Exhibit No.:	
Issue:	Revenue Requirement
Witness:	Steven C. Carver
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Missouri Industrial Energy Consumers
Case No.:	ER-2014-0258
Date Testimony Prepared:	December 5, 2014

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

In the Matter of Union Electric Company, d/b/a Ameren Missouri's Tariff to Increase Its Revenues for Electric Service	)))))	**Case No. ER-2014-0258** Tariff No. YE-2015-0003

Direct Testimony and Schedules of

Steven C. Carver

Revenue Requirement

On behalf of

Missouri Industrial Energy Consumers

MIEC Exhibit No. 506
Date 3-09-15 Reporter KF
File No. ER-2014-0258

December 5, 2014

BEFORE THE PUBLIC SERVICE COMMISSION
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STATE OF MISSOURI)
) **SS**
COUNTY OF JACKSON)

Affidavit of Steven C. Carver

Steven C. Carver, being first duly sworn, on his oath states:

1. My name is Steven C. Carver. I am Vice President of Utilitech, Inc., having my principal place of business at PO Box 481934, Kansas City, Missouri 64148. We have been retained by the Missouri Industrial Energy Consumers in this proceeding on their behalf.

2. Attached hereto and made a part hereof for all purposes is my direct testimony and schedules which were prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. ER-2014-0258.

3. I hereby swear and affirm that the testimony and schedules are true and correct and that they show the matters and things that they purport to show.

Steven C. Carver

Subscribed and sworn to before me this 4th day of December 2014.

EMILY JOHNSON
Notary Public - Notary Seal
State of Missouri, Jackson County
Commission # 13658272
My Commission Expires Sep 9, 2017

Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION
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Direct Testimony of Steven C. Carver

Q **PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A My name is Steven C. Carver. My business address is PO Box 481934, Kansas City, Missouri 64148.

Q **WHAT IS YOUR PRESENT OCCUPATION?**

A I am a Principal in the firm Utilitech, Inc., which specializes in providing consulting services for clients who actively participate in the process surrounding the regulation of public utility companies. Our work includes the review of utility rate applications, as well as the performance of special investigations and analyses related to utility operations and ratemaking issues.

Q **ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

A The Missouri Industrial Energy Consumers ("MIEC"). MIEC member companies are large consumers of electricity and are materially impacted by Ameren Missouri's rates.

Q PLEASE SUMMARIZE THE PURPOSE AND CONTENT OF YOUR TESTIMONY.

A Generally, my responsibilities in this docket encompass the review and evaluation of the costs allocated to Ameren Missouri (hereinafter "Ameren Missouri" or "Company") by Ameren Services Company (hereinafter "Ameren Services" or "AMS") for consideration for inclusion in overall revenue requirement. As a result, my direct testimony addresses an adjustment to operating income and discusses the recommended treatment of AMS costs in the true-up phase of this proceeding. Additional ratemaking adjustments proposed by MIEC, which I do not sponsor, are separately addressed in the direct testimony of MIEC witnesses Michael Brosch, Greg Meyer, Michael Gorman, Nicholas Phillips and Brian Andrews. The calculation of the various MIEC adjustments are reflected in schedules attached to the direct testimony of each sponsoring witness.

Q AT THE TIME YOUR DIRECT TESTIMONY WAS FINALIZED, WERE THERE MIEC DISCOVERY REQUESTS TO AMEREN MISSOURI THAT REMAINED OUTSTANDING?

A Yes. With regard to affiliate transaction costs allocated or assigned by AMS to Ameren Missouri, MIEC submitted multiple sets of discovery seeking information to assess the reasonableness of AMS costs recognized in the quantification of overall revenue requirement. At the time my direct testimony was finalized, three (3) sets of MIEC data requests remained outstanding.[1] For reference purposes, the outstanding sets of MIEC discovery are attached as Schedule SCC-3.

[1] Discovery requests involving Ameren Services were submitted to Ameren Missouri in MIEC DR Set 10 (18 DRs issued October 21, 2014), Set 18 (21 DRs issued November 18, 2014), Set 20 (5 DRs issued November 24, 2014) and Set 22 (4 DRs issued December 1, 2014). Responses to MIEC DR sets 18, 20 and 22 remained outstanding at the time this testimony was finalized.

Q HAVE YOU ALSO ATTACHED TO YOUR DIRECT TESTIMONY CERTAIN OF THE DISCOVERY RESPONSES REFERENCED HEREIN?

A Yes. Selected responses to MIEC and Staff discovery are included in Schedule SCC-2 in sequential order.

Q HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION IN PROCEEDINGS THAT INVOLVED AMEREN MISSOURI?

A Yes. I have prepared and presented revenue requirement recommendations in several prior proceedings involving Ameren Missouri (aka Union Electric Company and AmerenUE), while employed by this Commission, as a consultant retained by the State of Missouri or as a consultant to MIEC. I have filed testimony in six of the Company's previous Missouri rate cases (Case Nos. ER-82-52, ER-83-163, ER-84-168/EO-85-17, ER-2007-0002, ER-2011-0028 and ER-2012-0166) dating back to 1982.

EDUCATION AND EXPERIENCE

Q WHAT IS YOUR EDUCATIONAL BACKGROUND?

A I graduated from State Fair Community College, where I received an Associate of Arts Degree with an emphasis in Accounting. I also graduated from Central Missouri State University with a Bachelor of Science Degree in Business Administration, majoring in Accounting.

Q PLEASE SUMMARIZE YOUR PROFESSIONAL EXPERIENCE IN THE FIELD OF UTILITY REGULATION.

A From 1977 to 1987, I was employed by the Missouri Public Service Commission ("MPSC") in various professional auditing positions associated with the regulation of public utilities. In April 1983, I was promoted by the Missouri Commissioners to the position of Chief Accountant and assumed overall management and policy responsibilities for the Accounting Department. I provided guidance and assistance in the technical development of Staff issues in major rate cases and coordinated the general audit and administrative activities of the Department.

I commenced employment with the firm in June 1987. During my employment with Utilitech, I have been associated with various regulatory projects on behalf of clients in the States of Arizona, California, Florida, Hawaii, Illinois, Iowa, Indiana, Kansas, Mississippi, Missouri, Nevada, New Mexico, New York, Oklahoma, Pennsylvania, Texas, Utah, Washington, West Virginia and Wyoming. I have conducted revenue requirement analyses and special studies involving various regulated industries (i.e., electric, gas, telephone, water and steam). Since joining the firm, I have occasionally appeared as an expert witness before the MPSC on behalf of various clients, including the Commission Staff and the Office of the Public Counsel. Additional information regarding my professional experience and qualifications is summarized in Appendix A.

OVERALL APPROACH

Q WHAT IS THE OVERALL REVENUE REQUIREMENT QUANTIFIED BY MIEC FOR THE COMPANY'S MISSOURI ELECTRIC RETAIL OPERATIONS?

A For purposes of this proceeding, MIEC has not assembled an overall revenue requirement recommendation for Ameren Missouri's electric operations. Instead, MIEC witnesses have prepared and individually sponsor adjustments to Ameren Missouri's calculated revenue requirement, and those adjustments are summarized by MIEC witness Meyer. Based on a historical test year ended March 31, 2014, with a known and measurable true-up cut-off date of December 31, 2014,[2] Ameren Missouri proposes an overall revenue deficiency of about $264.1 million, which it seeks to recover in this case in the form of increased electric rates.[3]

Q PLEASE DESCRIBE MIEC'S APPROACH TO QUANTIFYING THE ADJUSTMENTS TO REVENUE REQUIREMENT IN THIS PROCEEDING.

A MIEC's recommended adjustments employ Ameren Missouri's "prefiled" amounts for rate base, revenues and expenses as a starting point. Ameren Missouri's proposed amounts were then adjusted to reflect the impact of the various adjustments sponsored by MIEC witnesses.

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[2]By Order issued August 20, 2014, in the pending docket, the Commission adopted the test year with a true-up cut-off date of December 31, 2014, except for certain items where a true-up cut-off date of January 1, 2015 is appropriate.

[3]See page 30 of the Direct Testimony of Company witness Laura M. Moore, dated July 3, 2014, and Ameren Missouri Schedule LMM-16, appended thereto.

Q THE VARIOUS SCHEDULES ATTACHED TO THE SUPPLEMENTAL DIRECT TESTIMONY OF COMPANY WITNESS MOORE, WHICH SUPPORT THE OVERALL RATE INCREASE SOUGHT BY AMEREN MISSOURI, IDENTIFY A NUMBER OF ADJUSTMENTS TO BOTH RATE BASE AND OPERATING INCOME. IF THE COMPANY PROPOSED A SPECIFIC ADJUSTMENT THAT WAS NOT CONTESTED BY AN MIEC WITNESS, DOES THAT NECESSARILY MEAN THAT MIEC CONCURS WITH EACH SUCH ADJUSTMENT?

A No. During the course of a rate case proceeding, numerous adjustments and transactions may be reviewed as part of the process of evaluating a utility's overall revenue deficiency. While is it true that MIEC's direct testimony will address various areas of known disagreement with Ameren Missouri's prefiled position, the absence of an MIEC adjustment in a particular area or to a specific component of the utility's revenue requirement does not indicate concurrence, but rather an indication that MIEC chose not to address a particular cost element or offer an alternative position.

Q HOW WILL YOU IDENTIFY AND REFER TO THE ACCOUNTING ADJUSTMENT YOU SPONSOR?

A I refer to the adjustment I sponsor by reference to the schedule attached to my testimony supporting the calculation of that adjustment. For purposes of testimony presentation in this proceeding, I may use the words "schedule" and "adjustment" interchangeably when generally referring to the adjustment I sponsor on behalf of MIEC.

Q DOES YOUR SCHEDULE PROVIDE CALCULATION DETAIL SUPPORTING THE MIEC ADJUSTMENT YOU SPONSOR?

A Yes. The adjustment I sponsor provides quantification support, with footnote references to additional workpapers or other supporting documentation as necessary. Since virtually all information relied upon in developing this adjustment was supplied by Ameren Missouri in response to written discovery or obtained from its exhibits or workpapers, the adjustment schedule will refer to relevant data sources already in the Ameren Missouri's possession.

Q PLEASE DESCRIBE HOW THE REMAINDER OF YOUR TESTIMONY IS ORGANIZED.

A The remainder of my testimony is arranged by topical section, following the index to my testimony. This index identifies the specific areas I address in testimony and references the testimony pages, as well as any related adjustment or schedule number.

TEST YEAR

Q PLEASE BRIEFLY DESCRIBE THE TEST YEAR APPROACH USED IN THIS PROCEEDING.

A Ordering Paragraph 1 of the *Order Adopting Procedural Schedule, Establishing Test Year and Delegating Authority* ("Procedural Order"), issued by the Commission on August 20, 2014, specified the test year as the "twelve months ended March 31, 2014, with a true-up cut-off date of December 31, 2014, except for certain items where a true-up cut-off date of January 1, 2015 is appropriate." In general terms, a test year used for determining actual and pro forma rate base, operating revenues, expenses and operating income is a relatively recent 12-month period (i.e., the 12 months ended March 2014) and adjusted for changes that are fixed, known and measurable for ratemaking purposes through a specified date (i.e., December 31, 2014) following the end of the test year. In addition, this Commission has typically recognized various end-of-period annualization and normalization adjustments recognizing changes that occur during and subsequent to the test year in order to set rates on ongoing investment, revenue and cost levels.

Q DID THE PROCEDURAL ORDER PROVIDE ANY SPECIFIC GUIDANCE WITH REGARD TO QUANTIFYING ADJUSTMENTS FOR TRUE-UP PURPOSES IN THIS PROCEEDING?

A Yes. Notations in the procedural schedule set forth in ordering paragraph 2 state:

> *** The True-Up information to be filed is described in a footnote to the parties' Jointly Proposed Procedural Schedule and is adopted in this order.**
> **** No party shall revise or change that party's methods or methodologies in true-up testimony.**
> [Original emphasis]

In essence, methodologies are fixed for purposes of quantifying true-up adjustments; however, more current input values can be applied to the original methodologies for purposes of quantifying the true-up revenue requirement.

Q DOES THE MIEC ADJUSTMENT YOU SPONSOR COMPLY WITH THE REQUIREMENTS OF THE COMMISSION'S PROCEDURAL ORDER?

A Yes. The ratemaking equation commonly employed by this Commission, and other regulatory agencies, compares a required return on rate base to the investment return generated by adjusted test year operating results. For the ratemaking equation to function properly, the components comprising the equation (i.e., rate base, revenues, expenses and rate of return) must be reasonably representative of ongoing levels, internally consistent and comparable – within the context of test period parameters including true-up provisions.

To the extent that these components are not properly synchronized or are otherwise misstated, the design of utility rates may result in the company not having the opportunity to earn its authorized return or, alternatively, earning in excess of the return authorized – all other factors remaining constant. By synchronizing or maintaining the comparability of revenues, expenses and investment, the integrity of the test year can be maintained with the reasonable expectation that the resulting rates will not significantly misstate the ongoing cost of providing utility service.

Consequently, it is critical that the ratemaking process properly synchronize only those known and measurable changes that occur during the test year or within a reasonable period subsequent thereto, rather than establish utility rates on inappropriate factors or inconsistent post-test year events. In this manner, regulators can best be assured that rates are reasonably based on ongoing cost levels.

Although significant efforts may be undertaken to assist in the establishment of rates based on a balanced test year, utility management may implement new programs, redirect business objectives or make decisions on a daily basis that could result in the incurrence of operation and maintenance expenses or capital expenditures that significantly depart from comparable amounts included in then-existing utility rates. The ability and authority of utility personnel to exercise management discretion in these matters is one of the reasons that the ratemaking process involving rate-regulated public utilities is intended to convey an opportunity, rather than a guarantee, to earn a "reasonable" return on utility investment.

Q PLEASE EXPLAIN THE CONCEPT OF FIXED, KNOWN AND MEASURABLE CHANGES, AS TYPICALLY USED IN THE RATEMAKING PROCESS.

A In general terms, the recognition of changes or adjustments to test year rate base and operating income should be consistently applied and limited to transactions or events that are fixed, known and measurable for ratemaking purposes. In my opinion, the following definition or explanation of the "fixed, known and measurable" concept, as commonly applied in utility ratemaking, is consistent with the Procedural Order:

> **Fixed, known and measurable changes** – transactions or events that are:
>
> (a) Fixed in time. A qualifying transaction or event must be "fixed" within the test year or within the specified period following the test year – or by December 31, 2014.
>
> (b) Known to occur. The transaction or event must be "known" to exist, in contrast with possible, uncertain or speculative changes.
>
> (c) Measurable in amount. The financial effect of the transaction or event can be "measured" or accurately quantified.

In this context, a transaction or event should be considered fixed, known and measurable only if it has been agreed to by contract or commitment, can be verified to have occurred within the specified time period, and can be quantified employing known data.

It is not uncommon for regulatory commissions to recognize or annualize transactions occurring within, or subsequent to, the historical test period for verifiable, yet balanced, changes that will impact a utility's future earnings. However, it is also true that parties often differ on whether offsetting factors have been appropriately considered and how far outside the test year it may be appropriate to reach for changes. In my opinion, the recognition of fixed, known and measurable changes must be reasonably balanced or matched with offsetting factors. Otherwise, a distorted view of the cost of service may lead to improper rate adjustments.

A consistent matching of both price and quantity changes is necessary to achieve this balance, particularly when volume changes, during or subsequent to the test year, offset price level increases. Similarly, appropriate application of this matching principle would also require costs to be offset or reduced by related cost savings in determining the net cost of one-time or infrequent activities or programs eligible for deferral and subsequent amortization recovery from ratepayers.

AMEREN SERVICES ("AMS") ADJUSTMENT

Q IN ITS DIRECT FILING IN THIS PROCEEDING, DID AMEREN MISSOURI PROPOSE AN ADJUSTMENT TO THE TEST YEAR EXPENSES ALLOCATED FROM AMEREN MISSOURI?

A Yes. Company witness Ms. Laura Moore proposed O&M Adjustment 4 increasing the labor and non-labor expenses allocated by Ameren Services to Ameren Missouri. The direct testimony of Ms. Moore at page 19 states: "Adjustment 4 is an increase in operating expenses of $6,288,000 to reflect expenses allocated from Ameren Services to Ameren Missouri."[4]

In response to MIEC DRs 10.1 and 10.2,[5] the Company essentially characterized this adjustment as a placeholder that will no longer be required after the O&M adjustments are updated during the true-up phase of this docket.[6]

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[4]This adjustment reflects a net increase in AMS expenses by calculating the difference between recorded expenses for the first quarter of 2014 and the first quarter of 2013 and then multiplying the resulting difference by 4 to annualize (i.e., the labor difference also considers pay increases in April 2014, July 2014 and January 2015). Additional calculations supporting the Company's O&M Adjustment 4 is contained in the Workpapers of Ms. Moore at LMM-WP-381 through 389.

[5]*See* Schedule SCC-2 for responses to MIEC DRs 10.1 and 10.2.

[6]The response to MIEC DR 20.2 concerning the Company's planned true-up in this rate case (i.e., annualizing AMS labor costs and normalizing/annualizing AMS non-labor costs due to changes that have occurred subsequent to the rate filing) was outstanding at the time this testimony was finalized. *See* Schedule SCC-3 for the information sought by MIEC DR 20.2.

MIEC Schedule SCC-1 proposes to reverse Ameren's O&M Adjustment 4 in its entirety. I also recommend that the amount of Ameren Services O&M expenses included in the determination of revenue requirement be limited to the actual amounts recorded during the test year and <u>not</u> be subject to further adjustment as part of the true-up phase of this proceeding.

Q FOR CONTEXT, HOW DOES AMEREN MISSOURI'S $6.3 MILLION AMS ADJUSTMENT COMPARE TO ACTUAL TEST YEAR AMEREN SERVICES EXPENSES?

A The response to MPSC DR 0047 and MIEC DR 10.5[7] provided the following summary of Ameren Services billings to Ameren Missouri for the test year:

Utility	Cost Type	Total
Electric	Capital	$ 23,020,382
	O&M	$113,043,982
	Other	$ 9,211,120
Electric Total		**$145,275,484**
Gas	Capital	$ 838,387
	O&M	$ 4,510,211
Gas Total		**$ 5,348,598**
Grand Total		**$150,624,082**
Note: Amounts rounded for presentation purposes.		

The Company's original filing proposed to increase Ameren Missouri's test year AMS O&M expense of $113,043,982 by about $6,288,000, or 5.56%.[8]

[7] *See* Schedule SCC-2 for the response to MIEC DR 10.5.

[8] $6,288,000 Ameren O&M Adjustment 4 divided by $113,043,982 test year expense equals 5.56%.

Q WHY SHOULD AMEREN SERVICES EXPENSES BE LIMITED TO THE ACTUAL AMOUNTS RECORDED DURING THE TEST YEAR?

A During the course of this proceeding, MIEC became aware of recent events that had or could have had a direct impact on work requirements of Ameren Services personnel and changes to the allocation factors applied to Ameren Services costs that increased charges to Ameren Missouri. At the time my direct testimony was finalized, MIEC had been unsuccessful in obtaining any substantive information related to these recent events for the purposes of verifying and determining the reasonableness of ongoing total Ameren Services costs or the allocation factors applied to those costs to drive charges to Ameren Missouri.

Q PLEASE IDENTIFY THESE RECENT EVENTS.

A In general terms, these recent events involve Ameren Corporation's decision to divest the generation resources of Ameren Energy Resources Company, LLC ("AER"). These divestment transactions have resulted in Ameren Missouri now being the only Ameren Corporation entity that owns generation resources. Because the work requirements of certain Ameren Services personnel involved generation support activities and the allocation of those costs were based on relative generation statistics, those support activity costs are being allocated 100% to Ameren Missouri beginning December 2013/January 2014.[9]

[9]MIEC DR 20.1 was submitted to confirm that revisions were made to the AMS allocation factors in December 2013 to recognize the effect of these generation asset divestitures, which remained outstanding at the time this testimony was finalized. *See* Schedule SCC-3 for MIEC DR 20.1

The Company's responses to MPSC DRs 0048 and 0347[10] identified several electric generation related ownership changes that affected AMS allocation factors in 2012 and 2013 (collectively referenced herein as the "divestitures" or "divestments"):

- the divestiture of AER in 2013;
- the sale of a 40-megawatt natural gas-fired electric energy center operated as part of AmerenEnergy Medina Valley Cogen in February 2012; and
- the transfer of three gas-fired energy centers to Medina Valley in November 2013.

According to the responses to MIEC DRs 10.12 through 10.14,[11] Ameren Services "allocates common costs using about 40 allocation factors." A comparison of the allocation factors for 2013 (prior to the AER divestiture) with those for 2014 (post-divestiture) shows "that about 32 [allocation factors to Ameren Missouri] increased and 7 decreased." More specifically, the allocation factors related to generation increased to 100% post-divestiture because "Ameren Missouri became the only business supported by AMS with generation." The following table summarizes this change in generation related allocation factors to Ameren Missouri:

	Allocation Percent to Ameren Missouri		
	Pre-Divestiture	Post-Divestiture	Variance
011A Generating Capacity (All Plants)	69.49%	100.00%	+30.51%
011B Generating Capacity (Fossil Plants)	65.16%	100.00%	+34.84%
011C Generating Capacity (Excl. Ctgs Except Grand Tower)	65.97%	100.00%	+34.03%
012B Electric Net Output	63.88%	100.00%	+36.12%
012D Electric Net Generation	69.88%	100.00%	+30.12%

Source: Attachment A to Response to MIEC DR 10.12.

In addition, related changes to the AMS non-generation specific allocation factors increased the percentage to Ameren Missouri by more than 2% for sixteen (16) additional factors:

[10] *See* Schedule SCC-2 for the responses to MPSC DRs 0048 and 0347.

[11] MIEC DRs 10.12 through 10.14 followed up on information supplied by Ameren Missouri in response to MPSC DRs 0048 and 0347. *See* Schedule SCC-2 for the responses to MIEC DRs 10.12 through 10.14.

	Allocation Percent to Ameren Missouri		
	Pre-Divestiture	Post-Divestiture	Variance
001A Composite (E/G Mo/Il--Sales/Customers/Employees)	39.98%	43.71%	+3.73%
003A Electric/Gas Sales (T&D And Interchange Mo/Il)	27.99%	36.10%	+8.11%
003B Electric Sales (T&D And Interchange Mo/Il)	44.06%	59.89%	+15.83%
004B # Of Contract Employees	53.61%	56.56%	+2.95%
004C # Of Non-Contract Employees	50.51%	53.82%	+3.31%
004O # Employees (Management & Contract) Excl. Gmc	53.11%	55.52%	+2.41%
007A Total Capitalization	35.75%	42.05%	+6.30%
008A Total Assets	40.76%	46.72%	+5.96%
008C Gross Plant-In-Service Plus Cwip (Absolute Value)	60.88%	68.58%	+7.70%
015A Tax Expense	65.39%	67.97%	+2.58%
017A # General Ledger Transactions	42.47%	46.92%	+4.45%
017B # Accounts Payable Vouchers	48.97%	54.63%	+5.66%
018A # Of Managed Pcs	57.34%	61.83%	+4.49%
018E Computer Server Usage - Other	53.34%	59.11%	+5.77%
018F Computer Server Usage - Unix	46.02%	48.19%	+2.17%
019A Governmental Affairs	48.00%	57.14%	+9.14%

Source: Attachment A to Response to MIEC DR 10.12.

So, the breadth and magnitude of the divestitures on shifting higher allocations of AMS costs to Ameren Missouri is broad and significant. However, efforts to quantify the cost impact of the allocation shift on Ameren Missouri have thus far proven elusive.

Q HOW HAVE EFFORTS TO QUANTIFY THE IMPACT OF THE SHIFT OF AMS COST ALLOCATIONS TO AMEREN MISSOURI BEEN ELUSIVE?

A MIEC DRs 10.12 through 10.14 sought, among other information, the Company's best estimate of the effect of the generating asset divestiture, sale and transfer on the AMS O&M expenses allocated to Ameren Missouri. In response, Ameren Missouri simply referred to the "work papers of Laura Moore LMM-WP-381 through 389." These workpapers merely quantify the Company's original O&M Adjustment 4 that increased labor and non-labor expenses allocated by Ameren Services to Ameren Missouri in the amount of $6,288,000.

Taken at face value, the responses to these MIEC data requests suggest that the generating asset divestments have increased the allocation of O&M expenses to be borne by Ameren Missouri's ratepayers by about $6.3 million. If true, additional questions arise as to whether the divestments resulted in any cost reductions, benefits or savings that could be expected to mitigate or offset all or part of this shift in cost responsibility. No such cost reductions, benefits or savings have thus far been identified by the Company.

However, Ameren Missouri confirmed that its O&M Adjustment 4 reflects a net increase in AMS expenses by calculating the difference between recorded expenses for the first quarter of 2014 and the first quarter of 2013 and then multiplying the resulting difference by 4 to annualize (i.e., the labor difference also considers pay increases in April 2014, July 2014 and January 2015).[12] It would appear that this Company adjustment more specifically sought to annualize AMS labor and non-labor costs allocated to Ameren Missouri, including changes in AMS allocation factors embedded in the underlying Ameren Services allocated expenses.

MIEC attempted to independently quantify the shift in AMS allocation factors on Ameren Missouri O&M expense.[13] On October 21, 2014, MIEC DR 10.4 was submitted seeking copies of a pre-existing report (i.e., the PW19650 Report) containing direct and allocated Ameren Services costs for each month beginning January 2012 through the then most current month (i.e., to be supplemented on a continuing basis as additional monthly reports become available). On November 21, 2014, [14] the Company responded to MIEC DR 10.4 but only produced those pages of the PW19650 report showing the Ameren Services charges to Ameren Missouri, excluding dozens of pages containing total Ameren Service costs as well as amounts charged/allocated to other Ameren Corporation entities. As a result of separate

[12]*See* response to MIEC DR 10.1 included in Schedule SCC-2.

[13]With known changes in allocation factors and the total Ameren Services costs subject to those allocation factor changes (i.e., on an AMS Service Request basis), a spreadsheet could be created to quantify the impact of the allocation factor changes using monthly test year data.

[14]The response to MIEC DR 10.4 was due on November 10, 2014.

discussions with Commission audit staff representatives and an informal interview with various Company and Staff representatives on November 13, 2014, I became aware of the fact that Ameren Missouri regularly and routinely provides the PW19650 report to Staff, but limits the information to only those pages containing data specific to Ameren Missouri. Nevertheless, the Company delayed producing those already existing documents to MIEC by a month after MIEC DR 10.4 was submitted.[15]

By denying Staff and MIEC access to the pages containing total Ameren Service costs and amounts charged/allocated to other Ameren Corporation entities,[16] it is impossible to evaluate any historical trends or variations in total costs (i.e., both direct charged and subject to allocation) incurred by Ameren Service or to test/verify that the claimed Ameren Missouri allocation factors have been properly applied in determining the monthly charges to Ameren Missouri O&M accounts. In essence, the test year allocated charges from Ameren Services are unverifiable. With respect to affiliate transaction information, the Commission should not tolerate or otherwise allow a regulated utility to simply deny access to data showing total AMS costs and how those costs are direct charged or allocated between benefitting affiliates.

Further, after carefully reviewing the over 400 pages of proprietary documents comprising the Ameren Missouri portion of the PW19650 report (i.e., January 2012 through September 2014) during the narrowing window prior to MIEC's direct filing date, three critical observations became apparent. First, the PW19650 report contains a useful data presentation that is organized by function, by service request and identifies the allocation factor code applicable to each service request.

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[15]MIEC DR 10.4 was issued on October 21, 2014, and Ameren Missouri provided its response thereto on November 21, 2014.

[16]Staff issued MPSC DR 0472 on November 17, 2014, requesting all pages of the PW19650 Report. MIEC DR 10.4, MIEC DRs 18.2, 22.2 and 22.3 also sought PW19650-type data for total Ameren Service costs and amounts charged/allocated to other Ameren Corporation entities. Ameren Missouri objected to MIEC DR 18.2 by letter dated November 26, 2014.

Second, the PW19650 reports were produced in a PDF file format which made any meaningful analysis of the data very challenging, particularly in a short time frame, by requiring manual data input to create usable spreadsheets. Each of the typically 13 pages of this report averaged over 30 lines of data spread across 7 columns.

Third, the Ameren Missouri pages of the PW19650 report provided by the Company included amounts attributed to electric and gas operations as well as O&M expenses comingled with amounts associated with capital projects and other non-expense accounts. As a result, the PW19650 report is only an initial step in the data gathering process that would enable a quantification of the impact of the shift in AMS allocation factors on Ameren Missouri O&M expense.[17]

Q WHY IS VERIFIABILITY IMPORTANT?

A In the normal course of business, Ameren Missouri and Ameren Services should strive for regulatory transparency of all direct and allocable charges incurred to support Missouri operations particularly since these charges result from transactions between affiliated entities. The Commission's affiliate transaction rules (*see* 4 CSR 240-20.015 Affiliate Transactions) recognize that such transactions are not at arm's length or between unrelated parties. Consequently, it is reasonable to expect additional regulatory review and evaluation of such related-party transactions – particularly, when divestment transactions materially impact the allocation and apportionment of an affiliate's common costs. It is only through such a review and evaluation process that affiliate costs can be examined and verified to ensure that

[17]Shortly before the filing of this testimony, MIEC DRs 22.2 and 22.3 were submitted seeking PW19650-type monthly data organized by Service Request, limited to amounts attributed to O&M accounts showing both Ameren Missouri allocated amounts and total Ameren Services amounts before allocation. This discovery request further sought the information to be produced in either a spreadsheet file or in a file format that can be readily copied/pasted into a spreadsheet file.

Ameren Services costs are not mischarged to Ameren Missouri and its Missouri ratepayers, whether intentionally or unintentionally.

Q ARE YOU SUGGESTING THAT AMEREN SERVICES COSTS HAVE BEEN MISCHARGED TO AMEREN MISSOURI?

A No. I am stating that Ameren Missouri has not provided adequate Ameren Services information that would allow MIEC, the Staff and the Commission to test, evaluate and verify the reasonableness of costs charged to Ameren Missouri by Ameren Services – charges which Ameren Missouri seeks or will seek to recover in utility rates.

Q IF AMEREN MISSOURI HAS PRODUCED THE AMOUNTS IT HAS BEEN ALLOCATED BY AMEREN SERVICES <u>AND</u> THE ALLOCATION FACTORS APPLIED TO DETERMINE THOSE ALLOCATED AMOUNTS, WHY IS IT INSUFFICIENT TO SIMPLY "BACK-INTO" THE TOTAL AMEREN SERVICES AMOUNTS?

A There is no question that if "A times B equals C," one can mathematically determine "A by dividing C by B." However, the testing, evaluation and verification process is frustrated by a regulated entity's refusal to provide "A" (in this case total Ameren Services costs before allocation) and in turn thwart any meaningful assessment by interested parties. Mistakes do happen and differences of opinion can arise, but credible and useful data must be produced particularly in the context of affiliate transaction cost recovery matters in a general rate case.

In response to MIEC DR 10.12, the Company stated that Ameren Services "allocates common costs using about 40 allocation factors." In addition to the allocation of common costs, Ameren Services also directly charges (or allocates

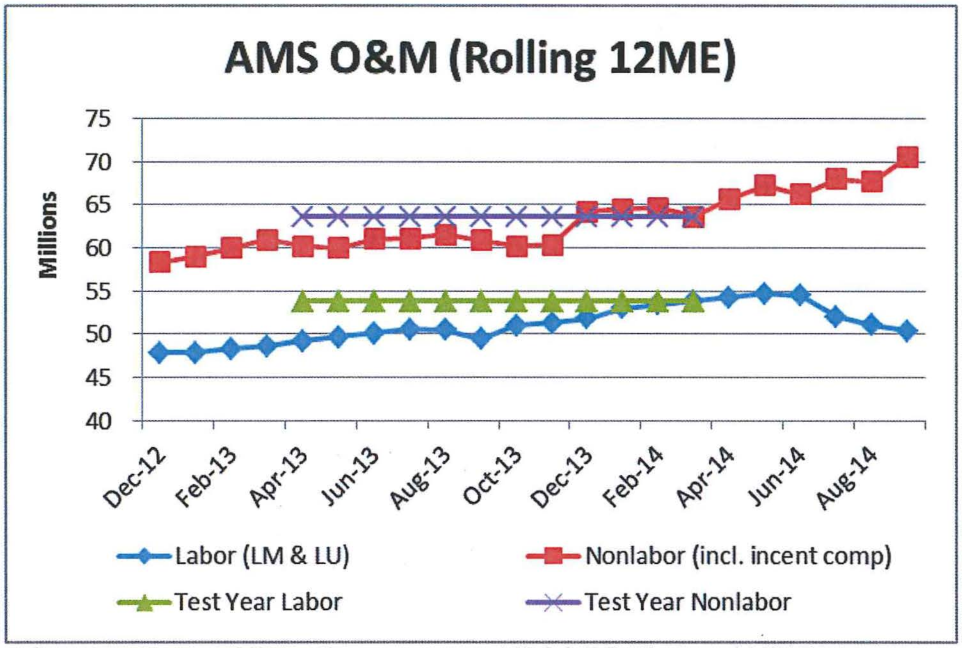
100% of) certain costs to Ameren Missouri and other Ameren Corporation entities. Without the total Ameren Services costs and amounts allocated/assigned to the other Ameren Corporation entities, it is impossible for regulators to consider or even be aware of potential concerns that direct charges to Ameren Missouri could be disproportionately large relative to the other Ameren Corporation entities.

Complete disclosure of all Ameren Services costs, allocations and assignments is necessary for effective regulatory oversight.

Q HAVE YOU ATTEMPTED TO ANALYZE COST TRENDS INVOLVING AMEREN SERVICES O&M EXPENSE?

A Yes. In response to discovery requests in this proceeding,[18] the Company has provided AMS O&M expenses allocated to Ameren Missouri by month, by FERC account and by Resource Type for the period January 2012 through September 2014. Using this data, the following graph depicts the trend in AMS O&M expense recorded by the Company on a rolling 12-month basis, including effects of changing allocation factors:

[18] See the responses of Ameren Missouri to MPSC DR 0342 and MIEC DR 10.7. Because of the volume of data provided in the spreadsheet files attached to thereto, these discovery responses are not included in Schedule SCC-2.



Source: Ameren Missouri responses to MPSC DR 0342 and MIEC DR 10.7

Pending confirmation,[19] revisions to the AMS allocation factors to recognize the effect of the generation asset divestitures were first recognized in December 2013 – a month earlier than the typical change in allocation factors recognized each January. While the jump in non-labor expense in the above chart commencing in December 2013 coincides with the early recognition of the allocation factor shift due to the divestments, it merits observation that the higher Ameren Missouri allocation factors contributed to the amount of AMS O&M expenses allocated to the Company throughout 2014. Unfortunately, sufficient data has yet to be provided enabling any quantification of the impact of the change in AMS allocation factors.

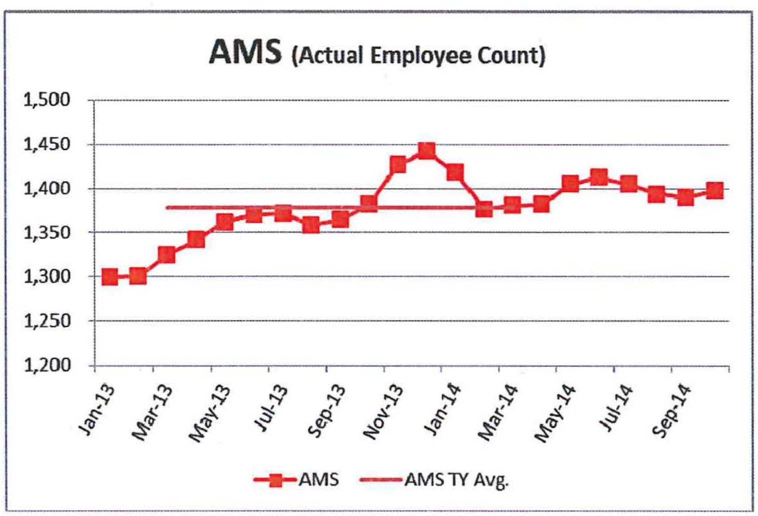
It is important to recognize that allocation factors do not drive the nature and magnitude of costs incurred by Ameren Services. In the normal course of business and in the absence of any material shift in allocation factors (e.g., due to generating resource divestment), the Commission might reach comfort with limited assessment

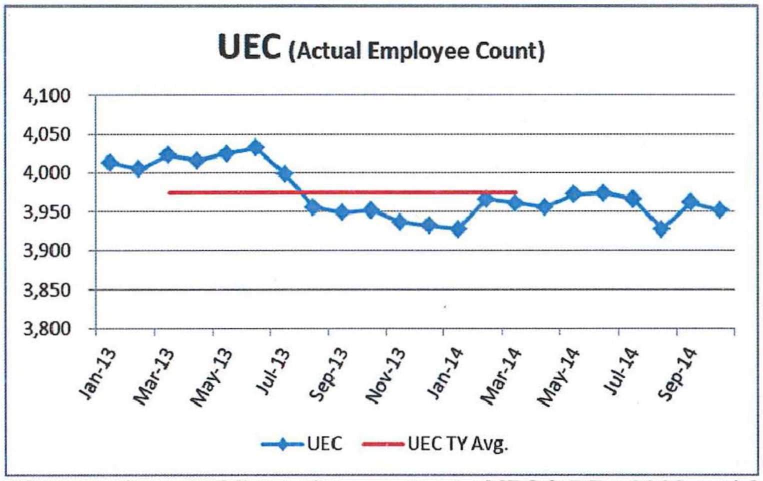
[19]MIEC DR 20.1 was submitted to confirm that revisions were made to the AMS allocation factors in December 2013 to recognize the effect of these generation asset divestitures, which remained outstanding at the time this testimony was finalized.

of the allocation process. In this proceeding, however, the AMS allocation factors that drive the apportionment of common costs to Ameren Missouri have changed materially and should be carefully evaluated within the rate case process.

Q THE ABOVE CHART SHOWS RISING AMS NON-LABOR EXPENSE IN 2014 AND DECLINING AMS LABOR EXPENSE BEGINNING WITH THE 12 MONTHS ENDED JULY 2014. WHAT HAS HAPPENED WITH EMPLOYEE COUNTS DURING THIS TIME PERIOD?

A It is difficult to explain changes in labor expense by focusing solely on headcount trends due to employees charging time between expense and capital activities, modifications to how employees directly charge time to a specific entity versus general allocation between multiple entities, as well as the possible creation and expansion of new work activities. But, employee counts represent one of the inputs needed to determine labor expense. The following charts show monthly employee counts for both Ameren Services and Ameren Missouri:





Source: Ameren Missouri responses to MPSC DRs 0062 and 0062s1.

The highly confidential attachment to the Company's response to MPSC DR 0304 indicates former AER employees were hired by AMS (addition of 21 employee positions, 2 backfills and 19 newly created positions) and Ameren Missouri (addition of 6 employee positions, 3 backfills and 3 newly created positions) in January 2014 following the divestiture of AER.[20]

It is my understanding that the former AER employees hired by Ameren were temporarily placed into AMS newly created positions and recognized in the AMS employee headcount, but immediately assumed a permanent work role. Although these former AER employees were later transferred to and reported by the correct Ameren legal entity, the AMS service request process was used to directly charge the costs attributable to those new hires to the correct legal entities commencing with the date of hire. The spike in AMS headcounts at year end 2013 and early 2014 was partially driven by this process while the service request assignment/allocation

[20]By email dated December 3, 2014, Ameren employee Mr. Gary Weiss confirmed that this high level summary of the highly confidential information provided in response to MPSC DR 0304 could be treated as public information.

process determined how the related labor costs were charged to the associated Ameren entity.[21]

Q THE EARLIER CHART SHOWED AMS NON-LABOR EXPENSE RISING IN 2014 WITH AMS LABOR EXPENSE DECLINING IN THE 12 MONTHS ENDED JULY 2014. DO YOU HAVE ANY FURTHER COMMENTS REGARDING THIS DATA AND THE COMPANY'S UNCERTAIN AMS COST TRUE-UP PLANS?

A Yes. The Test Year section of my testimony briefly discusses the importance of annualizing transactions or events occurring subsequent to the test year for balanced changes expected to impact a utility's future earnings. The importance of this balancing process (i.e., recognizing offsetting factors) is notable in the non-labor and labor expense trends in the above chart. Specifically, actual Ameren Missouri charges for AMS non-labor expense on a rolling 12-month basis is trending upward throughout 2014 while AMS labor expenses exhibit a downward trend beginning with the 12 months ended July 2014.[22] If the true-up process were to only recognize piecemeal or ad hoc adjustments that increase AMS non-labor expense for isolated transactions or events without any recognition of potentially offsetting reductions in AMS labor expenses or other cost reduction considerations, if any, the true-up process would improperly introduce an imbalance into the ratemaking process.

Although the Company's original O&M Adjustment 4 did attempt to annualize both AMS labor and non-labor expenses, the methodology employed was flawed. That technique produced a net adjustment increasing Ameren Missouri O&M

[21]On November 13, 2014, MIEC conducted an informal meeting with Ameren and Staff representatives concerning Ameren Services costs, allocations and processes – including the hiring of former AER employees. MIEC DR 20.5 was submitted to confirm the understandings discussed in this paragraph. At the time this testimony was finalized, the response to MIEC DR 20.5 remained outstanding. *See* Schedule SCC-3 for MIEC DR 20.5

[22]However, these trends include the impact of the higher allocation factors used to apportion AMS O&M expenses to Ameren Missouri.

expense by about $6.3 million (i.e., increased AMS labor expense of $8.3 million and decreased non-labor expense of $2.0 million).[23] Based on observations from the earlier chart, it now appears that AMS expenses to Ameren Missouri are trending in opposite directions (i.e., decreasing labor expense and increasing non-labor expense), even considering the higher allocation factors. Any true-up adjustments or methodologies that solely focus on piecemeal increases in AMS non-labor expense elements should be rejected by the Commission.

Furthermore, it does not appear that the methodology underlying the Company's original O&M Adjustment 4[24] can be replicated for true-up purposes with any confidence that the result would be either reasonable or representative of ongoing conditions. This concern is even further complicated by the absence of how the Company might now plan to quantify its planned true-up of Ameren Services expense.[25]

---

[23]See Workpapers of Company witness Laura Moore at LMM-WP-381.

[24]As confirmed by the response to MIEC DR 10.1, Ameren Missouri O&M Adjustment 4 reflects a net increase in AMS expenses by calculating the difference between recorded expenses for the first quarter of 2014 and the first quarter of 2013 and then multiplying the resulting difference by 4 to annualize (i.e., the labor difference also considers pay increases in April 2014, July 2014 and January 2015). Additional calculations supporting the Company's O&M Adjustment 4 is contained in the Workpapers of Ms. Moore at LMM-WP-381 through 389.

[25]Ameren Missouri's responses to MIEC DRs 10.1 and 10.2 essentially characterized Company O&M Adjustment 4 as a placeholder that will no longer be required after the O&M adjustments are updated during the true-up phase of this docket. At the time my testimony was finalized, the response to MIEC DR 20.2 remained outstanding with regard to the Company's planned true-up to annualize AMS labor and non-labor costs to recognize changes occurring subsequent to the rate filing, using undefined calculation methodologies.

Q YOU PREVIOUSLY INDICATED THAT MIEC BECAME AWARE OF RECENT EVENTS THAT HAD OR COULD HAVE HAD AN IMPACT ON AMEREN SERVICES WORK REQUIREMENTS AND THE ALLOCATION OF AMEREN SERVICES COSTS TO AMEREN MISSOURI. THESE EVENTS RELATE TO THE DIVESTMENT OF ELECTRIC GENERATION. CORRECT?

A Yes. An Ameren News Release was issued on December 2, 2013 (i.e., identified as Exhibit 99 to Ameren's 8K filing with the Securities and Exchange Commission of that same date) that stated, in part:

> Ameren Corporation (NYSE: AEE) today announced it has completed the divestiture of its merchant generation business, formerly known as Ameren Energy Resources Company, LLC (AER), to an affiliate of Dynegy Inc. (NYSE: DYN). AER consisted primarily of Ameren Energy Generating Company (Genco), including Genco's 80 percent ownership interest in Electric Energy, Inc.; AmerenEnergy Resources Generating Company; and Ameren Energy Marketing Company.
>
> The divestiture enables Ameren to focus on its strategic objectives to strengthen and grow its rate-regulated electric, natural gas and transmission operations and to allocate its growth capital to higher expected return opportunities. The transaction is also expected to improve the predictability of the company's earnings and cash flows.
>
> "The completion of this transaction is an important achievement for Ameren's shareholders and our customers," said Thomas R. Voss, chairman, president and CEO of Ameren Corporation. "By exiting merchant generation, Ameren Corporation is better positioned to deliver greater value as we execute our plans to deploy capital to strengthen our regulated transmission, distribution and generation assets. These planned investments will help sustain reliable service for our customers, increase access to renewable energy and drive enhanced shareholder value. The transaction also positions AER to participate in the benefits of being part of Dynegy's larger merchant organization."
>
> In addition, in October Ameren entered into an agreement to sell three merchant gas-fired energy centers, which were not part of the Dynegy transaction, to a special purpose entity affiliated with and formed by Rockland Capital. This transaction includes a 478-megawatt combined cycle facility in Grand Tower, IL; a 460-megawatt simple cycle facility in Elgin, IL; and a 228-megawatt simple cycle facility in Gibson City, IL. With this sale, expected to be finalized by year-end, Ameren will complete its exit from the merchant generation business.
>
> [Emphasis added]

This Ameren News Release issued on December 2, 2013, is attached as Schedule SCC-4.

Q HAVE YOU ATTEMPTED TO OBTAIN INFORMATION REGARDING THE FINANCIAL OR ECONOMIC IMPACT OF THESE DIVESTMENTS ON AMEREN MISSOURI, AMEREN SERVICES AND AMEREN CORPORATION?

A Mindful of the general references in the above news release to various benefits (i.e., improving the predictability of earnings and cash flows, helping to sustain reliable service, increase renewable energy and enhance shareholder value, etc.) expected to arise from these transactions, MIEC DRs 10.15, 10.16 and 10.17[26] were submitted seeking copies of underlying "business plans, cost/benefit studies or forecasting/planning studies (i.e., more generally referenced as 'studies') prepared by or for Ameren Missouri, Ameren Services, Ameren Corporation or any member of the Ameren affiliated group to evaluate the economic feasibility and financial impact" of: (i) the divestiture of AER in 2013 on Ameren Missouri or Ameren Corporation; (ii) the sale a 40-megawatt natural gas-fired electric energy center in 2012 on Ameren Missouri or Ameren Corporation; and (iii) the transfer of three gas-fired energy centers to Medina Valley in November 2013 on Ameren Missouri or Ameren Corporation.

In addition to requesting the underlying studies, these MIEC data requests also sought a summary of how each transaction individually and separately benefited Ameren Corporation, Ameren Services and Ameren Missouri, disclosure of whether each transaction resulted in the realization of a gain or mitigation of future losses by Ameren Corporation or any affiliate, and disclosure whether any studies were

[26] *See* Schedule SCC-2 for the responses to MIEC DRs 10.15, 10.16 and 10.17.

presented to the board of directors of Ameren Corporation or any affiliate for information, consideration or approval.

Ameren Missouri initially responded by objecting to MIEC DRs 10.15, 10.16 and 10.17.[27] Subsequent to those objections, the Company responded to each of these MIEC data requests by stating: "Subject to the Company's objection, there are no studies responsive to this request."[28] It is my understanding that this common response was provided in the context that no studies have been conducted to specifically examine the effect of each identified transaction on Ameren Services costs partially allocable to Ameren Missouri or on costs directly incurred by Ameren Missouri.

As discussed hereinabove, these divestments have increased about half of the AMS allocation factors used to allocate common costs to Ameren Missouri ranging from 2% to about 36%. This roll-out effect from the divestitures is significant and should be evaluated in the context of the overall earnings and cash flow benefits the divestments are expected to bring to the benefit of Ameren Corporation and its shareholders. Denial of access to the underlying studies is unreasonable and should not be tolerated by the Commission.

MIEC has conferenced with Ameren Missouri's counsel in an effort to resolve discovery disputes on these and other data requests and Ameren Missouri's counsel has promised further responses. Pending receipt of responsive information to these and other outstanding data requests, I reserve the right to revisit this matter in supplemental or rebuttal testimony, as necessary and appropriate.

[27] The Ameren Missouri objection letters to MIEC discovery regarding AMS matters are attached as Schedule SCC-5.

[28] Ameren Missouri similarly objected and responded to MIEC DR 10.18. However, the reference to "no studies" is misplaced, as MIEC DR 10.18 sought clarification and explanation of the "put option agreement" associated with the transfer of three gas-fired energy centers by Ameren Energy Generating Company to Medina Valley in November 2013. No studies were requested.

CONCLUSION

Q PLEASE SUMMARIZE YOUR RECOMMENDATION REGARDING AMEREN SERVICES COSTS IN THIS PROCEEDING.

A Recent divestments of generating resources have resulted in increased allocations factors and greater direct assignment of Ameren Services costs to Ameren Missouri. At the present time, I am not in a position to recommend any annualization or true-up adjustment to Ameren Services expenses assigned or allocated to Ameren Missouri for several reasons.

- Ameren Missouri has not produced total Ameren Services costs by Service Request to allow any verification or analysis of the change in allocation factors resulting from the generation asset divestments.
- Ameren Missouri has not produced AMS costs directly assigned or allocate to other Ameren Corporation entities necessary to allow for a comparative assessment of relative AMS cost responsibility.
- Ameren Corporation has represented that the generating asset divestments will generally "improve the predictability of the company's earnings and cash flows" and "and drive enhanced shareholder value." However, no related cost savings or offsets to increased allocation of Ameren Services costs to Ameren Missouri have been identified or proposed.
- Ameren Missouri has not produced any business plans, cost/benefit studies or forecasting/planning studies prepared by or for Ameren Missouri, Ameren Services, Ameren Corporation or any member of the Ameren affiliated group to evaluate the economic feasibility and financial impact of the generating asset divestments.
- Significant discovery requests remain outstanding.
- AMS labor expenses appear to be trending downward in 2014 while AMS non-labor expense are trending upward – contrary to the Company's original adjustment to annualize such costs.
- Ameren Missouri has not yet clearly defined how it will quantify the planned true-up adjustment to AMS expense, particularly since it appears that any true-up adjustment will employ a methodology different from that employed in the Company's original filing.

Consequently, it is my recommendation that no annualization or true-up adjustment be allowed or recognized for Ameren Services expenses in this proceeding.

Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A Yes.

Appendix A

Qualifications of Steven C. Carver

EMPLOYER: Utilitech, Inc.
Regulatory and Management Consultants

POSITION: Vice-President

ADDRESS: P.O. Box 481934
Kansas City, Missouri 64148

PRIOR EXPERIENCE:

6/87 - Present	Utilitech, Inc.
4/83 - 6/87	Missouri Public Service Commission, Chief Accountant
10/79 - 4/83	Missouri Public Service Commission, Accounting Manager
6/77 -10/79	Missouri Public Service Commission, Regulatory Auditor

EDUCATION:

Central Missouri State University
Bachelor of Science Degree in Business Administration
Accounting Major (1977)

State Fair Community College
Associate of Arts Degree - Emphasis in Accounting (1975)

OTHER QUALIFICATIONS:

Speaker
- 1988 Missouri Public Service Commission Workshop
- 1990 Annual NASUCA/NARUC Convention (Orlando)
- 1996 Mid-Year NASUCA Meeting (Chicago)

Instructor
- 1994 Hawaii Consumer Advocate Regulatory Training Program
- 1997 Hawaii Consumer Advocate Telecommunications Training Program
- 1999 Overview of Utility Regulation (Hawaii)
- 2000 Telecommunications: Overview of Regulation (Arizona)

PRIOR TESTIMONIES: (See listings on Appendix A, pages 5-10.)

Education and Experience

I graduated from State Fair Community College where I received an Associate of Arts Degree with an emphasis in Accounting. I also graduated from Central Missouri State University with a Bachelor of Science Degree in Business Administration, majoring in Accounting. Subsequent to the completion of formal education, my entire professional career has been dedicated to public utility investigations, regulatory analysis and consulting.

From 1977 to 1987, I was employed by the Missouri Public Service Commission in various professional auditing positions associated with the regulation of public utilities. In that capacity, I participated in and supervised various accounting compliance and rate case audits (including earnings reviews) of electric, gas, telephone utility, water/wastewater and steam utility companies and was responsible for the submission of expert testimony as a Staff witness.

In October 1979, I was promoted to the position of Accounting Manager of the Kansas City Office of the Commission Staff and assumed supervisory responsibilities for a staff of regulatory auditors, directing numerous rate case audits of large electric, gas and telephone utility companies operating in the State of Missouri. In April 1983, I was promoted by the Commission to the position of Chief Accountant and assumed overall management and policy responsibilities for the Accounting Department, providing guidance and assistance in the technical development of Staff issues in major rate cases and coordinating the general audit and administrative activities of the Department.

During 1986-1987, I was actively involved in a docket established by the Missouri Public Service Commission to investigate the revenue requirement impact of the Tax Reform Act of 1986 on Missouri utilities. In 1986, I prepared the comments of the Missouri Public Service Commission respecting the Proposed Amendment to FAS Statement No. 71 (relating to phase-in plans, plant abandonments, plant cost disallowances, etc.) as well as the Proposed Statement of Financial Accounting Standards for Accounting for Income Taxes. I actively participated in the discussions of a subcommittee responsible for drafting the comments of the National Association of Regulatory Utility Commissioners ("NARUC") on the Proposed Amendment to FAS Statement No. 71 and subsequently appeared before the Financial Accounting Standards Board with a Missouri Commissioner to present the positions of NARUC and the Missouri Commission.

In July of 1983 and in addition to my duties as Chief Accountant, I was appointed Project Manager of the Commission Staff's construction audits of two nuclear power plants owned by electric utilities regulated by the Missouri Public Service Commission. As Project Manager, I was involved in the staffing and coordination of the construction audits and in the development and preparation of the Staff's audit findings for presentation to the Commission. In this capacity, I coordinated and supervised a matrix organization of Staff accountants, engineers, attorneys and consultants.

Since commencing employment with Utilitech in June 1987, I have conducted revenue requirement and special studies involving various regulated industries (i.e., electric, gas, telephone, water and steam heating) and have been associated with regulatory projects on behalf of clients in twenty State regulatory jurisdictions.

<u>Previous Expert Testimony</u>

I have appeared as an expert witness before the Missouri Public Service Commission on behalf of various clients, including the Commission Staff. I have filed testimony before utility regulatory agencies in Arizona, California, Florida, Hawaii, Kansas, Indiana, Nevada, New Mexico, Missouri, Oklahoma, Pennsylvania, Texas, Utah, and Washington. My previous experience involving electric and gas company proceedings includes: PSI Energy, Union Electric (now Ameren Missouri), Kansas City Power & Light, Missouri Public Service/ UtiliCorp United/Aquila (now Kansas City Power & Light Company), Public Service Company of Oklahoma, Oklahoma Gas and Electric, Hawaii Electric Light Company, Hawaiian Electric

Company, Maui Electric Company, Sierra Pacific Power/ Nevada Power, Gas Service Company, Northern Indiana Public Service Company, Arkla (a Division of NORAM Energy), Oklahoma Natural Gas Company, Missouri Gas Energy, Arizona Public Service Company, Southwestern Public Service (Texas), Atmos Energy Corporation (Texas divisions) and The Gas Company (Hawaii). I have also sponsored testimony in telecommunications, water and steam heat proceedings in various regulatory jurisdictions.

STEVEN C. CARVER
Summary of Previously Filed Testimony
1978 through 2014 (December)

Utility	Jurisdiction	Agency	Docket/Case Number	Party Represented	Year	Areas Addressed
Kansas City Power & Light	Missouri	PSC	ER-78-252	Staff	1978	Rate Base, Operating Income
Gas Service Company	Missouri	PSC	GR-79-114	Staff	1979	Rate Base, Operating Income
United Telephone of Missouri	Missouri	PSC	TO-79-227	Staff	1979	Rate Base, Operating Income, Affiliated Interest
Kansas City Power & Light	Missouri	PSC	ER-80-48	Staff	1980	Operating Income, Fuel Cost
Gas Service Company	Missouri	PSC	GR-80-173	Staff	1980	Operating Income
Southwestern Bell Telephone	Missouri	PSC	TR-80-256	Staff	1980	Operating Income
Missouri Public Service	Missouri	PSC	ER-81-85	Staff	1981	Operating Income
Missouri Public Service	Missouri	PSC	ER-81-154	Staff	1981	Interim Rates
Gas Service Company	Missouri	PSC	GR-81-155	Staff	1981	Operating Income
Gas Service Company	Missouri	PSC	GR-81-257	Staff	1981	Interim Rates
Union Electric Company	Missouri	PSC	ER-82-52	Staff	1982	Operating Income, Fuel Cost
Southwestern Bell Telephone	Missouri	PSC	TR-82-199	Staff	1982	Operating Income
Union Electric Company	Missouri	PSC	ER-83-163	Staff	1983	Rate Base, Plant Cancellation Costs
Gas Service Company	Missouri	PSC	GR-83-207	Staff	1983	Interim Rates
Union Electric Company	Missouri	PSC	ER-84-168/ EO-85-17	Staff	1984 1985	Construction Audit, Operating Income
Kansas City Power & Light	Missouri	PSC	ER-85-128/ EO-85-185	Staff	1983 1985	Construction Audit, Rate Base, Operating Income
St. Joseph Light & Power	Missouri	PSC	EC-88-107	Public Counsel	1987	Rate Base, Operating Income
Northern Indiana Public Service	Indiana	IURC	38380	Consumer Counsel	1988	Operating Income
US West Communications	Arizona	ACC	E-1051-88-146	Staff	1989	Rate Base, Operating Income

STEVEN C. CARVER
Summary of Previously Filed Testimony
1978 through 2014 (December)

Utility	Jurisdiction	Agency	Docket/Case Number	Party Represented	Year	Areas Addressed
Dauphin Consol. Water Supply Co.	Pennsylvania	PUC	R-891259	Staff	1989	Rate Base, Operating Income, Rate Design
Southwest Gas Corporation	Arizona	ACC	E-1551-89-102 E-1551-89-103	Staff	1989	Rate Base, Operating Income
Southwestern Bell Telephone	Missouri	PSC	TO-89-56	Public Counsel	1989 1990	Intrastate Cost Accounting Manual
Missouri Public Service	Missouri	PSC	ER-90-101	Public Counsel/ Staff	1990	UtiliCorp United Corporate Structure/ Diversification
City Gas Company	Florida	PSC	891175-GU	Public Counsel	1990	Rate Base, Operating Income, Acquisition Adjustment
Capital City Water Company	Missouri	PSC	WR-90-118	Jefferson City	1991	Rehearing - Water Storage Contract
Southwestern Bell Telephone Company	Oklahoma	OCC	PUD-000662	Attorney General	1991	Rate Base, Operating Income
Public Service of New Mexico	New Mexico	PSC	2437	USEA	1992	Franchise Taxes
Citizens Utilities Company	Arizona	ACC	ER-1032-92-073	Staff	1992 1993	Rate Base, Operating Income
Missouri Public Service Company	Missouri	PSC	ER-93-37	Staff	1993	Accounting Authority Order
Public Service Company of Oklahoma	Oklahoma	OCC	PUD-1342	Staff	1993	Rate Base, Operating Income, Acquisition Adjustment
Hawaiian Electric Company	Hawaii	PUC	7700	Consumer Advocate	1993	Rate Base, Operating Income
US West Communications	Washington	WUTC	UT-930074, 0307	Public Counsel/ TRACER	1994	Sharing Plan Modifications
US West Communications	Arizona	ACC	E-1051-93-183	Staff	1994	Rate Base, Operating Income
PSI Energy, Inc.	Indiana	IURC	39584	Consumer Counselor	1994	Operating Income, Capital Structure
Arkla, Division of NORAM Energy	Oklahoma	OCC	PUD-940000354	Attorney General	1994	Rate Base, Operating Income
Kauai Electric Division of Citizens Utilities Company	Hawaii	PUC	94-0097	Consumer Advocate	1995	Hurricane Iniki Storm Damage Restoration

STEVEN C. CARVER
Summary of Previously Filed Testimony
1978 through 2014 (December)

Utility	Jurisdiction	Agency	Docket/Case Number	Party Represented	Year	Areas Addressed
Oklahoma Natural Gas Company	Oklahoma	OCC	PUD-940000477	Attorney General	1995	Rate Base, Operating Income
US West Communications	Washington	WUTC	UT-950200	Attorney General/ TRACER	1995	Rate Base, Operating Income
PSI Energy, Inc.	Indiana	IURC	40003	Consumer Counselor	1995	Rate Base, Operating Income
GTE Hawaiian Tel; Kauai Electric - Citizens Utilities Co.; Hawaiian Electric Co.; Hawaii Electric Light Co.; Maui Electric Company	Hawaii	PUC	95-0051	Consumer Advocate	1996	Self-Insured Property Damage Reserve
GTE Hawaiian Telephone Co., Inc.	Hawaii	PUC	94-0298	Consumer Advocate	1996	Rate Base, Operating Income
Oklahoma Gas and Electric Company	Oklahoma	OCC	PUD-960000116	Attorney General	1996	Rate Base, Operating Income
Public Service Company	Oklahoma	OCC	PUD-0000214	Attorney General	1997	Rate Base, Operating Income
Arizona Telephone Company (TDS)	Arizona	ACC	U-2063-97-329	Staff	1997	Rate Base, Operating Income, Affiliate Transactions
US West Communications	Utah	UPSC	97-049-08	Committee of Consumer Services	1997	Rate Base, Operating Income
Missouri Gas Energy	Missouri	PSC	GR-98-140	Public Counsel	1998	Revenues, Uncollectibles
Sierra Pacific Power Company	Nevada	PUCN	98-4062 98-4063	Utility Consumers Advocate	1999	Sharing Plan
Hawaii Electric Light Co., PPA (Encogen)	Hawaii	PUC	98-0013	Consumer Advocate	1999	Keahole CT-4/CT-5 AFUDC, Avoided Cost
Kansas City Power & Light Company	Missouri	MoPSC	EC-99-553	GST Steel Company	1999	Complaint Investigation
US West Communications	New Mexico	NM PRC	3008	PRC Staff	2000	Rate Base, Operating Income
Hawaii Electric Light Company	Hawaii	PUC	99-0207	Consumer Advocate	2000	Keahole pre-PSD Common Facilities

STEVEN C. CARVER
Summary of Previously Filed Testimony
1978 through 2014 (December)

Utility	Jurisdiction	Agency	Docket/Case Number	Party Represented	Year	Areas Addressed
US West/ Qwest Communications	Arizona	ACC	T-1051B-99-105	Staff	2000	Rate Base, Operating Income
The Gas Company	Hawaii	PUC	00-0309	Consumer Advocate	2001	Rate Base, Operating Income, Nonreg Svcs.
Craw-Kan Telephone Cooperative, Inc.	Kansas	KCC	01-CRKT-713-AUD	KCC Staff	2001	Rate Base, Operating Income
Home Telephone Company, Inc.	Kansas	KCC	02-HOMT-209-AUD	KCC Staff	2002	Rate Base, Operating Income
Wilson Telephone Company, Inc.	Kansas	KCC	02-WLST-210-AUD	KCC Staff	2002	Rate Base, Operating Income
SBC Pacific Bell	California	PUC	01-09-001 / 01-09-002	Office of Ratepayer Advocate	2002	New Regulatory Framework / Earnings Sharing Investigation
JBN Telephone Company	Kansas	KCC	02-JBNT-846-AUD	KCC Staff	2002	Rate Base, Operating Income
Kerman Telephone Company	California	PUC	02-01-004	Office of Ratepayer Advocate	2002	General Rate Case, Affiliate Lease, Nonregulated Transactions
S&A Telephone Company	Kansas	KCC	03-S&AT-160-AUD	KCC Staff	2003	Rate Base, Operating Income, Nonreg Alloc
PSI Energy, Inc.	Indiana	IURC	42359	Consumer Counselor	2003	Rate Base, Operating Income, Nonreg Alloc
Arizona Public Service Company	Arizona	ACC	E-10345A-03-0437	ACC Staff	2004	Rate Base, Operating Income
Qwest Corporation	Arizona	ACC	T-01051B-03-0454 & T-00000D-00-0672	ACC Staff	2004	Rate Base, Operating Income, Nonreg Alloc
Verizon Northwest Inc.	Washington	WUTC	UT-040788	Attorney General/ AARP/ WeBTEC	2004	Rate Base, Operating Income
Public Service Company	Oklahoma	OCC	PUD-200300076	Attorney General	2005	Operating Income
Hawaiian Electric Company	Hawaii	PUC	04-0113	Consumer Advocate	2005	Rate Base, Operating Income
Citizens Gas & Coke Utility	Indiana	IURC	42767	Consumer Counselor	2005	Operating Income, Benchmarking Study

STEVEN C. CARVER
Summary of Previously Filed Testimony
1978 through 2014 (December)

Utility	Jurisdiction	Agency	Docket/Case Number	Party Represented	Year	Areas Addressed
AmerenUE d/b/a Union Electric Co.	Missouri	MoPSC	ER-2007-0002	State of Missouri	2006	Revenue Requirement
Hawaii Electric Light Company	Hawaii	PUC	05-0315	Consumer Advocate	2007	Rate Base, Operating Income & Keahole Units
Hawaii Electric Company	Hawaii	PUC	2006-0386	Consumer Advocate	2007	Rate Base, Operating Income
Maui Electric Company	Hawaii	PUC	2006-0387	Consumer Advocate	2007	Rate Base, Operating Income
Trigen-Kansas City Energy Corp.	Missouri	MoPSC	HR-2008-0300	Trigen-KC	2008	Revenue Requirement
Southwestern Public Service	Texas	PUCT	35763	Alliance of Xcel Muni.	2008	Rate Base, Operating Income
The Gas Company, LLC	Hawaii	PUC	2008-0081	Consumer Advocate	2009	Rate Base, Operating Income, Nonutility
Hawaiian Electric Company	Hawaii	PUC	2008-0083	Consumer Advocate	2009	Rate Base, Operating Income
Southwestern Public Service	Texas	PUCT	37135	Alliance of Xcel Muni.	2009	Transmission Cost Recovery Factor
Maui Electric Company	Hawaii	PUC	2009-0163	Consumer Advocate	2010	Rate Base, Operating Income
Hawaii Electric Light Company	Hawaii	PUC	2009-0164	Consumer Advocate	2010	Rate Base, Operating Income
Atmos Pipeline – Texas	Texas	RRC	10000	Atmos Texas Municipalities	2010	Rate Base, Operating Income
AmerenUE d/b/a Ameren Missouri	Missouri	MoPSC	ER-2011-0028	Missouri Industrial Energy Consumers	2011	Revenue Requirement
Veolia Energy Kansas City	Missouri	MoPSC	HR-2011-0241	Veolia-KC	2011	Revenue Requirement
Hawaiian Electric Company	Hawaii	PUC	2010-0080	Consumer Advocate	2011	Rate Base, Operating Income
Maui Electric Company	Hawaii	PUC	2011-0092	Consumer Advocate	2012	Rate Base, Operating Income
AmerenUE d/b/a Ameren Missouri	Missouri	MoPSC	ER-2012-0166	Missouri Industrial Energy Consumers	2012	Revenue Requirement
Atmos Energy, Mid-Tex Division	Texas	RCT	10170	Atmos Texas Municipalities	2012	Rate Base, Operating Income

STEVEN C. CARVER
Summary of Previously Filed Testimony
1978 through 2014 (December)

Utility	Jurisdiction	Agency	Docket/Case Number	Party Represented	Year	Areas Addressed
Atmos Energy, West Texas Division	Texas	RCT	10174	Lubbock, Amarillo, Channing & Dalhart	2012	Rate Base, Operating Income
Electric Industry	Missouri	MoPSC	EW-2013-0425	Mo. Retailers Assoc. & Consumers Council	2013	Legislative Concerns
Southwestern Public Service	Texas	PUCT	41430	Alliance of Xcel Muni.	2013	Sale of Transmission Assets
Veolia Energy Kansas City	Missouri	MoPSC	HR-2014-0066	Veolia-KC	2013	Revenue Requirement
Atmos Energy, Mid-Tex Division	Texas	RCT	10359	Atmos Texas Municipalities	2014	RRM Appeal, Revenue Requirement
Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company	Hawaii	PUC	2013-0141	Consumer Advocate	2014	Rate Adjustment Mechanism, Regulatory Process
AmerenUE d/b/a Ameren Missouri	Missouri	MoPSC	ER-2014-0258	Missouri Industrial Energy Consumers	2014	Revenue Requirement

Witness: S. Carver

AMEREN MISSOURI
CASE NO. ER-2014-0258

AMS ALLOCATION ADJUSTMENT
FOR THE TEST YEAR ENDED MARCH 31, 2014
(000's)

Line No.	Description	Reference	Ameren Adjustment	MIEC Adjustment
	(A)	(B)	(C)	(D)
1	Functional Classification:			
2	Production Expense	(a)	$ 2,834	$ (2,834)
3	Transmission Expense	(a)	(166)	166
4	Distribution Expense	(a)	702	(702)
5	Customer Accounting Expense	(a)	(148)	148
6	Customer Serv. & Info. Expense	(a)	227	(227)
7	Sales Expense	(a)	(3)	3
8	Administrative & General Expense	(a)	2,842	(2,842)
9	Total O&M Expense		$ 6,288	$ (6,288)
10	Missouri Retail Allocation %			100.000%
11	**MIEC Proposed Adjustment to Reverse**			**$ (6,288)**
12	**Company Proposed AMS Allocation Adjustment**			

FOOTNOTES:

(a) Source: Company Schedule LMM-11-1 (O&M Adjustment 4) and LMM-WP-381.

Ameren Missouri
Response to MIEC Data Request
MPSC Case No. ER-2014-0258
In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service

Data Request No.: MIEC 10.1 - Diana Vuylsteke

Ref: LMM-WP-381 through LMM-WP-389 & Schedule LMM-11-1, O&M Adjustment 4 (Ameren Services). The direct testimony of AMMO witness Laura Moore at page 19 states: â€œAdjustment 4 is an increase in operating expenses of $6,288,000 to reflect expenses allocated from Ameren Services to Ameren Missouri.â€ This adjustment reflects a net increase in AMS expenses by calculating the difference between recorded expenses for the first quarter of 2014 and the first quarter of 2013 and then multiplying the resulting difference by 4 to annualize (i.e., the labor difference also considers pay increases in April 2014, July 2014 and January 2015). Please provide the following:

a. Please confirm the accuracy of the above summary of the calculation of O&M Adjustment 4. If the Company cannot provide the requested confirmation, please explain.
b. Please explain the Companyâ€™s intention to update, modify or remove this adjustment in either rebuttal/surrebuttal testimony or as part of the test year update scheduled in this proceeding. If such a determination has not yet been made, please describe the intended timing of a Company on this matter.

RESPONSE

Prepared By: Laura Moore
Title: Regulatory Accounting Manager
Date: November 3, 2014

a.Yes

b.When the labor is adjusted at true-up (December 31, 2014) this separate adjustment will no longer be required.

Ameren Missouri
Response to MIEC Data Request
MPSC Case No. ER-2014-0258
In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service

Data Request No.: MIEC 10.2 - Diana Vuylteke

Ref: LMM-WP-381 through LMM-WP-389 & Schedule LMM-11-1, O&M Adjustment 4 (Ameren Services). The direct testimony of AMMO witness Laura Moore at page 19 states: â€œAdjustment 4 is an increase in operating expenses of $6,288,000 to reflect expenses allocated from Ameren Services to Ameren Missouri.â€ This adjustment annualizes a net increase in AMS expenses by calculating the difference between recorded expenses for the first quarter of 2014 with the first quarter of 2013 and then multiplying the resulting difference by 4 to annualize (i.e., the labor difference also considers pay increases in April 2014, July 2014 and January 2015). Please provide the following:

a. Please explain why the labor portion of O&M Adjustment 4 is not duplicative of or contradictory to O&M Adjustments 1 (labor adjustment), 2 (incentive compensation adjustment) and/or 3 (long term. Incentive compensation adjustment) as set forth on Schedule LMM-11-1.
b. Please explain why the nonlabor (i.e., â€œotherâ€) portion of O&M Adjustment 4 is not duplicative of or contradictory to O&M Adjustments 23 (medical & benefits adjustment), 24 (non-qualified pension adjustment), and/or 25 (rebase pension and OPEB tracker adjustment) as set forth on Schedules LMM-11-3 or LMM-11-4.
c. Please explain why the nonlabor (i.e., â€œotherâ€) portion of O&M Adjustment 4 is not duplicative of or contradictory to Taxes Other Than Income Taxes Adjustment 1 (FICA tax adjustment) as summarized on Schedules LMM-13-1 and LMM-13-2.

RESPONSE

Prepared By: Laura Moore
Title: Regulatory Accounting Manager
Date: November 4, 2014

a.This adjustment is in addition to any other O&M adjustments. This adjustment was made to estimate the level of labor at time of true-up (December 31, 2014).

b. This adjustment is in addition to any other O&M adjustments. This adjustment will not be required after the other O&M adjustments are trued-up.
c.This adjustment is in addition to any other adjustments made to Taxes Other Than Income and will not be required after labor is adjusted at time of true-up.

Ameren Missouri
Response to MIEC Data Request
MPSC Case No. ER-2014-0258
In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service

Data Request No.: MIEC 10.5 - Diana Vuylsteke

Ref: AMMO response to MPSC DR 0047 (Ameren Services). The response to subpart 3 of MPSC DR 0047 provides total test year billings by Ameren Services to Ameren Missouri (electric and gas) in the amount of $150.6 million (i.e., about $23.8 million capital, $117.6 million O&M, and $9.2 million other). Please provide the following:

a. The referenced response characterizes these amounts as â€œAmeren Services billing to Ameren Missouri.â€ Is there a difference between the amounts billed by Ameren Services and the amounts recorded by Ameren Missouri during the test year? If so, please explain the nature of this difference.
b. Referring to part (a) above, please provide the test year amounts recorded by Ameren Missouri for charges originating at Ameren Services in the corresponding categories of O&M, Capital and Other if different from the billed amounts.
c. Please explain the â€œOtherâ€ category of Ameren Services charges, indicating the FERC accounts to which such charges were recorded.

RESPONSE

Prepared By: Gary S. Weiss
Title: Director Regulatory Accounting
Date: November 3, 2014

a.There is no difference.

b.N/A

c.See attached for the "Other" by account. It is clearing and indirect overheads.

Corporation	UEC

Sum of Amount			
Utility	**Cost Type**	**Major**	**Total**
Electric	**Capital**		$ 23,020,382.05
	O&M		$ 113,043,981.64
	Other	163	$ 4,874,721.06
		183	$ 247,891.06
		184	$ 2,241,916.18
		186	$ 6,175.00
		188	$ 486,017.43
		228	$ 56,818.75
		253	$ 812.21
		421	$ 822.64
		426	$ 1,295,946.60
		456	$ (0.45)
	Other Total		**$ 9,211,120.48**
Electric Total			**$ 145,275,484.17**
Gas	**Capital**		$ 838,386.84
	O&M		$ 4,510,211.10
Gas Total			**$ 5,348,597.94**
Grand Total			**$ 150,624,082.11**

Ameren Missouri
Response to MIEC Data Request
MPSC Case No. ER-2014-0258
In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service

Data Request No.: MIEC 10.12 - Diana Vuylsteke

Ref: AMMO response to MPSC DRs 0048 & 0347 (Ameren Services). The referenced responses identify several generation related ownership changes (i.e., the divestiture of Ameren Energy Resources in 2013; the sale of a 40-megawatt natural gas-fired electric energy center operated as part of AmerenEnergy Medina Valley Cogen in February 2012; and the transfer of three gas-fired energy centers to Medina Valley in November 2013) that affected AMS allocation factors in 2012 and 2013. Please provide the following:

a. Please explain how the divestiture of Ameren Energy Resources in 2013 affected AMS allocation factors, specifically stating:
   i. whether the allocation of AMS costs to Ameren Missouri increased or decreased.
   ii. whether the allocation of AMS costs to affiliates other than Ameren Missouri increased or decreased.
b. Referring to part (a) above, please identify each AMS allocation factor that was impacted by the referenced divestiture.
c. Referring to parts (a) and (b) above, please provide the Companyâ€™s best estimate of the effect of the divestiture on the AMS O&M expenses allocated to Ameren Missouri.

RESPONSE

Prepared By: Bob Porter
Title: Director, Internal Reporting
Date: November 7, 2014

a. Ameren Services Company (AMS) allocates common costs using about 40 allocation factors. Comparing 2013 allocation factors (prior to AER divestiture) to 2014 allocation factors (post-divestiture) showed that about 32 increased and 7 decreased. Changes to the allocation factors for Ameren Missouri changed as a result of the AER divestiture as well as changes in the business activity within all the remaining business segments. Some factors increased, particularly those related to generation since Ameren Missouri became the only business supported by AMS with generation. Other factors decreased because of decline in activity at Ameren Missouri such as allocation factors based on gas peak load, gas throughput and number of Energy Delivery employees. Other factors may have increased because of activity increases within Ameren Missouri. Similar impacts occurred for Ameren's other remaining operating businesses, as well as allocations to Ameren Corporation.

b. See attachment A for a list of allocation factors for 2013 pre- and post-divesture.

c. See work papers of Laura Moore LMM-WP-381 through 389.

Allocation Factor	Factor Description	Allocated Percent to Ameren Missouri		
		Pre-Divestiture	Post-Divestiture	Variance
001A	Composite (E/G Mo/Il--Sales/Customers/Employees)	39.98	43.71	3.73
001E	Gas Composite (Mo/Il--Sales/Customers)	12.78	12.97	0.19
002A	# Customers (T&D & Interchange Elec/Gas In Mo/Il)	39.49	39.51	0.02
002B	# Gas Transportation Customers (Mo/Il)	10.36	9.55	(0.81)
002C	# Customers (T&D & Interchange Electric In Mo/Il)	49.52	49.56	0.04
002D	# Of Gas Customers (Mo/Il)	13.63	13.65	0.02
002J	Electric Cust Non-Res Mo/Il % To Gmc	49.75	49.59	(0.16)
002K	# Electric Distribution Customers(Mo/Il)	49.52	49.56	0.04
002L	# Electric/Gas Distribution Customers(Mo/Il)	39.50	39.52	0.02
003A	Electric/Gas Sales (T&D And Interchange Mo/Il)	27.99	36.10	8.11
003B	Electric Sales (T&D And Interchange Mo/Il)	44.06	59.89	15.83
003C	Gas Sales (T&D And Interchange Mo/Il)	11.93	12.29	0.36
004A	# Of Employees (Mgmt And Contract)	52.46	55.53	3.07
004B	# Of Contract Employees	53.61	56.56	2.95
004C	# Of Non-Contract Employees	50.51	53.82	3.31
004O	# Employees (Management & Contract) Excl. Gmc	53.11	55.52	2.41
004P	# Energy Delivery Employees	39.14	37.52	(1.62)
007A	Total Capitalization	35.75	42.05	6.30
008A	Total Assets	40.76	46.72	5.96
008C	Gross Plant-In-Service Plus Cwip (Absolute Value)	60.88	68.58	7.70
010A	Peak Load (T&D Electric)	48.97	48.81	(0.16)
010B	Peak Load (Gas)	25.92	22.90	(3.02)
011A	Generating Capacity (All Plants)	69.49	100.00	30.51
011B	Generating Capacity (Fossil Plants)	65.16	100.00	34.84
011C	Generating Capacity (Excl. Ctgs Except Grand Tower	65.97	100.00	34.03
012A	Gas Throughput (Incl. Transp.)	9.22	10.26	1.04
012B	Electric Net Output	63.88	100.00	36.12
012C	Gas Throughput With % To Gen	11.67	11.23	(0.44)
012D	Electric Net Genration	69.88	100.00	30.12
015A	Tax Expense	65.39	67.97	2.58
016A	# Of Vehicles	35.79	37.34	1.55
017A	# General Ledger Transactions	42.47	46.92	4.45
017B	# Accounts Payable Vouchers	48.97	54.63	5.66
017C	# Active Projects	55.32	55.69	0.37
017E	Number of Major Projects	55.17	55.88	0.71
018A	# Of Managed Pcs	57.34	61.83	4.49
018D	Material Spend by Corpoation	44.51	46.00	1.49
018E	Computer Server Usage - Other	53.34	59.11	5.77
018F	Computer Server Usage - Unix	46.02	48.19	2.17
018G	Computer Storage Usage	54.58	53.56	(1.02)
019A	Governmental Affairs	48.00	57.14	9.14
UEC	100% To Ameren Ue	100.00	100.00	0.00

Ameren Missouri
Response to MIEC Data Request
MPSC Case No. ER-2014-0258
In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service

Data Request No.: MIEC 10.13 - Diana Vuylsteke

Ref: AMMO response to MPSC DRs 0048 & 0347 (Ameren Services). The referenced responses identify several generation related ownership changes (i.e., the divestiture of Ameren Energy Resources in 2013; the sale of a 40-megawatt natural gas-fired electric energy center operated as part of AmerenEnergy Medina Valley Cogen in February 2012; and the transfer of three gas-fired energy centers to Medina Valley in November 2013) that affected AMS allocation factors in 2012 and 2013. Please provide the following:

a. Please explain how the sale of a 40-megawatt natural gas-fired electric energy center operated as part of AmerenEnergy Medina Valley Cogen in February 2012 affected AMS allocation factors, specifically stating:
    i. whether the allocation of AMS costs to Ameren Missouri increased or decreased.
    ii. whether the allocation of AMS costs to affiliates other than Ameren Missouri increased or decreased.
b. Referring to part (a) above, please identify each AMS allocation factor that was impacted by the referenced energy center sale.
c. Referring to parts (a) and (b) above, please provide the Companyâ€™s best estimate of the effect of the energy center sale on the AMS O&M expenses allocated to Ameren Missouri.

RESPONSE

Prepared By: Bob Porter
Title: Director, Internal Reporting
Date: November 6, 2014

The impact on allocation factors relating to the sale of the 40-megawatt natural gas-fired electric energy center was considered in the changes made to the allocation factors starting in 2014. These changes would have been reflected in the changes made at the same time as the other transactions and, therefore, we refer you to our answers in MIEC 10.12.

Ameren Missouri
Response to MIEC Data Request
MPSC Case No. ER-2014-0258
In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service

Data Request No.: MIEC 10.14 - Diana Vuylsteke

Ref: AMMO response to MPSC DRs 0048 & 0347 (Ameren Services). The referenced responses identify several generation related ownership changes (i.e., the divestiture of Ameren Energy Resources in 2013; the sale of a 40-megawatt natural gas-fired electric energy center operated as part of AmerenEnergy Medina Valley Cogen in February 2012; and the transfer of three gas-fired energy centers to Medina Valley in November 2013) that affected AMS allocation factors in 2012 and 2013. Please provide the following:

a. Please explain how the transfer of three gas-fired energy centers to Medina Valley in November 2013 affected AMS allocation factors, specifically stating:
    i. whether the allocation of AMS costs to Ameren Missouri increased or decreased.
    ii. whether the allocation of AMS costs to affiliates other than Ameren Missouri increased or decreased.
b. Referring to part (a) above, please identify each AMS allocation factor that was impacted by the referenced energy center transfer.
c. Referring to parts (a) and (b) above, please provide the Companyâ€™s best estimate of the effect of the energy center transfer on the AMS O&M expenses allocated to Ameren Missouri.

RESPONSE

Prepared By: Bob Porter
Title: Director, Internal Reporting
Date: November 7, 2014

The impact on allocation factors relating to the sale of the three gas-fired energy centers to Medina Valley was considered in the changes made to the allocation factors starting in 2014. These changes would have been reflected in the changes made at the same time as the other transactions and, therefore, we refer you to our answers in MIEC 10.12. Due to the close timing to the AER Divestiture and the relative immaterial impact of this transaction on allocation factors, all changes were made at the same time.

Ameren Missouri
Response to MIEC Data Request
MPSC Case No. ER-2014-0258
In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service

Data Request No.: MIEC 10.15 - Diana Vuylsteke

Ref: AMMO response to MPSC DRs 0048 & 0347 (Ameren Services). The referenced responses identify several generation related ownership changes (i.e., the divestiture of Ameren Energy Resources in 2013; the sale of a 40-megawatt natural gas-fired electric energy center operated as part of AmerenEnergy Medina Valley Cogen in February 2012; and the transfer of three gas-fired energy centers to Medina Valley in November 2013) that affected AMS allocation factors in 2012 and 2013. Please provide the following:

a. Were any business plans, cost/benefit studies or forecasting/planning studies (i.e., more generally referenced as â€œstudiesâ€) prepared by or for Ameren Missouri, Ameren Services, Ameren Corporation or any member of the Ameren affiliated group to evaluate the economic feasibility and financial impact of the divestiture of Ameren Energy Resources in 2013 on Ameren Missouri or Ameren Corporation? If so, please identify and provide a copy of each such study including all narrative documents and supporting analyses or calculations. If not, please explain why such studies were not undertaken to support the divestiture decision.
b. Please summarize how the divestiture individually and separately benefited Ameren Corporation, Ameren Services and Ameren Missouri.
c. Did the divestiture result in realization of a gain or mitigation of future losses being realized by Ameren Corporation or any affiliate thereof? Please explain.
d. Were any of the studies identified or referenced in response to part (a) above presented to the board of directors of Ameren Corporation or any affiliate for information, consideration or approval? If so, please identify the date of the specific board meeting and the entity board of directors to whom any presentation was made.

RESPONSE

Prepared By: Matt Michels
Title: Sr. Manager, Corporate Analysis
Date: November 10, 2014

Subject to the Company's objection, there are no studies responsive to this request.

Ameren Missouri
Response to MIEC Data Request
MPSC Case No. ER-2014-0258
In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service

Data Request No.: MIEC 10.16 - Diana Vuylsteke

Ref: AMMO response to MPSC DRs 0048 & 0347 (Ameren Services). The referenced responses identify several generation related ownership changes (i.e., the divestiture of Ameren Energy Resources in 2013; the sale of a 40-megawatt natural gas-fired electric energy center operated as part of AmerenEnergy Medina Valley Cogen in February 2012; and the transfer of three gas-fired energy centers to Medina Valley in November 2013) that affected AMS allocation factors in 2012 and 2013. Please provide the following:

a. Were any business plans, cost/benefit studies or forecasting/planning studies (i.e., more generally referenced as â€œstudiesâ€) prepared by or for Ameren Missouri, Ameren Services, Ameren Corporation or any member of the Ameren affiliated group to evaluate the economic feasibility and financial impact of the sale a 40-megawatt natural gas-fired electric energy center in 2012 on Ameren Missouri or Ameren Corporation? If so, please identify and provide a copy of each such study including all narrative documents and supporting analyses or calculations. If not, please explain why such studies were not undertaken to support the sale decision.
b. Please summarize how the sale individually and separately benefited Ameren Corporation, Ameren Services and Ameren Missouri.
c. Did the sale result in realization of a gain or mitigation of future losses being realized by Ameren Corporation or any affiliate thereof? Please explain.
d. Were any of the studies identified or referenced in response to part (a) above presented to the board of directors of Ameren Corporation or any affiliate for information, consideration or approval? If so, please identify the date of the specific board meeting and the entity board of directors to whom any presentation was made.

RESPONSE

Prepared By: Dave Wertman
Title: Lead Corporate Planning Analyst
Date: November 6, 2014
Subject to the Company's objection, there are no studies responsive to this request.

Ameren Missouri
Response to MIEC Data Request
MPSC Case No. ER-2014-0258
In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service

Data Request No.: MIEC 10.17 - Diana Vuylsteke

Ref: AMMO response to MPSC DRs 0048 & 0347 (Ameren Services). The referenced responses identify several generation related ownership changes (i.e., the divestiture of Ameren Energy Resources in 2013; the sale of a 40-megawatt natural gas-fired electric energy center operated as part of AmerenEnergy Medina Valley Cogen in February 2012; and the transfer of three gas-fired energy centers to Medina Valley in November 2013) that affected AMS allocation factors in 2012 and 2013. Please provide the following:

a. Were any business plans, cost/benefit studies or forecasting/planning studies (i.e., more generally referenced as â€œstudiesâ€) prepared by or for Ameren Missouri, Ameren Services, Ameren Corporation or any member of the Ameren affiliated group to evaluate the economic feasibility and financial impact of the the transfer of three gas-fired energy centers to Medina Valley in November 2013 on Ameren Missouri or Ameren Corporation? If so, please identify and provide a copy of each such study including all narrative documents and supporting analyses or calculations. If not, please explain why such studies were not undertaken to support the transfer decision.
b. Please summarize how the transfer individually and separately benefited Ameren Corporation, Ameren Services and Ameren Missouri.
c. Did the transfer result in realization of a gain or mitigation of future losses being realized by Ameren Corporation or any affiliate thereof? Please explain.
d. Were any of the studies identified or referenced in response to part (a) above presented to the board of directors of Ameren Corporation or any affiliate for information, consideration or approval? If so, please identify the date of the specific board meeting and the entity board of directors to whom any presentation was made.

RESPONSE

Prepared By: Dave Wertman
Title: Lead Corporate Planning Analyst
Date: November 6, 2014
Subject to the Company's objection, there are no studies responsive to this request.

Ameren Missouri
Response to MIEC Data Request
MPSC Case No. ER-2014-0258
In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service

Data Request No.: MIEC 10.18 - Diana Vuylsteke

Ref: AMMO response to MPSC DR 0347 (Ameren Services). The transfer of three gas-fired energy centers by Ameren Energy Generating Company to Medina Valley in November 2013 was described as â€œpart of a put option agreement.â€ Please provide the following:

a. Please explain and describe the reference to a â€œput option agreementâ€ as used in this context.
b. Which party, Ameren Energy Generating Company or Medina Valley, held the rights to exercise the â€œput optionâ€ ?
c. Please confirm that both Ameren Energy Generating Company and Medina Valley are subsidiaries of Ameren Corporation. If the Company cannot provide the requested confirmation, please explain.
d. Please explain basis of the decision to exercise the â€œput option.â€
e. If not previously provided in response to discovery submitted by MIEC or any other party in this proceeding, please identify and describe the benefits resulting from exercising the â€œput option.â€

RESPONSE

Prepared By: Dave Wertman
Title: Lead Corporate Planning Analyst
Date: November 6, 2014

Subject to the Company's objection, there are no studies responsive to this request.

Ameren Missouri
Response to MPSC Data Request
MPSC Case No. ER-2014-0258
In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service

Data Request No.: MPSC 0048 - Kevin Thompson

1. Please give a narrative of the reasons and rationale for any significant changes in the allocation percentages and/or the amount of allocations received by Ameren Missouri from Ameren Services for the period covering January 1, 2012 through March 31, 2014. This narrative would include but not be limited to the companyâ€™s decision to shift employees from Ameren Services to various companies including Ameren Missouri. 2. Please quantify the impact of these changes on the allocation percentages, as well as the impact on total costs to allocate and the amount of allocation to Ameren Missouri. 3. Also, please include a discussion of any changes anticipated to occur during the period covering April 1, 2014 through December 31, 2014 which would significantly impact the amount of allocations received by Ameren Missouri. Include the estimated impact on the allocation factors, the timing of this change and the impact on total costs to be allocated and amount anticipated to be allocated to Ameren Missouri. DR requested by Kevin Thompson (kevin.thompson@psc.mo.gov)

RESPONSE

Prepared By: Danielle Lemon
Title: Financial Specialist
Date: July 28, 2014

The allocation factors are updated every year in January. The factors are calculated using prior year data. Please refer to the response to data request MPSC 0047 for the calculation spreadsheets for the 2013 and 2014 allocation factors. In addition, the allocation factors are provided quarterly to the PSC staff. In 2012, the allocation factors were adjusted as a result of the VS11. In 2013, Ameren Energy Resources Company was divested and allocation factors were adjusted.

We are not aware of any significant changes that would impact the allocations for the remainder of 2014.

Ameren Missouri
Response to MPSC Data Request
MPSC Case No. ER-2014-0258
In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service

Data Request No.: MPSC 0347 - Lisa Hanneken

In regards to the Companyâ€™s submission to Staff of quarterly data provided via email on 6/13/14 as a result of Case No. GR-2013-0517, specifically the file entitled â€œAllocation Percentages Jan2010 thru Mar2014â€ , for column listed under the code MV1, please provide a detailed explanation of why the allocation percentages listed stopped in Feb 2012 and then resumed in Nov 2013. Data Request submitted by Lisa Hanneken (Lisa.Hanneken@psc.mo.gov).

RESPONSE

Prepared By: Bridget Alberico
Title: Manager, General Accounting
Date: 10/7/2014

In February 2012 Ameren sold a 40-megawatt natural gas-fired electric energy center that operated as a part of AmerenEnergy Medina Valley Cogen, LLC (Medina Valley or MV1). With the sale of these assets, the code MV1 was no longer used for Allocations. In November 2013, an Ameren affiliate, Ameren Energy Generating Company transferred three gas-fired energy centers to Medina Valley as a part of a put option agreement. The transfer of these assets to Medina Valley resulted in the reinstatement of the MV1 allocation code.

AMEREN MISSOURI
Docket No. ER-2014-0258

Missouri Industrial Energy Consumers'
<u>18th Set of Data Requests to Ameren Missouri</u>

Item No.	Description
MIEC 18.1.	**<u>Ref: AMMO News Release of 11/13/2013 (Ameren Services).</u>** An Ameren News Release issued December 2, 2013 (i.e., and identified as Exhibit 99 to Ameren's 8K filing with the SEC of that same date) stated, in part:

> Ameren Corporation (NYSE: AEE) today announced it has completed the divestiture of its merchant generation business, formerly known as Ameren Energy Resources Company, LLC (AER), to an affiliate of Dynegy Inc. (NYSE: DYN). AER consisted primarily of Ameren Energy Generating Company (Genco), including Genco's 80 percent ownership interest in Electric Energy, Inc.; AmerenEnergy Resources Generating Company; and Ameren Energy Marketing Company.
>
> The divestiture enables Ameren to focus on its strategic objectives to strengthen and grow its rate-regulated electric, natural gas and transmission operations and to allocate its growth capital to higher expected return opportunities. The transaction is also *expected to improve the predictability of the company's earnings and cash flows.* [emphasis added]
>
> "The completion of this transaction is an important achievement for Ameren's shareholders and our customers," said Thomas R. Voss, chairman, president and CEO of Ameren Corporation. "By exiting merchant generation, Ameren Corporation is better positioned to deliver greater value as we execute our plans to deploy capital to strengthen our regulated transmission, distribution and generation assets. These planned investments will help sustain reliable service for our customers, increase access to renewable energy and drive enhanced shareholder value. The transaction also positions AER to participate in the benefits of being part of Dynegy's larger merchant organization."
>
> In addition, in October Ameren entered into an agreement to sell three merchant gas-fired energy centers, which were not part of the Dynegy transaction, to a special purpose entity affiliated with and formed by Rockland Capital. This transaction includes a 478-megawatt combined cycle facility in Grand Tower, IL; a 460-megawatt simple cycle facility in Elgin, IL; and a 228-megawatt simple cycle facility in Gibson City, IL. With this sale, expected to be finalized by year-end, Ameren will complete its exit from the merchant generation business.

Please provide the following:

a. Please explain how these transactions are "expected to improve the predictability of the company's earnings and cash flows."
b. Are these transactions expected to increase or decrease costs directly charged or allocated to Ameren Missouri's regulated customers? Please explain.
c. Have these transactions increased or decreased costs directly charged or allocated to Ameren Missouri's regulated customers? Please explain.

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	d. Please provide calculations and documentation supporting the responses to parts (b) and (c) above. e. If the responses to parts (b) through (d) above indicate that these transactions will increase costs to Ameren Missouri customers, please explain how these divestiture transactions are in the best interests of Ameren Missouri's regulated customers. Provide a copy of all supporting documentation. f. If the responses to parts (b) through (d) above indicate that the Company does not know what impact the transactions may have on the costs directly charged or allocated to Ameren Missouri's customers, please explain how these divestiture transactions are in the best interests of Ameren Missouri's regulated customers. Provide a copy of all supporting documentation.
MIEC 18.2.	**Ref: AMMO response to MPSC DR 0047 & pending MIEC DR 10.4 (Ameren Services).** MIEC Data Request 10.4 sought a copy of "all sheets and pages" of the "PW19650 Report by month beginning January 2012 through the most current month, to be supplemented on a continuing basis as additional monthly reports become available" in the "format regularly provided to the MPSC Staff." At the time this 18th set of data requests was prepared, the Company had not yet responded to MIEC DR 10.4. If not supplied in response thereto and in order to allow MIEC to verify and confirm the accuracy of the allocation of Ameren Services costs to Ameren Missouri, please provide a copy of all sheets and pages of the PW19650 Report (as originally requested) for all Ameren entities, not just those pages containing amounts allocated to Ameren Missouri.
MIEC 18.3.	**Ref: AMMO response to MPSC DR 0047 & pending MIEC DR 10.4 (Ameren Services).** On November 13, 2014, MIEC conducted an informal meeting with Ameren and Staff representatives concerning Ameren Services costs, allocations and processes. Please provide the following: a. Please confirm that Company representatives indicated that approximately 400 individual "Service Requests" were available for use to enable Ameren Services to direct charge costs to Ameren Missouri (i.e., designated as "100% to AmerenUE"). If the Company cannot provide the requested confirmation, please explain. b. Please provide a descriptive listing of each Service Request designated as "100% to AmerenUE." c. Please provide the monthly charges to each "100% to AmerenUE" Service Request for the period January 2012 through the most current month, to be supplemented on a continuing basis as additional monthly reports become available. d. Referring to part (c) above, please provide responsive information in a spreadsheet file format. If such information is not available in a spreadsheet file format, please explain why the requested information is only available in a PDF or hard copy format.

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	e. The response to part (c) above should clearly designate the portion of each direct charge Service Request amount that was recorded in O&M expense versus capital accounts.

MIEC 18.4. **Ref: AMMO responses to MIEC DRs 10.12 through 10.14 (Ameren Services).** The responses to the referenced discovery indicate that Ameren Services "allocates common costs using about 40 allocation factors." A comparison of the allocation factors for 2013 (prior to AER divestiture) with those for 2014 (post-divestiture) shows "that about 32 [allocation factors to Ameren Missouri] increased and 7 decreased." More specifically, the allocation factors related to generation increased to 100% post-divestiture because "Ameren Missouri became the only business supported by AMS with generation."

Please confirm that each of the allocation factors specifically related to generation are set forth below, as generally referenced in the above responses. If the Company cannot provide the requested confirmation, please explain.

a. 011A Generating Capacity (All Plants)
b. 011B Generating Capacity (Fossil Plants)
c. 011C Generating Capacity (Excl. Ctgs Except Grand Tower)
d. 012B Electric Net Output
e. 012D Electric Net Generation

MIEC 18.5. **Ref: AMMO responses to MIEC DRs 10.12 through 10.14 (Ameren Services).** The responses to the referenced discovery indicate that Ameren Services "allocates common costs using about 40 allocation factors." A comparison of the allocation factors for 2013 (prior to AER divestiture) with those for 2014 (post-divestiture) shows "that about 32 [allocation factors to Ameren Missouri] increased and 7 decreased." More specifically, the allocation factors related to generation increased post-divestiture because "Ameren Missouri became the only business supported by AMS with generation."

Please confirm that the increase in the five generation related allocation factors to Ameren Missouri exceeded 30% between 2013 and 2014, as set forth below. If the Company cannot provide the requested confirmation, please explain.

a. 011A +30.51%
b. 011B +34.84%
c. 011C +34.03%
d. 012B +36.12%
e. 012D +30.12%

MIEC 18.6. **Ref: AMMO responses to MIEC DRs 10.12 through 10.14 (Ameren Services).** The responses to the referenced discovery indicate that Ameren Services "allocates common costs using about 40 allocation factors." A comparison of the allocation factors for 2013 (prior to AER divestiture) with those for 2014 (post-divestiture) shows "that about 32 [allocation factors to Ameren Missouri]

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	increased and 7 decreased." More specifically, the allocation factors related to generation increased post-divestiture because "Ameren Missouri became the only business describe supported by AMS with generation." Please provide the following: a. Please identify the specific Service Requests that are allocated using each of the five generation related allocation factors set forth below: i. 011A ii. 011B iii. 011C iv. 012B v. 012D b. Referring to part (a) above, please provide the <u>total</u> AMS charges (i.e., before allocation to Ameren Missouri) for each identified Service Request by month for the period January 2012 through the most current month, to be supplemented on a continuing basis as additional monthly reports become available. If the requested information is not available, please explain. c. Referring to part (a) above, please provide the AMS charges <u>allocated to</u> Ameren Missouri for each identified Service Request by month for the period January 2012 through the most current month, to be supplemented on a continuing basis as additional monthly reports become available. If the requested information is not available, please explain.
MIEC 18.7.	**<u>Ref: AMMO responses to MIEC DRs 10.12 through 10.14 (Ameren Services).</u>** The responses to the referenced discovery indicate that Ameren Services "allocates common costs using about 40 allocation factors." A comparison of the allocation factors for 2013 (prior to AER divestiture) with those for 2014 (post-divestiture) shows "that about 32 [allocation factors to Ameren Missouri] increased and 7 decreased." More specifically, the allocation factors related to generation increased post-divestiture because "Ameren Missouri became the only business supported by AMS with generation." Please provide the following: a. As a result of the AER divestiture, did Ameren Services revise the work requirements and/or work scope of the Service Requests that are allocated using each of the five generation related allocation factors set forth below? If not, why not? i. 011A ii. 011B iii. 011C iv. 012B v. 012D b. If the response to part (a) above is "no," please explain why the AER divestiture did not result in work requirement/work scope changes leading to cost savings or efficiencies due to the reduction in generating assets.

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	c. If the response to part (a) above is "yes": i. Please identify and describe the work requirement/work scope changes due to the reduction in generating assets. ii. Please quantify the reasonably expected cost savings or efficiencies due to the work requirement/work scope changes. iii. Please explain how the identified cost savings or efficiencies have been (or will be) recognized in the Company's calculation of overall revenue requirement in this proceeding.
MIEC 18.8.	**Ref: AMMO response to MIEC DR 10.11 (Ameren Services).** The building rental expense amounts allocated from Ameren Services are described in response to subparts (b)(2) and (d)(2) of MIEC DR 10.11. Referring to the "RENTBILL" spreadsheet files referenced in subpart (d)(2), the calculation of "Total Occupancy Costs" for building rent is partially based on an allowed return on net plant less rental income (if any) plus O&M expenses, security costs, copier costs, depreciation and amortization, insurance, taxes other than income taxes and income taxes. Please provide the following: a. Please provide the valuation date for the AIC and UEC net plant in service used in the 2013 and 2014 calculations (e.g., December 31, 2012 for the 2013 RENTBILL calculation). b. Please provide the period represented by O&M expenses used in the 2013 and 2014 calculations (e.g., actual 2012 calendar year amounts for the 2013 RENTBILL calculation). c. Please identify the FERC accounts associated with the O&M expenses hard input into the RENTBILL calculation. d. Please explain what allocation or direct assignment method was employed to determine O&M expenses for individual affiliate rented buildings. e. Please explain why security costs, copier costs and insurance are additive to, rather than subsumed within, the listed O&M expense amounts for each building.
MIEC 18.9.	**Ref: AMMO response to MIEC DR 10.11 (Ameren Services).** The building rental expense amounts allocated from Ameren Services are described in response to subparts (b)(2) and (d)(2) of MIEC DR 10.11. Referring to the "RENTBILL" spreadsheet files referenced in subpart (d)(2), the weighted average cost of capital ("WACC") rates for AIC and UEC building rent calculations represent hard input values. Please provide the following: a. Please provide a breakdown of each WACC rate for 2013 (9.87% AIC and 7.83% UEC) and 2014 (9.35% AIC and 7.898% UEC) between debt and equity components, showing the underlying capital ratios and cost rates. b. Please confirm that the AIC and UEC WACC referenced in part (a) above represent the debt and equity component capital ratios and cost rates approved by the Illinois Commerce Commission and the Missouri Public Service Commission. If the Company cannot provide the requested confirmation, please explain.

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	c. If the response to part (b) indicates that the AIC and UEC WACC used in the "RENTBILL" calculations represent actual capital ratios and cost rates rather than regulatory approved ratios/rates: i. Please explain the basis for using actual values and provide supporting calculations for underlying those values. ii. Please provide the capital ratios and cost rates most recently authorized in Illinois and Missouri applicable to calendar years 2013 and 2014. d. Referring to parts (b) and (c) above, please indicate the effective date of the capital ratios and cost rates authorized in calendar years 2013 and 2014.
MIEC 18.10.	**Ref: AMMO response to MIEC DR 10.11 (Ameren Services).** The building rental expense amounts allocated from Ameren Services are described in response to subparts (b)(2) and (d)(2) of MIEC DR 10.11. Referring to the "RENTBILL" spreadsheet files referenced in subpart (d)(2), the composite income tax rates for AIC and UEC building rent calculations represent hard input values. Please provide the following: a. Please provide a calculation of each composite income tax rate for 2013 (39.4% AIC and 36.7% UEC) and 2014 (40.3% AIC and 37.8% UEC). b. Referring to part (a) above, please explain why the AIC composite income tax rate is different between calendar years 2013 and 2014. c. Referring to part (a) above, please explain why the UEC composite income tax rate is different between calendar years 2013 and 2014. d. Referring to parts (b) and (c) above, please explain why the composite income tax rates do not represent the statutory income tax rates.
MIEC 18.11.	**Ref: AMMO response to MIEC DR 10.11 (Ameren Services).** Subpart (d)(2) of MIEC DR 10.11 indicates that in April 2014 "errors were discovered in the 2013 and 2014 building rent calculations resulting in credits to Ameren Services totaling $1,317,298." Of this amount, approximately $620,000 is attributable to Ameren Missouri with about $480,000 applicable to the test year (April 2013 through March 2014). Please identify and describe the specific "errors" that lead to the identified correction.
MIEC 18.12.	**Ref: AMMO response to MIEC DR 10.11 (Ameren Services).** Subpart (d)(2) of MIEC DR 10.11 indicates that in April 2014 "errors were discovered in the 2013 and 2014 building rent calculations resulting in credits to Ameren Services totaling $1,317,298." Of this amount, approximately $620,000 is attributable to Ameren Missouri with about $480,000 applicable to the test year (April 2013 through March 2014). Please provide the following: a. Please clarify whether and to what extent the $480,000 credit attributed to the Ameren Missouri test year has been (or will be) reflected in the Company's calculation of overall revenue requirement in this proceeding. b. If the response to part (a) indicates that the Company does not plan to recognize the $480,000 credit in this proceeding, please explain the basis for such position.

Missouri Industrial Energy Consumers'
18th Set of Data Requests to Ameren Missouri

Item No.	Description
MIEC 18.13.	**Ref: AMMO response to MIEC DR 10.11 (Ameren Services).** Subpart (d)(2) of MIEC DR 10.11 indicates that in April 2014 "errors were discovered in the 2013 and 2014 building rent calculations resulting in credits to Ameren Services totaling $1,317,298." Of this amount, approximately $620,000 is attributable to Ameren Missouri with about $480,000 applicable to the test year (April 2013 through March 2014). Please provide the following: a. Do the spreadsheets supplied in response to MIEC DR 10.11 provide a quantification of the $1,317,298 error and the allocation of such amount to the Ameren Missouri test year? b. Referring to part (a) above, please provide a pinpoint reference to such quantification within the 10 files attached to MIEC DR 10.11. Otherwise, please provide additional documentation supporting the quantification of the identified error and correction amounts.
MIEC 18.14.	**AMMO response to MIEC DR 10.11 (Ameren Services).** Subpart (d)(3) of MIEC DR 10.11 indicates that in April 2014 "errors were discovered in the SCADA rent calculation...resulting in credits to Ameren Services of $272,397." Of this amount, approximately $132,957 is attributable to Ameren Missouri. Please identify and describe the specific "errors" that lead to the identified correction.
MIEC 18.15.	**Ref: AMMO response to MIEC DR 10.11 (Ameren Services).** Subpart (d)(3) of MIEC DR 10.11 indicates that in April 2014 "errors were discovered in the SCADA rent calculation...resulting in credits to Ameren Services of $272,397." Of this amount, approximately $132,957 is attributable to Ameren Missouri. Please provide the following: a. Please clarify whether and to what extent the $132,957 credit attributed to the Ameren Missouri has been (or will be) reflected in the Company's calculation of overall revenue requirement in this proceeding. b. If the response to part (a) indicates that the Company does not plan to recognize the $132,957 credit in this proceeding, please explain the basis for such position.
MIEC 18.16.	**Ref: AMMO response to MIEC DR 10.11 (Ameren Services).** Subpart (d)(3) of MIEC DR 10.11 indicates that in April 2014 "errors were discovered in the SCADA rent calculation...resulting in credits to Ameren Services of $272,397." Of this amount, approximately $132,957 is attributable to Ameren Missouri. Please provide the following: a. Do the spreadsheets supplied in response to MIEC DR 10.11 provide a quantification of the $272,397 error and the allocation of such amount to the Ameren Missouri test year? b. Referring to part (a) above, please provide a pinpoint reference to such quantification within the 10 files attached to MIEC DR 10.11. Otherwise, please provide additional documentation supporting the quantification of the identified error.

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MIEC 18.17.	**Ref: AMMO response to MIEC DR 10.11 (Ameren Services).** The "AMS Rent allocated to UEC" spreadsheet attached to the response to MIEC DR 10.11 shows allocation factors to Ameren Missouri for AMS Rent Expense and SCADA Expenses. The AMS Rent Expense for MO Buildings and for IL Buildings is the same for each month of the test year ($1,325,260 UEC and $44,063 AIC) except for March 2014 ($1,201,636 UEC and $35,678 AIC). The AMS SCADA Expenses are the same for each test year month ($169,072). Please provide the following: a. Please provide a pinpoint reference into the RENTBILL spreadsheets that show how these AMS Rent Expense amounts for UEC and AIC were calculated. b. In the alternative, please provide additional support to reconcile these amounts to the RENTBILL spreadsheet calculation details. If the requested information is not available, please explain.
MIEC 18.18.	**Ref: AMMO response to MIEC DR 10.11 (Ameren Services).** The "AMS Rent allocated to UEC" spreadsheet attached to the response to MIEC DR 10.11 shows allocation factors to Ameren Missouri for AMS Rent Expense and SCADA Expenses. The AMS SCADA Expenses are the same for each test year month ($169,072). Please provide the following: a. Please provide a pinpoint reference into the SCADA and/or software rent spreadsheets that show how the monthly AMS SCADA Expenses (i.e., $169,072) were calculated. b. In the alternative, please provide additional support to reconcile these amounts to the SCADA and/or software rent spreadsheet calculation details. If the requested information is not available, please explain.
MIEC 18.19.	**Ref: AMMO response to MIEC DR 10.11 (Ameren Services).** The "AMS Rent allocated to UEC" spreadsheet attached to the response to MIEC DR 10.11 shows allocation factors to Ameren Missouri for AMS Rent Expense and SCADA Expenses. The Ameren Missouri allocation factors applied to AMS SCADA Expenses are constant April-December 2013 (48.97%) and January-March 2014 (48.81%) while the AMS Rent Expense factors change each month. Please provide the following: a. Please explain why the AMS Rent Expense allocation factors change on a monthly basis. b. Please provide additional support for the monthly allocation factors applied to AMS Rent Expense. c. Please provide additional support for the allocation factors applied to AMS SCADA expense.
MIEC 18.20.	**[Ameren Services]** In reference to the meeting between MIEC, the Staff and Ameren on November 13, 2014, a discussion was held with representatives from Human Resources. It was discovered during the meeting that a spreadsheet was readily available which tracked employee churn/movement as a result of the

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	AER divestiture. Please provide the analysis/worksheet referred to and all support in working native format which details the churn/movement of the AER employees to all operations of Ameren.
MIEC 18.21.	**[Ameren Services]** In reference to the meeting between MIEC, the Staff and Ameren on November 13, 2014, during that meeting it was discussed that there has been more emphasis on providing infrastructure in Illinois (for example, small metering) and the transmission segment of Ameren business. Is this increased emphasis in work in these areas fully reflected in the: (a) test year of Ameren Services costs; and (b) the true-up period. Please explain.

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AMEREN MISSOURI
Docket No. ER-2014-0258

Missouri Industrial Energy Consumers'
20th Set of Data Requests to Ameren Missouri

Item No.	Description
MIEC 20.1.	**Ref: Ameren Missouri's response to MPSC DR 0047 (Ameren Services).** On November 13, 2014, MIEC conducted an informal meeting with Ameren and Staff representatives concerning Ameren Services costs, allocations and processes. The Company's responses to MPSC DRs 0048 and 0347 identify several generation-related ownership changes (i.e., the divestiture of Ameren Energy Resources in 2013; the sale of a 40-megawatt natural gas-fired electric energy center operated as part of AmerenEnergy Medina Valley Cogen in February 2012; and the transfer of three gas-fired energy centers to Medina Valley in November 2013) that affected AMS allocation factors. Please expedite the responses to the following: a. Please confirm that changes in the AMS allocation factors are typically implemented effective January 1 of each year based on data from the prior calendar year. If the Company cannot provide the requested confirmation, please explain. b. Please confirm that, during the November 14 informal meeting, Company representatives indicated that revisions to the AMS allocation factors were made in December 2013 to recognize the effect of these generation asset divestitures. If the Company cannot provide the requested confirmation, please explain. c. Referring to part (b) above, please provide the AMS allocation factors that were applied in December 2013 in a format comparable to the attachments provided in response to MPSC DR 0047. If the requested information is not available, please explain. d. Referring to the responses to parts (b) and (c) above, please identify and describe each input change or revision recognized in determining the December 2013 AMS allocation factors.
MIEC 20.2.	**Ref: Ameren Missouri's response to (Ameren Services).** During the November 13, 2014, informal meeting between MIEC and representatives from Ameren and Staff concerning Ameren Services costs, the Company indicated that the true-up in this rate case would involve a revised annualization of AMS labor costs and one or more normalization/annualization adjustments to AMS costs due to changes that have occurred subsequent to the rate filing. Please provide the following: a. Please confirm the accuracy of the above representation. If the Company cannot provide the requested confirmation, please explain. b. Please confirm that the annualization of AMS labor costs is expected to compare average test year AMS employee counts to employee counts at the true-up cutoff and will also recognize cumulative wage increases throughout 2014. If the Company cannot provide the requested confirmation, please explain. c. Please confirm that one of the known changes at AMS that is expected to result in a new annualization adjustment involves a new accounting system placed in service in July 2014. If the Company cannot provide the requested confirmation, please explain.

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	d. Please describe the new accounting system referenced in part (c) above and summarize the expected magnitude of that adjustment on Ameren Missouri's test year O&M expense. If the requested information is not available, please explain. e. Please confirm that each AMS annualization/normalization adjustment will recognize AMS allocation factors effective in December 2014 but there will be no annualization of 2014 allocation factors on the 2013 test year months because of the complexity of the allocation process. If the Company cannot provide the requested confirmation, please explain. f. Please identify and briefly describe any other expected AMS related true-up adjustments presently known to the Company, regardless whether those adjustments are currently quantifiable.
MIEC 20.3.	**Ref: LMM-WP-381 through LMM-WP-389 & Schedule LMM-11-1, O&M Adjustment 4 (Ameren Services).** Other than Ameren Missouri's O&M Adjustment #4, please identify each adjustment in the Company's rate filing that has the effect of adjusting (e.g., normalizing, annualizing, disallowing, etc.) a portion of the test year AMS costs allocated to Ameren Missouri.
MIEC 20.4.	**Ref: Ameren Missouri's response to MIEC DR 10.4 and pending MIEC DR 18.2 (Ameren Services).** On November 13, 2014, MIEC conducted an informal meeting with Ameren and Staff representatives concerning Ameren Services costs, allocations and processes. During that meeting, Company representatives expressed concern with producing total AMS charges by Service Request. FERC Form No. 60 data was also generally discussed, with Mr. Byrne committing to check whether FERC Form No. 60 contains a complete accounting of all AMS charges and distributions and whether FERC Form No. 60 is a publicly available document. Please provide the following: a. Please confirm the accuracy of the above summary. If the Company cannot provide the requested confirmation, please explain. b. Please state whether FERC Form No. 60 contains a complete accounting of all AMS charges and distributions. If the requested information is not available, please explain. c. Please state whether FERC Form No. 60 represents a public document, once submitted to FERC. If the requested information is not available, please explain. d. Please provide a copy of FERC Form No. 60 for the two (2) most recent filing periods.
MIEC 20.5.	**Ref: Ameren Missouri's response to MPSC DR 0304 (Ameren Services).** The attachment to the response to MPSC DR 304 shows former Ameren Energy Resources employees hired by AMS (addition of 21 employee positions, 2 backfills and 19 newly created positions) and Ameren Missouri (addition of 6 employee positions, 3 backfills and 3 newly created positions) in January 2014. On November 13, 2014, MIEC conducted an informal meeting with Ameren and

Missouri Industrial Energy Consumers'
20th Set of Data Requests to Ameren Missouri

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	Staff representatives concerning Ameren Services costs, allocations and processes. During that meeting, Company representatives indicated that the former AER employees hired by Ameren were temporarily placed into AMS newly created positions, but immediately assumed a permanent work role. These employees were later transferred to the correct legal entity, but were initially kept as AMS employees to avoid resets on FICA. The service request process was used to direct charge those new hires to the correct legal entities. The spike in AMS headcounts at year end 2013 and early 2014 was driven in part by this process. Please provide the following: a. Please confirm the accuracy of the above summary. If the Company cannot provide the requested confirmation, please explain. b. Were the former AER employees first hired by Ameren effective January 1, 2014 or were some/all of the former AER employees hired prior to 2014? Please explain and provide specific hire dates if prior to 2014. c. Please identify the Ameren legal entity to which the 19 AMS newly created positions were later transferred. If the requested information is not available, please explain. d. Please identify the month(s) in which the 19 AMS newly created positions were transferred to the respective legal entities.

Missouri Industrial Energy Consumers'
22nd Set of Data Requests to Ameren Missouri

Item No.	Description
MIEC 22.1.	**Ref: AMMO response to MIEC DR 10.4 & pending response to MIEC DR 18.2 (Ameren Services).** Please confirm the following with regard to the PW19650 Report: a. Please confirm that the monthly reports produced in response to MIEC DR 10.4 represents only the Ameren Missouri pages of the proprietary PW19650 Report (i.e., excluding total Ameren Services amounts as well as amounts allocated/direct charged to Ameren Corporation entities other than Ameren Missouri). If the Company cannot provide the requested confirmation, please explain. b. Please confirm that the proprietary PW19650 Report provided in response to MIEC DR 10.4 includes amounts allocated/direct charged by Service Request attributable to the electric and gas operations of Ameren Missouri. If the Company cannot provide the requested confirmation, please explain. c. Referring to part (b) above, please clarify whether and to what extent the AMS Service Requests that apply to Ameren Missouri are distinctively separate for electric and gas operations or charges to both electric and gas operations are comingled into individual SRs. d. Please confirm that the proprietary PW19650 Report provided in response to MIEC DR 10.4 includes amounts allocated/direct charged by Service Request recorded by Ameren Missouri in O&M expense accounts, capital project work orders, and other accounts (as identified in response to MIEC DR 10.5(c)). If the Company cannot provide the requested confirmation, please explain.
MIEC 22.2.	**Ref: AMMO response to MIEC DR 10.4 & pending response to MIEC DR 18.2 (Ameren Services).** MIEC Data Request 10.4 sought a copy of "all sheets and pages" of the "PW19650 Report by month beginning January 2012 through the most current month, to be supplemented on a continuing basis as additional monthly reports become available" in the "format regularly provided to the MPSC Staff." In order to allow MIEC to verify and confirm the accuracy of the Ameren Services costs allocated and direct charged to Ameren Missouri, please provide the following: a. Please provide a version of the monthly PW19650 Report (or PW19650-type data) for this same period showing by Service Request those amounts attributed solely to O&M expense accounts for Ameren Missouri. b. Referring to part (a) above, please provide responsive information in either a spreadsheet file format or a PDF file format enabling data to be copied/pasted into a spreadsheet file.
MIEC 22.3.	**Ref: AMMO response to MIEC DR 10.4 & pending response to MIEC DR 18.2 (Ameren Services).** MIEC Data Request 10.4 sought a copy of "all sheets and pages" of the "PW19650 Report by month beginning January 2012 through the most current month, to be supplemented on a continuing basis as additional

Item No.	Description
	monthly reports become available" in the "format regularly provided to the MPSC Staff." In order to allow MIEC to verify and test the accuracy of the Ameren Services costs allocated and direct charged to Ameren Missouri, please provide a version of the monthly PW19650 Report (or PW19650-type data) for this same period showing by Service Request those amounts attributed solely to <u>O&M expense</u> accounts for: a. Total Ameren Services, before allocation/direct charge transactions. If the requested information is not available, please explain. b. Each individual Ameren Corporation entity, other than Ameren Missouri, being allocated or direct charged, not just Ameren Missouri. If the requested information is not available, please explain. c. Referring to parts (a) and (b) above, please provide responsive information in either a spreadsheet file format or a PDF file format enabling data to be copied/pasted into a spreadsheet file.
MIEC 22.4.	**<u>Ref: AMMO response to MIEC DR 10.4 and pending MIEC DR 18.2 (Ameren Services).</u>** On November 13, 2014, MIEC conducted an informal meeting with Ameren and Staff representatives concerning Ameren Services costs, allocations and processes. During that meeting, Company representatives cautioned any comparison of Ameren Services amounts by generation-related Service Request or other Service Requests for periods before/after the divestitures because AMS personnel may have been less diligent in charging the appropriate generation-related SR once those SRs became 100% chargeable to Ameren Missouri. Please provide the following: a. Please confirm the accuracy of the above summary. If the Company cannot provide the requested confirmation, please explain. b. Please explain whether and to what extent Ameren Services is aware of AMS personnel have not regularly and consistently charged the correct SR post-divestiture – regardless whether said SR is/is not allocated 100% to Ameren Missouri. c. Please identify and describe any corrective action taken or initiated by Ameren Services and/or Ameren Missouri to ensure that all AMS personnel are properly charging labor/non-labor costs to the appropriate SR.

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NEWS RELEASE

Ameren

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For Immediate Release

Ameren Corporation Completes Divestiture

of Ameren Energy Resources Company

Exiting Merchant Generation Better Positions Company to

Deliver Greater Value for Customers and Investors

ST. LOUIS (Dec. 2, 2013) — Ameren Corporation (NYSE: AEE) today announced it has completed the divestiture of its merchant generation business, formerly known as Ameren Energy Resources Company, LLC (AER), to an affiliate of Dynegy Inc. (NYSE: DYN). AER consisted primarily of Ameren Energy Generating Company (Genco), including Genco's 80 percent ownership interest in Electric Energy, Inc.; AmerenEnergy Resources Generating Company; and Ameren Energy Marketing Company.

The divestiture enables Ameren to focus on its strategic objectives to strengthen and grow its rate-regulated electric, natural gas and transmission operations and to allocate its growth capital to higher expected return opportunities. The transaction is also expected to improve the predictability of the company's earnings and cash flows.

"The completion of this transaction is an important achievement for Ameren's shareholders and our customers," said Thomas R. Voss, chairman, president and CEO of Ameren Corporation. "By exiting merchant generation, Ameren Corporation is better positioned to deliver greater value as we execute our plans to deploy capital to strengthen our regulated transmission, distribution and generation assets. These planned investments will help sustain reliable service for our customers, increase access to renewable energy and drive enhanced shareholder value. The transaction also positions AER to participate in the benefits of being part of Dynegy's larger merchant organization."

In addition, in October Ameren entered into an agreement to sell three merchant gas-fired energy centers, which were not part of the Dynegy transaction, to a special purpose entity affiliated with and formed by Rockland Capital. This transaction includes a 478-megawatt combined cycle facility in Grand Tower, Ill.; a 460-megawatt simple cycle facility in Elgin, Ill.; and a 228-megawatt simple cycle facility in

Gibson City, Ill. With this sale, expected to be finalized by year-end, Ameren will complete its exit from the merchant generation business.

About Ameren

St. Louis-based Ameren Corporation serves 2.4 million electric customers and more than 900,000 natural gas customers in a 64,000-square-mile area through our Ameren Missouri and Ameren Illinois rate-regulated utility subsidiaries. Ameren Illinois provides electric and natural gas delivery as well as local electric transmission service. Ameren Missouri provides vertically integrated electric service, with generating capacity of 10,300 megawatts, and natural gas delivery service. Ameren Transmission of Illinois develops regional electric transmission projects. For more information, visit Ameren.com.

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Forward-looking Statements

Statements in this release not based on historical facts are considered "forward-looking" and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward-looking statements have been made in good faith and are based on reasonable assumptions, there is no assurance that the expected results will be achieved. These statements include (without limitation) statements as to future expectations, beliefs, plans, strategies, objectives, events, conditions, and financial performance. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we are providing this cautionary statement to identify important factors that could cause actual results to differ materially from those anticipated. The following factors, in addition to those discussed under Risk Factors in the Form 10-K, and in the Form 10-Q for the quarterly period ended March 31, 2013, and elsewhere in this release and in our other filings with the SEC, could cause actual results to differ materially from management expectations suggested in such forward-looking statements:

- completion of the sale of the Elgin, Gibson City, and Grand Tower gas-fired energy centers;
- Ameren's exit from the Merchant Generation business, which could result in additional impairments of long-lived assets, disposal-related losses, contingencies, reduction of existing deferred tax assets, or could have other adverse impacts on the financial condition, results of operations and liquidity of Ameren;
- regulatory, judicial, or legislative actions, including changes in regulatory policies and ratemaking determinations, such as the outcome of Ameren Illinois' natural gas delivery service rate case filed in 2013; the court appeals of Ameren Illinois' electric rate order issued in 2012; Ameren Missouri's request with the MoPSC for an accounting authority order relating to the deferral of certain fixed costs; Ameren Illinois' request for rehearing of FERC's July 2012 and June 2013 orders regarding the alleged inclusion of acquisition premiums in Ameren Illinois transmission rates; and future regulatory, judicial, or legislative actions that seek to change regulatory recovery mechanisms;
- the effect of Ameren Illinois participating in a performance-based formula ratemaking process under the IEIMA, including the direct relationship between Ameren Illinois' return on common equity and the 30-year United States Treasury bond yields, the related financial commitments required by the IEIMA, and the resulting uncertain impact on the financial condition, results of operations and liquidity of Ameren Illinois;
- the effects of Ameren Illinois' expected participation, beginning in 2014, in the regulatory framework provided by the state of Illinois' recently enacted Natural Gas Consumer, Safety and Reliability Act, which allows for the use of a rider to recover costs of certain infrastructure investments made between rate cases;
- the effects of, or changes to, the Illinois power procurement process;
- the effects of increased competition in the future due to, among other things, deregulation of certain aspects of our business at both the state and federal levels, and the implementation of deregulation;
- changes in laws and other governmental actions, including monetary, fiscal, and tax policies, such as changes that result in our being unable to claim all or a portion of the cash tax benefits that are expected to result from the divestiture of AER;
- the effects on demand for our services resulting from technological advances, including advances in energy efficiency and distributed generation sources, which generate electricity at the site of consumption;
- increasing capital expenditure and operating expense requirements and our ability to recover these costs;
- the cost and availability of fuel such as coal, natural gas, and enriched uranium used to produce electricity; the cost and availability of purchased power and natural gas for distribution; and the level and volatility of future market prices for such commodities, including the ability to recover the costs for such commodities;
- the effectiveness of our risk management strategies and the use of financial and derivative instruments;
- business and economic conditions, including their impact on interest rates, bad debt expense, and demand for our products;

- disruptions of the capital markets, deterioration in credit metrics of the Ameren Companies, or other events that make the Ameren Companies' access to necessary capital, including short-term credit and liquidity, impossible, more difficult, or more costly;
- our assessment of our liquidity;
- the impact of the adoption of new accounting guidance and the application of appropriate technical accounting rules and guidance;
- actions of credit rating agencies and the effects of such actions;
- the impact of weather conditions and other natural phenomena on us and our customers, including the impacts of droughts, which may cause lower river levels and could limit our energy centers' ability to generate power;
- the impact of system outages;
- generation, transmission, and distribution asset construction, installation, performance, and cost recovery;
- the effects of our increasing investment in electric transmission projects and uncertainty as to whether we will achieve our expected investment and returns in a timely fashion, if at all;
- the extent to which Ameren Missouri prevails in its claims against insurers in connection with its Taum Sauk pumped-storage hydroelectric energy center incident;
- the extent to which Ameren Missouri is permitted by its regulators to recover in rates the investments it made in connection with additional nuclear generation at its Callaway energy center;
- operation of Ameren Missouri's Callaway energy center, including planned, unplanned and refueling outages, and future decommissioning costs;
- the effects of strategic initiatives, including mergers, acquisitions and divestitures, including the divestiture of the merchant generation business, and any related tax implications;
- the impact of current environmental regulations on utilities and power generating companies and new, more stringent or changing requirements, including those related to greenhouse gases, other emissions and discharges, cooling water intake structures, CCR, and energy efficiency, that are enacted over time and that could limit or terminate the operation of certain of our energy centers, increase our costs, result in an impairment of our assets, result in sales of our assets, reduce our customers' demand for electricity or natural gas, or otherwise have a negative financial effect;
- the impact of complying with renewable energy portfolio requirements in Missouri;
- labor disputes, workforce reductions, future wage and employee benefits costs, including changes in discount rates and returns on benefit plan assets;
- the inability of our counterparties and affiliates to meet their obligations with respect to contracts, credit agreements, and financial instruments;
- the cost and availability of transmission capacity for the energy generated by Ameren Missouri's energy centers or required to satisfy energy sales made by Ameren Missouri;
- legal and administrative proceedings; and
- acts of sabotage, war, terrorism, cybersecurity attacks or intentionally disruptive acts.

Given these uncertainties, undue reliance should not be placed on these forward-looking statements. Except to the extent required by the federal securities laws, we undertake no obligation to update or revise publicly any forward-looking statements to reflect new information or future events.

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October 31, 2014

Ms. Diana Vuylsteke **Via E-mail**
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St. Louis, Missouri 63102-2750

Case No. ER-2014-0258 – 10th Set of MIEC Data Requests (DRs)

Dear Diana:

The Company objects to DR No. 10.7 if and to the extent it asks for updates beyond the true-up period in this case on the grounds that such a request is not relevant and not reasonably calculated to lead to the discovery of admissible information and is overbroad and unduly burdensome. Updates will be provided through December 2014.

The Company objects to DR No. 10.8 on the grounds that such a request is overbroad and unduly burdensome in seeking information for every single consultant/vendor regardless of the amount. Subject to the foregoing objections, the Company will provide responsive information for consultants/vendors with expenses in 2013 or 2014 in excess of $25,000.

The Company objects to DR Nos. 10.15 through 10.18 because they are overbroad to the extent they seek information relating to the business, affairs, or operations of affiliates of Ameren Missouri, other than information relating to Ameren Missouri itself or relating to transactions occurring between Ameren Missouri and its affiliates or goods or services exchanged between Ameren Missouri and its affiliates and, consequently, to that extent they are also irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. Subject to the foregoing objections, responsive plans/studies, if any, respecting impact on Ameren Missouri will be provided.

Sincerely,

/s/ James B. Lowery

James B. Lowery

Cc: Tom Byrne, Wendy Tatro, Mary Hoyt, Julie Donohue, Gary Weiss, Laura Moore, Cheryl Lobb

SMITH LEWIS, LLP

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November 26, 2014

Ms. Diana Vuylsteke **Via E-mail**
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St. Louis, Missouri 63102-2750

Case No. ER-2014-0258 – Data Requests (DR) Nos. 17.2, 17.4 – 17.7, 18.2 and 19.5-19.6

Dear Diana:

The Company will require an additional week to respond to DR No. 17.2 (making the response due December 15).

The Company objects to subpart b of DR No. 17.4, subparts c through f of DR No. 17.5, and subparts c through d of DR No. 17.6 because they seek to require the Company to perform analysis or to create information that does not exist on the grounds that the requests are overbroad, unduly burdensome and beyond the scope of discovery because they do not seek existing analyses, facts, information, documents or data. They also seek information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Subject to the foregoing objections, the Company states that these items will be addressed using actual data as part of the true-up.

The Company objects to subparts a through D of DR No. 17.7 because it seeks irrelevant information and also because it is not reasonably calculated to lead to the discovery of admissible information. The Company objects to subparts e though h of DR No. 17.7 because they seek to require the Company to perform analysis or to create information that does not exist on the grounds that the requests are overbroad, unduly burdensome and beyond the scope of discovery because they do not seek existing analyses, facts, information, documents or data. They also seek information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

The Company objects to DR No. 18.2 because it is not relevant to any issue in this rate case nor is it reasonably likely to lead to the discovery of admissible information and it is overbroad and unduly burdensome. It is also overbroad in that it seeks information relating to the business, affairs, or operations of affiliates of Ameren Missouri, other than information relating to transactions occurring between Ameren Missouri and its affiliates or goods or services exchanged between Ameren Missouri and its affiliates. Subject to the foregoing objections, the

Company will provide AMS data showing allocations (by O & M, capital and other) to all companies to which AMS provides services for the requested period.

The Company will require an additional two weeks to respond to DR Nos. 19.5 and 19.6 (making the responses due December 24).

Sincerely,

/s/ James B. Lowery

James B. Lowery

Cc: Tom Byrne, Wendy Tatro, Mary Hoyt, Julie Donohue, Gary Weiss, Laura Moore, Cheryl Lobb