# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Union Electric	)		
Company d/b/a Ameren Missouri for Authority to Defer	)		
Net Energy Cost Impacts of Research and	)	File No. EU-2022	
Development Project to a Regulatory Liability.	)		

# <u>VERIFIED APPLICATION OF UNION ELECTRIC COMPANY D/B/A</u> <u>AMEREN MISSOURI FOR DEFERRAL AUTHORITY</u>

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Company" or "Ameren Missouri"), pursuant to Section 393.140 and 20 CSR 4240-2.060, and hereby requests permission to record certain cost impacts to the amounts to be billed in the Company's fuel adjustment clause ("FAC") arising from a research and development project to a regulatory liability and, in support of its request, states as follows:

### I. APPLICANT

- 1. The Company is a Missouri corporation doing business under the fictitious name of Ameren Missouri, in good standing in all respects, with its principal office and place of business located at 1901 Chouteau Ave., St. Louis, Missouri 63103. Ameren Missouri is engaged in providing electric utility services in portions of Missouri as a public utility under the jurisdiction of the Commission. Ameren Missouri previously submitted to the Commission a certified copy of its Articles of Incorporation (see File No. EA-87-105), as well as its Fictitious Name Registration (see File No. EN-2011-0069), both as filed with the Missouri Secretary of State's Office, which documents are incorporated by reference and made a part hereof for all purposes. A certified copy of Ameren Missouri's Certificate of Corporate Good Standing is attached hereto as Exhibit A and made a part hereof for all purposes.
- 2. Communications regarding this Application should be addressed to the undersigned counsel and to:

Thomas M. Byrne
Senior Director Regulatory Affairs
Ameren Missouri
1901 Chouteau Avenue
PO Box 66149
St. Louis, MO 63166-6149
(314) 554-2514
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3. Other than cases that are docketed at the Commission, Ameren Missouri has no pending actions or final unsatisfied judgments or decisions against it from any state or federal court or agency within the past three years which involve customer service or rates. Ameren Missouri has no overdue annual report or assessment fees.

# II. FACTS REGARDING REQUESTED PERMISSION

- 4. As outlined in the Direct Testimony of Company witness J. Neil Graser filed on July 30, 2021 in File No. ER-2022-0026, the Company has undertaken a research and development ("R&D") project (which commenced in April, 2021) involving use of data centers. The R&D project, involving a data center located at its Sioux Energy Center, is designed to determine whether, among other things, such centers could be operated as a dispatchable resource supporting the electric network's stability or for the delivery of other benefits to the grid. The data centers may also provide new revenues, such as by producing digital assets, which could be used to reduce the revenue requirement used to set rates for all customers if the data centers are put into day-to-day operation, depending on treatment of such revenues in future general rate proceedings.
- 5. However, the data centers consume electricity which increases the load acquired from the MISO<sup>1</sup> market and ultimately manifests itself as either additional purchased power costs

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<sup>&</sup>lt;sup>1</sup> Midcontinent Independent System Operator, Inc.

recorded in FERC Account<sup>2</sup> 555 or as reduced off-system sales recorded in FERC Account 447, in both cases increasing the ANEC<sup>3</sup> to be passed through the Company's FAC. This sum totaled \$8,042 for the 37<sup>th</sup> Accumulation Period under the FAC, a rate adjustment for which was filed on July 30, 2021.<sup>4</sup> That Accumulation Period included the months of April and May, 2021.

- 6. While the impact of the data center's electricity consumption is properly reflected in the FAC, the Company recognizes that neither the Commission nor any party has had an opportunity to address the R&D project. Consequently, the Company believes under these circumstances that it is appropriate to ensure that the impact of the project's electricity consumption on customers is deferred to a regulatory liability so that the Commission can, in a future general rate proceeding, consider whether or not the some or all of the sums in the regulatory liability should be returned to customers. A regulatory liability is necessary to give the Commission this ability since the impact on ANEC and the resulting charges in the FAC are prescribed by the FAC tariff and will automatically be reflected in the FARs paid under the FAC mechanism.
- 7. The R&D project is expected to continue and will therefore impact other Accumulation Periods under the FAC. Consequently, the deferral authority sought by this Application is for the impact arising from Accumulation Periods during which electricity is consumed by the data centers.

<sup>&</sup>lt;sup>2</sup> Federal Energy Regulatory Commission Uniform System of Accounts for Electric Utilities.

<sup>&</sup>lt;sup>3</sup> Capitalized terms not otherwise defined in this Application have the meaning given them in Ameren Missouri's Rider FAC.

 $<sup>^4</sup>$  This figure overstates the impact on customers because it does not include the impact on Accumulation Period Sales (S<sub>AP</sub>) which, if accounted for, would have lowered the impact on customers. However, the Company is seeking authority to defer the entire impact on ANEC to a regulatory liability. Any ultimate treatment of all or a part of the deferred sums can be addressed by the Commission in future general rata proceedings, which could include recognition of the actual impact on customers.

#### II. AUTHORITY SOUGHT

- 11. The Commission has the power to prescribe methods of accounting under Section 393.140(4) and to order the accounts "in which particular outlays and receipts shall be entered, charged or credited" under Section 393.140(8).
- 12. As noted above, to ensure that the Commission and other parties can address the R&D project and its impacts, the Company is voluntarily filing this Application seeking any necessary permission from the Commission to defer the subject sums to a regulatory liability to preserve those sums for consideration in future general rate proceedings.
- 13. Specifically, the Company requests that the Commission give it permission to defer to a regulatory liability the impact on ANEC arising from the R&D project commencing October 1, 2021, the day new FAR rates take effect which will have been impacted by electricity consumption from the R&D project, with such deferral authority to continue until further order of the Commission. Such authority will allow the Company to defer a total of \$8,042 between October 1, 2021 and July 31, 2022, plus additional sums arising from the R&D project's impact on the Company's loads from and after June 1, 2020, as those impacts manifest themselves in ANEC for Accumulation Periods 38 and thereafter.
- 14. The Company respectfully requests that the Commission enter its order approving this request for permission effective prior to October 1, 2021 so that it may commence deferrals concurrently with the effective date of new FARs under its FAC.

### III. REQUEST FOR VARIANCE

15. 20 CSR 4240-4.017(1)(D) allows a variance from the 60-day notice requirement for good cause shown. Under the rule, good cause exists if the request for variance is accompanied by "a verified declaration from the filing party that it has had no communication with the office of the

commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case..." As indicated in the Verification appearing below, Ameren Missouri has had no communications with the office of the Commission (as defined by 20 CSR 4240-4.015(10)) regarding any substantive issue likely to be in this case during the preceding 150 days. Accordingly, Ameren Missouri has established good cause for a waiver from the 60-day requirement of 20 CSR 4240-4.017(1).

WHEREFORE, Ameren Missouri respectfully requests that the Commission issue its order authorizing Ameren Missouri to defer and record to FERC Account 254, Other Regulatory Liabilities, the sums described in paragraph 13 of this Application.

Respectfully Submitted,

/s/James B. Lowery, MO Bar #40503

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

## **VERIFICATION**

The undersigned, being first duly sworn and upon his oath, declares that he is of sound mind and lawful age; and further, under the penalty of perjury, hereby states that the foregoing Application is true and correct to the best of his knowledge, information, and belief, and further states that Ameren Missouri has had no communication with the Office of the Commission, as defined by 20 CSR 4240-4.015(10), within 150 days prior to the filing of this Application regarding any substantive issue likely to be in the case.

Warren Wood, Vice-President Regulatory and Legislative Affairs

Union Electric Company d/b/a Ameren Missouri

# **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the foregoing Application for Intervention was served on all parties of record in this case via electronic mail (e-mail) or via regular mail on this 6th day of August, 2021.

/s/ James B. Lowery
James B. Lowery