

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

In the Matter of the Establishment of a Working )  
Case for the Review and Consideration of a )  
Rewriting and Writing of Existing and ) File No. AW-2018-0394  
New Affiliate Transaction Rules )  
and HVAC Affiliate Transaction Rules. )

**AMEREN MISSOURI’S RESPONSE TO ORDER  
REQUESTING COST OF COMPLIANCE RESPONSES**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Company” or “Ameren Missouri”), and as requested by the Commission’s February 26, 2020 above-referenced order, provides the following response regarding the cost of compliance with the Staff’s third draft rule:<sup>1</sup>

1. While Ameren Missouri has not operated under a rule identical to that reflected in the Staff’s third draft, it has endeavored to develop an estimated annual cost (on average, over the first few years of such rule’s operation) for compliance with an affiliate transactions rule that would be identical to the Staff Draft. Portions of the estimate are quantifiable with a fair degree of accuracy (based upon what is known today). Other portions are less certain and as addressed below, are not capable of estimation at all.

2. Major cost components quantifiable with a fair degree of accuracy:<sup>2</sup>

- a. Maintenance of a position dedicated to affiliate transaction rule compliance —  
for Ameren Missouri, that position is its Cost Allocation Manual (“CAM”) Manager: \$150,000 annually<sup>3</sup>

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<sup>1</sup> This Response is for total compliance with the draft rule, assuming it is adopted by the Commission and there are no variances in place on an ongoing basis.

<sup>2</sup> Annual costs.

<sup>3</sup> Salary, benefits, overhead. Note that all figures cited in this filing are in nominal 2020 dollars and that these estimates do not account for inflation likely to occur in future years.

- b. Accounting, budgeting, other meetings and involvement of Company or service company (Ameren Services Company) personnel or counsel as needed in addressing and ensuring compliance on a day-to-day basis: \$100,000
  - c. Employee training: \$ \$210,000 - 420,000<sup>4</sup>
3. Other activities that are more difficult to estimate but which will likely be required from time-to-time, including:
- a. Additional affiliate transaction-related work in general rate proceedings, which would likely occur on average as often as approximately every two years but at intervals no longer than every four years: \$40,000 (a normalized average, assuming rate cases are filed every two years on average).
4. Other activities which would have a cost but the cost of which cannot be estimated would include all non-service company transactions which, absent a variance, would require significant market testing efforts. These efforts would involve the commitment of significant Company and AMS employee time, with the associated cost, and possibly outside consultant assistance with things such as requests for proposal or benchmarking and related services.

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<sup>4</sup> A range is provided because the cost depends on the duration of the training, which could vary.

Respectfully submitted,

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