

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

In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Tariffs to Decrease) File No. ER-2019-0335
Its Revenues for Electric Service.)

SECOND NON-UNANIMOUS STIPULATION AND AGREEMENT

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or the “Company”) and the Office of the Public Counsel ("OPC") (collectively, the “Signatories”), and present to the Missouri Public Service Commission (“Commission”) for approval this Second Non-Uniform Stipulation and Agreement (the “Second Stipulation”) reflecting an agreement between the Signatories resolving the issues reserved for hearing under Section O, ¶ 51 of the Corrected Non-Uniform Second Stipulation and Agreement (the “First Stipulation”) filed in this case on March 2, 2020. All other parties to this case, being the Staff of the Missouri Public Service Commission (“Staff”), the Missouri Department of Natural Resources - Division of Energy, the Missouri Industrial Energy Consumers, the Midwest Energy Consumers Group, the Consumers Council of Missouri, the Natural Resources Defense Council, the Sierra Club and Renew Missouri Advocates have authorized the Signatories to indicate that they do not object to this Second Stipulation. In support of this Second Stipulation, the Signatories respectfully state as follows:

BACKGROUND

1. The First Stipulation (Section O, ¶ 51) reserved issues for hearing that OPC has raised regarding the cost of Ameren Missouri transactions with Ameren Service Company during the test year.

2. The Signatories have now reached an agreed-upon resolution of those reserved issues,¹ as set forth below.

SPECIFIC TERMS AND CONDITIONS

3. Ameren Missouri Agreements.

a. Ameren Missouri agrees to file or provide (concurrently with its provision of its direct case workpapers) the following items in its next general rate proceeding:

- i. The total amount of affiliate transactions charges to Ameren Missouri and affiliate transaction charges by Ameren Missouri to an affiliate in the test year, by account and affiliate.
- ii. The Fully Distributed Cost Study (the “FDC Study”) being conducted as agreed upon with the Staff as provided in the Non-Unanimous Stipulation and Agreement submitted in File No. EO-2017-0176 (the “EO-2017-0176 Stipulation”).
- iii. To the extent the FDC Study did not study the fully distributed cost of Ameren Missouri to itself perform a function currently performed by Ameren Services Company (“AMS”) (legal, human resources, accounting, etc.), and only studied costs to AMS, a detailed explanation for each function that demonstrates why an FDC study for Ameren Missouri is not necessary or reasonable.
- iv. Where benchmarking is used to assess AMS costs: (1) a detailed description of how Ameren performed or obtained its benchmarking; (2) identification of all benchmarking results and any steps taken to address the results; and (3) all associated AMS or Ameren Missouri work-papers and supporting documents.
- v. Identification of all affiliate transaction costs in the test year that were incurred by Ameren Missouri following a request for proposal issued by or on Ameren Missouri’s behalf and receipt of bids.
- vi. Identification of all affiliate transaction costs in the test year that were incurred by Ameren Missouri without a request for proposal issued by or on Ameren Missouri’s behalf and receipt of bids, and an explanation of why competitive bidding was not necessary.

¹ This leaves just one reserved issue for hearing: the fuel adjustment clause sharing percentage.

- vii. Identification of Ameren Corporation board of director and investor relations costs being charged to Ameren Missouri through an allocation process, and a detailed explanation of the allocation factors or process by which the charges are allocated to Ameren Missouri.
- viii. The General Office Building space study as provided for in the EO-2017-0176 Stipulation.
- ix. Year-end Ameren Missouri and AMS employee organization charts showing all positions at year end 2019, it being agreed that the “organization charts” can consist of a spreadsheet listing all such employees and their titles, by employer;

b. Ameren Missouri shall donate \$7.0 million to the fourteen consumer action agencies that administer low-income weatherization assistance programs (“LIWAP”) in its service territory and \$500,000 (provided concurrently with the effective date of new base rates set in this proceeding) to the consumer action agency headquarters for a total of \$7.5 million, to be spent on low-income weatherization or for assistance to low-income customers for such customers’ participation in Ameren Missouri’s energy efficiency programs.² With respect to the foregoing \$7.0 million donation, it is agreed that Ameren Missouri and OPC will collaborate together to decide on the appropriate allocation of the \$7.0 million in funds among the 14 agencies and on the appropriate timing for the use of the funds (which Ameren Missouri and OPC agree are to be exhausted by December 31, 2022). In this regard, Ameren Missouri and OPC agree that the goal of the collaboration and the decisions arising from it is to maximize the effectiveness of the funds for assisting low-income customers; provided, that if Ameren Missouri and OPC cannot agree on these matters, they agree to take the matters to the Commission for

² The \$500,000 paid to the Missouri Community Action Network agency headquarters is not for weatherization but is instead for headquarters administration and/or training for the other consumer action agencies.

resolution by December 31, 2021; and

c. Ameren Missouri shall, upon the effective date of new base rates set in this proceeding, make available for disbursement by its customer services staff an additional \$500,000 to provide bill assistance to low-income customers, with an emphasis on helping current and former T.E.H. Realty tenants with any unused funds to be used to provide bill assistance to other low-income customers.³

4. OPC Agreements.

a. This Stipulation resolves all of OPC's issues regarding affiliate transaction rule compliance and AMS costs in this proceeding;

b. OPC shall not re-raise the argument in Ameren Missouri's next general rate proceeding that Ameren Missouri's affiliate transactions should be denied because there is no presumption of prudence for affiliate transactions; provided, however, OPC remains free to challenge the prudence of any particular affiliate transaction cost(s);

c. OPC shall not pursue a complaint against Ameren Missouri for any claimed violations of the affiliate transaction rule to date; and

d. OPC shall not pursue a complaint against Ameren Missouri for any violations that OPC might claim have occurred between the date of this Second Stipulation and the date File No. EO-2017-0176 is resolved by a final unappealable Commission order or, if appealed, the date the appeal is finally resolved.

³ The Ameren Missouri donations to be made under sub-paragraphs b and c of this paragraph 3 shall be made "below-the-line" and not included in Ameren Missouri's next proposed general rate case revenue requirement.

GENERAL PROVISIONS

5. This Second Stipulation is being entered into solely for the purpose of settling the issues specifically set forth above, and unless otherwise specifically set forth herein represents a settlement on a mutually agreeable outcome without resolution of specific issues of law or fact. This Second Stipulation is intended to relate *only* to the specific matters referred to herein; no Signatory waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein. No Signatory will be deemed to have approved, accepted, agreed, consented, or acquiesced to any substantive or procedural principle, treatment, calculation, or other determinative issue underlying the provisions of this Second Stipulation except as otherwise specifically set forth herein. Except as specifically provided herein, no Signatory shall be prejudiced or bound in any manner by the terms of this Second Stipulation in any other proceeding, regardless of whether this Second Stipulation is approved.

6. This Second Stipulation has resulted from extensive negotiations among the Signatories and the terms hereof are interdependent. In the event the Commission does not approve this Second Stipulation *or* approves it with modifications or conditions to which a Signatory objects, then this Second Stipulation shall be null and void, and no Signatory shall be bound by any of its provisions.

7. If the Commission does not approve this Second Stipulation unconditionally and without modification, and notwithstanding its provision that it shall become void, neither this Second Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.090, RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Second

Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Second Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

8. If the Commission unconditionally accepts the specific terms of this Second Stipulation without modification, the Signatories waive, with respect only to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2000; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo 2000; (3) their respective rights to the reading of the transcript by the Commission pursuant to Section 386.080.2, RSMo 2000; (4) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and (5) their respective rights to judicial review pursuant to Section 386.510, RSMo Supp. 2011. These waivers apply only to a Commission order respecting this Second Stipulation issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Second Stipulation.

9. The Signatories shall also have the right to provide, at any agenda meeting at which this Second Stipulation is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that each Signatory shall, to the extent reasonably practicable, provide the other parties with advance notice of the agenda meeting for which the response is requested. Signatory's oral explanations shall be subject to public disclosure, except to the extent they refer to matters that are privileged or protected from disclosure pursuant to the Commission's rules on confidential information.

10. This Second Stipulation contains the entire agreement of the Signatories concerning the issues addressed herein.

11. This Second Stipulation does not constitute a contract with the Commission and is not intended to impinge upon any Commission claim, right, or argument by virtue of the Second Stipulation's approval. Acceptance of this Second Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has or as an acquiescence of any underlying issue. Thus, nothing in this Second Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

12. The Signatories agree that this Second Stipulation, except as specifically noted herein, resolves all issues related to these topics, and that the agreement should be received into the record without the necessity of any witness taking the stand for examination. Further, contingent upon Commission approval of this Second Stipulation without modification, the Signatories hereby stipulate to the admission into the evidentiary record of the pre-filed written testimony of witnesses⁴ regarding the resolved issues. Those witnesses testifying on the remaining issue set for evidentiary hearing will be presented at the scheduled evidentiary hearing on March 11, 2020.

WHEREFORE, the Signatories respectfully request that the Commission approve this Second Stipulation and grant any other and further relief as it deems just and equitable.

⁴ This includes the Signatories' witnesses and witnesses of any other party who pre-filed written testimony on the resolved issue(s).

Respectfully submitted,

Respectfully Submitted,

/s/ James B. Lowery

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, this 9th day of March, 2020, to counsel for all parties on the Commission's service list in this case.

/s/ James B. Lowery
James B. Lowery