

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

In the Matter of a Working Case to)
Consider Policies to Improve)
Electric Utility Regulation) Case No. EW-2016-0313

**REPLY COMMENTS OF
THE MIDWEST ENERGY CONSUMERS' GROUP**

COMES NOW, the Midwest Energy Consumers' Group ("MECG") and for its Reply Comments in the above captioned docket, respectfully state as follows:

1. On July 11, 2016, MECG filed Initial Comments in the above-captioned docket. As part of those comments, MECG pointed out that Missouri electric utilities are financially healthy. Whether measured by stock price, credit rating or ability to engage in merger and acquisition activities, Missouri electric utilities are clearly not suffering from an obsolete, punitive regulatory paradigm. In fact, MECG pointed out that the stock price for each of the Missouri utilities has exceeded the Dow Jones Industrial Average over the past five years.

2. During the workshop that was held on September 13, representatives of Ameren attempted to minimize the financial health demonstrated by their stock price. Specifically, Ameren claimed that MECG's comparison to the Dow Jones Industrial Average was misplaced and that a better comparison would have been to the Dow Jones Utility Average.

3. Given the suggestion of Ameren, MECG has undertaken the requested comparison. As the following analysis indicates, whether measured over 2 or 5 years, Missouri utilities' stock prices are performing well when compared to the Dow Jones

Utility Average as well as against the individual member electric utilities that make up that composite index.¹

Utility	Ticker	5 Yr Stock	Utility	Ticker	2 Yr Stock
NiSource	NI	201.69%	NiSource	NI	64.23%
Edison International	EIX	112.09%	Consolidated Edison	ED	38.32%
American Electric Power	AEP	79.85%	PG&E	PCG	37.34%
Empire District Electric	EDE	75.34%	Empire District Electric	EDE	36.82%
Ameren	AEE	68.10%	Ameren	AEE	32.35%
Dow Jones Utility Average	^DJU	64.92%	Edison International	EIX	31.85%
Dominion Resources	D	62.64%	American Electric Power	AEP	26.12%
PG&E	PCG	56.67%	Dow Jones Utility Average	^DJU	25.98%
Duke Energy	DUK	47.17%	Southern Company	SO	22.62%
Great Plains Energy	GXP	46.13%	Public Service Enterprise Group	PEG	18.85%
Consolidated Edison	ED	41.61%	Duke Energy	DUK	12.09%
Public Service Enterprise Group	PEG	35.15%	Dominion Resources	D	11.91%
Southern Company	SO	30.51%	Great Plains Energy	GXP	9.91%
AES Corp	AES	26.82%	Exelon	EXC	6.03%
CenterPoint Energy	CNP	23.05%	FirstEnergy	FE	1.15%
Exelon	EXC	-17.78%	CenterPoint Energy	CNP	-0.95%
FirstEnergy	FE	-19.05%	AES Corp	AES	-9.08%

Source: Google Finance for period ended close of business September 21, 2016

4. Indeed, the financial performance of Missouri electric utility stock price is also reflected in the fact that Empire and Ameren rank 9th and 12th in stock appreciation over a 2 year period among all utilities nationwide.

5. Recognizing that shareholders of Missouri electric utilities have benefitted tremendously from the regulatory paradigm that exists in Missouri, and in the absence of any defined problems, MECG suggests that the Commission refrain from suggesting any changes to the Missouri statutory approach to regulation.

¹ Some may attempt to argue that the appearance of Great Plains Energy at the bottom half of this comparison is indicative of one Missouri electric utility facing financial difficulties not faced by other electric utilities nationwide. A deeper analysis indicates that Great Plains stock price is deflated by its recent announcement of the acquisition of Westar Energy. Apparently not a fan of the price or terms of the acquisition, Wall Street has driven Great Plains' stock price down by almost 12% since the acquisition announcement on May 31, 2016. Great Plains would be much higher on this list absent this announcement.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David L. Woodsmall". The signature is written in a cursive, flowing style with a large initial "D".

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