

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

In the Matter of Union Electric Company d/b/a Ameren)
Missouri’s Tariffs to Increase Its Revenues for) Case No. ER-2014-0258
Electric Service.)

**NON-UNANIMOUS STIPULATION AND AGREEMENT REGARDING
HEAT RATE-RELATED TESTING ISSUES**

COME NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” on behalf of itself) and the Staff of the Missouri Public Service Commission (“Staff”) (collectively, the “Signatories”), agree as follows:

1. 4 CSR 240.3.161(2)(P) and 4 CSR 240-3.161(3)(Q) address heat rate testing requirements for utilities with fuel adjustment clauses (“FAC”).

2. The Signatories agree that the intention of these rule provisions was to ensure that heat rate tests are conducted on generating units at least every two years, and that results of heat rate testing was available so that the heat rates of the units can be monitored and evaluated in connection with FAC-related proceedings, including prudence reviews and rate case filings where a utility seeks to continue or modify its FAC.

3. 4 CSR 240-3.161(3)(Q) provides as follows:

 (3) When an electric utility files a general rate proceeding following the general rate proceeding that established its RAM as described by 4 CSR 240-20.090(2) in which it requests that its RAM be continued or modified, the electric utility shall file with the commission and serve parties, as provided in sections (9) through (11) in this rule the following supporting information as part of, or in addition to, its direct testimony:

 ...

 (Q) The results of heat rate tests and/or efficiency tests on all the electric utility’s

nuclear and non-nuclear steam generators, HRSG, steam turbines and combustion turbines conducted within the previous twentyfour (24) months;

4. In the present case, Staff and Ameren Missouri have identified different interpretations of these rules.

5. The Signatories agree as follows:

- a. The heat rate related testing provisions of the Commission's rules shall not prevent the Company from continuing its FAC in this case. Any waiver of the rules that may or may not be necessary shall, by the Commission's approval of this Stipulation, be deemed to have been granted.
- b. The Signatories will work together to recommend revisions to the heat rate testing-related provisions of the Commission's rules consistent with the overall intention of having heat rate testing-related rules so that the heat rates of the units can be monitored and evaluated in connection with FAC-related proceedings, including prudence reviews and filings where utilities seek to continue FACs. The Signatories note that workshops are currently anticipated in File No. EW-2011-0139 to discuss these and other possible revisions to the Commission's FAC rules.
- c. Until such time as the Commission modifies the heat rate related-testing provisions of its rules, the Company will continue its current practice of testing all of its units at least once every "rolling 2-year period" ending February 28 of each year. Moreover, the Company will provide to Staff, the Office of the Public Counsel and intervening parties, as part of its direct case workpapers, all heat rate testing results not previously provided each time it files a general rate proceeding, and will also provide at that time as part of its workpapers an updated table in the

format provided by the Company in response to Staff data request No. 272.2 in this case. So long as the Company complies with this subparagraph, it will be deemed to have complied with the heat rate testing requirements in its subsequent rate case filings and no waiver of those requirements will be necessary.

- d. Upon modification of the heat rate testing-related provisions of the Commission's rules, the agreement in subparagraph c will no longer be in effect, it being agreed, however, that Staff and the Company will endeavor to ensure that any new rules provide an appropriate transition period for compliance with any new rules that may change the approach reflected in subparagraph c and, if necessary, will support any needed waiver of any new rules necessary to allow the Company to change its heat rate testing practices to comply with any new rules.

6. This Stipulation is being entered into for the purpose of disposing of the issues that are specifically addressed in this Stipulation. In presenting this Stipulation, none of the signatories shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking principle or procedural principle, including, without limitation, any method of cost or revenue determination or cost allocation or revenue related methodology, and none of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation (whether it is approved or not) in this or any other proceeding, other than a proceeding limited to enforce the terms of this Stipulation, except as otherwise expressly specified herein. More specifically, no Signatory will, in this case or in any subsequent proceeding, argue or otherwise claim or contend that a Signatories' decision to compromise or settle an issue settled herein suggests, indicates, proves, or implies that a Signatories' position on such issue or on any other issue in this or in another proceeding lacks merit, nor shall any Signatory argue that such compromise

and settlement in any way supports a Signatory's position on an issue in this or any other proceeding.

7. This Stipulation has resulted from extensive negotiations and the terms hereof are interdependent. If the Commission does not approve this Stipulation without modification, then the Stipulation shall be void and no signatory shall be bound by any of the agreements or provisions herein.

8. If the Commission does not unconditionally approve this Stipulation 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 2000 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, and 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.

9. If the Commission unconditionally accepts the specific terms of this Stipulation without modification, the signatories waive, with respect to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2000; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo 2000; (3) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and (4) their respective rights to judicial review pursuant to

Section 386.510, RSMo 2000. 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. This Stipulation contains the entire agreement of the Parties concerning the issues addressed herein.

10. This Stipulation does not constitute a contract with the Commission. 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. 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.

11. If the Commission has questions for the signatories' witnesses or signatories, the signatories will make available, at any on-the-record session, their witnesses and attorneys on the issues resolved by this Stipulation, so long as all signatories have had adequate notice of that session. The signatories agree to cooperate in presenting this Stipulation to the Commission for approval, and will take no action, direct or indirect, in opposition to the request for approval of this Stipulation.

WHEREFORE, the Signatories respectfully request the Commission to issue an Order in this case approving this Stipulation.

Respectfully submitted,

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Attorney for the Staff

Dated: January 9, 2015

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this 9th day of January, 2015, served the foregoing either by electronic means, or by U. S. Mail, postage prepaid addressed to all parties of record.

James B. Lowery

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