

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 18th day
of March, 2020.

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)

ORDER APPROVING STIPULATION AND AGREEMENTS

Issue Date: March 18, 2020

Effective Date: March 28, 2020

On February 28, 2020, Union Electric Company d/b/a Ameren Missouri (Ameren Missouri), the Staff of the Commission (Staff), the Office of the Public Counsel (Public Counsel), Missouri Department of Natural Resources - Division of Energy, Missouri Industrial Energy Consumers, Midwest Energy Consumers Group, Consumers Council of Missouri, Natural Resources Defense Council, and the Sierra Club (collectively "Signatories"), filed a non-unanimous stipulation and agreement resolving all but two issues regarding Ameren Missouri's request for a rate decrease. On March 2, 2020, the Signatories filed a Corrected Non-Unanimous Stipulation and Agreement (referred to as the "first stipulation and agreement") with minor corrections. Even though it did not sign the first stipulation and agreement, Renew Missouri Advocates, d/b/a Renew Missouri, indicated that it had no objection to the agreement.

The first stipulation and agreement was filed as a resolution of all issues with the exception of the fuel adjustment clause (FAC) sharing ratio issue and the affiliate transactions issue raised by Public Counsel. On March 4, 2020, the Commission held an on-the-record presentation regarding the first stipulation and agreement. After the on-

the-record presentation, the Commission requested and received additional information from the parties about possible alternate agreements. The Commission also received additional information about the revenue requirement and the rate design contained in the first stipulation and agreement during the evidentiary hearing that was held on March 11, 2020, regarding the remaining contested issue.

On March 9, 2020, Ameren Missouri and Public Counsel filed a Second Non-Unanimous Stipulation and Agreement (referred to as the “second stipulation and agreement”). Ameren Missouri and Public Counsel represented that each of the other parties had no objection to the second stipulation and agreement. The second stipulation and agreement stated that it resolved the affiliate transaction issue that was not resolved in the first stipulation and agreement.

In the first stipulation and agreement, the parties agree that Ameren Missouri should be authorized to file tariffs designed to decrease its annual revenues by \$32 million to become effective April 1, 2020, or as soon as possible thereafter. The first stipulation and agreement also provides for a return on equity in the range of 9.4% to 9.8%. After implementation of new base rates, the first stipulation and agreement provides that Ameren Missouri shall not file additional tariffs seeking to change its base electric rates before July 6, 2020. The first stipulation and agreement also sets out numerous other details of the parties’ settlement including, among others, the billing determinants, the FAC tariffs, tracking mechanisms, low-income assistance programs, and the division of the rate decrease by customer class. The first stipulation and agreement also sets out a detailed rate design plan with new default and optional rate plans, including time-of-use

(TOU) rates designed to be implemented with an Advanced Metering Infrastructure (AMI) phase-in.

The second stipulation and agreement requires Ameren Missouri to provide additional documentation and information about its affiliate transactions in its next rate case. It also provides that Ameren Missouri will donate \$7.0 million to the fourteen consumer action agencies that administer the low-income weatherization assistance programs (LIWAP) in its service territory and an additional \$500,000 to the consumer action agency headquarters for training and administration. Additionally, Ameren Missouri agreed to make available for disbursement by its customer services staff an additional \$500,000 to provide bill assistance to low-income customers. Ameren Missouri agreed these donations would be made “below-the-line” and not included in its next proposed general rate case revenue requirement. Public Counsel agreed these provisions resolved the outstanding affiliate transactions issue and it would not raise the issue again in Ameren Missouri’s next general rate case. Public Counsel also agreed that it would not pursue a complaint for any alleged violations of the affiliate transactions rule for any actions to date or between the date of the second stipulation and agreement and the final resolution of File No. EO-2017-0176.

Commission rule 20 CSR 4240-2.115(2)(B) allows nonsignatory parties seven days to object to a nonunanimous stipulation and agreement. That same rule allows the Commission to treat a non-unanimous stipulation as unanimous if no party timely objects. More than seven days have elapsed since each of the agreements were filed and no party objected. Thus, the Commission will treat both agreements as unanimous.

After reviewing the stipulation and agreements, the Commission determines that an implicit return on equity in the range of 9.4% to 9.8% is reasonable in light of the overall settlement including the \$32 million revenue requirement decrease. Additionally, considering that Ameren Missouri has indicated that it is likely to file another rate case this calendar year, the Commission finds that the new rate design is similar to a wide-scale pilot program from which data about TOU rates and the other features of the rate design can be studied. The Commission finds and concludes that the first and second stipulation and agreements are reasonable resolutions of the issues addressed by those agreements and their terms should be approved.

Because this is a rate reduction and the parties anticipated implementing that reduction by April 1, 2020, the Commission finds that good cause exists to allow compliance tariff's that will be filed by Ameren Missouri to be effective in less than 30-days. The Commission also finds that this order should become effective in less than 30 days.

THE COMMISSION ORDERS THAT:

1. The Corrected Non-Unanimous Stipulation and Agreement filed on March 3, 2020, is approved as a resolution of all issues except the two issues set out in that agreement. The signatory parties are ordered to comply with the terms of the Corrected Non-Unanimous Stipulation and Agreement. A copy of the Corrected Non-Unanimous Stipulation and Agreement is attached to this order and incorporated by reference.

2. The Second Non-Unanimous Stipulation and Agreement filed on March 9, 2020, is approved as a resolution of the affiliate transactions issue raised by the

Office of the Public Council. The signatory parties are ordered to comply with the terms of the Second Non-Unanimous Stipulation and Agreement. A copy of the Second Non-Unanimous Stipulation and Agreement is attached to this order and incorporated by reference.

3. The tariff sheets filed by Union Electric Company, d/b/a Ameren Missouri, on July 3, 2019, and assigned tariff number YE-2020-0001, are rejected.

4. Union Electric Company, d/b/a Ameren Missouri is authorized to file, no later than March 19, 2020, a tariff sufficient to recover revenues as determined by the Commission in this order and may give that tariff an April 1, 2020 effective date.

5. No later than 12:00 p.m. on March 23, 2020, the Staff of the Commission shall file a recommendation regarding the compliance tariff.

6. Any other party may file a response or objection to the compliance tariff no later than 12:00 p.m. on March 23, 2020.

7. If no objections to the compliance tariff are filed, the Regulatory Law Judge may issue an order approving the compliance tariffs or a notice indicating the compliance tariffs will become effective by operation of law.

8. This order shall be effective on March 28, 2020.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Coleman, and
Holsman CC., concur.
Rupp, C., dissents.

Dippell, Senior Regulatory Law Judge