

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

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

POSITION STATEMENT OF THE CONSUMERS COUNCIL OF MISSOURI

COMES NOW the Consumers Council of Missouri ("Consumers Council" or "CCM"), and respectfully provides its position statement on these selected issues which remain for hearing:

Fuel Adjustment Clause (FAC)

4. What is the appropriate sharing mechanism between the company and customers from costs recovered through the FAC?

The appropriate sharing mechanism between the company and customers for costs recovered through the FAC is a sharing of 85% for Ameren Missouri and 15% for customers. The FAC's sharing mechanism should be changed from 95/5% to 85/15% to better incentivize efficient fuel operations. The 85/15 sharing ratio is also supported by Office of the Public Counsel's evidence, whereas the 95/5 sharing is unsupported.

The FAC is a surcharge on customer bills that is not an absolute right. The law that authorizes the use of an FAC encourages the Commission to ensure that

there are sufficient incentive mechanisms to improve the “efficiency and cost effectiveness” of the utility’s procurement practices.¹ The percentage sharing mechanism is evenhanded between consumers and the utility, and favors one or the other, depending on whether fuel costs are rising or falling. The problem is that 5% has proven far too small to have a sufficient impact of efficiency and cost effectiveness. This amount is not enough to ensure the utility has skin in the game. The result is that captive electric consumers wind up becoming an insurance policy for 95% of the utility’s fuel risk, even though those consumers have 0% control over the utility’s practices.

Without any FAC, the utility would bear 100% of the risk of its procurement practices. Consumers Council believes that 50%/50% would be fairer, but would support a sharing percentage of 85%/15%, as that is the same sharing percentage most recently approved by the Missouri Legislature (SB 564--2018). It is high time that the utility shares a more equitable portion of the risk for its procurement practices.

Affiliate Transactions

5. Should OPC’s recommended disallowance of approximately \$218 million in Ameren Services Company costs be adopted?

Consumers Council supports the position of the Office of the Public Counsel.

¹ Mo. Rev. Stat. § 386.266.1 (2019).

Dated: February 25, 2020

Respectfully submitted,

/s/ John B. Coffman

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all parties listed on the official service list on this 25th day of February, 2020.

/s/ John B. Coffman
