of the pilot program in the Company's next general rate case. However, until Ameren Missouri actually has these costs included in rates, its customers will be held harmless and its shareholders will bear that burden.<sup>58</sup> If the pilot program is successful and electric vehicle adoption grows, Ameren Missouri's customers will ultimately receive a financial benefit from the charging islands. In other words, for a minimal upfront cost, Ameren Missouri's customers will ultimately receive financial benefits from a tariff that meets the charging needs and capabilities of all electric vehicle makes and models.

For all of the foregoing reasons, this tariff is clearly reasonable.

### III. CONCLUSION

Again, ignore the noise.

It is vital to ignore the distractions in this proceeding. Ameren Missouri knows that much of the noise will be raised in opposing parties' briefs. When it is, we will respond to it in the Reply Brief. But, these distractions cannot be allowed to cloud the only three questions that are truly in need of address:

1. Does the Commission have jurisdiction over utility-owned and operated electric vehicle charging islands?
  - This answer is clearly yes – Ameren Missouri will be using its generation, transmission, and distribution system to transmit the electricity it proposes to sell

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<sup>57</sup> See, e.g., Nealon Direct, pp. 24-26; *Response to Order Directing Filing* filed October 21, 2016, pp. 5-6; Byrne Surrebuttal, pp. 4-6.

<sup>58</sup> Byrne Surrebuttal, pp. 7-8; Transcript dated January 12, 2017, p. 225.

through the charging islands, providing an electric vehicle charging service for compensation to anyone able to take that service.

2. Does the pilot project demonstrate good public policy?
  - This answer is also clearly yes – Ameren Missouri's pilot project is good public policy because it is designed to promote electric vehicle adoption – with obvious environmental benefits for everyone – by providing services currently unavailable for an approximate 100-mile stretch of underserved interstate highway from Boonville to Wentzville in a limited manner that will gather information that can be extrapolated for a wider purpose. If successful, we will have a better idea of how this particular electric service can be appropriately expanded. If unsuccessful, we can back away with minimal financial impact.
3. Has Ameren Missouri presented a reasonable tariff to implement this project?
  - This answer, too, is clearly yes – we can see that Ameren Missouri's proposed tariff, which has been supported by the Sierra Club and NRDC, meets the charging needs of all electric vehicle types and provides a potential for long-term financial benefits to customers in an exchange for a minimal upfront subsidy.

Because these three questions can be answered “yes,” the Commission should approve this tariff and allow this pilot project to go forward.

*/s/ Paula N. Johnson*

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Dated: February 15, 2017

## **CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been emailed, this 15<sup>th</sup> day of February, 2017, to counsel for all parties on the Commission's service list in this case.

*/s/ Paula N. Johnson*

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