BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a AmerenUE's Tariffs To Increase Its Annual Revenues for Electric Service	)))	Case No. ER-2011-0028

MISSOURI INDUSTRIAL ENERGY CONSUMERS'
POSITION STATEMENT

Comes now the Missouri Industrial Energy Consumers ("MIEC") and provides its Position Statement. The MIEC's positions are set forth in order of the issues listed in the *Joint List of Issues, List and Order of Witnesses, Order of Opening Statements and Order of Cross-Examination,* as follows:

2. Storm Costs/Vegetation-Infrastructure Trackers

A. Vegetation-Infrastructure:

(1) Should the Commission authorize Ameren Missouri to continue the current tracking mechanism for vegetation management and infrastructure inspections?

The Commission should discontinue the current tracking mechanism for vegetation management and infrastructure inspections, because the costs to comply with the Commission's Rules have not shown significant volatility.

B. Storm Costs:

(1) How should the Commission calculate Ameren Missouri's normalized, non-labor storm costs to be included in the revenue requirement for ratemaking purposes?

The Commission should set the normalized non-labor storm costs at an annual level of $4.9 million pursuant to the calculations found in Greg Meyer's Surrebuttal Testimony.

(2) Should the difference between the amount of non-labor storm costs that Ameren Missouri incurred during the true-up period and the normalized level of non-labor storm costs included in the revenue requirement for ratemaking purposes be amortized over five (5) years or should that difference be included in the normalized costs used for ratemaking purposes?

No amortization be included for purposes of this case, because all storm costs incurred during the test year and true-up period by Ameren Missouri have been recovered from ratepayers.

4. Energy Efficiency/Demand Side Management (DSM):

B. Does Ameren Missouri's request for demand-side management programs' cost recovery in this case comply with MEEIA requirements?

(1) Should the Commission approve a cost recovery mechanism for Ameren Missouri DSM programs as part of this case? If so,

(a) Over what period should DSM program costs incurred after December 31, 2010, be amortized?

They should be amortized over a 10-year period.

(b) Should the mechanism include an adjustment to kWh billing determinants?

No.

7. Cost of Capital: What return on equity should be used to determine Ameren Missouri's revenue requirement in this case?

Ameren Missouri's return on equity should be set at 9.90%. This is the midpoint of the most reasonable return on equity range for Ameren Mo. of 9.8% to 10.0%. In no event should the return on equity exceed 10%.

8. **Fuel Adjustment Clause Issues:**

C. Should the length of the recovery periods for the FAC be reduced from twelve (12) months to eight (8) months?

No.

F. Should the Commission carefully monitor the performance of Ameren Missouri's generation facilities, especially of Ameren Missouri's baseload generation facilities?

The Commission should carefully monitor the performance of Ameren Missouri's generation facilities, and consider on an ongoing

basis whether the percentage of fuel cost increases and decreases assigned to Ameren Missouri through the FAC should be increase from 5 percent in order to better incentivize Ameren Missouri to keep its costs as low as reasonably possible.

10. Solar Rebates Accounting Authority Order (AAO):

C. What amount of solar rebate costs should Ameren Missouri be allowed to include in the revenue requirement used to set rates in this case?

Solar rebate costs should be capitalized, included in rate base, and amortized over a 10-year period.

12. Property Tax:

A. What amount of property tax expense relating to the Sioux Scrubbers and the Taum Sauk additions the Company seeks to put in rate base in this case should the Commission include in Ameren Missouri's revenue requirement for ratemaking purposes?

It is MIEC's position that no property tax expense relating to the Sioux Scrubbers and the Taum Sauk additions should be included in Ameren Missouri's revenue requirement, because the amount is not known and measurable, and is not due to be paid until five months after rates go into effect in this case.

13. Rate Design/Class Cost of Service

A. Class Cost of Service:

(1) Which of the proposed class cost of service methodologies – the 4 NCP–A&E methodology, the Base Intermediate-Peak methodology, or the 4P-P&A methodology – should the Commission use in this case to allocate Ameren Missouri's investment and costs among the Company's various rate classes?

The Commission should use the 4NCP–A&E methodology.

(2) What methodology should the Commission use in this case to allocate Ameren Missouri's fixed production plant investment and operation and maintenance costs?

See response to (1) above.

B. Rate Design:

(1) To what extent should the Commission rely on the results of a class cost of service study in apportioning revenue responsibility among Ameren Missouri's customer classes in this case?

Cost of service should be the primary guideline.

(2) What amount of increase or decrease in the revenue responsibilities of Ameren Missouri's customer classes should the Commission order in this case?

The revenue neutral adjustments to class revenues shown on Schedule MEB-COS-6 should be followed to the extent practical

The MIEC reserves the right to assert additional positions or respond to positions asserted by the other parties.

Respectfully submitted,

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Certificate of Service

I hereby certify that copies of the foregoing have been transmitted by electronic mail to all parties this 22nd day of April 2011.

/s/ Diana Vuylsteke