

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

In the Matter of The Empire District Electric)
Company for Authority to File Tariffs Increasing)
Rates for Electric Service Provided to Customers) Case No. ER-2014-0351
in the Company’s Missouri Service Area)

MOTION FOR CLARIFICATION / RECONSIDERATION

COMES NOW the Midwest Energy Consumers Group (“MECG”), pursuant to 4 CSR 240-2.160, and for its Motion for Clarification or, in the alternative, Motion for Reconsideration, respectfully states as follows:

1. On June 24, 2015, the Commission issued its Report and Order in the above captioned matter. In that case, the Commission was presented with the results of different class cost of service studies. Given the proximity of the results of the studies, the Commission was not asked to decide which class cost of service study best allocated costs among the various classes.¹ In fact, in its recitation of the issues to be decided (Report and Order, page 14), the Commission acknowledged that there was no pending issue regarding the most appropriate class cost of service study. Instead, MECG simply asked the Commission to eliminate 25% of the subsidy in Staff’s study.

2. Given that the Commission was not asked to identify the most appropriate class cost of service study, none of the parties argued this issue, none of the parties briefed this issue, and none of the Commissioners deliberated this issue in any of the public agenda sessions. Nevertheless, the Report and Order strangely makes the following finding:

¹ See, Initial Brief of MECG at page 10. (“Given the consistency of the results, MECG maintains that the Commission does not need to decide which class cost of service methodology is most appropriate.”).

Of the four CCOS studies submitted by the parties, Staff's most reasonably recognizes the relationship between the cost of the plant required to serve various levels of demand and energy requirements and the cost of producing energy.²

3. The Commission's stance in this case stands in stark contrast to its stance in the recent Ameren case. There, the Commission was specifically asked in the List of Issues to identify the most appropriate fixed production cost allocator and class cost of service study. Despite its identification as an issue and despite the fact that this issue was briefed by all the parties, the Commission avoided the decision. "[B]ecause the results of the A&E [MECG] and BIP [Staff] studies are similar, the Commission does not need to decide which particular study is most appropriate."³ Strangely, in this case, where this was not listed as an issue and none of the parties briefed this issue, the Commission appears to have made a gratuitous finding as to the most appropriate fixed production cost allocator and class cost of service study.

4. As mentioned, given the proximity of the results, MECG does not object to the Commission working from the results of Staff's class cost of service study. That said, MECG is worried that this gratuitous finding will be relied upon by the Staff as a finding that its methodology is most appropriate. It is unfair for the Commission to make such a finding when none of the parties have identified this as an issue and none of the parties argued the merits of such an issue. As such, MECG respectfully requests that the Commission issue its Order clarifying its Report and Order. Specifically, MECG asks that the Commission indicate that, while it is working from Staff's calculation of the residential subsidy, this should not be interpreted as a finding of the appropriateness of Staff's class cost of service methodology relative to any of the other methodologies

² Report and Order, page 15, paragraph 10.

³ *Report and Order*, Case No. ER-2014-0258, issued April 29, 2015, at page 71.

presented in this case. It needs to be pointed out that such clarification will not have any impact of the rates resulting from this decision.

WHEREFORE, MECG respectfully requests that the Commission issue its Order clarifying its June 24, 2015 Report and Order.

Respectfully submitted,



David L. Woodsmall, MBE #40747
308 E. High Street, Suite 204
Jefferson City, Missouri 65101
(573) 636-6006
Facsimile: (573) 636-6007
david.woodsmall@woodsmalllaw.com

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.



David L. Woodsmall

Dated: July 2, 2015