

In the Matter of a Union Electric Company d/b/a)
Ameren Missouri's Cost Allocation Manual (CAM).) File No. EO-2017-0176
)

COME NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”) and the Staff of the Missouri Public Service Commission (“Staff”), and for their *Joint Motion to Stay Proceeding* state as follows:

I. Procedural Background

File No. EO-2017-0176

1. This case arises from *Non-Unanimous Stipulation and Agreement Regarding Cost Allocation Manual and Affiliate Transactions* (the "Stipulation") the Missouri Public Service Commission ("Commission") approved on December 21, 2016, in Ameren Missouri's 2016 electric rate case, File No. ER-2016-0179. In the 2016 Stipulation, the parties — Ameren Missouri, Staff, and Public Counsel — agreed to creation of a separate docket to address the development and approval of a Cost Allocation Manual ("CAM") for Ameren Missouri's electric operations, and to address other matters respecting the Commission's electric Affiliate Transactions Rule (codified at 4 CSR 240-20.015).

2. Since that date, the parties met, discussed, and worked through many issues related to the Company's CAM and affiliate transaction issues.

3. On November 30, 2018, Staff and Ameren Missouri filed a Non-Unanimous Stipulation and Agreement (the "Agreement") by which the signatories agreed on the terms of a

CAM applicable to both the electric and gas operations of Ameren Missouri.¹ The agreed-upon CAM is substantially more detailed and specific than the CAMs Ameren Missouri has submitted each year since the Affiliate Transactions Rules first became effective in 2003. The Agreement contains specific provisions covering all aspects of Affiliate Transactions Rules compliance and outlines, in Tab G to the Agreement, certain variances from the Affiliate Transactions Rules.

4. OPC objected to the Agreement on December 6, 2018. Under 4 CSR 240-2.115(2)(D), the Agreement then became the joint position of Ameren Missouri and Staff.

5. The parties filed and the Commission approved a procedural schedule. Ameren Missouri and Staff timely filed their respective direct testimonies on June 14, 2019. Upon further joint motion of the parties, the original procedural schedule was recently amended to extend the due date for filing of rebuttal and surrebuttal testimonies to September 4, 2019 and October 11, 2019, respectively. The evidentiary hearing dates of October 28-29, 2019, set by the originally-approved procedural schedule were unchanged.

6. In direct testimony, Ameren Missouri witness Tom Byrne explained that the Company remains committed to fulfilling the November 30, 2018, CAM's terms and completing each item in its Agreement with Staff, even while this non-unanimous settlement is pending, and provided an update on its progress in meeting those terms and commitments as follows:

- A. Ameren Missouri will implement the training provided for by the CAM within 90 days after CAM approval;
- B. The CAM Team is in place;
- C. The General Office Building ("GOB") space study is complete;
- D. Ameren Missouri will perform the audit requirements provided for in the CAM starting in 2020 (for calendar year 2019);
- E. Ameren Missouri will complete the purchasing rate and inventory loading studies by December 31, 2019 and implement in 2020;

¹ The Commission's Affiliate Transactions Rule applicable to gas operations (4 CSR 240-40.015) is materially the same as the Rule applicable to electric operations (4 CSR 240-20.015). References to "Affiliate Transactions Rules" in this motion refer to both the electric and gas rules, collectively.

- F. Ameren Missouri will have the contracts provided for in paragraph 11.a.iii of the Agreement to be in place within 90 days after CAM approval, subject to Ameren Illinois Company obtaining approval from the Illinois Commerce Commission as required by Illinois law,
- G. Ameren Missouri will continue to use a joint planning and procurement process for obtaining services from Ameren Services Company, and
- H. Ameren Missouri will complete the Fully Distributed Cost study agreed upon with the Staff, including provision of the deliverables provided for in the study scope document agreed upon with the Staff and attached as Schedule BH-2 to the direct testimony of Company witness Ben Hasse.

File No. AW-2018-0394

7. Currently, the Commission only has Affiliate Transactions Rules applicable to electric, gas, and heating utilities, as well as rules applicable to gas utilities with gas marketing operations, and electric, gas, and heating utilities with HVAC affiliates. There are no Affiliate Transactions Rules applicable to water or sewer corporations.

8. On June 27, 2018, the Staff filed a motion to open a working docket (which became File No. AW-2018-0394) indicating that the Staff was of the opinion that “there is, among other things, an opportunity to make the Commission’s rules easier to use” and also indicating the Staff’s belief that the seven different rules in place at the present time should be consolidated into three rules (one rule applicable to electric, gas, gas marketing, heating, and larger water and sewer corporations; one for smaller water and sewer corporations; and one for HVAC services affiliates). The approach taken by Staff’s motion would therefore apply the same rules (on whatever terms are ultimately decided on by the Commission) to the electric, gas, larger water, and larger sewer corporations operating in the state, including Ameren Missouri, Kansas City Power & Light Company and KCPL Greater Missouri Operations Company, The Empire District Electric Company, Spire Missouri, Liberty Utilities, and Missouri-American Water Company.

9. Since opening the workshop docket, Staff has collected comments from stakeholders about the above-referenced draft affiliate transactions rules it prepared and submitted in that working docket and has conducted a workshop.

10. On June 4, 2019, OPC filed a petition asking the Commission to promulgate an affiliate transaction rule applicable to water and sewer corporations, expressing concern about the pace of progress of getting such affiliate transactions rules in place.

11. The Commission denied OPC's rulemaking petition, but established a deadline of September 16, 2019, for Staff to file a draft rule for the Commission's consideration. Staff will file such a rule in File No. AW-2018-0394 by the deadline established by the Commission.

II. Reasons for Motion

12. This docket (i.e., Ameren Missouri's CAM Docket, File No. EO-2017-0176) involves a new and substantially expanded CAM which includes variances from the current Affiliate Transactions Rules (i.e., as they exist today) which are sought by the Company and which the Staff agrees should be granted, given the terms of the current Affiliate Transactions Rules and the commitments made by the Company, for good cause shown. File No. AW-2018-0394 will likely result in the initiation by the Commission of a formal rulemaking under Chapter 536, RSMo and changes to the Affiliate Transactions Rules from which the Company seeks the above-referenced variances.

13. As earlier noted, Ameren Missouri has submitted a robust and detailed CAM applicable to all its operations and is following through on the commitments it made in the CAM itself, as well as those reflected in the Agreement. The terms of the CAM, those commitments, and the terms of the variances sought are driven by the terms of the current Affiliate Transactions Rules. The Company and the Staff each believe that adhering to the CAM's provisions and the commitments made in the Agreement fulfill the purpose of the current Affiliate Transactions

Rules, which is “to prevent regulated utilities from subsidizing their non-regulated operations.”

As such, Ameren Missouri and Staff agree that it would be better to wait for the adoption of final and likely modified Rules before the Commission hears and decides upon approval of a CAM that may appropriately change depending on possible changes to the current Rules. Ameren Missouri and the Staff also agree that it would be better to wait for adoption of final and likely modified Rules before it hears and decides upon variance requests that may also change or that might not be needed, again depending on possible changes to the current Rules.

14. Once a proceeding on the Affiliate Transactions Rules is concluded, it is likely that all these utilities will have an updated and common set of Rules, which one can reasonably expect to contain differences from the current electric, gas, and heating rules that are in place, on which CAMs can then be based. And a determination can also be made at that time whether and to what extent variances may be needed from the terms of those new rules as written.

15. The Company and Staff agree that staying this proceeding as requested herein does not prejudice any party but rather improves the opportunity for all potentially impacted utilities and those utilities’ stakeholders to fully participate in both the workshop process and in the formal rulemaking that is likely to follow.

WHEREFORE, for the foregoing reasons Ameren Missouri and Staff request that the Commission stay further proceedings in this docket until completion of the workshop docket and, ultimately, a formal rulemaking respecting Affiliate Transactions Rules.

Respectfully submitted,

/s/ James B. Lowery

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Public Service Commission

CERTIFICATE OF SERVICE

The undersigned certifies that true and correct copies of the foregoing have been e-mailed or mailed, via first-class United States Mail, postage pre-paid, to the service list of record of this case on this 16th day of August, 2019.

/s/ James B. Lowery
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