BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company	)	
d/b/a/ Ameren Missouri's Tariffs to Adjust	)	File No. ER-2024-0319
its Revenues for Electric Service	)	

MECG'S STATEMENT OF POSITIONS

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

1. How should any rate increase be allocated to the customer classes?

Position: Setting just and reasonable rates for customers begins with the Cost-of-Service Study ("COSS"). In this case, MECG recommends the commission rely on the Average & Excess (A&E) method as reasonable allocation methods for fixed production plant-related costs. This approach is relatively similar to the approach taken by Ameren Missouri in this case. Figure 4 in the Direct testimony of MECG's Kavita Maini, comparing the earned rate of return by class under the company's and MECG's COSS approaches shows that the results are similar. Classes with a relative rate of return below 1 are paying rates that are below the cost to serve those classes. Classes with the relative rate of return above 1 are currently paying rates that are above the cost to serve those classes. MECG and Ameren Missouri's witnesses agree that the LGS, SPS, and LPS classes are paying above cost of service. Figure 4 is reproduced below:

Figure 4: MECG v. Ameren Missouri's CCOSS Earned Rate of Return ("ROR") and Relative ROR by Class at Present Rates

	Ameren Missouri A&E 4NCP COSS		MECG A&E 4NCP COSS	
	Earned ROR	Relative ROR	Earned ROR	Relative ROR
Residential (RES)	3.67%	0.73	3.59%	0.72
Small General Service (SGS)	5.54%	1.10	5.46%	1.09
Large General Service (LGS) / Small Power Service (S	7.12%	1.42	7.28%	1.45
Large Power Service (LPS)	8.41%	1.68	8.82%	1.76
Lighting (LTG)	2.51%	0.50	2.51%	0.50
Overall Ameren Missouri	5.01%	1.00	5.01%	1.00

From there, the COSS should be used as the primary guiding principle in allocating revenue requirement to classes and informing rate design. Such an approach will foster equity amongst classes, send appropriate price signals and encourage economic efficiency. While other factors such as gradualism and rate continuity may also be considered, these factors should not be the dominating elements such that there is little to no movement towards class cost responsibility. To reach a reasonable movement towards cost of service in this case, MECG recommends a 25% revenue neutral shift to each class prior to applying an equal percent increase associated with the final revenue requirement increase. The recommended revenue neutral shifts would help in incorporating fairness systematically among classes while at the same time, a 25% revenue neutral shift recognizes that moderation is necessary and to not align 100% with the COSS results.

2. How should the rate increase be implemented within certain classes? To resolve that issue, the following issues should be addressed:

A. Should the demand rates of the 3M and 4M classes be increased by a greater amount with a corresponding decrease to the energy charges, as proposed by MECG?

Position:

LGS (3M) class

For the LGS (3M) class the demand charges are relatively low, which results in substantive over recovery from energy charges and under recovery from the demand charges as compared to the COSS results. According to the unbundled COSS results, 79% of the costs for the LGS and SPS classes are demand related. However, under current rates, only 14% is recovered from demand charges and 84% of the revenue requirements are recovered from energy charges. This mismatch sends economically inefficient and faulty pricing signals.

Aside from the disparity and inconsistency with the COSS results, the Company's proposed increases in the current rate case are predominantly fixed costs and associated with capital

investment and depreciation expenses. Fixed costs do not vary with energy consumption and should be recovered from demand charges. Therefore, the primary drivers in the case support higher increases to demand charges versus energy charges.

Because of the foregoing MECG recommends that the Commission take the following steps for the 3M Class:

- Increase the customer charges, on and off-peak adjusters as proposed by the company;
- Increase the summer and winter demand charges by 150%; and
- Increase the energy charges to recover the remaining class revenue requirement by an equal percentage.

SPS (4M) class

MECG makes similar recommendations for the SPS class as it does to the LGS class. The demand charges are relatively low, which results in substantive over recovery from energy charges and under recovery from the demand charges as compared to the COSS results. According to the unbundled COSS results, 79% of the costs for the LGS and SPS classes are demand related. However, under current rates, only 10% is recovered from demand charges and 89% of the revenue requirements are recovered from energy charges

Because of the foregoing, MECG recommends the following for the SPS class:

- Increase the customer charges, on and off-peak adjusters, reactive charges and Rider B adjustments as proposed by the Company;
- Increase the summer and winter demand charges by 150%; and
- Increase energy charges to recover the remaining revenue requirement by an equal percentage.

B. Should the Rider B rates be adjusted?

Position: Rider B should be adjusted as proposed by Ameren Missouri.

C. Should the time-of-day adjustments for non-residential customers in classes 3M, 4M and 11M be modified or held constant?

Position: These should be adjusted as proposed by the company.

3. Should the Commission authorize a new end-use rate schedule for EV charging as proposed by MECG?

Position: Yes. For the purposes of this docket, the Commission should require Ameren to create alternative optional LGS ("LGS-EV") and SP ("SP-EV") rates for EV charging customers with load sizes that would qualify to take service on LGS or SP rates as proposed in the testimony of MECG witness Eric Austin. These alternatives could then serve as a basis from which the Company and stakeholders can design durable EV charging rate schedules in the rate redesign process in EW-2023-0031.

For the optional rates for this case, MECG proposes to reallocate the summer demand charge revenue requirement to the first block of the summer energy rate and reallocate the winter demand charge revenue requirement to the first block of the winter energy rate.

This reallocation would serve two purposes: first, it would reduce the barrier to entry for very low usage EV chargers versus LGS and SP's demand charges; and second, it would recover the demand charge revenue requirements in the low load factor first blocks (up to approximately 20.8 percent monthly load factor), which would provide more meaningful fixed cost recovery than spreading demand charge revenue across the three energy blocks.

4. Should the Commission order a progress report on the non-residential rate design working docket EW-2023-0031 as proposed by MECG??

Position: Yes.

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

ATTORNEY FOR MIDWEST
ENERGY CONSUMERS GROUP

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 10th day of March 2025:

/s/ Tim Opitz