

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

In the Matter of the Application of Evergy Metro, )  
Inc. d/b/a Evergy Missouri Metro and Evergy )  
Missouri West, Inc. d/b/a Evergy Missouri West ) File No. EU-2020-0350  
for an Accounting Authority Order Allowing the )  
Companies to Record and Preserve Costs Related )  
to COVID-19 Expenses. )

**AMEREN MISSOURI'S STATEMENT OF POSITIONS**

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company"), and for its Statement of Positions on the issues, states as follows:

1. Is the Covid 19 pandemic an extraordinary event within the scope of the Uniform System of Accounts as it has been historically interpreted and applied by the Commission or as subsequently modified by Missouri courts?<sup>1</sup>

Yes, as supported by the pre-filed testimony of Evergy and prior Commission decisions and caselaw. *See, e.g.*, Ives Direct, p. 3, l. 8 to p. 9, l. 17; Order Approving and Incorporation Unanimous Stipulation and Agreement, p.4, *In re: The Empire District Electric Co.*, File No. EU-2011-0387 (*citing Missouri Gas Energy v. Pub. Serv. Comm'n*, 978 S.W.2d 434, 437 (Mo. App. W.D. 1998)); *State ex rel. Office of the Public Counsel v. Pub. Serv. Comm'n*, 858 S.W.2d 806, 811 (Mo. App. W.D. 1993) (Discussing the definitions of "extraordinary" and "unusual", which are two criteria generally applied by the Commission (sometimes discussed under the umbrella of "extraordinary"); *Re: Missouri Public Service*, File No. EO-91-360, 129 P.U.R.4<sup>th</sup> 381; *Re: Southern Union Company*, File No. GO-99-258, 9 Mo. P.S.C.3d 37 (2000) (Authorizing an AAO for Y2K costs (a once-in-a-lifetime event) and declining to require that they be "material" to

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<sup>1</sup> This Statement responds to the issues contained in the List of Issues, List and Order of Witnesses, Order of Opening Statements, and Order of Cross-Examination filed by the parties on September 9, 2020, and which were agreed to be issues by all parties. Those issues are underlined herein, with the Company's position on each such issue following.

qualify for deferral)).

2. Should the Commission approve the Application for an accounting authority order (“AAO”) permitting Evergy to accumulate and defer to a regulatory asset for consideration of recovery in future rate case proceedings before the Missouri Public Service Commission (“Commission”) extraordinary costs and financial impacts incurred as a result of the coronavirus disease (“COVID-19”) pandemic?

Yes, as supported by Evergy’s pre-filed testimony together with the pre-filed testimonies of the Commission’s Staff and the Midwest Energy Consumers Group/Missouri Industrial Energy Consumers (“MECG/MIEC”). *See, e.g.*, Mr. Ives' above-referenced testimony; Staff witness Bolin's Rebuttal, p. 3, l. 26 to p. 6, l. 5; MECG/MIEC witness Meyer's Rebuttal, p. 5, ll. 1-11.

3. If the Commission determines that an AAO or other deferral accounting mechanism should be ordered in connection with the COVID-19 pandemic, what items should be deferred?

a. Uncollectible expense in excess of amounts included in rates in the most recent general rate cases of Evergy Missouri Metro and Evergy Missouri West, respectively?

b. Costs incurred in connection with the one- and four-month Pandemic payment plan incentives that the Commission permitted the Company to implement in Case No. EO-2020-0383 (including credits awarded as incentives and costs related to customer communications)?

c. Waived late payment fees / reconnection fees to the extent that they fall short of the amount included in rates?

d. Information technology-related costs incurred to enable employees to work from home, including hardware, licensing fees and connectivity costs?

e. Costs incurred to protect employees unable to work from home, including cleaning supplies, personal protective equipment, temperature testing, employee sequestration preparation (and employee sequestration if that becomes necessary)?

f. Lost revenues associated with the reduction of electric usage during the Pandemic?

As an alternative, should the Commission order the deferral of pandemic-related lost fixed cost recovery due to the pandemic?

g. Other incremental costs or other unfavorable financial impacts resulting from the Pandemic not presently identified?

h. What pandemic-related savings should be booked as a regulatory liability or included as an offset to the regulatory asset related to the pandemic financial impacts?

i. Should carrying costs be excluded during the deferral period and be considered for inclusion in rates in Evergy's next general rate case?

While Ameren Missouri has not examined detailed financial information relating to the above-items, Items a, c, d, e, and f are clearly the kind of costs (“items”, for Uniform System of Accounts purposes) that are appropriate for a deferral of this type. Ameren Missouri believes there could be other costs and savings that should be deferred but is not familiar enough with the details to take a position. With respect to Item i, Ameren Missouri’s position is that if carrying costs are excluded from the deferral period, it is appropriate to apply carrying costs to the deferral while it is being amortized in rates as a result of the next rate review.<sup>2</sup>

4. Should the Commission adopt a sunset provision in connection with the AAO and, if so, how should it be structured? Should any sunset provision include the opportunity for the AAO to be extended?

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<sup>2</sup> Ameren Missouri takes no position on Item b since the program at issue is unique to Evergy.

There is no reason to adopt a “sunset provision” at this time, except that it would make sense for the Commission to set an outside date for the deferral equating to the true-up cutoff date in Evergy’s next general rate proceeding, as Evergy as proposed. A utility would have no incentive to defer items that did not fit the deferral categories approved by the Commission else the utility would heighten the risk of creating a future write-off on its books. Ives Surrebuttal, p. 38, ll. 4-19. The Commission retains the inherent authority to, for example, ask the utility to show cause at a later date why the deferral authority should cease if the Commission is concerned that the pandemic and its effects have ended but the utility has, itself, failed to end the deferrals. As noted in connection with Issue No. 8, the reporting the Commission should require should also provide the Commission with relevant information related to whether deferrals should cease at some point prior to the true-up cutoff date in Evergy’s next general rate proceeding. Certainly, if a sunset (other than as proposed by Evergy) were imposed Evergy should be able to seek an amendment to the AAO in this docket.

5. If the Commission adopts an AAO for some or all of the costs and revenues associated with the COVID-19, should the Commission order periodic reporting of information associated with the deferral? If so, what information should be reported and how often?

No, except as addressed in connection with Issue No. 8, below.

6. Should the Commission adopt the recommendations of NHT related to extension of the moratorium on nonpayment service disconnections, arrearage management programs, long-term payment deferment plans, expansion of the Economic Relief Program, income eligible energy efficiency plans, suspend credit reporting, suspend disconnection and reconnection fees, or other customer programs?

No. The only issue in an Accounting Authority Order case is whether a deferral should be

authorized. *See* Section 393.140(4), (8), RSMo. NHT's requests are beyond the scope of this docket. If NHT believes the Commission has authority via some other proceeding to adopt its recommendations, NHT must file a proper application (see 20 CSR 4240-2.060), seek such relief, and carry its burden to establish that such relief should be ordered by reference to specific statutory authority that would authorize the Commission to grant such relief. *See, e.g., State ex rel. Office of the Public Counsel v. Pub. Serv. Comm'n*, 397 S.W.3d 441, 446 (Mo. App. W.D. 2013) (stating the well-established principle that the Commission is a creature of statute possessed only of those powers conferred upon it by statute either expressly, or by clear implication as necessary to carry out its duties).

7. Should the Commission adopt any of the customer-specific recommendations of OPC including: 1) waiving disconnection and reconnection fees; 2) ceasing full credit reporting; 3) waiving late payment fees and deposits; 4) expanding payment plans to 12 months or greater; and 5) establishing an arrearage matching program, dollar-for-dollar on bad debt for eligible customers.

No, for the reason given in response to Issue No. 6. OPC's requests are beyond the scope of this docket. If OPC believes the Commission has authority via some other proceeding to adopt its recommendations, OPC must file a proper application, seek such relief, and carry its burden to establish that such relief should be ordered. *See* the authorities cited in response to Issue No. 7.

8. What, if any, other conditions should the Commission adopt in connection with the AAO?

The AAO should be conditioned on Evergy's agreement to the reporting addressed by Evergy witness Ronald Klote's surrebuttal testimony (at page 14, lines 3-14).

WHEREFORE, Ameren Missouri respectfully submits its Statement of Positions.

Respectfully Submitted,

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**ATTORNEYS FOR UNION ELECTRIC  
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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the foregoing Statement of Positions was served on all parties of record in this case via electronic mail (e-mail) or via regular mail on this 16th day of September 2020.

/s/ James B. Lowery  
James B. Lowery