

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

|                                    |   |                      |
|------------------------------------|---|----------------------|
| In the Matter of Union Electric    | ) |                      |
| Company d/b/a Ameren Missouri's    | ) | Case No.ER-2021-0240 |
| Tariffs to Adjust its Revenues for | ) |                      |
| Electric Service                   | ) |                      |

**Public Counsel's Position Statement**

COMES NOW the Office of the Public Counsel ("Public Counsel") and offers the following positions on the remaining contested issues:

***Issue 17. A. Should the Company be required to change the names for its TOU rate plans?***

Yes. Public Counsel supports the Staff's recommendation that Ameren rename its TOU rate plans. Titles such as "Ultimate Saver" could mislead a customer into choosing a rate plan based on the name and not on the impact that rate plan would have on the customer's bill.

***Issue 22. C. How should any rate increase be allocated to the several customer classes?***

This issue will determine whether the Commission spreads Ameren's large plant investments equally among all rate classes, or whether each rate class should shoulder these costs differently. Only two parties performed class cost of service studies in this case: Ameren Missouri and the Commission's Staff. Both studies show most rate classes are within 5% of their class cost of service. The only exceptions are the **Large Power Service (LPS)** class, which the studies

indicate may be **underpaying** its class cost of service, and the **Lighting** class, which may be **overpaying** its class cost of service.

The Staff recommends the Commission allocate Ameren's large investments on an equal percentage basis to all classes, based on the Staff's policy of not recommending shifts in cost allocation when the difference between class cost study results and cost allocation is less than 5%. The Staff's recommendation recognizes class cost of service studies are never a perfect exercise and shifting costs from one class to another should only occur when clearly justified and strongly supported by the evidence. Distributing Ameren's new investments equally on a percentage basis to each class would maintain the same allocations just ordered in 2020.<sup>1</sup>

Public Counsel supports the Staff's equal percentage cost allocation to all classes as a far superior and supportable recommendation than the partial and unconscionable attempt by MIEC and MECG to shift industrial costs onto the small customers. However, Public Counsel also asks the Commission to recognize that the Commission has considerable discretion when allocating costs ("The Supreme Court has also recognized that issues of cost-allocation...are discretionary determinations frequently delegated to expert administrative agencies like the PSC." *Spire Mo. v. Mo. PSC*, 607 S.W.3d 759, 771 (Mo. App.

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<sup>1</sup> Report and Order, May 29, 2020, *In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Decrease Its Revenues for Electric Service*, Case No. GR-2019-0355.

2020)). The Commission has the discretion to find that mitigating rate shock for the most vulnerable classes is in the public interest and is an important aspect of allocating class cost responsibility.

Only the small customer classes, mainly residential, have demonstrated a serious concern with rate shock. Many residential customers reached out to the Commission and explained the impact that even the smallest rate increase would have upon their low fixed income, and their ability to afford other necessities like food and medicine. This is a very real concern for thousands of families and elderly customers served by Ameren Missouri, and the ongoing pandemic magnifies this problem significantly.

The Staff's class cost of service study supports limiting residential customers to a 5.0% increase and small businesses a 7.1% increase, or an even lesser allocation given the reduction in Ameren's requested increase in revenues.<sup>2</sup> These amounts will be further addressed during the evidentiary hearing and post-hearing briefs. These cost-based allocations would mitigate the serious rate shock concerns for the smallest rate classes and adopt a cost allocation that best promotes the public interest.

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<sup>2</sup> Staff Class Cost of Service Report, ER-2021-0240, September 17, 2021, p. 45.

**Other Issue 22 Sub-Issues**

Public Counsel has not taken a position on any of the remaining contested issues, but following the evidentiary hearing may take a position on these issues in its post-hearing briefs.

WHEREFORE, the Office of the Public Counsel respectfully offers this position statement.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By: /s/ Marc D. Poston

Marc D. Poston (#45722)

Public Counsel

P. O. Box 2230

Jefferson City MO 65102

(573) 751-5318

(573) 751-5562 FAX

[marc.poston@opc.mo.gov](mailto:marc.poston@opc.mo.gov)

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing were emailed to all counsel of record this 7th day of December 2021.

**/s/ Marc Poston**