

**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 its)
Revenues for Electric Service.) **File No. ER-2022-0337**

**CORRECTED REPLY BRIEF OF THE
CONSUMERS COUNCIL OF MISSOURI**

COMES NOW the Consumers Council of Missouri (“Consumers Council” or “CCM”), and hereby submits its Reply Brief on the following residential rate design issues. On all other issues, the Consumers Council concurs in the positions taken by the Office of the Public Counsel.

Consumers Council generally agrees with the perspective articulated in Ameren Missouri’s (“Company’s”) Initial Brief, “Now is not the time to alter or overhaul Residential rate designs, time-of-use defaulting timeframes, or Non-Residential rate designs, because to do so would likely trigger severe customer confusion and frustration, create unnecessary administrative inefficiencies and wasted efforts and costs, and suffer from a lack of information expected to be produced through the collaborative working docket.”¹

Consumer further agrees with Company in opposing a high-differential time-of-use (TOU) rate as the “default” for all residential customers risks expected and extreme rate impacts, potentially “20% plus or minus for electric space heating customers”.²

¹ Ibid., pp. 1-2.
² Transcript, 187.

In fact, Consumers Council opposes forcing customers to default to any TOU plan, absent clear affirmative consent. “Opt-out” defaulting schemes are a recipe for consumer confusion and outrage. Consumers Council is opposed to any “opt-out” conditions that automatically switch a consumer’s rate plan without that consumer making a conscious choice. Despite efforts to educate a consumer, the switch is often made without the consumer realizing what has happened. Continuing the practice of defaulting AMI metered customers to the “Residential Evening/Morning Savers” plan (much less a high-differential plan) has the potential to add additional rate impacts to customers that cannot afford it, to create vulnerability for families with small children, for working individuals who do not take time to read the inserts, as well as those living with disabilities.³ Consumers Council urges the Commission to cease the utility practice of imposing “opt out” default plans on consumers.⁴

Allowing consumers to clearly make an affirmative choice about which TOU rate plan is right for them is the right thing to do to respect consumer choices, otherwise the residential Anytime rate plan should be applied. Consumers Council also believes that TOU plans work best when the consumer opts in to such a plan. Opting-in consumers are more likely to understand their rate plan and thus more likely to change their electric usage behaviors accordingly.

For all residential rate plans, Consumers Council recommends retaining the current \$9.00 customer charge. Consumers Council opposes the various recommendations of the Company to raise this rate component. A \$9.00 customer charge is appropriate and supported by the Commission’s Staff’s Class Cost-of-Service

³ Hutchinson direct testimony, p. 21.

⁴ See Attachment 3 to Hutchinson direct testimony.

Study. There is no compelling justification to raise this unavoidable fixed fee. All increases to the residential class should be applied to the other residential rate components.

It is important to keep this fee low in order to protect low usage customers, many of whom are vulnerable customers. Fixed charges are regressive and hurt many of the elderly, low-income and moderate income level households, and those who earn below minimum wage.⁵ To promote affordability, rates should be based more on energy usage than on fixed amounts. Ideally, the rate design for residential customers should include a fixed charge that is based on nothing more than the cost of the meter, customer service, and the line to the dwelling.⁶ Keeping the customer charge from rising as a result of this case will also provide greater rewards to those customers who engage in energy efficiency and energy conservation measures, and it will give all residential consumers greater control over their monthly bills. This approach is the one that best respects consumers and their choices.

Consumers Council is also strongly opposed to party recommendations to add any “demand charges” to residential rate plans, as demand charges are inherently difficult for residential consumers to grasp and can lead to severe bill shock.

Finally, Consumers Council opposes Ameren Missouri’s proposal⁷ to track revenue changes that may arise from residential customer rate switching. A tracker is not necessary for the Commission to order a rate modernization plan in this and in future cases, consistent with the capital investment made to enable TOU rates. The utility is

⁵ Hutchinson direct testimony, p. 13.

⁶ Id.

⁷ Ameren Missouri Initial Brief, pp. 42-45.

already being compensated more than generously for this large investment. Moreover, rate plans should be designed with the intent to recover the total revenue requirement, with the utility bearing the recovery risk. Residential consumers should not be treated as revenue recovery insurance, making the utility whole if there is any variation. The utility is already being generously compensated for such revenue variation risk through its rate of return allowance.

Respectfully submitted,

Dated: May 16, 2023

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all parties listed on the official service list on this 16th day of May 2023.

/s/ John B. Coffman
