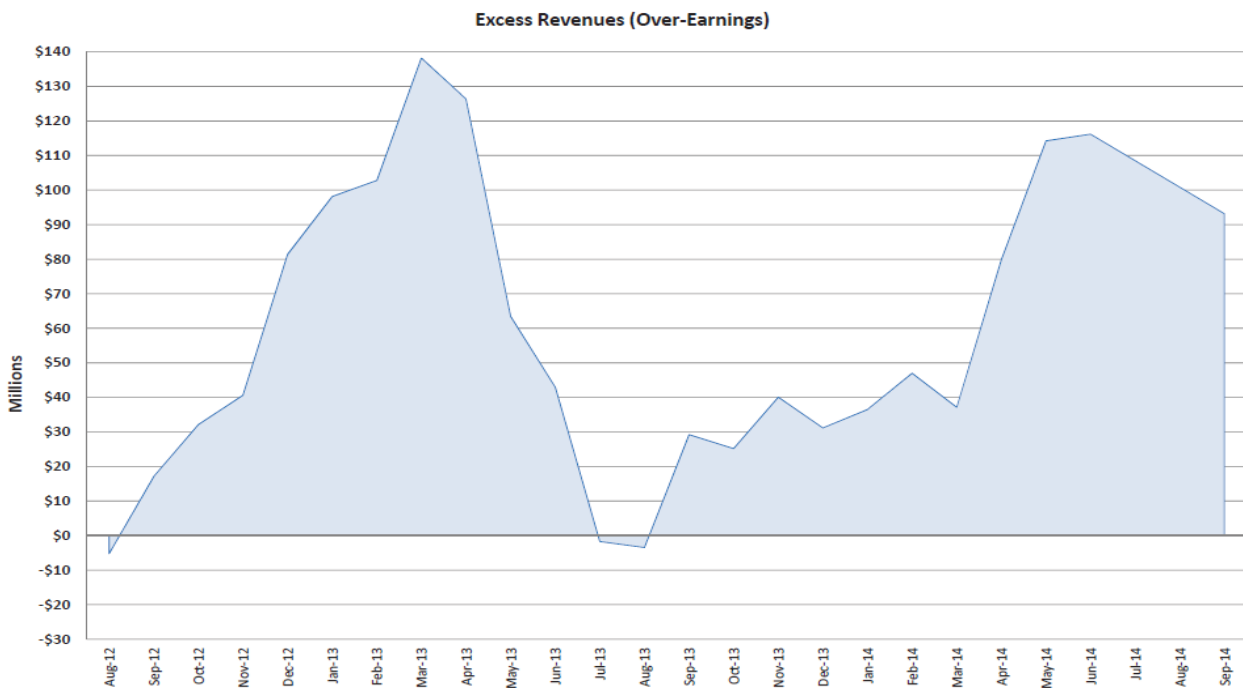




The commission has the authority to determine the rate *to be charged*, § 393.270. In so determining it may consider past excess recovery insofar as this is relevant to its determination of what rate is necessary to provide a just and reasonable return in the future, and so avoid further excess recovery.<sup>2</sup>

As detailed in the testimony of MIEC Witness Meyer, since the last rate case, Ameren has earned in excess of its authorized return.<sup>3</sup> As the attached graph indicates, these overearnings were significant.



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Realizing these significant overearnings, requests by Ameren to defer expenses from previous periods (i.e., Noranda last revenues; solar rebates, Fukushima cost studies, etc.) should be looked upon with heightened skepticism. As Mr.

<sup>2</sup> *State ex rel. Utility Consumers Council of Missouri v. Public Service Commission*, 585 S.W.2d 41, 58 (1979) (Citing to *State ex rel. General Telephone Co. of the Midwest v. Public Service Comm'n*, 537 S.W.2d 655 (Mo. App. 1976).

<sup>3</sup> Meyer Direct, pages 7-9.

Meyer indicates, Ameren recovered the cost of these items during the period of these past overearnings. A Commission decision to allow deferral and subsequent recovery of these costs simply serves to: (1) condone these past overearnings and (2) artificially inflate the rates of customers

## **2. Advertising & Communications**

Position: As detailed in the testimony of Staff Witness Kunst, the Commission should disallow recovery of the costs for the advertising in question. Consistent with previous Commission standards addressing the recovery of advertising costs, Staff disallowed these particular costs because they are primarily focused on promoting the name and brand of the utility (promotional advertising) and do not provide value to the ratepayers.

## **3. Dues, including EEI and Environmental Working Groups Dues**

Position: As detailed in the testimony of Staff Witness Kunst, the Commission should disallow the costs associated with the dues in question. Following longstanding Commission policy, those costs (particularly lobbying costs) have been disallowed on the basis that they provide no benefit to Ameren ratepayers.

## **4. Weather Normalization**

Position: MCEG supports the position advanced by Staff on these weather normalization issues.

## **5. Income Tax**

- A. *Should Ameren Missouri's Net Operating Loss Carryforward Related to ADIT be included in Ameren Missouri's rate base?*

- B. Should the Company's IRC Section 199 Deduction be computed without regard to Net Operating Loss Carryovers from prior years in determining the Company's income tax expense?*

Position: MECG supports the position advanced by MIEC Witness Brosch on this issue.

## **6. Coal Issues**

- A. Should the value of Ameren Missouri's coal inventory include the value of coal in transit?*

Position: The Commission should not permit Ameren to earn a return on coal in transit. This coal has not yet been delivered and is not useful to ratepayers. Only upon delivery should Ameren be allowed to earn a return on this coal. Furthermore, recognizing that in most cases, Ameren has not yet paid for coal in transit, it would be unlawful to allow Ameren to earn a return on this coal. Specifically, Section 393.270.4 states that, in establishing rates, the Commission needs to allow a return "upon capital actually expended." In those situations in which Ameren has not yet paid for coal in transit, it has not yet actually expended capital. As such, it would be inappropriate to allow it to earn a return on this coal.

- B. What amount should be included in the revenue requirement for coal refinements revenues for the Labadie Energy Center?*

Position: MECG supports the level of coal refinement revenues recommended by Staff. As Staff Witness Hanneken notes, this level of revenues considers the seasonality of the refinement process.

## 7. Amortizations

- A. *Should the amount of solar rebates paid by Ameren Missouri and recorded to a solar rebate regulatory asset through the end of the true-up period be included in Ameren Missouri's revenue requirement using a 3-year amortization period?*

Position: No. As reflected in the testimony of CCM Witness Dittmer<sup>4</sup> and MIEC Witness Meyer<sup>5</sup>, the Commission should disallow recovery of these solar rebate costs. Through this issue, Ameren seeks to further inflate the overearnings it has realized since the last case. Specifically, while overearning for the period in question, Ameren still seeks to defer these solar rebate costs for future collection. Clearly, earnings during the period in question were sufficient to cover these costs. The Commission should not simply ignore these past overearnings by allowing Ameren to defer certain costs for additional recovery.

- B. *Should the amount of pre-MEEIA energy efficiency expenditures incurred by Ameren Missouri and recorded to a regulatory asset through the end of the true-up period be included in Ameren Missouri's revenue requirement and, if so, over what period should they be amortized?*

Position: MIEC supports the position advanced by MIEC Witness Meyer.

- C. *Should the amount of Fukushima flood study costs incurred by Ameren Missouri and recorded to a regulatory asset be included in Ameren Missouri's revenue requirement and, if so, over what period should they be amortized?*

Position: No. Similar to the solar rebate issue, and as detailed in the Direct Testimony of MIEC Witness Meyer, the evidence clearly shows that during the period in which the Fukushima flood study costs were incurred, Ameren realized excess earnings.

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<sup>4</sup> Dittmer Rebuttal, pages 5-18.

<sup>5</sup> Meyer Direct, pages 11-15.

## 8. Noranda AAO

*Should the sums authorized for deferral in Case No. EU-2012-0027 be included in Ameren Missouri's revenue requirement and, if so, over what period should they be amortized?*

Position: No. Through this issue Ameren seeks to recover allegedly lost revenues associated with a Noranda outage caused by an ice storm. Repeatedly in the past the Commission has refused to recognize lost revenues as a cost that is appropriate for deferral and future recovery. Specifically, the Commission has previously stated that lost revenues associated with the Joplin tornado did not incur a cost that was appropriate for deferral and later recovery.

As Staff notes, in the Sibley decision, the Commission deferred recording of actual expenditures. . . . Actual expenditures exist in the past, present, or future and represent an exchange of value that the Company must record. Ordinarily, the Company records them currently and, if they are extraordinary, the Company must record them in Account 182.3.

The Company's claim is different. Ungenerated revenue never has existed, never does exist, and never will exist. Revenue not generated, from service not provided, represents no exchange of value. There is neither revenue nor cost to record, in the current period nor in any other.

The Company showed no instance when service not provided resulted in recording any revenue or cost, lost or generated, on a deferred or current basis. That is because the Company cannot have an item of profit or loss when it provides no service, whether the cause of no service is ordinary or extraordinary. Services not provided and revenues not generated are mere expectancies, are things that simply did not happen, and are not items at all.

### C. Summary as to Ungenerated Revenue

An AAO only determines the period for recording an item but the Company seeks an AAO to create the item itself by layering fiction upon fiction. To issue an AAO for ungenerated revenue would create a phantom loss, and an unearned windfall, for the Company. Therefore, the Commission will deny the AAO as to ungenerated revenue.<sup>6</sup>

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<sup>6</sup> See, Southern Union Company, Case No. GU-2011-0392, *Final Decision Granting in Part, Denying in Part, Accounting Authority Order*, issued January 25, 2012.

In an effort to avoid the clarity of this recent Commission decision, Ameren engages in semantics. Rather than acknowledging that it seeks to recover lost revenues, Ameren claims that it is seeking to defer and recover fixed costs not previously recovered due to an extraordinary event. The fact remains, Ameren seeks to defer and recover lost revenues.

## **9. Board of Directors-Related Expenditures**

*Should Ameren Missouri's allocated share of compensation paid to Ameren Corporation directors be included in revenue requirement?*

Position: As detailed in the testimony of Staff Witness Kunst, Ameren is receiving recovery of the costs and expenditures associated with the Ameren Missouri Board of Directors. Through this issue, Ameren seeks to recover costs associated with the Board of Directors of the Ameren holding company. Such costs are duplicative and of no benefit to ratepayers. As such, the Commission should disallow these costs.

## **10. Uncollectibles**

*What level of uncollectible accounts expense should be included in the revenue requirement?*

Position: MCEG supports the position advanced by Staff Witness Boateng.

## **11. Storm Expense and Two-Way Storm Costs Tracker**

A. *Should the Commission continue a two-way storm restoration cost tracker whereby storm-related non-labor operations and maintenance ("O&M") expenses for major storms would be tracked against the base amount with expenditures below the base creating a regulatory liability and expenditures above the base creating a regulatory asset, in each case along with interest at the Company's AFUDC rate?*

Position: As proven by recent history, the storm tracker is a solution in search of a problem. As discussed in Staff's testimony, Missouri utilities routinely recover the costs of extraordinary events like storms through an Accounting Authority Order. As such, the creation of a storm tracker was unnecessary. In fact, since the establishment of the tracker mechanism, Ameren has not suffered a major storm or incurred any such costs. Given the unnecessary nature of this mechanisms, the Commission should reject its continued use.

- B. *If the storm cost tracker is not continued, what annualized level of major storm costs should the Commission approve in this case?*

Position: MCEG supports the position advanced by Staff.

- C. *Should an amount of major storm cost over-recovery by Ameren Missouri be included in Ameren Missouri's revenue requirement and, if so, over what period should it be amortized?*

Position: MCEG supports the position advanced by Staff.

## **12. Vegetation Management and Infrastructure Inspection Trackers**

- A. *What amount should be included in the revenue requirement for Vegetation Management and Infrastructure Inspection?*

Position: MCEG supports the position advanced by Staff.

- B. *Should the vegetation management and infrastructure inspection trackers be continued?*

Position: In a recent decision, the Commission clearly recognizes that it is legally limited to utilize deferral accounting only to cover extraordinary costs.

In Missouri, rates are normally established based off of a historic test year. The courts have stated that an AAO [or tracker] allows the deferral of a final decision on current *extraordinary* costs until a rate case and therefore is not retroactive ratemaking.<sup>7</sup>

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<sup>7</sup> Kansas City Power & Light Company, Case No. EU-2014-0077, *Report and Order*, issued July 30, 2014, at page 10.



At the time that the Commission passed its vegetation management / infrastructure inspection rule, utilities were not incurring or recovering these costs. As such, the subsequent costs necessitated by compliance with this rules were extraordinary. For this reason, the Commission established a tracker mechanism.

Since that time, Ameren has experienced a full cycle of vegetation management / infrastructure inspection costs. These costs are no longer extraordinary. Rather, they are a routine cost for Ameren that are capable of accurate quantification and inclusion in base rates. Since these costs are no longer extraordinary, it is inappropriate and unlawful for the Commission to maintain a tracker mechanism that allows for deferral and recovery of any changes in costs.

- C. *If the vegetation management and infrastructure inspection trackers are not continued, what annualized level of vegetation management and infrastructure-inspection costs should the Commission approve in this case?*

Position: MCEG supports the position advanced by Staff.

- D. *Should an amount of vegetation management and infrastructure inspection cost over-recovery by Ameren Missouri be included in Ameren Missouri's revenue requirement and, if so, over what period should they be amortized?*

Position: MCEG supports the position advanced by Staff.

### **13. Union Proposals**

Position: MCEG takes no position on this issue.

#### **14. Rate Case Expense**

*What is the appropriate amount to include in Ameren Missouri's revenue requirement for Rate Case Expense?*

Position: MCEG supports the position advanced by Staff.

#### **15. Miscellaneous Revenue Requirement Issues**

- A. *What amount of corporate franchise tax should be included in the revenue requirement?*
- B. *Should the investment through December 31, 2014, in an extension of the Nuclear Regulatory Commission ("NRC") license for the Callaway Energy Center be included in rate base if the extension is issued by the NRC by the filing of reply briefs in this case?*
- C. *How should the DOE breach-of-contract settlement amounts be treated in this case?*

Position: MCEG supports the position advanced by Staff.

#### **16. Return on Common Equity ("ROE")**

*In consideration of all relevant factors, what is the appropriate value for Return on Equity ("ROE") that the Commission should use in setting Ameren Missouri's Rate of Return?*

Position: MCEG supports the position advanced by MIEC Witness Gorman. Specifically, MCEG recommends that the Commission authorize Ameren to earn a return on equity of 9.30%. Repeatedly over the last several Ameren cases, the Commission has found Mr. Gorman to present the most reasonable analysis.<sup>8</sup> In contrast, the evidence will show that Ameren witness Hevert repeatedly provides inflated recommendations that are inherently flawed in their approach. Given Mr.

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<sup>8</sup> See, *Report and Order*, Case No. ER-2010-0355, issued April 12, 2011, at page 117. *Report and Order*, Case No. ER-2010-0036, issued May 28, 2010, at page 21.

Gorman's established credentials and reasonable approach, the Commission should adopt his recommendation.

## **17. Lobbying Expenditures**

*Should rent allocated to Ameren Missouri for Ameren Services' office in Washington D.C. be included in the revenue requirement?*

Position: No. The Commission should disallow these costs on the basis that they provide no benefit to Missouri ratepayers. Furthermore, to the extent that these costs are incurred for purposes of providing Ameren access to FERC, these costs should be recovered through FERC jurisdictionally approved transmission rates.

## **18. Incentive Compensation**

- A. *Should the safety component of the EIP-O incentive compensation plan be included in revenue requirement?*
- B. *Should payments made under the BNA program be included in revenue requirement?*
- C. *Should payments made to non-union employees made under the BBI program be included in revenue requirement?*

Position: MCEG supports the position advanced by Staff.

## **19. Class Cost of Service, Revenue Allocation and Rate Design**

- A. *What methodology should the Commission use to allocate generation fixed costs among customer classes?*

Position: Consistent with its decision in ER-2010-0036, the Commission should allocate generation fixed costs on the basis of the four non-coincident peak version of the Average and Excess Demand Allocation methodology. This methodology was utilized in the class cost of service studies advanced by both Ameren (Warwick) and MIEC (Brubaker).

*B. How should the non-fuel, non-labor components of production, operation and maintenance expense be classified and allocated?*

Position: MECG agrees with MIEC's position on this issue. The non-fuel, non-labor, components of generation operation and maintenance expense are essentially fixed costs and do not vary with the amount of energy generated. The Commission should classify these costs as fixed and allocate them to classes using the generation fixed costs allocator (i.e., the familiar "expenses follow plant" method), which is consistent with how MIEC has treated these costs.

*C. How should any rate increase be collected from the several customer classes?*

Position: The Commission should allocate any authorized rate increase in a manner that is cost based. Specifically, the Commission should ensure that any rate increase be collected in a manner consistent with the class cost of service study conducted by MIEC witness Brubaker or Ameren.

*D. What should the Residential Class customer charge be?*

Position: MECG takes no position on this issue.

*E. Should the Commission approve Wal-Mart's proposed shift to increase the demand component of the hours-use rate design for Large General Service and Small Primary Service?*

Position: Yes. The Walmart proposal is cost-based. Specifically, it is designed to ensure that fixed costs are collected through a demand charge instead of an energy charge. In this way, high load factor customers do not subsidize low load factor customers that do not utilize the electric system in an efficiency manner.

- F. *Should the Commission approve Wal-Mart's recommendation to require the Company to present analyses of alternatives to the hours-use rate design in its next rate case?*

Position: Yes. The hours-use rate design is a disservice to ratepayers. Specifically, due to its unnecessary complexity, ratepayers are incapable of calculating their bill. Given their inability to calculate their bill, these same ratepayers are unable to recognize the price signals that the Commission is attempting to send through Ameren rates. As such, ratepayers are not utilizing the Ameren system in the most efficient manner. Given this, the Commission should order Ameren to present alternatives to the hours-use rate design in its next rate case.

- G. *What methodology should the Commission use to allocate off-system sales revenues among customer classes?*

Position: The Commission should continue to allocate off-system sales among the customer classes on the basis of the class' relative energy usage as recommended by MIEC witness Brubaker and expressly adopted by the Commission in 2010.

- H. *What methodology should the Commission use to allocate income tax expense among customer classes?*

Position: MIECG takes no position on this issue, but reserves the right to present its position at a later date.

- I. *What methodology should the Commission use to allocate fuel and purchased power costs among customer classes?*

Position: The Commission should continue to allocate fuel and purchase power costs among the customer classes on the basis of the class' relative energy

usage as recommended by MIEC witness Brubaker and expressly adopted by the Commission in 2010.

**21. Depreciation**

- A. *What amount of depreciation expense, including for the Meramec Energy Center retirement, should be included in Ameren Missouri's revenue requirement?*
- B. *What amount of depreciation expense should be included in Ameren Missouri's revenue requirement for Accounts 364 and 369 (minor account 1)?*

Position: MIECG supports the position advanced by Staff.

**22. Economic Development Rate Design Mechanisms**

- A. *Should the Commission expand the application of Ameren Missouri's existing Economic Development Riders?*
- B. *Should the Commission modify Ameren Missouri's existing Economic Development Riders to require recipients to participate in the Company's energy efficiency programs?*
- C. *Should the Commission open a docket to explore the role economic development riders have across regulated industries (i.e. water, electric, natural gas) and/or to further explore issues raised by parties in this case and issues the Commission inquired about at the beginning of the case?*

Position: MIECG takes no position on this issue, but reserves the right to present its position at a later date.

**23. MEEIA Low Income Exemption**

*Should the Commission approve an exemption of MEEIA charges for low income customers? If so, should the cost of exemption be paid by only residential customers or all customers?*

Position: MECG takes no position on this issue, but reserves the right to present its position at a later date.

**24. Street Lighting**

- A. *Can the Commission mandate or require that the Company sell its street lights to the Cities?*
- B. *Should the Commission approve a revenue-neutral adjustment between customer-owned and Company-owned lighting rates?*
- C. *Should the Commission eliminate the termination fees from the Ameren Missouri-owned lighting rate?*

Position: MECG takes no position on this issue, but reserves the right to present its position at a later date.

**25. LED Street Lighting**

*Should the Commission order Ameren Missouri to continue to study the cost-effectiveness of replacement of all or parts of existing company-owned street lights with LED lights, and, no later than twelve (12) months following the Commission's Report and Order in this case, to file either proposed LED lighting tariffs or an update to the Commission on when it will file a proposed LED lighting tariff to replace existing company-owned street lights?*

Position: MECG takes no position on this issue, but reserves the right to present its position at a later date.

**26. Other Tariff issues**

*Should the Commission order the Company to eliminate the 7(M) lighting class (Municipal Incandescent Street Lighting)?*

Position: MCEG takes no position on this issue, but reserves the right to present its position at a later date.

**27. Supplemental Service**

*Should the Commission eliminate or modify the terms of Ameren Missouri's Supplemental Service tariff (aka. Rider E)?*

Position: MCEG takes no position on this issue, but reserves the right to present its position at a later date.

**28. Ameren Services Allocations**

- A. *What level of Ameren Services Company allocations should be included in the Company's revenue requirement?*
- B. *Should the Commission open a separate docket to further examine Ameren Services Company's costs after this rate case is over?*

Position: MCEG supports the position advanced by Staff Witness Hanneken and MIEC Witness Carver.

**29. Net Base Energy Costs**

*At what level should net base energy costs be set in this case?*

Position: MCEG supports the position advanced by MIEC Witness Phillips.

**30. Labadie ESPs**

- A. *Should the Company's investment in electrostatic precipitators installed at the Labadie Energy Center be included in the Company's rate base?*



- B. *Should Ameren Missouri's rate base be reduced by \$408,048 because of damage to collector plates used in the Labadie ESP project?*

Position: MECG supports the position advanced by Staff Witness Carle.

**31. Fuel Adjustment Clause ("FAC")**

- A. *Did the Company fail to comply with the "complete explanation" provisions of 4 CSR 240-3.161(3)(H) and (I) and, if so, would this justify the elimination of the Company's fuel adjustment clause?*
- B. *Did the Company fail to provide information on the magnitude, volatility and the Company's ability to manage the costs and revenues that it proposes to include in its FAC and, if so, would this justify the elimination of the Company's fuel adjustment clause?*
- C. *If the FAC continues should the sharing percentage be changed to 90%/10%?*
- D. *What transmission charges should be included in the FAC?*
- E. *If the FAC continues, what costs and revenues should be included in the Company's FAC:*
1. *Should only fuel and purchased power costs, transportation of the fuel commodity, transmission associated with purchased power costs and off-system sales revenues be included?*
  2. *If costs and revenues other than those listed in item 1 above are included in the FAC, should cost or revenue types in which the Company has incurred less than \$360,000 in the test year be included, and what charges and revenues from MISO should be included?*
  3. *Should transmission revenues continue to be included in the FAC?*

Position: MECG supports the position advanced by OPC Mantle on all FAC issues.

## 32. Noranda Rate Proposal

- A. *Is Noranda experiencing a liquidity crisis such that it is likely to cease operations at its New Madrid smelter if it cannot obtain relief of the sort sought here?*

Position: MCEG is still developing its position on this issue.

1. *If so, would the closure of the New Madrid smelter represent a significant detriment to the economy of Southeast Missouri, to local tax revenues, and to state tax revenues?*

Position: MCEG is still developing its position on this issue.

2. *If so, can the Commission lawfully grant the requested relief?*

Position: MCEG is still developing its position on this issue.

3. *If so, should the Commission grant the requested relief?*

Position: MCEG is still developing its position on this issue. At a minimum, any relief provided to Noranda must provide for certain ratepayer protections including: (1) that Noranda be limited in its ability to take the subsidy provided by other ratepayers and utilize that subsidy for purposes of shareholder dividend or manager incentive compensation and (2) that any subsidy have sunset provisions designed to end / phase out the subsidy in the event that Noranda gains a competitive foothold.

- B. *Would rates for Ameren Missouri's ratepayers other than Noranda be lower if Noranda remains on Ameren Missouri's system at the reduced rate?*

Position: MCEG is still developing its position on this issue.

- C. *Would it be more beneficial to Ameren Missouri's ratepayers other than Noranda for Noranda to remain on Ameren Missouri's system at the requested reduced rate than for Noranda to leave Ameren Missouri's system entirely?*

Position: MCEG is still developing its position on this issue.

- D. *Is it appropriate to redesign Ameren Missouri's tariffs and rates on the basis of Noranda's proposal, as described in its Direct Testimony and updated in its Surrebuttal Testimony?*

1. *If so, should Noranda be exempted from the FAC?*

Position: MCEG is still developing its position on this issue.

2. *If so, should Noranda's rate increases be capped in any manner?*

Position: MCEG is still developing its position on this issue.

3. *If so, can the Commission change the terms of Noranda's service obligation to Ameren Missouri and of Ameren Missouri's service obligation to Noranda?*

Position: MCEG is still developing its position on this issue.

4. *If so, should the resulting revenue deficiency be made up by other rate payers in whole or in part?*

Position: MCEG is still developing its position on this issue.

5. *If so, how should the amount of the resulting revenue deficiency be calculated?*

Position: MCEG is still developing its position on this issue.

6. *If so, can the resulting revenue deficiency lawfully be allocated between ratepayers and Ameren Missouri's shareholders?*
- i. *How should the revenue deficiency allocated to other ratepayers be allocated on an interclass basis?*

Position: MCEG is still developing its position on this issue.

- ii. *How should the revenue deficiency allocated to other ratepayers be allocated on an intra-class basis?*

Position: MCEG is still developing its position on this issue.

7. *If so, what, if any, conditions or commitments should the Commission require of Noranda?*

Position: MCEG is still developing its position on this issue. At a minimum, any relief provided to Noranda must provide for certain ratepayer protections including: (1) that Noranda be limited in its ability to take the subsidy provided by other ratepayers and utilize that subsidy for purposes of shareholder dividend or manager incentive compensation and (2) that any subsidy have sunset provisions designed to end / phase out the subsidy in the event that Noranda gains a competitive foothold.

- E. *What is Ameren Missouri's variable cost of service to Noranda?*
  1. *Should this quantification of variable cost be offset by an allowance for Off-System Sales Margin Revenue?*
  2. *What revenue benefit or detriment does the Ameren Missouri system receive from provision of service to Noranda at a rate of \$32.50/MWh?*

Position: MCEG is still developing its position on this issue.

- F. *Should Noranda be served at rate materially different than Ameren Missouri's fully distributed cost to serve them? If so, at what rate?*

Position: MCEG is still developing its position on this issue.

- G. *Is it appropriate to remove Noranda as a retail customer as proposed by Ameren Missouri in its Rebuttal Testimony?*

Position: No. Such an action would be detrimental to the public interest. The Commission is established for the purpose of protecting ratepayers from a

monopoly utility provider. In this situation, Ameren proposes to remove Noranda as a retail customer and serve it instead as a wholesale customer. Interestingly, however, Ameren proposes that any revenues lost by serving Noranda as a wholesale customer, instead of a retail customer, be shouldered by Ameren's other ratepayers. Ameren provides no justification for such an action. Certainly, however, history tells us that Ameren would take such action only to eliminate Noranda as an opponent in PSC proceedings and in the General Assembly. Ameren should not be allowed to buy off party opposition by offering more favorable rate packages suffered solely by other ratepayers.

1. *Can the Commission cancel the Certificate of Convenience and Necessity that was granted for Ameren Missouri to provide service to Noranda and, if so, would the cancellation of the CCN be in the public interests?*

Position: No. Such an action can only be done through an application. As the Commission has previously found, any action to eliminate Noranda as a retail customer would be contrary to the public interest. Specifically, the Commission previously held that it was contrary to the public interest to allow Ameren to transfer its Metro East, Illinois customers to an affiliate. Once Ameren offered to replace the Metro East load with Noranda load, the Commission approved this transfer. Given that Noranda represents a customer replacement for the Metro East load, any Ameren action to discontinue service to Noranda would necessarily be contrary to the public interest.

2. *Can the Commission grant Ameren Missouri's proposal since notification regarding the impact of this proposal on its other customers' bills was not provided to Ameren Missouri's customers?*

Position: No.

3. *If the Commission grants Ameren Missouri's proposal, should the costs and revenues flow through the FAC?*

Position: No. The fuel adjustment clause was not designed to allow Ameren to move certain customers to a wholesale arrangement. Instead, any action to serve a customer via a wholesale arrangement must include a jurisdictional allocation of all costs to serve that customer. In this situation, Ameren should be required to allocate approximately 12% of all fixed costs as well as variable costs to the wholesale jurisdiction used to provide service to the wholesale customer. In this way, other retail customers are not shouldering the costs of serving the wholesale customer.

4. *Can Ameren Missouri and Noranda end their current contract without approval of all of the parties to the Unanimous Stipulation and Agreement in the case in which Ameren Missouri was granted the CCN to serve Noranda?*

Position: No.

Respectfully submitted,



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ATTORNEY FOR THE MIDWEST ENERGY  
CONSUMERS GROUP

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have this day served the foregoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.

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

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David L. Woodsmall

Dated: February 19, 2015