

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

In the Matter of a Working Case to)	
Consider Mechanisms to Encourage)	File No. EW-2016-0041
Infrastructure Efficiency.)	

MOTION TO ACCEPT RESPONSE OUT OF TIME

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”) and for its Motion to Accept Response Out of Time states as follows:

1. The Missouri Public Service Commission (“Commission”) issued its Order Scheduling a Workshop, Directing Response, and Extending Time for Staff to File its Report (“Order”) on September 29, 2015.
2. In that Order, the Commission ordered that “All Commission-certificated electric utilities in the State of Missouri shall provide, by November 6, 2015, the background information requested by Staff in its Attachment A to its Notice of Workshop and Staff Motion for Commission Request for Comment.”
3. Ameren Missouri inadvertently missed the deadline of November 6 but has the background information requested by the Commission and asks that it be allowed to file its response to the Commission’s Order out of time.

WHEREFORE, Ameren Missouri respectfully apologizes for missing the ordered deadline and requests that the Commission allow it to file its responses out of time.

Respectfully Submitted,

/s/ Wendy K. Tatro

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**ATTORNEYS FOR UNION ELECTRIC
COMPANY d/b/a AMEREN MISSOURI**

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing has been served this 9th day of November, 2015, electronically or by First Class Mail, postage prepaid, upon all of the parties hereto according to the Service List for this case.

/s/ Wendy K. Tatro

Ameren Missouri Response to Staff's Questions in EW-2016-0041

(Company Responses in Red)

Specific to your Utility's process in considering all tangential issues in making the determination to expand its infrastructure to provide service to a customer requesting service at a new or existing location, please provide the responses to the following questions:

1. Please describe what costs and what revenues are included or excluded from that calculation. For utilities relying on a net revenue calculation, please describe the following:

- a. How is annual net revenue or other applicable measure of revenue estimated or calculated?

Answer: Where either actual or estimated annual net revenues are used to offset all or a portion of the Company's costs of extending its electric distribution system to a customer, revenue items included therein include the monthly Customer Charge, Energy Charge, Demand Charge, Reactive Charge, Low Income Charge, and Fuel Adjustment Charges. MEEIA charges and Sales and Municipal Tax charges are not included in the said revenues.

- b. What customer or customer-related capital cost and expense values are used? Is the valuation used based on incremental or average cost?

Answer: Per the Company's tariffs: "The estimated installed cost of any line extensions and/or modifications and enlargements of the Company's distribution system will include the total cost of all labor and materials, easements, licenses, permits, cleared right-of-way and all other incidental costs, including indirect costs. The indirect costs will include, where applicable, the cost of engineering, supervision, inspection, insurance, payments for injury and damage awards, taxes, AFUDC (Allowance for Funds Used During Construction), legal and administrative and general expenses associated with the extension of the Company's distribution system. The percentage used for indirect costs reflects the Company's historical indirect cost experience. "

Material costs are based on the current cost of the items used plus historical average overheads and indirect costs and direct labor costs are based on current labor rates plus historical average rates for overheads and indirect costs. There is no further classification of these distribution-only costs as either customer-related, demand-related or energy-related.

- c. What distribution capital cost and expense values are used? Is the valuation used based on incremental or average cost?

Answer: Please see b. above.

- d. What energy capital cost and expense values are used? Is the valuation used based on incremental or average cost?

Answer: Please see b. above.

i. Is the cost of energy used for calculation the cost of energy net of revenues from off-system sales? Is the valuation used based on incremental or average cost?

Answer: Same as b. above.

- e. What utility-owned and operated (if applicable) transmission system capital cost and expense values are used? Is the valuation used based on incremental or average cost?

Answer: Please see b. above.

- f. What RTO transmission system capital cost or expense values are used? Is the valuation used based on incremental or average cost?

Answer: Please see b. above.

- g. What demand capital cost and expense values are used? Is the valuation used based on incremental or average cost?

Answer: Please see b. above.

- h. If any other capital costs or expenses are considered, please describe fully.

Answer: Please see b. above.

2. For all utilities, what revenues are included in this calculation? Are revenues from Fuel Adjustment Charges, MEEIA charges, RESRAM charges, as applicable, considered?

Answer: The estimated or actual annual revenue include the Customer Charge, Energy Charge, Demand Charge and Reactive Charge (where part of the rate structure), Low Income Charge, and Fuel Adjustment Charges. MEEIA charges and Sales and/or Municipal Tax charges (where applicable) are not included in the monthly calculation of revenue for Line Extension Agreement purposes.

3. For all utilities, please describe how these calculations vary by class, or by Residential and Non-Residential rate groups.

Answer: Ameren Missouri has different line extension provisions for Residential and Non-Residential customers. Residential subdivisions and individual Residential customers are provided with set distances of line extensions at no charge and they either make upfront refundable or non-refundable contributions for distances in excess of those allowances. Historically, there have been

very few situations where estimated annual net revenues have been used to offset the refundable contributions mentioned above.

The Company will provide an overhead electric distribution extension to individual non-residential premises at no cost to customer provided the annual net revenue estimated to be received by Company from the distribution extension equals or exceeds the estimated installed cost of the portion of required extension applicable to the customer. Where the annual net revenue estimated to be received by Company is less than the estimated extension cost or, in the Company's opinion, customer's revenues cannot be accurately projected, or where customer credit standing acceptable to Company cannot be established, customer or other responsible party will be required to enter into a guarantee agreement with Company.

4. For all utilities, please compare the costs and revenues described above to the costs and revenues considered under any economic development or economic redevelopment riders. Are the same costs and revenues considered whether a customer seeks service under a discounted rate rider as considered when determining the upfront costs applicable for a service extension or upgrade?

Answer: The Line Extension Provisions are the same for customers taking service under Rider ERR or EDRR as for customers without those economic development riders, except that Rider ERR does provide for up to 50% of relocation costs to be waived up to the amount by which the customer's actual revenue exceeds their line extension cost during the twelve (12) month Line Extension Agreement term.

5. For all utilities, please explain when and under what circumstances dollars are placed into Customer Advances for Construction or similar accounts.

Answer: For some Line Extension Agreements where the recovery of revenue is uncertain or customer credit is inadequate, the customer is required to "prepay" the line extension amount to the Company. That prepayment is placed in a Customer Advances for Construction account. The prepaid amount may be refundable to the customer based on the revenue generated from the project during the twelve (12) month Line Extension Agreement period.

6. For all utilities, please explain when and under what circumstances dollars are removed from Customer Advances for Construction or similar accounts. When a customer or developer is refunded prepayments or deposits made as CIAC, how and when are those refunds accounted for?

Answer: Under the terms of the Line Extension Agreement, the prepaid dollars are withdrawn from the Customer Advances account and either applied to the monthly bills of the customer being supplied from the project or in the case where the revenue is generated by customers other than the one responsible for the line extension, refunded to the line extension customer. This refund normally occurs at the completion of the twelve (12) month Line Extension period and is equal to the amount of revenue generated during the twelve (12) month period from the customers served from the project.

7. For all utilities, please explain the interaction of offsets to rate base contained in Customer advances for Construction or similar accounts and depreciation reserve accounts.

Answer: Any amounts remaining in the Customer Advances account for a project at the end of the twelve (12) month Line Extension period and any deficiency payments made by the customer to meet the monthly minimum Line Extension amount that have not already been refunded to the customer, are credited to the appropriate Plant account reducing the rate base amount of plant in service. In addition, the thirteen (13) - month average of the Customer Advances account balances is included as a reduction to the Company's rate base.