

**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) Case No. ER-2022-0337
Its Revenues for Electric Service)

PUBLIC COUNSEL’S POSITIONS

COMES NOW the Office of Public Counsel (“Public Counsel”) and states its positions on the listed issues as follows:

2. Incentive Compensation.

- A. Should the Company’s expenditures (capital and expense) for restricted stock units be included in the Company’s revenue requirement?
- B. What amount of exceptional performance bonus costs should be included in the Company's revenue requirement?

Public Counsel’s Positions: Public Counsel generally supports the Commission’s Staff on these issues.

3. Severance.

- A. Should the Company’s expenditures (capital and expense) for severance payments be included in the Company’s revenue requirement?

Public Counsel’s Position: Public Counsel generally supports the Commission’s Staff on this issue.

4. Class Cost of Service, Revenue Allocation, Rate Design and Rate-Switching Tracker.

- A. How should production costs be allocated among customer classes within a Class Cost of Service Study?

Public Counsel's Position: Public Counsel has no position on this issue at this time, but may take one later.

- B. How should distribution costs be allocated among customer classes within a Class Cost-of-Service Study?

Public Counsel's Position: Public Counsel has no position on this issue at this time, but may take one later.

- C. Which party's Class Cost of Service Study should be used in this case and used as a starting point for the non-residential rate design working case agreed to by the parties to the Company's last electric general rate case, File No. ER-2021-0240?

Public Counsel's Position: The Commission should use its Staff's class cost-of-service study.

- D. How should any rate increase be allocated to the several customer classes?

Public Counsel's Position: The Commission should not order any revenue neutral shift across classes and any rate increase should be enforced as an equivalent percentage increase across all classes with the exception of the company-owned lighting rates should remain constant.

- E. What should the customer charges associated with the Residential Class rate plans be?

Public Counsel's Position: A \$9.00 customer charge is appropriate and supported by the Commission's Staff's Class Cost-of-Service Study.

- a. If the customer charges for the Ultimate Saver and Smart Saver Plans are discounted relative to other residential rate plans, should a minimum demand charge be imposed with customers to be fully educated on the minimum demand charge?

Public Counsel's Position: Yes. Such a movement would more closely reflect the cost of service.

- F. What changes should be made, if any, to the Residential rate plans offered by the Company?

Public Counsel's Position: Residential Evening/Morning Savers should be the “opt-out” rate schedule for all residential customers equipped with an AMI meter. Customers may “opt-in” a different time-based rate schedule including the “anytime” rate schedule.

- a. Should Staff's proposal to eliminate the Anytime (flat) rate option for any Residential customers who have an AMI meter be approved?

Public Counsel's Position: No, not at this point in AMI deployment.

- b. What changes, if any, should be made to the deployment of residential ToU rate plans?

Public Counsel's Position: Public Counsel does not oppose a shortened lead-in time for customers to be phased into the Evening/Morning Savers program.

The “Evening/Morning Savers” rate schedule should be changed to “Daytime/Overnight” with “savers” being dropped from the current nomenclature to avoid customer confusion.

- G. What changes should be made, if any, to the Non-Residential, Non- Lighting rate options offered by the Company?

- a. Should Staff's proposal to introduce a time-based overlay for all Non-Residential, Non-Lighting classes for all customers who have an AMI meter and are not served on a time-based schedule be adopted?

Public Counsel's Position: Yes. Ratepayers should realize the benefits from Ameren Missouri's massive AMI investment.

- b. Should MECG's proposed shift to increase the demand component for Large General Service and Small Primary Service and decrease energy charges be adopted?

Public Counsel's Position: Public Counsel has no position on this issue at this time, but may take one later.

- c. Should the Commission approve MECG's proposed optional EV charging 3M/4M rate design?

Public Counsel's Position: No. MECG's rate design would undermine accretive earnings assumed in justifying the Ameren Missouri Charge Ahead portfolio, would not align with the principles of cost causation, and would constitute a specialty end-use rate. Furthermore, such a rate can also be rejected on grounds of gradualism, complexity, and a likely probability that such a rate would attract free ridership at the expense of the rest of the customer classes.

- d. Should the Rider C factor be adjusted?

Public Counsel's Position: Public Counsel has no position on this issue at this time, but may take one later.

- e. Should the values for the monthly customer charge, Rider B credits, and Reactive Charge remain consistent for SPS and LPS customers because these costs are effectively the same regardless of the customer class?

Public Counsel's Position: Public Counsel has no position on this issue at this time, but

may take one later.

H. Rate structures:

- a. Should the cost-causation and rates of Riders B & C be fully evaluated?

Public Counsel’s Position: Public Counsel has no position on this issue at this time, but may take one later.

- b. Ordered Rider B Study - Did Ameren Missouri comply with the Report and Order in ER-2021-0240 at pages 31 – 34, where the Commission addressed whether it should require “Performance of a study of the reasonableness of the calculations and assumptions underlying Rider B to be filed as part of the Company’s direct filing in its next general rate case?” The decision paragraph at pages 33-34 states “The Commission will not suspend the Rider B credits, but it believes the question of the proper calculation of those credits should be further addressed in Ameren Missouri’s next rate case. Therefore, the Commission will direct Ameren Missouri to study the reasonableness of the calculations and assumption underlying Rider B and to file the results of that study as part of its direct filing in its next general rate case.”

Public Counsel’s Position: Public Counsel has no position on this issue at this time, but may take one later.

- c. Should Ameren Missouri be ordered to record transmission assets related to maintenance of voltage support due to the retirement of large synchronous generators be recorded to new subaccounts?

Public Counsel’s Position: Public Counsel has no position on this issue at this time, but may take one later.

- d. Should Ameren Missouri be ordered to retain customer and rate

schedule characteristics related to draws of reactive demand?

Public Counsel's Position: Public Counsel has no position on this issue at this time, but may take one later.

- e. Should Ameren Missouri be ordered to create subaccounts within distribution accounts and transmission accounts (plant and reserve) for recording infrastructure related to utility-owned generation?

Public Counsel's Position: Public Counsel has no position on this issue at this time, but may take one later.

- f. Should Ameren Missouri be ordered to provide a study of the customer-specific infrastructure, by account, by rate schedule, by voltage, in its next general rate case?

Public Counsel's Position: Public Counsel has no position on this issue at this time, but may take one later.

- g. Should Ameren Missouri be ordered to provide data concerning the level of rate base and expense associated with radial transmission facilities including substation components, by customer?

Public Counsel's Position: Public Counsel has no position on this issue at this time, but may take one later.

- h. What information should Ameren Missouri provide for any rate modernization workshop, or for its next general rate case?

Public Counsel's Position: Public Counsel has no position on this issue at this time, but may take one later.

- i. Should Ameren Missouri be required to study potential rate structures and make available related determinants?

Public Counsel's Position: Public Counsel has no position on this issue at this time, but may take one later.

- I. Should the Commission authorize Ameren Missouri to track some valuation of estimated revenue changes that may arise from residential customer rate switching?
 - a. Is the Ameren Missouri requested method for calculating the tracker balance reasonable?

Public Counsel's Position: No. A tracker is not necessary for the Commission to order a rate modernization plan in this and in future cases consistent with the large capital investment made to enable TOU rates. It is entirely premature to consider trackers based on the non-substantial costs and speculative information that is currently before the Commission today. To the extent that pricing disparities in the opt-in ToU rate plans are intended to reflect differences in the cost of wholesale energy over various time periods, any savings actually realized are passed in part to ratepayers and retained in part by shareholders through the FAC. It would not be appropriate to consider the energy portion of differences between rate plan charges in calculating an avoided revenue or bill savings. Increased overall energy consumed as a result of precooling during "off-time" periods creates a scenario where there is not a reasonable accurate tracking method.

- b. Are alternative approaches available to address what Ameren Missouri characterizes as an inherent disincentive for the utility to pursue a rapid transition toward broad adoption?

Public Counsel's Position: Yes, these rate plans can be redesigned so that the differentials in them correspond to the variations in the cost of providing service in selected time periods. Alternatively, the Overnight Savers, Smart Savers, and Ultimate Savers rates could be increased so that customers who have opted into the plans would provide the same average revenue per kWh as those who have not opted into the plans, based on the billing determinants associated with each rate plan.

5. Tariff Revisions and Miscellaneous.

- A. Should the miscellaneous proposed tariff changes in Sheet Nos. 103 and 104 that were proposed by the Company be approved?

Public Counsel's Position: Public Counsel generally supports the Commission's Staff on these issues.

6. Electric Vehicle Incentive Costs

- A. What amount of electric vehicle incentive costs should be included in the Company's revenue requirement?

Public Counsel's Position: Public Counsel generally supports the Commission's Staff on this issue.

7. Litigation Costs

- A. What amount of litigation costs relating to FERC ROE should be included in the Company's revenue requirement?
- B. What amount of litigation costs relating to the Rush Island New Source Review case should be included in the Company's revenue requirement?

Public Counsel's Positions: Public Counsel has no positions on these issues at this time, but may take positions later.

8. Fuel Adjustment Clause ("FAC")

- A. Should the Company's FAC tariff sheets contain language that explicitly states that decommissioning and retirement costs are not included in the Company's FAC?

Public Counsel's Position: Yes. In order to promote consistency between Missouri regulated electric utilities, Public Counsel proposes that Ameren Missouri's FAC Rider language be updated to reflect the same language that is in Evergy's and Empire's updated FAC Riders which follows:

FC = Fuel costs, excluding decommissioning and retirement costs, incurred to support sales and revenues associated with the Company's in-service generating plants: [. . .]¹

Mr. Meyer references that "such costs are not "FAC costs" anyway², however specifically adding such explicit language reinforces this idea.

- B. Should the Company's tariff sheet contain language describing the treatment of coal costs when a coal plant is retired?

Public Counsel's Position: No. How Ameren Missouri recovers basemat coal costs resulting from plant retirement or decommissioning is not relevant to either the fuel costs or the revenues of generating plants that flow through the FAC, since basemat coal will not be consumed as fuel. Therefore, the treatment of basemat coal upon a plant retirement or decommission is completely unrelated to fuel costs appropriately flowing through the FAC. It makes no sense to include FAC Rider language determining how "regulatory assets for consideration of recovery in a general rate case", when the asset in question is not fuel related.³ The Company agrees that these costs can be handled outside the FAC, as has been done for both Empire and Evergy.⁴

¹ Schaben Rebuttal, page 5-6.

² Andrew Meyer Surrebuttal Testimony, page 8

³ Schaben Rebuttal page 2.

⁴ Andrew Meyer Surrebuttal Testimony, page 2.

- C. Should language be included in the Company's FAC tariff sheets related to the treatment of costs related to Research and Development? If so, what language should be included in its FAC tariff sheets?

Public Counsel's Position: No. The end results of research and development projects may or not provide value to customers. Ratepayers should not be obligated to pay for these costs until measurable benefits are proven.⁵ FAC language should require the exclusion of energy costs relating to research and development projects from FAC Actual Net Energy Costs ("ANEC").

- D. Should Ameren Missouri include the information that is currently provided in tabs 5Dp3 and 5Dp4 in the Company's monthly FAC reports for RES compliance generation resources for all generation resources added between this rate case and Ameren Missouri's next general rate case?

Public Counsel's Position: Yes. Receiving relevant data relating to all generation resources added between rate cases, to include renewable generation resources such as High Prairie and Atchison, is vital in enabling and adequately strengthening the statutorily required prudence reviews conducted between rate cases.

- E. Should Ameren Missouri include hourly day ahead and real-time locational market prices for Ameren Missouri's load and each generating resource be included in the monthly as-burned fuel report required by 20 CSR 4240-3.190(1)(B)?

Public Counsel's Position: Yes. Receiving relevant locational market price data in relation to monthly fuel and purchased power costs is vital in enabling and adequately strengthening the statutorily required prudence reviews conducted between rate cases.

⁵ Schaben Direct,

- F. Should language be included in the Company's FAC tariff sheets to include MISO Schedule 43K?

Public Counsel's Position: Public Counsel takes no position on this issue at this time.

9. Net Base Energy Costs.

- A. What is the level of variable fuel and purchased power expense that should be included in the Ameren Missouri's revenue requirement and its FAC net base energy costs?

Public Counsel's Position: Public Counsel does not have a position on the level of variable fuel and purchased power to be included in Ameren Missouri's FAC net base energy cost. Purchased power expenses supported by both the Staff and Company are based on the result of computer simulations with a net system input consistent with billing units used to calculate normalized revenue (see Issue 29 Retail Revenues) and the usage used to calculate the seasonal base factors (see Issue 9B). If the Commission decision on these issues results in a net system input inconsistent with what was used to calculate the purchased power expense ordered by the Commission, then purchased power expense should be recalculated with the only change being a net system input consistent with the Commission's order for billing units and seasonal base factors.

- B. What net base energy costs should be included in the Company's revenue requirement (including the calculation of the Company's cash working capital)?

Public Counsel's Position: Public Counsel generally supports the Commission's Staff on the level of base energy cost; however, the net base energy costs include many

expenses, some of which are at issue in this case (see Issue 8 and Issue 12). The net base energy cost ordered by the Commission should reflect the Commission's decisions regarding expenses that are included in Ameren Missouri's FAC.

- C. What are the appropriate Fuel Adjustment Clause seasonal Base Factors and transmission percentages?

Public Counsel's Position: Public Counsel does not have a position on the appropriate base factors or transmission percentages; however, the Commission's ordered seasonal Base Factors and the billing units (Issue 29 Retail Revenues) should be accurately reflected in the purchased power costs included in the net base energy cost for the FAC.

10. RESRAM Base.

- A. What should be the base amount for the Company's Renewable Energy Standard Rate Adjustment Mechanism?

Public Counsel's Position: Public Counsel generally supports the Commission's Staff; however, the base amount for the RESRAM should be consistent with the costs Ameren Missouri has incurred to meet the Missouri renewable energy standard that are included in its revenue requirement. If the base is set below what is in the revenue requirement, customers will pay the difference twice. If it is set above what is in the revenue requirement, the Company will not fully recover its incurred costs.

11. Coal Inventory.

- A. What should be the level of coal inventory costs included in rate base?

Public Counsel's Position: Public Counsel generally supports the Commission's Staff

on this issue.

12. Transmission Expense/Revenue.

- A. What is the appropriate level of transmission expense related to MISO Schedules 26A and 9?

Public Counsel's Position: Public Counsel does not have a position on the appropriate level; however, the FAC net base energy cost the Commission orders for Ameren Missouri's FAC should reflect the Commission's decision on this issue.

13. Equity Issuance Cost Amortization

- A. What amount of amortization relating to previously deferred equity issuance costs should be included in the Company's revenue requirement?

Public Counsel's Position: Public Counsel generally supports the Commission's Staff on this issue.

14. Low-Income and Other Customer Programs.

- A. Should the changes to the Keeping Current/Keeping Cool Program proposed by CCM be approved?

Public Counsel's Position: Public Counsel does not oppose CCM's recommendation to increase funding related to Community Action agency participation incentives or CCM's recommendation to increase overall Keeping Current funding by \$1 million (Marke Surrebuttal, p. 25, 20-23)..

- B. Should the changes to the Keeping Current/Keeping Cool Program proposed by OPC be approved?

Public Counsel's Position: Yes. The recommended program design and tariff changes

are consistent with feedback from the Keeping Current Collaborative and accurately adjust for the dynamic changes Ameren Missouri's most vulnerable customers are currently experiencing (Marke Direct p. 31, 3-26).

15. Membership Dues.

- A. Should the Company's expenditures for membership dues be included in the Company's revenue requirement?

Public Counsel's Position: No. Public Counsel supports Staff's recommendations for cost disallowance from the Company's revenue requirement related to select membership dues.

- B. Should the Company's expenditures for membership dues related to the Utility Solid Waste Activities Group?

Public Counsel's Position: No. In 2019, Ameren Missouri seemingly had taken the position that it is no longer prudent to request ratepayers subsidize membership to an opaque, ethically-challenged collective that fights the EPA's Clean Air Act. The same argument should apply to USWAG's attempts to fight the Coal Ash Residual Rules. OPC supports Staff's position (Marke, Surrebuttal p. 23, 10-17).

16. Blues Power Play Goal For Kids

- A. What orders, if any, should the Commission make regarding Ameren Missouri's Blues Power Play Goal for Kids sponsorship?

Public Counsel's Position: The Commission should order that Ameren Missouri not recover any of its costs for sponsoring the Blues Power Play Goal for Kids.

17. Employee Benefit Costs

- A. Should employee benefit costs be updated to account for headcount as of the true-up cutoff date?

Public Counsel's Position: Public Counsel generally supports the Commission's Staff on this issue.

18. Non-qualified Pension Costs

- A. What amount of non-qualified pension costs should be included in the Company's revenue requirement?

Public Counsel's Position: Public Counsel generally supports the Commission's Staff on this issue.

19. Return on Common Equity ("ROE")

- A. In consideration of all relevant factors, what is the appropriate value for Return on Equity ("ROE") that the Commission should use in setting Ameren Missouri's Rate of Return?

Public Counsel's Position: The proper, just, and reasonable ROE that should be apply to Ameren Missouri's authorized common equity ratio is 9.25%.

Public Counsel witness David Murray used cost of equity models and assumptions consistent with those investors use. Murray *Direct*, pg. 26, ln. 17 – pg. 28, ln. 9. The assumptions and results of his cost of equity estimates are consistent, if not a bit higher, than those typically used by Wall Street analysts (Murray *Direct*, pg. 27, lns. 2 – 19; Murray *Surrebuttal*, pg. 50, ln. 5 – p. 51, ln. 7) and Ameren Corp's internal assumptions used to estimate the cost of common equity (Murray *Surrebuttal*, pg. 46, ln. 26 – pg. 47, ln. 2; *Id.*, pg. 47, lns. 18 – 22; Murray *Surrebuttal*, pg. 33, lns. 1 – 26), and logical tests of reasonableness (Murray *Direct*, pg. 37, ln. 3 – pg. 38, ln. 8). While Company witness Bulkley claims Mr. Murray discarded his COE estimates because he recommended Ameren Missouri's authorized ROE be set 200 basis points (i.e.

2.00%) higher than his cost-of-equity estimates, this is not true. Mr. Murray simply recognizes and cites Wall Street analysts' expectations that commissions will set authorized ROEs higher than utility companies' COE. Mr. Murray's COE estimates using a multi-stage DCF in Ameren Missouri's 2014 rate indicated a COE in the range 7.62% to 7.76% (Murray *Surrebuttal*, p. 43, Ins. 1-8). The Commission's authorized ROE in the 2014 rate case was 9.53% - a spread of 177 to 191 basis points. If the Commission authorized an approximate 9.5% ROE in this case, Ameren Missouri's authorized ROE to COE spread would increase to 225 basis points. Ameren Corp has invested at least \$3.5 billion into Ameren Missouri's plant since between December 31, 2019 and December 31, 2022 (Murray *Surrebuttal*, p. 16, Ins. 15-15) and had successfully lobbied to pass legislation extending its plant in service accounting ("PISA") election until 2028, which allows Ameren Missouri a 9.5% ROE for this mechanism. These actions demonstrate that the Commission certainly does not need to increase Ameren Missouri's authorize ROE and in fact, it supports reducing Ameren Missouri's ROE to 9.25%, which still allows a higher margin than in 2014 when Ameren Missouri's business risk was higher.

20. Capital Structure.

A. What is the appropriate capital structure to use for ratemaking in this case?

Public Counsel's Position: The proper, just, and reasonable capital structure that should be used for the purpose of setting Ameren Missouri's allowed rate of return consists of 43.00% common equity, 56.31% long-term debt, and 0.69% preferred stock.

This is the capital structure put forth in the testimony of OPC witness Mr. David Murray. Murray, *Direct*, pg. 39, Ins. 12 – 17 and Schedule DM-D-7. This capital structure is guided by that of Ameren Corp.'s actively managed capital structure, which has taken advantage of additional debt capacity allowed by Ameren Missouri's lower business risk subsequent to its ability to elect Plant in Service Accounting.

Murray, *Direct*, pg. 41, ln. 1 – pg. 43, ln. 21.

Ameren Missouri’s current capital structure has been static since 2012 regardless of changes in business risk and market conditions:

Company witness Sagel testifies that Ameren Missouri’s common equity ratio has consistently targeted an approximate 52% common equity ratio. Despite legislative enactments in Missouri that reduced business risk, Mr. Sagel testifies that only Ameren Corp’s financial flexibility (i.e. ability to use more leverage) has improved, not Ameren Missouri’s. That’s because Mr. Sagel, and other Ameren Corp officers, lobbied rating agencies to allow Ameren Corp more flexibility, not Ameren Missouri. In fact, increased financial flexibility has not been directly considered for any of Ameren Corp’s regulated utility subsidiaries, despite the fact that their business risk has decreased over time. Ameren Corp is the level at which management has decided to take advantage of Ameren Missouri’s lower business risk by using more debt. Therefore, this is the capital structure that most accurately captures Ameren Missouri’s risk-adjusted cost of capital.

21. Allowance for Funds Used During Construction:

- A. What short-term debt balances should be included in the Company’s calculation for AFUDC?

Public Counsel’s Position: An amount equal to the Construction Work in Progress balance for each monthly calculation of the AFUDC rate. In other words, the AFUDC rate should be equal to Ameren Missouri’s cost of short-term debt with no weighting given to long-term capital (both long-term debt and common equity). Ameren Corp’s financing activities are causing distortions in how Ameren Missouri would issue financing if it were a stand-alone company. Ameren Missouri has retained almost all of its long-term capital for the period 2020 through 2022 instead of funding dividends to Ameren Corp’s third-party shareholders. This has caused Ameren Missouri’s

AFUDC rate to be weighted with 64.29% long-term capital (Lansford, *Rebuttal*, pg. 6, lns. 2-8). This is not a customary financing practicing for funding construction (Murray, *Rebuttal*, pg. 1, ln. 6 – pg. 2, ln. 6).

22. Rush Island.

- A. Should any of the Company’s investment in the Rush Island Energy Center be excluded from rate base in this case?

Public Counsel’s Position: Yes. Rush Island is effectively not available (beyond its emergency status), not fully used and useful for service, and operating with severe limitations based on Ameren Missouri’s managerial actions. Public Counsel supports Staff’s position for a fuel modeling and rate base adjustment to reflect this reality. (Marke, *Surrebuttal*, p. 18, 12-15).

23. High Prairie.

- A. Should a portion of the Company’s investment in the High Prairie Energy Center be excluded from rate base in this case? If so, how much should be excluded?

Public Counsel’s Position: Yes. Ratepayers did not pay for the High Prairie Energy Center to only be operating 71% of the year. This is because High Prairie operations have resulted in the largest number of “taken” endangered Indiana bats by wind farm in North America to date. Additionally, there remains (and likely always will) the continued threat that any further incremental killing of the endangered Indiana Bat could result in more punitive measures for a wind farm that has already been sporadically operational for its two years of existence.

Ameren Missouri’s failure to meet the regulatory principle of used and useful should result in a costs disallowance of 29% of High Prairie’s investment (return on and of) to account for the fact that High Prairie was only operational 71% of the year. (Marke Direct, p. 17, 3-5).

B. Should MECG witness Meyer's proposal to impute energy revenues, production tax credits, renewable energy credits and disallow any monitoring expenses or mitigation projects based on his contention that the High Prairie is underperforming be adopted?

Public Counsel's Position: No, unless the Commission does not disallow 29% of High Prairie Wind farm from rate base.

C. Should Staff witness Eubanks' proposal to impute energy revenues, renewable energy credit costs, and production tax credits into the Company's revenue requirement be adopted?

Public Counsel's Position: No, unless the Commission does not disallow 29% of High Prairie Wind farm from rate base.

24. Depreciation/Continuing Property Record ("CPR").

A. What depreciation rates should be ordered?

Public Counsel's Position: Public Counsel does not have a position at this time as to whether the depreciation schedules of the Commission's Staff or Ameren Missouri are more appropriate, but reserves the right to provide a position in briefing.

Public Counsel recommends that the Commission approve depreciation rates for Ameren Missouri potential future investment in surge protection equipment for residential customer meters of 6.80% and for battery storage assets for generation, transmission and distribution a rate of 10.0% for purposes of this rate case. The Commission may need to reconsider these depreciation rates in a future rate case.⁶ Staff additionally points out that there is no current investment to which these depreciation rates would apply and is not opposed to the use of these rates.⁷

⁶Case No. ER-2022-0337 Rebuttal testimony of OPC Witness John A. Robinett page 1 line 16 through page 3 line 11.

⁷ Case No. ER-2022-0337 Surrebuttal testimony of Staff Witness Cedric E. Cunigan, PE page 6 lines 8 through 11.

- B. Should the Company be ordered to change the manner that property retirements are recorded to its CPR?

Public Counsel's Position: Public Counsel does not have a position on this issue at this time, but reserves the right to provide a position in briefing

25. Property Taxes/Tracker.

- A. What is the appropriate level of Missouri property tax to be included in rates?

Public Counsel's Position: Public Counsel generally supports the Commission's Staff on this issue.

- B. What base level of property taxes should the Commission approve for Ameren Missouri to track property tax?

Public Counsel's Position: Public Counsel generally supports the Commission's Staff on this issue.

- C. What amount of property tax deferrals should be included in the Company's revenue requirement used to set customer rates in this case?

Public Counsel's Position: Public Counsel generally supports the Commission's Staff on this issue.

26. Income Taxes.

- A. Should any amount of federal tax credit carryforwards be included in the Company's revenue requirement as an offset to ADIT in rate base?

Public Counsel's Position: No federal tax credit carryforwards should be included as an offset to ADIT in Ameren Missouri's rate base used for developing its revenue requirement for designing rates in this case.

27. Cash Working Capital

- A. What cash working capital factors should be used for income taxes to determine the amount to adjust the Company's rate base in this case?

Public Counsel's Position: Because Ameren Missouri is not paying income taxes, as the Commission determined in Case No. GR-2021-0108 when it resolved the same contested issue, the lag should be 365 days, not the quarterly based 38-day income tax expense lag that the Commission's Staff and Ameren Missouri used.

- B. What cash working capital factors should be used for sales and use taxes to determine the amount to adjust the Company's rate base in this case?

Public Counsel's Position: Public Counsel has no position on these issues, but may take positions later.

28. Inflation Reduction Act ("IRA") Tracker.

- A. Should Ameren Missouri be allowed to implement an IRA Tracker, and if so, what costs and benefits should be included?

Public Counsel's Position: Public Counsel generally supports the Commission's Staff on this issue.

29. Retail Revenues.

- A. What level of billing units and normalized revenues should be used in calculating rates?

Public Counsel’s Position: Public Counsel does not have a position on the appropriate level of billing units, including each of the specific six issues listed; however, the FAC net base energy cost that the Commission orders should reflect the impact on the net system input of the Commission’s decision on this issue.

1. What block adjustment should be used in calculating rates?
2. What weather normalization adjustment should be applied when determining rates?
3. What customer-owned solar adjustment should be used in calculating rates?”
4. What growth adjustment should be used in calculating rates?
5. What energy efficiency annualization adjustment should be used in calculating rates?
6. Should the Community Solar adjustment be annualized?

30. Identification of Avoided Capital Investments for the Sioux and Labadie Coal Plants.

- A. Should the Company be required to identify avoided capital investments should the Sioux or Labadie Energy Centers retire earlier than currently planned as recommended by Sierra Club witness Comings?

Public Counsel’s Position: Public Counsel is not advocating a position on this issue.

31. Meramec Return.

- A. What is the appropriate level of return for deferred costs of operating the Meramec plant up until its closure to be included in rates?

Public Counsel's Position: Public Counsel generally supports the Commission's Staff on this issue.

32. Rate Case Expense.

- A. What is the appropriate amount to include in Ameren Missouri's revenue requirement for Rate Case Expense?

Public Counsel's Position: Public Counsel generally supports the Commission's Staff on this issue.

Respectfully,

/s/ Nathan Williams

Nathan Williams
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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 27th day of March 2023.

/s/ Nathan Williams