

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

In the Matter of the Petition of Union Electric            )  
Company d/b/a Ameren Missouri for a                    )  
Financing Order Authorizing the Issue of            )        File No. EF-2024-0021  
Securitized Utility Tariff Bonds for Energy         )  
Transition Costs related to Rush Island             )  
Energy Center    )

**MECG STATEMENT OF POSITIONS**

COMES NOW, the Midwest Energy Consumers Group, (“MECG”), and for its Statement of Positions, respectfully states:

*1. Net Present Value Benefits*

*Would issuance of securitized utility tariff bonds and imposition of securitized utility tariff charges be just and reasonable and in the public interest and be expected to provide quantifiable net present value benefits to customers as compared to financing and recovering of components of Rush Island energy transition costs using traditional financing and recovery?*

*OPC Alternative Statement of Issue: Would issuance of securitized utility tariff bonds and imposition of securitized utility tariff charges be just and reasonable and in the public interest and be expected to provide quantifiable net present value benefits to customers as compared to recovery of the components of Rush Island energy transition costs that would have been incurred absent the issuance of securitized utility tariff bonds?*

- a. What constitutes traditional financing and recovery?*
- b. At what time should the obligation of the utility to engage with the finance team on all facets of the process commence?*
- c. Should the language related to the finance team role be modified from prior financing orders from “the right to review, provide input, and collaborate” to “the right to provide input . . . and collaborate. . .”?*
- d. Should the finance team’s involvement and scope on underwriter selection be modified from “the size, selection process, participants, allocations and economics of the underwriter and any other member of the syndicate group” to “the selection process for the underwriters, including with respect to allocations and economics”?*
- e. How would Ameren Missouri finance and recover from its customers the components of Rush Island energy transition costs that would have been incurred absent the issuance of securitized utility tariff bonds?*
- f. Absent securitization, which method of recovery more accurately and reliably estimates ratepayer payments? Absent securitization, what return, if any, would the Commission allow on the Rush Island energy transition costs regulatory asset?*
- g. What discount rate should be applied to estimated ratepayer payments for purposes*

*of estimating the quantifiable net present value benefits to customers?*

**Position:**      **MECG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.**

2.      *Post Financing Order Process/Procedure*

- a.      *What information should be included in the Issuance Advice Letter?*
  - i.      *Should the Issuance Advice Letter include a comparable securities pricing analysis as recommended by OPC witness Murray?*
- b.      *Should the certification letters provided by the underwriters and Staff's financial advisor be redacted rather than classified as confidential in their entirety?*
- c.      *Should the Commission require Staff's financial advisor to identify information he/she relied upon, but did not independently verify, for purposes of providing his/her opinion on the reasonableness of the pricing, terms, and conditions of the securitized utility tariff bonds?*
- d.      *Should the Commission order Ameren Missouri to provide the Issuance Advice Letter and supporting workpapers to other interested parties at the same time it provides information to Staff's Finance Team?*
- e.      *Should the Commission order Staff's financial advisor to provide a detailed accounting and explanation for fees in excess of \$1.561 million?*

**Position:**      **MECG supports the position of the OPC on these issues related to disclosure and any post-financing order procedures.**

3.      *Prudence of Retirement*

*Is it reasonable and prudent for Ameren Missouri to abandon or retire Rush Island during September 1 through October 15 of 2024?*

- a.      *Did Ameren Missouri make reasonable and prudent decisions respecting whether to obtain New Source Review (NSR) permits prior to either or both of the 2007 and 2010 Rush Island planned outages projects and afterward, including its conduct of the NSR litigation? If any of its decisions in this regard were unreasonable and imprudent, did any such imprudent decisions harm customers and if so, in what amount?*
- b.      *Were Ameren Missouri's decisions regarding whether to continue to operate Rush Island instead of retiring or retrofitting it with flue gas desulfurization equipment reasonable and prudent? If the decisions were not reasonable and prudent, were customers harmed and, if so, in what amount?*

**Position:**      **MECG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.**

4.      *Amount to Finance*

- a.      *What amount of abandoned Rush Island capital project costs should be financed using securitized utility tariff bonds?*

**Position:**      **MECG takes no position on this sub-issue at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.**

*b.      Should Staff's proposed exclusion of the costs of the abandoned Rush Island scrubber studies be adopted?*

**Position:**      **MECG supports the Staff's exclusion of these costs related to the scrubber study.**

5.      *Planning for NSR Outcome*

*Did Ameren Missouri make reasonable and prudent decisions respecting its planning for the Rush Island NSR litigation's outcome? If not, did any such imprudent decisions harm customers and if so, in what amount?*

*a.      Should the Commission order the hold harmless remedy recommended by Staff witness Eubanks regarding the cost of Rush Island Reliability Projects?*

**Position:**      **MECG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.**

6.      *Net Plant*

*What is the net plant in service balance of the retired Rush Island plant:*

*a.      If retired September 1, 2024?*

*b.      If retired October 15, 2024?*

**Position:**      **MECG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.**

7.      *Basemat Coal Inventory*

*What is the value of basemat coal inventory at Rush Island?*

*a.      Should the value of basemat coal inventory be included in the amounts authorized for financing using securitized utility tariff bonds?*

**Position:**      **MECG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.**

8.      *NPV of Tax Benefits/ADIT*

*a.      What is the net present value of tax benefits associated with the Rush Island plant:*

*i.      If retired September 1, 2024?*

*ii.     If retired October 15, 2024?*

*b.      How should accumulated deferred income taxes (ADIT) and excess ADIT be accounted for and treated in this case?*

**Position:** MECEG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.

9. *Asset Retirement Obligations*

*What amount of asset retirement obligations should be financed using securitized utility tariff bonds?*

**Position:** MECEG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.

10. *Safe Closure Costs*

*What amount of safe closure costs should be financed using securitized utility tariff bonds?*

**Position:** MECEG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.

11. *Decommissioning Costs*

*What amount of decommissioning costs should be financed using securitized utility tariff bonds?*

**Position:** MECEG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.

12. *Materials and Supplies*

*What amount of materials and supplies inventory should be financed using securitized utility tariff bonds?*

**Position:** MECEG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.

13. *Community Transition Costs*

*What amount of community transition costs should be financed using securitized utility tariff bonds?*

**Position:** MECEG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.

14. *Upfront Financing Costs*

*What amount of upfront financing costs should be financed using securitized utility tariff bonds if (a) Rush Island is retired September 1, 2024, and (b) if Rush Island is retired October 15, 2024? Should the costs associated with Company witnesses Holmstead and Moore be included or excluded from the upfront financing costs?*

**Position: MECEG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.**

15. *DOE Loan Funds*

*Should Ameren Missouri issue the securitized utility tariff bonds to the U.S. Department of Energy under the Energy Infrastructure Reinvestment program or issue the bonds in the customary manner to public investors?*

**Position: MECEG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.**

16. *Allocation of Revenue Requirement*

*How should the securitized utility revenue requirement be allocated to customers?*

**Position: The costs of Rush Island units are fixed costs and should be treated as demand-related fixed costs and would normally be allocated on a demand basis to the customer classes. These costs would not be allocated to customers on a kWh basis in a rate case and that approach should not be implemented in this case. Instead, the Commission should adopt the allocation among the customer classes in a way that tracks how the underlying costs would be included in rates as contained in the testimony of Maurice Brubaker.**

17. *Tariff*

*Should the tariff changes recommended by Staff be adopted? If securitization is authorized, should the compliance tariff sheets:*

*a. Tie the voltage adjustment factors to the similar factors used in the Company's Fuel Adjustment Clause?*

*b. Include that the name of the securitization charge on the customer bill be labeled "Rush Island plant retirement charge"?*

*c. Require the rate be rounded to the nearest fifth decimal point?*

*d. Clarify the application of the SUTC in the event of a new or modified territorial agreement?*

**Position:** The tariff charges should be implemented to align with the allocation proposed by Maurice Brubaker. Allocating these charges as Mr. Brubaker recommends requires only the application of a specific adjustment percentage to specific components of a customer's bill.

18. *Should certain amounts remaining on capitalized software and office equipment/furniture which are identified by OPC witness Schaben be excluded from the costs to be financed using securitized utility tariff bonds?*

**Position:** MECG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.

19. *Amount to be Securitized*  
*After resolution of the other issues listed herein, what amounts should the Commission authorize Ameren Missouri to finance using securitized utility tariff bonds?*  
a. *What total amounts of energy transition costs should the Commission authorize Ameren Missouri to finance for Rush Island?*  
b. *What total amount of upfront financing costs should the Commission authorize Ameren Missouri to finance?*

**Position:** MECG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.

20. *Carrying Cost Rate*  
*What rate, if any, should be used to determine carrying costs that may occur between the retirement date of Rush Island and the issuance of the securitized bonds?*

**Position:** MECG takes no position on these issues at this time but reserves the right to assert a position in post-hearing briefs based upon the evidence presented at hearing.

WHEREFORE, MECG submits its Statement of Positions.

Respectfully,

/s/ Tim Opitz  
Tim Opitz, Mo. Bar No. 65082  
Opitz Law Firm, LLC  
308 E. High Street, Suite B101  
Jefferson City, MO 65101

T: (573) 825-1796  
[tim.opitz@opitzlawfirm.com](mailto:tim.opitz@opitzlawfirm.com)

ATTORNEY FOR MIDWEST  
ENERGY CONSUMERS GROUP

Certificate of Service

I hereby certify that copies of the foregoing have been emailed to all counsel of record this  
8<sup>th</sup> day of April 2024:

**/s/ Tim Opitz**

---