

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

In the Matter of the Propriety of the)	
Rate Schedules for Natural Gas Service of)	File No. GR-2018-0227
Union Electric Company, Doing Business)	
as Ameren Missouri)	

In the Matter of Union Electric Company)	
d/b/a Ameren Missouri's Tariffs to Increase Its)	File No. GR-2019-0077
Revenues for Natural Gas Service)	

STIPULATION AND AGREEMENT

COME NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or the "Company") and Staff of the Missouri Public Service Commission ("Staff"), (collectively referred to as "Signatories"), and submit this *Stipulation and Agreement* ("*Stipulation*") for approval by the Missouri Public Service Commission ("Commission"). All parties to the Show Cause case (File No. GR-2018-0227), and all parties to the general rate case proceeding (including those who have sought to intervene in File No. GR-2019-0077), have either signed this *Stipulation* or have authorized the Signatories to represent that they do not oppose this *Stipulation*.¹

In support of this *Stipulation*, the Signatories respectfully state as follows:

BACKGROUND

1. On February 6, 2018, Staff filed a motion asking the Commission to open a Show Cause to consider the rates charged by Ameren Missouri for natural gas service in light of the then-recently-enacted Tax Cuts and Jobs Act of 2017 ("TCJA"), which reduced the federal corporate income tax rate from 35 percent to 21 percent.

¹ The Office of Public Counsel and Consumers Council of Missouri do not oppose or object to the *Stipulation*. The Missouri Division of Energy, Spire Missouri, the National Housing Trust Authority, Renew Missouri, the Missouri Industrial Energy Consumers, and the Missouri School Boards' Association have applied to intervene in the general rate case proceeding (File No. GR-2019-0077), and do not oppose this *Stipulation*.

2. On February 21, 2018, the Commission issued an Order Opening a Rate Case, Directing Notice, Establishing Time to Intervene, and Requiring [the Company] to Show Cause Why Its Rates Should Not be Adjusted in File No. GR-2018-0227 ("Show Cause Order").

3. On March 19, 2018, Ameren Missouri responded to the Commission's Show Cause Order by explaining that the Commission could require the Company to adjust its gas rates only as part of a general rate case in which all relevant factors are considered, and not through isolated consideration of the single issue of income tax rates.

4. On December 3, 2018, Ameren Missouri filed a general rate case as well as a Motion for Approval of Interim Rate Reduction and for Expedited Treatment ("Ameren Missouri's Motion") in File No. GR-2019-0077.

5. In Ameren Missouri's Motion, the Company proposed to reduce rates by approximately \$1.05 million (on an annualized basis) for the period commencing with the date interim rates are approved through the date the Commission issues its final order setting new general rates for the Company's gas operations to reflect the net effect of all relevant factors considered in the revenue requirement developed using a test year ending March 31, 2018.

6. On December 4, 2018, the Commission issued an Order Setting Time for Responses to Ameren Missouri's Motion pending the outcome of the general rate case proceeding, which sets a deadline for Staff to file a response to Ameren Missouri's Motion and for any other responses to be filed no later than December 17, 2018.

7. Signatories support flowing back the benefits of the TCJA tax rate reductions to the Company's natural gas customers as soon as practical and during the interim period while the new general rates are litigated in File No. GR-2019-0077.

8. The deadline for applications to intervene in File No. GR-2019-0077 is December 17, 2018. If additional applications to intervene are filed after this *Stipulation* is filed, then Signatories will seek to confirm whether the applicant(s) oppose this *Stipulation* and alert the Commission in writing.

9. In light of the foregoing, the Signatories to this *Stipulation* agree to the following terms and conditions.

SPECIFIC TERMS AND CONDITIONS

10. Interim Rate Reduction. Instead of reducing rates by approximately \$1.05 million (on an annualized basis) as proposed in Ameren Missouri's Motion, the Signatories have agreed to reduce rates by \$1.94 million (on an annualized basis) during the interim period while the new general rates are litigated. The stipulated Interim Rate Reduction tariff sheets, which are attached as Attachment A, will be filed by the Company and would take effect on January 2, 2019. The Signatories also agree to establishment of a tracker to defer any amounts of plant-related excess accumulated deferred income taxes ("Excess ADIT") that is above or below the amount set in rates. The proposed tracker is consistent with a similar mechanism approved in File No. ER-2018-0362.

11. Complete Settlement of the Show Cause Proceeding, File No. GR-2018-0227. As a result of settlement discussions, the Signatories have agreed that implementation of the \$1.94 million Interim Rate Reduction as set out in this *Stipulation* constitutes a full and final resolution of all issues in the Show Cause Proceeding, File No. GR-2018-0227.

12. Grant of Motion for Interim Rate Reduction. As a result of settlement discussions, and subject to the terms and conditions contained herein, the Signatories recommend the Commission grant Ameren Missouri's Motion for Approval of Interim Rates and for Expedited

Treatment in File No. GR-2019-0077, but reject the Interim Rate Reduction tariff sheets originally submitted with the Motion and provide instead for the stipulated Interim Rate Reduction tariff sheets in Attachment A to be filed and become effective January 2, 2019. Ameren Missouri will file a Motion for Expedited Treatment at the time it files the compliance tariff sheets.

13. Delegation to Regulatory Law Judge. In light of the intervening holidays, for the stipulated Interim Rate Reduction tariff sheets in Attachment A to become effective January 2, 2019, the Signatories recommend the Commission include in any order it issues approving this *Stipulation* a specific delegation of authority for the presiding Regulatory Law Judge pursuant to Section 386.240, RSMo 2016, to approve the compliance tariff sheets as long as those tariff sheets are consistent with the tariffs sheets provided in Attachment A to this *Stipulation*.

GENERAL PROVISIONS

14. This *Stipulation* is being entered into solely for the purpose of settling the issues specifically set forth above, and represents a settlement on a mutually-agreeable outcome without resolution of specific issues of law or fact. This *Stipulation* is intended to relate *only* to the specific matters referred to herein; no Signatory waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein. No party will be deemed to have approved, accepted, agreed, consented, or acquiesced to any substantive or procedural principle, treatment, calculation, or other determinative issue underlying the provisions of this *Stipulation*. Except as specifically provided herein, no Signatory shall be prejudiced or bound in any manner by the terms of this *Stipulation* in any other proceeding, regardless of whether this *Stipulation* is approved.

15. This *Stipulation* has resulted from negotiations, and the terms hereof are interdependent. If the Commission does not approve this *Stipulation*, approves it with

modifications or conditions to which a party objects, or issues an order in another Commission case that negates its approval or conditions or modifies the *Stipulation* in a manner to which any party objects, then this *Stipulation* shall be null and void, and no Signatory shall be bound by any of its provisions.

16. If the Commission does not approve this *Stipulation* unconditionally and without modification, and notwithstanding its provision that it shall become void, neither this *Stipulation*, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.080 RSMo 2016 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this *Stipulation* had not been presented for approval, any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this *Stipulation*, shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

17. If the Commission unconditionally accepts the specific terms of this *Stipulation* without modification, the Signatories waive, with respect only to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2016; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo 2016; (3) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2016; and (4) their respective rights to judicial review pursuant to Section 386.510, RSMo 2016. These waivers apply only to a Commission order respecting this *Stipulation*

issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this *Stipulation*.

18. This *Stipulation* contains the entire agreement of the Signatories concerning the issues addressed herein.

19. This *Stipulation* does not constitute a contract with the Commission and is not intended to impinge upon any Commission claim, right, or argument by virtue of the *Stipulation's* approval. Acceptance of this *Stipulation* by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has or as an acquiescence of any underlying issue. Thus, nothing in this *Stipulation* is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

20. The Signatories agree that this *Stipulation*, except as specifically noted herein, resolves all issues related to these topics, and that the agreement should be received into the record without the necessity of any witness taking the stand for examination.

WHEREFORE, the Signatories respectfully request that the Commission approve Ameren Missouri's Interim Rate Reduction for natural gas customers as compromised in this *Stipulation*. Additionally, the Signatories request the Commission grant Ameren Missouri's Motion, reject the original Interim Rate Reduction tariff sheets, and instruct the Company to submit the stipulated Interim Rate Reduction tariff sheets in Attachment A. Furthermore, the Signatories request the Commission include in any order it issues approving this *Stipulation* a specific delegation of authority for the presiding Regulatory Law Judge pursuant to Section 386.240, RSMo 2016, to approve the compliance tariff sheets as long as those tariff sheets are consistent with the tariffs

sheets provided in Attachment A to this *Stipulation* so that they may be effective as soon as January 2, 2019, and grant any other and further relief as it deems just and equitable.

Respectfully submitted,

/s/ Jermaine Grubbs

Jermaine Grubbs

Corporate Counsel

Missouri Bar No. 68970

Wendy K. Tatro

Director & Assistant General Counsel

Missouri Bar No. 60261

Ameren Missouri

1901 Chouteau

PO Box 66149, MC 1310

St. Louis, MO 63166-6149

(314) 554-2041 (phone)

(314) 554-4014 (fax)

AmerenMOService@ameren.com

L. Russell Mitten

Missouri Bar No. 27881

BRYDON, SWEARENGEN & ENGLAND

312 East Capitol Avenue

PO Box 456

Jefferson City, MO 65102-0456

(573) 635-7166 (phone)

(573) 634-7431 (fax)

rmitten@brydonlaw.com

For UNION ELECTRIC COMPANY D/B/A AMEREN MISSOURI

/s/ Kevin A. Thompson

Kevin A. Thompson, #36288

Chief Staff Counsel

Missouri Public Service Commission

P.O. Box 360

Jefferson City, MO 65102

(573) 751-6514 Voice

(573) 526-6969 (FAX)

Kevin.thompson@psc.mo.gov

For STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served on all parties of record, as well as entities who have sought to intervene in File No. GR-2019-0077, via electronic mail (e-mail) on this 14th day of December.

/s/ Jermaine Grubbs
Jermaine Grubbs

P.S.C. Mo. No. 2 Original SHEET No. 5.2
 Cancelling P.S.C. Mo. No. _____ SHEET No. _____

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

RESIDENTIAL SERVICE RATE

INTERIM RATE REDUCTION

This bill line is temporarily being added to allow the Company to pass the benefits of service cost reductions on to customers from the federal Tax Cuts and Jobs Act of 2017 and will remain effective until new general rates are ordered by the Missouri Public Service Commission as part of the general rate proceeding Case No. GR-2019-0077.

The below flat rate will be applied as a credit to all metered Ccf of gas to all Residential Customer Bills.

Residential Interim Rate Reduction \$(0.0158)

DATE OF ISSUE December 12, 2018 DATE EFFECTIVE January 12, 2019

ISSUED BY Michael Moehn President St. Louis, Missouri
Name of Officer Title Address

P.S.C. Mo. No. 2 2nd Revised SHEET No. 6.1
 Cancelling P.S.C. Mo. No. 2 1st Revised SHEET No. 6.1

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

GENERAL SERVICE RATE

INTERIM RATE REDUCTION

This bill line is temporarily being added to allow the Company to pass the benefits of service cost reductions on to customers from the federal Tax Cuts and Jobs Act of 2017 and will remain effective until new general rates are ordered by the Missouri Public Service Commission as part of the general rate proceeding Case No. GR-2019-0077.

The below flat rate will be applied as a credit to all metered Ccf of gas to all General Service Customer Bills.

General Service Interim Rate Reduction \$(0.0112)

DATE OF ISSUE December 12, 2018 DATE EFFECTIVE January 12, 2019
 ISSUED BY Michael Moehn President St. Louis, Missouri
Name of Officer Title Address

P.S.C. Mo. No. 2 Original SHEET No. 9.2
 Cancelling P.S.C. Mo. No. _____ SHEET No. _____

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

INTERRUPTIBLE SERVICE RATE WITH AN ASSURANCE OPTION

INTERIM RATE REDUCTION

This bill line is temporarily being added to allow the Company to pass the benefits of service cost reductions on to customers from the federal Tax Cuts and Jobs Act of 2017 and will remain effective until new general rates are ordered by the Missouri Public Service Commission as part of the general rate proceeding Case No. GR-2019-0077.

The below flat rate will be applied as a credit to all metered Ccf of gas to all Interruptible Customer Bills.

Interruptible Service Interim Rate Reduction	\$(0.0052)
--	------------

DATE OF ISSUE December 12, 2018 DATE EFFECTIVE January 12, 2019

ISSUED BY Michael Moehn President St. Louis, Missouri
Name of Officer Title Address

P.S.C. Mo. No. 2 Original SHEET No. 16.9
 Cancelling P.S.C. Mo. No. _____ SHEET No. _____

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

INTERIM RATE REDUCTION

This bill line is temporarily being added to allow the Company to pass the benefits of service cost reductions on to customers from the federal Tax Cuts and Jobs Act of 2017 and will remain effective until new general rates are ordered by the Missouri Public Service Commission as part of the general rate proceeding Case No. GR-2019-0077.

The below flat rate will be applied as a credit to all metered Ccf of gas to all Transportation Customer Bills.

Standard Transportation Interim Rate Reduction	\$(0.0065)
Large Volume Transportation Interim Rate Reduction	\$(0.0044)

DATE OF ISSUE December 12, 2018 DATE EFFECTIVE January 12, 2019
 ISSUED BY Michael Moehn President St. Louis, Missouri
Name of Officer Title Address