

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

In the Matter of the Application of Union Electric)
Company d/b/a Ameren Missouri for Approval of) File No. ET-2018-0132
Efficient Electrification Program)

STAFF RECOMMENDATION AND REQUEST FOR EVIDENTIARY HEARING

COMES NOW the Staff of the Missouri Public Service Commission, by and through the undersigned counsel, and for its *Staff Recommendation and Request for Evidentiary Hearing* hereby states:

1. On February 22, 2018, Union Electric Company d/b/a Ameren Missouri filed an application and accompanying tariff sheets seeking approval of two new tariffed programs, collectively referred to as the “Charge Ahead” program. The application also seeks approval of modifications to Ameren Missouri’s existing distribution system extension procedures, variances from portions of the Commission’s regulations regarding promotional practices, and the request for an accounting authority order for the Charge Ahead program. The proposed tariffs have an April 23, 2018, effective date.

2. On February 23, 2018, the Commission ordered Staff to file a recommendation regarding the Application, Request for Variance, and Request for Accounting Authority no later than March 23, 2018.

3. On March 15, the Commission ordered that any requests for hearing shall be filed no later than April 5, 2018.

4. On March 22, 2018, the Commission granted Staff an extension of time to file its recommendation no later than April 3, 2018.

5. As discussed in further detail in Staff’s Memorandum, attached hereto, Staff recommends rejection of the tariff sheets filed as Tracking No. YE-2018-0103, and

suspension of the tariff sheets filed in Tracking Nos. YE-2018-0104 and YE-2018-0105 for 120 days. Staff also respectfully requests that the above-captioned case be set for hearing and asks the Commission to order parties to file a proposed procedural schedule no later than April 20, 2018.

WHEREFORE, Staff respectfully submits its *Recommendation and Request for Evidentiary Hearing* for the Commission's consideration.

Respectfully submitted,

/s/ Marcella L Forck

Associate Staff Counsel
Missouri Bar No. 66098
Attorney for the Staff of the
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-4140 (Telephone)
(573) 751-9265 (Fax)
Marcella.forck@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 3rd day of April, 2018.

/s/ Marcella L. Forck

MEMORANDUM

To: Missouri Public Service Commission Official Case File, File No. ET-2018-0132,
Tariff File Nos. YE-2018-0103, YE-2018-0104, and YE-2018-0105

From: Sarah L. K. Lange, Regulatory Economist III
Byron M. Murray, Regulatory Economist III

/s/ Robin Kliethermes 4/3/2018 /s/ Marcella L. Forck 4/3/2018
Tariff/Rate Design Unit /Date Staff Counsel's Office/Date

Subject: Staff Recommendation for the **Rejection in Part and Suspension in Part** of the Tariff Sheets
Filed in Ameren Missouri's Application for Approval of "Efficient Electrification Program"

Date: 4/3/2018

Background

On February 22, 2018, in File No. ET-2018-0132, Ameren Missouri filed three tariff revisions, Tracking Nos. YE-2018-0103, YE-2018-0104, and YE-2018-0105. Tracking No. YE-2018-0103 includes revisions to the Company's non-residential line extension policies. Tracking No. YE-2018-0104 introduces a program to "promotes the use of more efficient electrically-powered equipment over gasoline, propane, or diesel-fueled equipment for transportation and other commercial and industrial applications." Tracking No. YE-2018-0105 introduces a program to "stimulate the development of infrastructure within the Company's service territory that is needed to support widespread adoption of electric vehicles by the public." Staff has submitted data requests, engaged in technical discussions with Ameren Missouri, and met with Ameren Missouri and other parties to this matter.

Tracking No. YE-2018-0103

Staff recommends rejection of the tariff sheets filed as Tracking No. YE-2018-0103. Staff is generally supportive of the modifications to the Company's line extension policy as contained in the tariff sheets filed as Tracking No. YE-2018-0103, however:

The line extension policy is of such general applicability and so related to the revenues received by the Company that modification of these tariffs outside of a general rate case would constitute single issue ratemaking.

While discovery is not complete, Staff has initial concerns related to how this calculation would relate to a “start up” period associated with many non-residential structures. This could have particular impact for any line extensions requested by customers establishing locations for electrical vehicle charging. Per the Company’s testimony in this docket, significant ramping in the level of electric vehicles in its service territory is anticipated, although penetration is relatively low today. Staff is concerned that absent specified guidance on a level of charging to assume in the construction allowance calculation, this change to the non-residential line extension policy would result in a prohibitively high cost of infrastructure expansion to be borne by those seeking to install stand-alone electric vehicle charging facilities.

1. While discovery is not complete, Staff is concerned that changes in the tariff sheet related to grandfathered customers under prior extension policies may be improper.

2. Staff notes that File No. ER-2018-0226 has been opened by the February 21, 2018 Order of the Commission. Staff notes that concerns regarding the propriety of modifying the line extension policy outside of a rate case would be abrogated by considering the line extension policy within a rate case.

Tracking No. YE-2018-0104

Staff recommends suspension of the tariff sheets filed as Tracking No. YE-2018-0104.

3. While discovery is not complete, the stated purpose of this program raises questions as to the reasonableness of waiver of the applicable promotional practices prohibitions.

4. Intervenors, presumably as suppliers of the competitive energy sources, have sought and been granted intervention in this docket.

Tracking No. YE-2018-0105

Staff recommends suspension of the tariff sheets filed as Tracking No. YE-2018-0105.

5. While discovery is not complete, the stated purpose of this program raises questions as to the reasonableness of waiver of the applicable promotional practices prohibitions.

6. While discovery is not complete, Staff is concerned that the calculations supporting the Company’s filing rely on mutually inconsistent assumptions, including but not limited to the impact of the program on the Company’s distribution infrastructure needs, the revenue to be generated as a result

of the promotion of the program presented as support for the level of the incentives offered, whether the incented charging location would be the primary charging location, and other related assumptions.

7. While discovery is not complete, Staff is concerned with aspects of the design of the discreet subprograms, and with the sizing of the budgets applicable to the discreet subprograms. For example, one half of the program budget is dedicated to subsidizing charging stations not accessible to the public.

Recommendation

At this time Staff recommends the Commission enter an order (1) rejecting the tariff sheets contained in Tracking No. YE-2018-0103, (2) suspending the tariff sheets contained in Tracking No. YE-2018-0104 and Tracking No. YE-2018-0105 for 120 days, and (3) ordering the parties to file a proposed procedural schedule including dates for hearing by April 20, at which time the suspensions of Tracking No. YE-2018-0104 and Tracking No. YE-2018-0105 may be revised, if necessary.

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

In the Matter of the Application of Union)
Electric Company d/b/a Ameren Missouri for)
Approval of Efficient Electrification Program) File No. ET-2018-0132

AFFIDAVIT OF SARAH L. LANGE

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

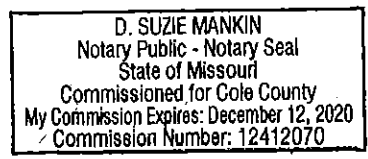
COMES NOW SARAH L. LANGE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Staff Recommendation; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Sarah Lange
SARAH L. LANGE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 3rd day of April, 2018.



D. Suzie Mankin
Notary Public

