

# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Union Electric Company     )  
d/b/a Ameren Missouri's Tariffs to            )  
Decrease Its Revenues for Electric Service    )     **File No. ER-2019-0335**

## COMMISSIONER RUPP'S ORDER REGARDING INCLINING BLOCK RATE PROPOSALS

Issue Date: February 11, 2020

Effective Date: February 11, 2020

Commissioner Rupp is interested in both Ameren Missouri and the Commission Staff's (Staff) inclining block rate proposals. In a recent rate case for Kansas City Power & Light Company, File No. ER-2016-0285, the Commission found, "the best efficiency-inducing price signals...are provided by inclining block rates (IBR) (which charge more per amount of energy used after a certain threshold or thresholds of usage)."<sup>1</sup> The Commission further found IBR "can not only be used to recover short-run "fixed" costs, but signal to customers that higher usage spurs greater investment in future plant."<sup>2</sup> So that the Commissioner has sufficient information to evaluate Ameren Missouri and Staff's inclining block rate proposals, Staff shall provide testimony comparing:

- Ameren Missouri's inclining block rate proposal to Evergy Metro's and Evergy West's current inclining block rate proposal approved by the Commission in File Nos. ER-2018-0145 and ER-2018-0146, respectively.

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<sup>1</sup> In the Matter of Kansas City Power & Light Company's Request for Auth. to Implement A Gen. Rate Increase for Elec. Serv., 27 MO. P.S.C. 3d 94, 337 P.U.R.4th 1 (Mo. P.S.C. May 3, 2017), modified, ER-2016-0285, 2017 WL 2306350 (Mo. P.S.C. May 24, 2017).

<sup>2</sup> *Id.*

- Staff’s inclining block rate proposal to Evergy Metro’s and Evergy West’s current inclining block rate proposal approved by the Commission in File Nos. ER-2018-0145 and ER-2018-0146, respectively.
- Ameren Missouri’s current roll-out of advanced metering infrastructure (AMI) meters to Evergy Metro’s and Evergy West’s roll-out of AMI meters in their respective service territories at the time the Commission approved their current inclining block rate proposals in File Nos. ER-2018-0145 and ER-2018-0146, respectively.

Other parties may also file testimony responding to the specific questions outlined above.

**COMMISSIONER RUPP ORDERS THAT:**

1. No later than February 20, 2020, Staff shall supplement its surrebuttal testimony to provide a comparison of:
  - a. Ameren Missouri’s inclining block rate proposal to Evergy Metro’s and Evergy West’s current inclining block rates approved by the Commission in File Nos. ER-2018-0145 and ER-2018-0146, respectively;
  - b. Staff’s inclining block rate proposal to Evergy Metro’s and Evergy West’s current inclining block rates approved by the Commission in File Nos. ER-2018-0145 and ER-2018-0146, respectively; and
  - c. Ameren Missouri’s current roll-out of AMI meters to Evergy Metro’s and Evergy West’s roll-out of AMI meters in their respective service

territories at the time the Commission approved their current inclining block rates in File Nos. ER-2018-0145 and ER-2018-0146, respectively.

2. Any other party may file supplemental surrebuttal testimony responding to the specific questions outlined above no later than February 20, 2020.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott Rupp", written in a cursive style.

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Scott T. Rupp  
Dated at Jefferson City, Missouri,  
On this 11<sup>th</sup> day of February, 2020.