

**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 ADDITIONAL RESPONSES**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Company” or “Ameren Missouri”), and as requested by the Commission’s November 7, 2019 *Order Requesting Additional Responses*, provides the following comments on the draft rule submitted in this workshop docket by the Staff on September 9, 2019:

Introduction

1. As outlined in filings made in the Company’s pending Cost Allocation Manual (“CAM”) docket, the Company has been working closely with the Staff over the past two-plus years on developing terms, conditions, and processes to support and enhance the Company’s ability to comply with both the letter and the spirit of the existing Affiliate Transactions Rules (20 CSR 4240-20.015, -40.015). The Company believes that those efforts, which culminated, to-date, in the filing of a stipulation and agreement among the Staff and the Company respecting the Company’s CAM and Affiliate Transactions Rules compliance, have aided both the Company and the Staff in gaining a better understanding of the practical implications of operating under rules that govern transactions with affiliates. More specifically, those efforts have aided both the Company and the Staff in understanding the application of such rules to utilities like Ameren Missouri that obtain services from an affiliated centralized service company. The Company appreciates the Staff’s thoughtful proposed changes to the current Affiliate Transactions Rules, which seek to both preserve the intention of the rules while allowing and enabling utilities to operate in an efficient and sensible manner, including in dealings with their affiliates.

2. As the below comments indicate, from the Company’s perspective the Staff’s draft reflects appropriate updates and improvements to the existing Affiliate Transactions Rules and the Company has only a couple of suggestions for improvements. The Company acknowledges that the Staff took account of many of the comments provided by the Company (submitted on August 10, 2018) on the initial Staff draft that Staff submitted in this docket on June 27, 2018.

Specific Comments on the Staff’s Draft

3. 20 CSR 4240-10.XXX(a)(E) – Definition of “Corporate Support”. While it is clear that the Staff recognized that it is not possible or wise to list and describe every possible area of corporate support – and the Company believes that the Staff’s non-exclusive list does a good job of capturing the most common major areas – the Company suggests adding two other common major areas, facilities management and security, to the non-exclusive list.

4. 20 CSR 4240-10.XXX(a)(E) – Definition of “Information”. The Company acknowledges the Staff’s recognition of ensuring that this definition should not prohibit information sharing unless the information has value, which the Company reads to mean material commercial value. The Company also acknowledges that using a one-size-fits-all dollar threshold as it suggested in its August, 2018 comments may present practical problems. As indicated in those earlier comments, it is clear the intention of the definition to ensure that a regulated utility does not give commercially valuable information to its affiliates without being fairly compensated, and that it not pay its affiliate for commercially valuable information at an unfair price. While that intention is a valid one, it should not prevent beneficial information sharing between affiliates and indeed the Commission should encourage such sharing because in the long run, it will create benefits for customers of the utilities it regulates. The Company’s August, 2018 comments provided concrete examples of instances where those benefits exist because of such information sharing.

To address the problems with using a single dollar threshold, the Company suggests that the definition of “Information” be modified to read as follows (additions *italicized*; deletions ~~stricken~~):

Information means any *commercially marketable* data ~~with competitive value~~ possessed ~~obtained~~ by a covered utility that is not obtainable by nonaffiliates or can only be obtained *by nonaffiliates* at a competitively prohibitive cost in either time or resources. *As used in this definition, such data is “commercially marketable” only if it is expected to generate annual profits in excess of a sum equal to ___% of the covered utility’s Missouri jurisdictional operating revenues, as reported by the covered utility in its most recent annual report submitted to the commission.*

5. 20 CSR 4240-10.XXX(7)(A)(7). The Company suggests that the phrase “other than corporate support” be inserted between “access to” and “services” to be consistent with the draft rule’s treatment of corporate support.

Respectfully submitted,

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