



March 20, 2020

Missouri Public Service Commission

File No. AW-2018-0385

RE: In the Matter of Establishment of a Working Case for the Review and Consideration of a Rewrite of the Existing Electric and Gas Promotional Practices Rule into One Rule.

On behalf of Americans for Prosperity activists in Missouri, as well as ratepayers across the Show-Me State, I write today to respectfully urge the Missouri Public Service Commission to carefully consider the rights and interests of all ratepayers as it ponders new rules regarding electric utility and natural gas utility promotional practices.

As the Commission undertakes this work, we offer the following policy framework in the interest of protecting ratepayers and consumers from program designs, rules and regulations that promote unfair and regressive forms of cross-subsidization that have been enacted in other jurisdictions.

First, the Commission must acknowledge that all ratepayers have equal rights under the law. In practical terms, this means the Commission is required to prevent inequitable promotional practices, where captive electric utility customers are forced to underwrite utility incursions into tangential markets, that would only benefit a subset of customers.

If the Commission accepts that all ratepayers have the same rights, it should be clear that ratepayers financing promotional practices- which will predominately, if not exclusively, benefit only a subset of (mostly affluent) customers-- is not only unfair but violates the equal rights principle stated above.

We understand that the only business of electric utilities is providing safe, adequate and reliable electricity service. Therefore, under no circumstances should they be given the authority to recover the costs of investments that go beyond supplying electricity to the customer's meter. Fairness dictates that funding of non-public utility services needs to be done with shareholder funds, not through charges imposed on captive ratepayers with guaranteed cost recovery plus a guaranteed rate of return for the utility.

The spirit of the current rules is to prevent "unreasonable preferences or advantages to anyone or to subject anyone to unreasonable prejudice or disadvantage." Ensuring these robust protections remain in place should be the sole focus of this body.



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A different approach would suggest that, indeed, the Commission should exert its authority for the purpose of granting special exceptions that enable utilities to aid other private businesses to increase their market penetration, sales, and revenues. We respectfully disagree with this view. Under this logic, it could be argued that the Commission should also exert its authority to allow private utilities to use its promotional practices to help kickstart an array of different businesses.

Customers protections from financial commitments that go to underwrite promotion programs with exceedingly speculative benefits should be expressively prohibited. Allowing a lax interpretation of these rules would result in socially regressive cross-subsidization.

Considering these facts, we simply request that the Commission preserves the principle of non-discrimination in its rulemakings going forward. All ratepayers have the same rights; therefore, no projects, whether promotional or not, should rely on captive ratepayers subsidizing a subset of costumers.

The public interest demands actions that foster responsible public policy; in other words, measures that do not discriminate against some customers. Allowing cost recovery for unnecessary and non-essential promotional practices will harm Missourians by granting preferential treatment to some customers.

We thank you for the opportunity to address this critical issue, and we look forward to a rule that leaves the doors of innovation and competition wide open by not yielding to calls for corporate welfare and regressive subsidization.

If we can be of any assistance, please do not hesitate to reach out directly to me at Jcady@afphq.org

Thank you for your time and consideration.

Sincerely,
Jeremy Cady
State Director
Americans for Prosperity-Missouri