

On December 14, 2018, Ameren Missouri and the Commission's Staff submitted a stipulation and agreement regarding Ameren Missouri's proposed interim rate reductions. The agreement was to reduce rates by \$1.94 million on an annualized basis pending the outcome of the general rate proceeding (YG-2019-0119). On December 22, 2018, the Commission approved the interim rate reduction to become effective January 2, 2019.

The Commission conducted four local public hearings in Cape Girardeau, Rolla, Wentzville, and Columbia, Missouri. The Commission scheduled an evidentiary hearing to take place in Jefferson City, Missouri, starting July 25, 2019.

On July 22, 2019, the Commission's Staff, Ameren Missouri, the National Housing Trust, the Office of the Public Counsel, and Renew Missouri submitted a *First Amended Stipulation and Agreement* that resolved all contested issues between those parties. On July 24, 2019, the Commission's Staff, Ameren Missouri, and the MSBA submitted their *Non-Unanimous Stipulation and Agreement as to MSBA Issues*, resolving the contested issues between those parties. The Commission cancelled the evidentiary hearing and scheduled an on the record presentation to ask the parties questions about the stipulations and agreements. This proceeding occurred on August 15, 2019.

On August 16, 2019, Ameren Missouri filed its Motion for Expedited Treatment of Tariff Sheets, along with tariff sheets (YG-2020-0032), pursuant to Commission order. The Motion asks the Commission to approve the tariff sheets filed by Ameren Missouri to become effective on and after September 1, 2019, with the exception of the MSBA pilot program that commences in November 2019.

An overview of the major provisions of the stipulations and agreements is provided below. The stipulations and agreements attached to this order and incorporated by reference as if fully set forth herein, provide the specific details of the stipulations and agreements.

All parties either have signed the *First Amended Stipulation and Agreement*, the *Non-Unanimous Stipulation and Agreement as to MSBA Issues*, or have affirmatively indicated they do not object to the settlement. The Commission will therefore treat the agreement as a unanimous agreement.¹ The parties agreed to waive procedural rights for all issues resolved in the stipulations and agreements if approved by the Commission without condition or modification. The Commission is approving the stipulations and agreements without modification or condition, therefore the parties' waiver of procedural rights is established.

The First Amended Stipulation and Agreement:

The *First Amended Stipulation and Agreement* includes a decrease in Ameren Missouri's annual revenues of one million dollars. This is an incremental increase from the Commission approved interim rate reduction of \$1.94 million enacted pending the resolution of this rate case. Ameren Missouri's revenue requirement is based on a return on equity range of 9.5 to 9.95 percent. Ameren Missouri's capital structure would be Ameren Missouri's actual capital structure as of May 31, 2019. Ameren Missouri's return on equity for its Infrastructure Replacement Surcharge will be 9.725 percent.

¹ Commission Rule 4 CSR 240-2.115(2).

A property tax tracker is included to track and defer all property tax refunds from tax years 2009 through the true up date of the Ameren Missouri's next gas rate case. The incremental Rolla area Purchased Gas Adjustment/Actual Cost Adjustment rate will be consolidated with the system wide Purchased Gas Adjustment/Actual Cost Adjustment rate. Additionally, Ameren Missouri agrees to file its next gas rate case with its next-to-be-initiated electric rate case.

Ameren Missouri will also make changes to its bills to improve customer understanding by including additional information.

MSBA Stipulation and Agreement:

The agreement between Ameren Missouri and the MSBA involves the establishment of a pilot program that will run through the company's next gas rate case. The program involves the parties meeting to develop gas use forecasting improvements to the nomination process. The nomination process is where the company estimates its gas usage for contractual purposes.

Ameren Missouri will file a tariff reflecting the provisions of the pilot program as agreed upon as a compliance tariff in this case. Ameren Missouri will submit to Staff and MSBA a report summarizing the information tracked no later than April 30, 2020. Ameren Missouri and the MSBA ask that the pilot program go into effect November 1, 2019.

Decision:

Ameren Missouri is a gas corporation and public utility subject to Commission regulations pursuant to Chapters 386 and 393, RSMo. When seeking to increase the rates it charges its customers, Ameren has the burden of proof to show by a

preponderance of the evidence that increased rates are just and reasonable.² The Commission will balance the interests of Ameren Missouri's investors in making a reasonable return with the interest of the consumers.³ The Commission is not bound to the use of any single formula when determining just and reasonable rates. It is the results reached, not the method employed which are controlling.⁴

Evaluating the *First Amended Stipulation and Agreement* and *Non-Unanimous Stipulation and Agreement as to MSBA Issues* based on the competent evidence of the whole record, the Commission concludes that Ameren Missouri has met its burden of proof that the rates proposed in the stipulations and agreements are just and reasonable. After reviewing the whole record and the terms of the unanimous stipulations and agreements, the Commission finds that the terms of the agreements support safe and adequate service. The Commission will therefore approve the stipulations and agreements.

The Commission is not required to state separately findings of facts or conclusions of law for those issues disposed of by stipulation and agreement.⁵

Good cause exists to allow the compliance tariffs to be effective in less than 30 days⁶ to align with Ameren Missouri's billing cycles, and to honor the signatory parties agreement, which provides for new rates to take effect as soon as practicable.

² §393.150. *Bonney v. Environmental Engineering, Inc.*, 224 S.W.3d 109, (Mo.App. 2007).

³ *Federal Power Commission v. Hope Natural Gas Co.*, 320 U.S. 591 (1944).

⁴ *State ex rel. Associated Natural Gas Co. v. Pub. Serv. Comm'n*, 706 S.W.2d 870, (Mo.App. W.D. 1985).

⁵ §536.090 RSMo.

⁶ §393.140(11) RSMo.

THE COMMISSION ORDERS THAT:

1. The *First Amended Stipulation and Agreement*, filed on July 22, 2019, is approved as a resolution of the issues addressed in that stipulation and agreement. The signatory parties are ordered to comply with the terms of the stipulation and agreement, which is incorporated herein in its entirety as if fully set forth. A copy of the *First Amended Stipulation and Agreement* is attached to this order as “Attachment A” and is incorporated by reference as if fully set forth herein.

2. The *Non-Unanimous Stipulation and Agreement as to MSBA Issues*, filed on July 24, 2019, is approved as a resolution of the issues addressed in that stipulation and agreement. The signatory parties are ordered to comply with the terms of the stipulation and agreement, which is incorporated herein in its entirety as if fully set forth. A copy of the *Non-Unanimous Stipulation and Agreement as to MSBA Issues* is attached to this order as “Attachment B” and is incorporated by reference as if fully set forth herein.

3. The tariff submitted by Ameren Missouri on December 3, 2018, and assigned Tracking No. YG-2019-0113, is rejected.

4. Ameren Missouri’s *Motion for Expedited Treatment of Tariff Sheets* filed on August 16, 2019, is granted.

5. The tariff sheets filed by Ameren Missouri on August 16, 2019 in Tariff Tracking No. YG-2020-0032, as substituted August 19, 2019, are approved to become effective on September 1, 2019.

6. Ameren Missouri shall file the information required by Section 393.275.1, RSMo. 2016, and Commission Rule 4 CSR 240-10.060 no later than October 1, 2019.

7. This order shall become effective on September 1, 2019.

BY THE COMMISSION



Morris L. Woodruff

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Hall, Rupp, and
Coleman, concur.

Clark, Regulatory Law Judge