

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

In the Matter of Staff's Review of )  
Commission Rules 4 CSR 240-20.060 )  
(Cogeneration), 4 CSR 240-3.155 (Filing )  
Requirements for Electric Utility ) File No. EW-2018-0078  
Cogeneration Tariff Filings) and 4 CSR )  
240-20.065 (Net Metering). )

**RESPONSE REGARDING COST TO COMPLY  
WITH DRAFT RULE AMENDMENT**

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company"), and submits to the Missouri Public Service Commission ("Commission") its *Response Regarding Cost to Comply with Draft Rule Amendment* ("*Response*"). In support of its position, Ameren Missouri states as follows:

1. On July 19, 2019, the Commission issued its *Order Inviting Responses Regarding the Cost to Comply with Draft Rule Amendment* ("*Order*"). That order invited stakeholders to submit, by August 8, 2019, written comments regarding the cost of complying with the draft rule amendments submitted in this docket in advance of the rulemaking case that will be conducted in File No. EX-2020-0006. A summary of the range of costs by regulation, and whether initial or recurring, is set out in the following table:<sup>1</sup>

	<b>4 CSR 240-20.060</b>	<b>4 CSR 240-20.065</b>
<b>Initial</b>	\$90,000 - \$376,000	\$40,500 to \$160,000
<b>Recurring</b>	\$17,000 to \$70,500	\$2,500 to \$5,000

<sup>1</sup> Recurring costs could be annual or biennial. Costs that are expected to be biennial have been halved to provide an estimated annual impact for ease of reference.

2. With regard to the proposed revisions to 4 CSR 240-20.060, which addresses cogeneration and small power production, the total cost to comply is estimated between \$90,000 to \$376,000 for initial start-up costs, and \$17,000 to \$70,500 for recurring costs. These costs are driven by tasks and expenses the Company must undertake to implement the changes, including (by proposed revision):

- (4)(A) Although the Company currently performs similar calculations, there may be some limited incremental costs in transitioning those calculations to the requested format. These costs are estimated at no more than \$1,000, which are not expected to recur, but instead level out to current levels, once the initial transition is accomplished.
- (4)(C) Because this requires a standard template, there will be some cost associated with the internal legal and regulatory resources required to develop, file, and periodically update the standardized contract. These costs are estimated at \$5,000 to \$30,000, depending on the complexity and litigation that may be involved. This amount is expected to recur at least biennially, depending on the content of the standardized contract.
- (4)(D) Because this requires technical and performance standards and certain interconnection test specifications, there will be internal staff time required to develop, deploy, and maintain those standards. These costs are estimated at \$5,000 to \$15,000, depending on the complexity involved. These costs are expected to recur as technical and performance standards and interconnection tests evolve.
- (11)(A) Because this imposes biennial tariff filing requirements, there will be internal resource time necessary to gather, compile, and submit the information for filing every other year. These costs are estimated at \$3,000 to \$30,000, depending on the complexity and litigation that may be involved with each filing. These costs will recur at least biennially.
- (11)(B) There may be some limited costs associated with maintaining for public inspection the information required in this provision. Presuming this could be done

via the Company's website, the cost is estimated at \$1,000 for the initial start-up, and a recurring cost of maintaining information of approximately \$500 per year.

- (11)(C) Because this requires the maintenance and aggregation of circuit and feeder characteristic data where qualifying facilities are attached to the system, there will be internal resources necessary to record and manage these records. These costs are estimated at \$25,000 to \$50,000 for initial administrative hours in setting up the system, and \$5,000 to \$10,000 for annual maintenance. Additionally, there will be costs between \$50,000 to \$250,000<sup>2</sup> for the tracking system itself, depending on whether we can utilize existing systems or need to acquire or build a new system. This will all be driven by the anticipated level of participation.

3. With regard to the proposed revisions to 4 CSR 240-20.065,<sup>3</sup> which addresses net metering, the total cost to comply is estimated between \$17,000 to \$70,500 for initial start-up costs, and \$2,500 to \$5,000 for recurring costs. This is driven by tasks and expenses the Company must undertake to implement the changes, including (by proposed revision):

- (3)(A) Because this imposes biennial tariff filing requirements, there will be internal resource time necessary to gather, compile, and submit the information for filing. However, this is not expected to be significantly different from the costs currently incurred. The Company estimates \$3,000 to \$10,000 for the first time such a filing is made, depending on the complexity and presuming more scrutiny and potential litigation because of the initial change. Thereafter, the Company assumes, the costs would return to current levels.

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<sup>2</sup> Please note that \$250,000 is likely a conservative estimate; the Company did not have sufficient time to explore the marketplace.

<sup>3</sup> Ameren Missouri's comments on the proposed rule revisions are based on the premise that by referencing the definition of "customer-generator" found in Section 386.890.2(3), that the rule also limits that definition to "an electrical generating system with a capacity of not more than one hundred kilowatts..." However, the draft rule also references the definition found in 4 CSR 20.100(1)(D), which does not include this same limitation. If the Company's inference that the limitation applies is incorrect, the cost of compliance Ameren Missouri discusses in this pleading will be materially understated.

- (10)(C) Because this requires the Company to verify compliance with (11)(C)1 of the cogeneration rule discussed in the previous paragraph, which applies to systems under 100 kW, the same costs to comply with that provision will apply here, less the costs associated with (11)(C)2 (which applies to systems over 100 kW and under 1000 kW). The Company estimates those costs at about half of those estimated for (11)(C), or \$12,500 to \$25,000 for initial administrative hours associated with setup costs, \$25,000 to \$125,000 for the tracking system itself, and \$2,500 to \$5,000 for annual maintenance.<sup>4</sup>

Respectfully submitted,

UNION ELECTRIC COMPANY,  
d/b/a Ameren Missouri

*/s/ Paula N. Johnson*

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<sup>4</sup> This cost is being reiterated here only for the purposes of calculating the financial impact of this regulation in isolation. If both regulations are adopted in their current form, this will *not* represent an additional, independent cost.