

**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)	Case No. ER-2019-0335
Revenues for Electric Service)	

**RESPONSE OF MISSOURI INDUSTRIAL ENERGY CONSUMERS, MIDWEST
ENERGY CONSUMERS GROUP AND CONSUMERS COUNCIL OF MISSOURI IN
OPPOSITION TO PROPOSED PROCEDURAL SCHEDULE**

COME NOW, the Missouri Industrial Energy Consumers (“MIEC”), the Midwest Energy Consumers Group (“MECG”), and the Consumers Council of Missouri (“CCM”) and for their Response in Opposition to Proposed Procedural Schedule state as follows:

1. On August 1, 2019, a number of the parties¹ to this case filed a “Jointly Proposed Procedural Schedule and Procedures.” MIEC, MECG, and CCM file this pleading in opposition to just one of the procedures set forth in the August 1 filing.

2. Paragraph (s) of the August 1 proposed schedule and procedures provides that: “Rate case expense associated with Case No. ER-2019-0335 will be examined through the scheduled date for filing of reply briefs and adjustments may be proposed accordingly.” It is understood that “will be examined” in this context means “will be examined by Staff.”

3. As an initial matter, MIEC, MECG, and CCM state that they are not inherently opposed to true-up proceedings. Indeed, MIEC, MECG, and CCM support the rest of the proposed procedural schedule that provides for a true-up. That said, however, the Commission should ensure that true up proceedings are conducted in such a manner that parties’ rights to audit and dispute information is preserved and matching of costs, revenues and investment is

¹ Union Electric Company d/b/a Ameren Missouri (“Ameren”), the Staff of the Missouri Public Service Commission (“Staff”) and Missouri Division of Energy, collectively herein referred to as the “Filing Parties.”

preserved. As such, and as provided in greater detail, MIEC, MECG, and CCM oppose the proposed rate case true-up procedure for two reasons.

4. First, it is anticipated that the evidentiary record in this case will be closed at the conclusion of the evidentiary hearing (or perhaps kept open for a short period thereafter for the filing of specific Commission-ordered late-filed exhibits). The evidentiary hearing is proposed to conclude on March 13, 2020, and Reply Briefs are proposed to be filed on April 9. Factoring in the time it will take for Ameren to calculate its expenses through April 9, transmit that calculation to Staff, and have Staff perform at least a cursory review of it, means that the Filing Parties are proposing to set rates based on data that will not be available until a month after the close of the record.

5. Moreover, it appears that this data will never become part of the evidentiary record. Staff and Ameren will simply use it as an input, along with the outcome of the contested issues determined in the Report and Order, into their rate-setting calculations. While there is no explicit prohibition against other parties obtaining the data, there is no procedure proposed to furnish the other parties with it, nor is there any procedure whereby disputes about the data could be brought to the Commission for resolution. Indeed, there is no procedure envisioned by the Filing Parties by which the Commission will even be made aware of what rate case expense will be included in the rates set forth in compliance tariffs that will be filed by Ameren and recommended for approval by Staff.

6. The second reason MIEC, MECG, and CCM oppose Paragraph (s) is that it elevates the importance of rate case expense by treating it differently than every other expense considered in setting rates. Only a limited and discreet number of expenses are proposed to be true-up, and the list of true-up items includes only those expenses that are truly significant in Ameren's overall financial picture. Arguably, rate case expense is so trivial in Ameren's

operations that it need not even be trued-up at all, much less given the unique preferential treatment proposed by the Filing Parties. The treatment of rate case expense proposed by the Filing Parties presupposes that rate case expense -- and only rate case expense -- deserves to be updated to April 9, more than three months past the true-up date. While it is extraordinarily unlikely that rate case expense incurred after the close of the true-up will be so significant that it merits an isolated adjustment, if that does turn out to be the case, Ameren could then seek to make an isolated adjustment.² The procedure proposed by the Filing Parties would make rate case expense eligible for such an isolated adjustment regardless of the actual amount of the expense. This proposed procedure violates the matching principle, which dictates that the expenses and revenues used to set rates should be from the same period of time and is the reason for using a test year in the first place. The Filing Parties have given no reason -- nor is any reason discernable -- for this unique treatment.

WHEREFORE, MIEC, MECG, and CCM submit this objection to Paragraph (s) of the Jointly Proposed Procedural Schedule and Procedures filed on August 1, and respectfully request that the Commission not include the provisions of that paragraph in the approved schedule and procedures for this case.

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² Making isolated adjustments is a very rare occurrence, and rightly so. Such adjustments should be made only in truly exceptional circumstances, and it is hard to imagine circumstances in which a few months of prudent rate case expense would merit an isolated adjustment.

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 2nd day of August, 2019, to all parties on the Commission's service list in this case.

/s/ Lewis Mills