

Exhibit No.:

Issues: *Dues & Donations, New Bill
Format Costs, Advertising,
Board of Directors Fees &
Expenses; True-Up Audit*

Witness: *Jason Kunst*

Sponsoring Party: *MoPSC Staff*

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MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION

UTILITY SERVICES - AUDITING

SURREBUTTAL TESTIMONY

OF

JASON KUNST

**UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri**

CASE NO. ER-2014-0258

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*Jefferson City, Missouri
February 2015*

**** Denotes Highly Confidential Information ****

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1 EDISON ELECTRIC INSTITUTE (EEI) DUES

2 Q. Does Staff believe that ratepayers may receive some benefit in association with
3 Ameren Missouri's membership in EEI?

4 A. Yes. Staff reviewed the EEI website, as well as the information provided by the
5 Company in Staff Data Request Nos. 0149, 0150, and 0413. Staff believes that while there may
6 be some benefit to ratepayers, the membership appears to primarily benefit the Company and its
7 shareholders. Staff's recommendation to disallow the entire amount of EEI dues stems from the
8 Company's failure to quantify these benefits between the shareholders and the ratepayers as
9 ordered in *Kansas City Power and Light ("KCPL")*, Case No. ER-82-66. *The Report and*
10 *Order* issued in Case No. ER-82-66 states:

11 KCPL included \$105,000 of its EEI dues in Missouri jurisdictional cost of
12 service...The Staff and Office of Public Counsel oppose recovery of this
13 expense from the ratepayers on two levels. First, both contend that EEI is
14 a lobbying organization whose primary objective is to promote
15 shareholder interests, and therefore the expense should be disallowed.
16 Second, both question the existence of benefits accruing to the ratepayers
17 from EEI activities...The Commission still believes the question is one of
18 benefit to the ratepayer. In the instant case there appears to be some
19 possible benefit, but until the Company can better quantify the benefit and
20 activities that were the casual factor of the benefit, the Commission must
21 disallow EEI dues as an expense. The Commission also points out that the
22 Company needs to develop some method of allocating expenses between
23 its shareholders and the ratepayers once the benefits and activities leading
24 thereto have been adequately quantified.

25 Staff's position was upheld in subsequent KCPL Case Nos. ER-83-49 and EO-85-185.

26 Q. Are there any other cases that the Commission has ruled on that address the issue
27 of EEI dues?

28 A. Yes. In *Arkansas Power and Light*, Case No. ER-85-265 the *Report and Order*
29 states:

1 The Commission has reviewed the evidence in this case and
2 reaffirms its previously stated position that a utility company must
3 properly assign EEI dues based upon the respective benefit to the
4 ratepayers and the shareholders. Re: Kansas City Power and Light
5 Company, 26 Mo. P.S.C. (N.S.) 104, 114 (1983). Company has failed to
6 properly assign costs in this case as required. The Commission finds
7 further that the evidence indicates that NARUC has not adopted the two-
8 thirds standard as suggested by the Company. The Commission would
9 also suggest to the Company that this issue would not be relitigated if
10 Company would refrain from seeking recovery of EEI dues until it can
11 properly assign the benefits as required by the Commission.

12 Similarly in *Union Electric Company*, Case No. EC-87-114, the Commission's *Report and*
13 *Order Stated*:

14 The Commission has consistently excluded EEI dues from cost
15 of service for the last several years on the ground that these payments
16 have not been shown to produce any direct benefit to the ratepayers.
17 Recently the Commission has stated that not only must a direct benefit be
18 shown but the benefits must be quantified and allocated between
19 shareholders and ratepayers. See Re: Kansas City Power and Light
20 Company, 75 P.U.R.4th 1, 31, 28 Mo. P.S.C (N.S.) 228, 259 (1986).
21

22 The Commission continues to adopt this standard as reasonable for
23 the inclusion of EEI dues in cost of service. The Company's testimony
24 includes a list of benefits which it alleges have resulted from EEI
25 membership. No quantification or allocation of EEI benefits appear in the
26 Company's testimony other than the hearsay statement that 20 percent of
27 EEI activities are devoted to lobbying.
28

29 Since the Commission's standard has not been met for the
30 inclusion of EEI dues in the Company's cost of service, the Commission
31 concludes that EEI dues should be excluded from the cost of service...

32 Q. Does Staff believe any portion of the EEI dues should be included in the
33 cost-of-service calculation?

34 A. No. In her rebuttal testimony, Company witness Moore listed several projects and
35 activities that EEI is involved with; however, she provided no information to support how much
36 of their membership dues are allocated to each activity. Additionally, Company witness Moore
37 failed to provide quantification of the benefits between shareholders and ratepayers as ordered in

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1 the aforementioned KCPL cases. The Company bears the burden of proof in quantifying any
2 possible benefits to the ratepayers, and thus far has failed to do so in this case.

3 Q. Did Staff request that the Company provide an allocation of the EEI dues based
4 upon the benefits received by shareholders and ratepayers?

5 A. Yes. Staff Data Request No. 0149 in the current case requested the following
6 information from the Company:

7 With regard to the twelve months ending March 31, 2014, please provide a
8 detailed description of the services that are provided by Edison Electric
9 Institute. Please include a percentage of billings for each service or benefit
10 from EEI. Of these services or benefits, please provide what is received by
11 Ameren Missouri and what is received for the benefit of the ratepayer.

12 The Company's response was a narrative of the benefits of being a member of EEI,
13 primarily taken from the EEI website. The information can also be found in the rebuttal
14 testimony of Company witness Moore on pages 4 through 10. The Company did not provide any
15 cost-allocation of the dues between shareholders and ratepayers in either its response to Staff
16 Data Request No. 0149 or in Company witness Moore's rebuttal testimony.

17 Q. Did Company witness Moore admit that she has not provided the necessary
18 quantification of benefits as required by the Commission's previous orders to facilitate inclusion
19 of EEI dues in rates?

20 A. Yes. On page 10, lines 6-10 of her rebuttal testimony, Ms. Moore stated:

21 The Commission should allow the recovery of the non-lobbying portion of
22 the Company's EEI dues because, while it is not possible to quantify a
23 dollar benefit of any one of the above items, it is clear that EEI
24 membership provides very substantial benefits to Ameren Missouri's
25 customers. These benefits greatly exceed the EEI membership fees
26 requested in this case.

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1 Q. Has Staff requested that the Company provide an adequate quantification of the
2 benefits received between ratepayers and shareholders prior to Staff Data Request No. 0149 in
3 this case?

4 A. Yes. This is certainly not a new issue to the Company. Staff has submitted
5 similar data requests in at least Ameren Missouri Rate Case Nos. ER-2010-0036 (Staff Data
6 Request No. 0219), ER-2011-0028 (Staff Data Request No. 0202), and ER-2012-0166 (Staff
7 Data Request No. 0171). The Company failed to provide an adequate quantification of the
8 benefits or a percentage breakdown between ratepayers and shareholders in each of the
9 aforementioned rate cases.

10 Q. Has Staff included the costs associated with employees attending training
11 seminars and materials under EEI sponsorship?

12 A. Yes. Staff has included the costs in its case for employees to attend training
13 seminars or for the Company to purchase training materials. These fees are charged separately to
14 member companies and not included in the membership fee paid to EEI.

15 Q. Please summarize Staff's position with regard to EEI membership dues.

16 A. Staff believes the ratepayer may receive some benefits from the various activities
17 and programs listed in Company witness Moore's rebuttal testimony and the response to Staff
18 Data Request No. 0149. Staff contends that the Company has not provided a quantification of
19 the benefits between the ratepayers and shareholders, and thus failed to comply with prior
20 Commission precedent requiring the Company to allocate the benefits received between
21 ratepayers and shareholders. Therefore, Staff recommends that the Commission disallow the
22 \$483,000 of EEI dues incurred by the Company in the test year.

1 **ENVIRONMENTAL GROUPS**

2 Q. Does Staff agree with Company witness Moore statements found on page 11 of
3 her rebuttal testimony, on lines 15 through 22, that the \$500,000 paid to various environmental
4 groups should be included in costs for ratemaking purposes?

5 A. No. Staff has concerns with the amount of lobbying that is performed by the
6 Utility Water Act Group ("UWAG"), Utility Air Regulatory Group ("UARG"), the Utility Solid
7 Waste Activities Group ("USWAG"), and the Midwest Ozone Group ("MOG"). It is Staff's
8 position that the primary purpose of these groups is to address environmental regulation on
9 behalf of the utility industry, whose interests do not necessary align with those of ratepayers.

10 Q. What lobbying activities are the groups above engaged in?

11 A. The MOG's website (www.midwestozonegroup.com) states its primary goal is to
12 "work with policy makers in evaluating air quality standards". The 2014 dues for the MOG were
13 paid directly to Steptoe & Johnson LLP, an international law firm that engages in lobbying
14 activities. The USWAG's website (www.uswag.org) states the following:

15 USWAG is responsible for addressing solid and hazardous waste issues on
16 behalf of the utility industry...USWAG engages in regulatory advocacy
17 pertaining to RCRA, TSCA, HMTA. USWAG's mission is to address the
18 regulation of utility wastes, byproducts and materials in a manner that
19 protects human health and the environment and is consistent with the
20 business needs of its members...

21 The UWAG dues are paid directly to Hunton & Williams LLP, another law firm that has
22 seven registered lobbyists who actively engage in lobbying on environmental issues.
23 Hunton & Williams LLP is also the firm that represents the UARG. Neither the UARG
24 or UWAG maintain websites. Internet searches only return contact information for Hunton &
25 Williams LLP.

1 Q. Did the Company allocate any portion of these dues below the line as
2 lobbying costs?

3 A. No. In response to Staff Data Request No. 0561 in ER-2014-0258 which stated
4 "did the company make an adjustment to remove any lobbying portion of the dues for
5 these groups," the Company indicated it did not remove a portion of these dues for
6 lobbying expenditures.

7 Q. Company witness Moore listed various benefits that the Company receives from
8 its membership in these groups on pages 12 through 16 of her rebuttal testimony. Was Staff able
9 to review any of the issue tracking or advice they received from the above groups?

10 A. No. Staff submitted Data Request No. 0413 which stated the following:

11 For the following groups please provide the "yearbook" and all similar
12 documentation summarizing the group's activities, projects, and
13 accomplishments that occurred during period covering April 1, 2013
14 through January 1, 2015 (updating when available): a) Edison Electric
15 Institute, b) Utility Water Act Group (UWAG), c) Utility Solid Waste
16 Activities Group (USWAG), d) Utility Air Regulatory Group (URAG),
17 and e) Midwest Ozone Group. This documentation should include
18 descriptions of the activities in both the governmental relations/lobbying
19 and non-lobbying areas. Provide all documentation that address the
20 referenced time period above.

21 The Company's response to b) through e) of the above data request was that the
22 "information was confidential and privileged pursuant to the attorney-client privilege and
23 work-product doctrine."

24 Q. Did Ameren Missouri provide a benefit allocation between the ratepayers and the
25 shareholders for the benefits listed in the rebuttal testimony of Company witness Moore and
26 Staff Data Request No. 0219 in ER-2014-0258.

27 A. No. Similar to the EEI dues above, the Company responded it would be
28 impossible to quantify the benefits of membership between the ratepayers and the shareholders.

1 Q. Please summarize Staff's position with regards to the dues paid to the
2 environmental groups?

3 A. Staff believes these groups primary purpose is to represent the utility industry in
4 the regulatory and legislative arenas. Without being able to view any of the work performed by
5 these groups in the test year, Staff is unable to evaluate if there were any benefits to the
6 ratepayers. In general, Staff's position is that costs associated with lobbying and political
7 advocacy activities should not be recovered from customers in rates.

8 **MISCELLANEOUS EXPENSES AND DUES AND DONATIONS**

9 Q. Is the Company seeking recovery of any additional dues and donation amounts
10 not included in Staff's case?

11 A. Yes. Beginning on page 17 of her rebuttal testimony, Company witness
12 Moore discusses multiple items that she believes should have been included in the Staff's
13 cost-of-service calculation. Based on additional information and clarification provided by the
14 Company, Staff has reconsidered some of the adjustments that were made in the direct filing.
15 Staff believes that \$144,992 of the previously recommended disallowance should be included in
16 its cost-of-service calculation. Included in this amount is \$127,454 for the adjustment to remove
17 what were previously identified as gas operations expenditures, \$3,036 for the membership
18 annualization adjustments, \$5,200 for the corporate membership to the American Nuclear
19 Society, and \$1,809 for out of state memberships and licenses that benefit Ameren Missouri
20 ratepayers.

21 Q. Does Staff disagree with any of proposed adjustments by Company witness
22 Moore described on pages 17 through 19 of her rebuttal testimony?

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1 A. Yes. Staff does not agree with the adjustments to include \$59,052 for the
2 corporate membership to the National Electric Energy Testing Research & Application Center
3 (“NEETRAC”), \$7,347 for the Electrical Board of Missouri and Illinois, \$5,239 of the out of
4 state memberships, and the \$56,421 for the office space leased in Washington, DC.

5 Q. Why does Staff disagree with the Company witness Moore’s proposed adjustment
6 to correct the annualization of the NEETRAC dues?

7 A. During the test year ending March 31, 2014, the Company paid NEETRAC
8 \$59,052 of dues for calendar years 2013-2014 and \$59,452 of dues for 2014-2015. Staff erred in
9 calling the adjustment an annualization in direct testimony, as it really represents a normalization
10 adjustment. Staff did include the test year level of 2014-2015 NEETRAC dues in it’s of service
11 calculation. Staff believes the \$59,052 of 2013-2014 dues was correctly removed and
12 recommends that the Commission disallow these costs. Allowing the Company to recover the
13 2013-2014 NEETRAC fees that were paid during the test year, in addition to the 2014-2015 fees
14 that were also paid during the test year would constitute a double recovery for these dues.

15 Q. Why does Staff disagree with Company witness Moore’s explanation regarding
16 Staff’s treatment of the costs associated with the Electrical Board of Missouri and Illinois?

17 A. Staff reviewed its direct work papers again after the reading the rebuttal testimony
18 of Company witness Moore. Upon further review Staff made no adjustment to remove the
19 dues paid to the Electrical Board of Missouri and Illinois. Company witness Moore is mistaken
20 in this regard.

21 Q. For what out of state licenses and membership dues does Staff recommend
22 exclusion from the cost-of-service calculation?

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1 A. The Staff recommends that the Commission disallow \$5,093 for the out-of-state
2 memberships to the Illinois Environmental Regulatory Group (“IERG”) and the Iowa Taxpayers
3 Association. Staff believes the IERG falls into a similar category as the environmental groups
4 previously mentioned in this testimony. According to the Iowa Taxpayers Association website
5 (www.iowataxpayers.org):

6 Since its formation in 1935, the Iowa Taxpayers Association mission has
7 been to educate and inform Iowans about sound fiscal policy; provide state
8 policymakers with objective, nonpartisan research about the impact of
9 specific tax and spending policies; and advocate for the adoption of
10 rational public fiscal policy as it relates to business and corporate taxes.

11 Staff believes these are out-of-state lobbying groups that promote the interests of their members
12 and not necessarily the interest of Ameren Missouri’s ratepayers.

13 Q. Has Staff changed its adjustment to remove the cost of the leased office space in
14 Washington DC?

15 A. No. Staff has received additional information in response to Staff Data Request
16 Nos. 0535 and 0567. The information provided in response to those requests did not persuade
17 Staff to change its adjustment with regard to this issue. The Staff believes these lobbying related
18 costs are of no benefit to Missouri electric ratepayers.

19 **NEW BILL FORMATTING COSTS**

20 Q. Based on Company witness Moore’s rebuttal testimony regarding new bill format
21 costs, found on page 38, lines 4 through 20, has Staff made corrections to its direct testimony
22 adjustments related to this issue?

23 A. After reviewing additional information provided by the Company, Staff
24 has reconsidered some of its adjustments for these expenditures. Staff now believes that
25 \$27,304 that had previously been recommended for disallowance should be included in the

1 cost-of-service calculation. The Staff believes that with this correction that this issue is
2 now resolved.

3 **PROPERTY TAX EXPENSE**

4 Q. Has the Staff received the amount of property tax expense paid by Ameren
5 Missouri through the true-up period cutoff of December 31, 2014?

6 A. Yes. The Staff has received and reviewed the 2014 property tax expenses.
7 The Company paid \$141,618,366 and Staff has reflected this amount as part of its true-up
8 cost-of-service calculation. The Staff and Company now agree on the proper amount of property
9 tax expense to be included in rates in this rate case.

10 **ADVERTISING**

11 Q. Has the Staff's reconsidered its recommendation of any advertisement costs since
12 the time of its direct testimony filing?

13 A. Yes. Since the time of Staff's direct testimony filing, the Company has supplied
14 information with regard to two advertisements that were not made available to Staff to review at
15 the time of the direct filing in this case. After reviewing the information provided by the
16 Company, Staff has modified its direct testimony position to include \$197 of costs for the solar
17 farm artwork and \$16,644 for the energy efficiency advertisements, and is now recommending
18 that \$16,841 be added back into its cost-of-service calculation for the combined cost of those
19 two advertisements. Staff would note that Company witness Muniz incorrectly listed the cost of
20 the solar farm artwork as \$197,000 in her rebuttal testimony on page 17, line 7. The correct cost
21 was \$197.

22 Q. Are there any other adjustments that Staff would like to make?

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1 A. Yes. Staff made an error in its direct filing and did not remove the \$1,621 for the
2 downtown pole banners in question. Staff has made the correction and recommends
3 disallowance of those costs.

4 Q. Did the Company spend any money during test year for promotional advertising?

5 A. No it did not. The Staff points out that the Company has not expended funds
6 during the test year to promote the use of electricity most likely because this would conflict with
7 advertising designed to encourage customers to be energy efficient. Furthermore, Ameren
8 Missouri customers have no option to choose another electricity provider in that they are captive
9 customers of a regulated monopoly.

10 Q. Did Staff remove any costs for political advertising in its direct filing?

11 A. No. The Company did not incur any costs during the test year for any political
12 advertisements.

13 Q. Has the Staff allowed all advertising costs incurred during the test year that were
14 deemed to be general and safety?

15 A. Yes.

16 Q. Are the advertising costs that the Staff is proposing for disallowance in this case
17 limited to just institutional advertising?

18 A. Yes. The only advertising costs incurred during the test year that Staff
19 recommends that the Commission disallow are institutional advertisements.

20 Q. Company witness Muniz states in her rebuttal testimony on page 18, lines 8-9,
21 that "In total, the difference between what the Staff is proposing and what should be allowed is
22 \$698,734." Does Staff have any clarification as to the quantification of the overall differences
23 that exist between the Staff and the Company with regard to advertising expense in this case?

1 A. Yes. During the test year the Company spent a total of \$4,396,357 on advertising;
2 that total does not include energy efficiency related advertising costs that were passed through
3 Ameren Missouri's MEEIA rider. Of this approximate \$4.4 million test year amount, \$443,750
4 was recorded below-the-line. Therefore, Company's direct case reflected an inclusion
5 of \$3,952,607 of advertising costs for recovery in rates. No Company witness sponsored any
6 direct testimony in this case or any adjustment to remove any of this \$3,952,607 test year
7 above-the-line level of advertising cost from their \$264 million rate increase request in this rate
8 case. The Staff has proposed an adjustment to exclude \$1,449,972 of test year advertising
9 expense, all of which represents institutional advertising. As part of her rebuttal testimony,
10 Ms. Muniz agrees that \$801,834 of Staff's approximate \$1.5 million recommended disallowance
11 adjustment is institutional and should be removed from the cost-of-service calculation in this
12 case. However, Ms. Muniz seeks to recover approximately \$648,588¹ of Staff's \$1.5 million
13 recommended adjustment based on differing categorizations that she has sponsored in
14 her rebuttal testimony. The following chart sums up the Staff and Company difference as of
15 this filing.

Advertisement	Test Year Costs	Staff Amount	Company Amount	Company/Staff Difference
Community Lights Campaign	\$ 283,485	\$ -	\$ 283,485	\$ (283,485)
Storm Response Ads	\$ 49,901	\$ -	\$ 49,901	\$ (49,901)
Cardinals Digital Signs	\$ 44,222	\$ -	\$ 44,222	\$ (44,222)
Reliability Fair Invite	\$ 66,610	\$ 33,305	\$ 66,610	\$ (33,305)
Louie the Lightning Bug	\$ 52,664	\$ -	\$ 52,664	\$ (52,664)
Downtown Pole Banners	\$ 1,621	\$ -	\$ 1,621	\$ (1,621)
Social Media Campaign	\$ 366,780	\$ 183,390	\$ 366,780	\$ (183,390)
	\$ 865,283	\$ 216,695	\$ 865,283	\$ (648,588)

¹ The \$698,734 number cited by Company witness Muniz on page 18, lines 8-9 includes the full amount of the reliability fair invite, Staff only removed half of \$66,610 cost. It also does not include recent changes by Staff as of this filing.

1 Q. On page 2, lines 15-18, of her rebuttal testimony Company witness Trina J. Muniz
2 states "The Commission Staff puts all of these expenditures into a grouping they call
3 "advertising," which is also the language historically used at the Commission for these costs.
4 I believe this term to be incorrect when applied to many of the costs identified by Mr. Kuntz
5 [*sic*]." Does Staff believe advertising is the correct term to use for these expenditures?

6 A. Yes. Staff believes the term advertising is correctly applied when addressing this
7 issue. On page 2, line 20-21, Ms. Muniz wrote "The traditional definition of "advertising" is the
8 activity or profession of producing information for promoting the sale of commercial products or
9 services." Staff disagrees with that definition and believes that the definition of advertising is
10 more pervasive in that it means "the action of calling something to the attention of the public
11 especially by paid announcements."² When Ameren Missouri or Ameren Corporation advertises
12 to Ameren Missouri electric ratepayers, they are attempting to draw the attention of the
13 ratepayers to an issue or to associate the Ameren Missouri name with a popular local sports team
14 such as the St. Louis Cardinals, and are not necessarily promoting the sale of electricity.
15 Ms. Muniz is unfairly restricting the scope and the definition of advertising and in the process is
16 attempting to limit the application of the long-standing KCPL advertising standard to just
17 promotional advertising, which is clearly not appropriate.

18 Q. Company witness Muniz uses the terms "educating customers" and
19 "communications expenses" throughout her rebuttal testimony. If Staff were to replace the word
20 "advertising" with the term "communication" or "education," would the advertising standard as
21 set forth in the Kansas City Power and Light Company, Case No. EO-85-185 still apply and
22 should the same method be used to categorize the ads?

² "Advertising." *Merriam-Webster.com*. Merriam-Webster, n.d. Web. 22 Jan. 2015. <<http://www.merriam-webster.com/dictionary/advertising>>.

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1 A. Yes. Staff believes that Ms. Muniz is merely attempting to sidestep the KCPL
2 standard by referring to advertising through terminology that on the surface appears to be more
3 suitable. No matter what term Ms. Muniz chooses to use, it does not change the fact that the
4 KCPL standard is still applicable. Ms. Muniz' proposed change in terminology does not change
5 the Staff's long-standing, consistent application and determination of the primary message on an
6 ad-by-ad basis to each advertisement. The Commission could replace the term advertising with
7 either of the terms used by Ms. Muniz and it should not affect how the standard is applied. The
8 following excerpt from the Commission's *Report and Order* in KCPL Case No. EO-85-185
9 illustrates this point:

10 Excerpt from *Report and Order* in Case EO-85-185:

11 In addition, the Commission determines on this record that the ratepayers
12 should not bear the costs of institutional or goodwill "*communication*".
13 The Commission cannot conclude herein that institutional
14 "*communication*" is beneficial to ratepayers. If the Company desires to
15 improve its public image, that is management's business, but the costs will
16 not be borne by the ratepayers under the rates established in this case. The
17 Commission does believe that promotional "*communication*" can be
18 beneficial to the ratepayers and should not be arbitrarily disallowed, but
19 any benefit must be cost-justified. The benefits from those expenditures
20 must be demonstrated to exceed the costs of the promotional
21 "*communication*" itself. The Commission determines a fifth category
22 should be added to Staff's list of recommended categories. The fifth
23 category would be that of political "*communication*". Political
24 "*communication*" does not benefit the ratepayers and is not properly
25 charged to them. There is no argument as to the disallowance of this type
26 of "*communication*" in the instant case. Thus, the Commission is
27 discontinuing its application of the New York Rule and is adopting Staff's
28 recommended categories of "*communication*" expense, as well as adding
29 a fifth category for political "*communication*".

30 Q. Does Staff believe that Ms. Muniz uses the terminology "communication" and
31 "education" in an attempt to make the expended advertising costs appear necessary and of
32 benefit to ratepayers rather than institutional in nature and of no benefit to ratepayers?

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1 A. Yes. Staff believes that the Company's use of these terms is to portray to the
2 Commission that Ameren Missouri is merely seeking recovery of advertising costs in rates for
3 necessary "communication" that the customer "needs to know about." Staff believes that these
4 terms are being used to distract from the fact that Ameren Missouri is actively engaged in
5 preparing, producing and paying for institutional advertising targeted at its customers in an
6 attempt to build a more favorable image of the Company in customer's minds or to portray the
7 Company as a good corporate citizen. A prime example of this is demonstrated by the
8 advertisements that associate Ameren Missouri with local sports teams such as the Cardinals, the
9 Rams and the Blues.

10 Q. On page 3, lines 9-13, Company witness Muniz states, regarding the Ameren sign
11 located on the outfield wall at Busch Stadium, "Ameren Missouri does have expenditures which
12 are goodwill expenditures because it is a part of the corporate community of St. Louis. The cost
13 of the Ameren sign and other goodwill expenditures are not, however, included in Ameren
14 Missouri's revenue requirement in this case. I am addressing a different set of communications
15 costs." Did Ameren Missouri include other goodwill advertising expenditures in its approximate
16 \$264 million rate increase request as part of its direct testimony filing?

17 A. Yes, Ameren Missouri did include other goodwill advertisement costs in their rate
18 increase request in this case. Ms. Muniz is correct in that Ameren Missouri did record the cost of
19 the prominent sign located on the outfield at Busch Stadium in a below-the-line account, but she
20 neglects to mention that similar signage at other sports venues in St. Louis and the surrounding
21 area were not removed from Ameren Missouri's proposed cost-of-service calculation. Ameren
22 Missouri failed to record the cost of similar advertising, such as sponsoring the "Ameren Power
23 Play" at St. Louis Blues games, in below-the-line accounts. Please see Schedule JK-2, page 1 for

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1 a picture of the “Ameren Power Play” displayed on the Jumbotron at Blue’s home games. Staff
2 discovered that these costs were recorded in above-the-line accounts and made an adjustment to
3 remove approximately \$160,000 for similar expenditures with the St. Louis Blues at the
4 Scottrade Center. Similarly, Staff proposes to disallow \$150,000 for amounts paid by Ameren
5 Missouri to the St. Louis Rams at the Edward Jones Dome, as well as various other similar
6 goodwill advertising expenditures from the cost-of-service calculation that the Company
7 included in its direct filing in this case. These goodwill expenditures are a perfect example of
8 institutional advertising. These examples do not provide any information to the public helpful
9 for the provision of safe and adequate electric service. Instead, Ameren Missouri is associating
10 its name with the St. Louis Cardinals and the St. Louis Blues and attempting to appropriate a part
11 of the highly favorable image that likely exists in the minds of the fans of the St. Louis Cardinals
12 and St. Louis Blues to Ameren Missouri. In addition, Ameren Missouri is strategically placing
13 their name in highly visible places in an attempt to also be seen as a good corporate citizen
14 supporting the City of St. Louis, the St. Louis Cardinals baseball organization, the St. Louis
15 Blues hockey club and the St. Louis Rams football team.

16 Q. On page 3, lines 14-22, and continuing on page 4, lines 1-21, Company witness
17 Muniz describes the KCPL standard and how it is inadequate in today’s modern age. Does Staff
18 agree with this determination?

19 A. No. In her rebuttal testimony Ameren Missouri witness Muniz on page 3,
20 lines 16-20 states, as support for their case, that the KCPL standard stems from a case that was
21 decided approximately 30 years ago and that “Mark Zuckerberg³ was five years old.”
22 The Company also goes on to explain that over the last 30 years much has changed in terms of

³ The founder of Facebook.

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1 the media outlets from which customers receive information. Staff agrees that technologies have
2 improved and additional means of communication have come into existence since the time that
3 the KCPL order was established, but the main thrust of the KCPL standard remains completely
4 intact. It is still essential today for Staff to determine the “primary message” of each
5 advertisement. Furthermore, there is no reference in the KCPL standard that addresses a
6 differing categorization of advertising based upon the differing types of media that are used. In
7 fact, Staff has never disallowed any one type or form of advertising. Staff has always based its
8 disallowance on the primary message being conveyed; no matter what form or media outlet that
9 is selected by the Company or its advertising agency. The Staff believes the Commission
10 established this standard as an objective way to categorize advertising and that this standard is
11 still relevant and applicable today despite any advancement in technologies that are now used to
12 disseminate advertising messages.

13 Q. Company witness Muniz, on page 4, lines 24-25, and page 5, lines 1-5, states
14 “Staff, however, ignores the Commission’s decision (in case ER-2008-0318) in that case and has
15 reviewed the ads on an ad-by-ad basis.” Did the Staff ignore the order established by the
16 Commission in Ameren Missouri Case No. ER-2008-0318?

17 A. No. Staff followed the KCPL precedent established by this Commission as part
18 of Case No. EO-85-185 and classified each ad into five categories: General, Safety,
19 Promotional, Institutional and Political, based on its primary message. Once the Staff had
20 classified each ad, the Staff reviewed the ads grouped by ad campaign and assessed those costs
21 on a campaign basis as suggested by the Commission’s *Report and Order* from Case No
22 ER-2008-0318. Staff consistently has taken the step to review ads on a campaign basis since the
23 time of the issuance of the order from case No. ER-2008-0318. Staff is confused by

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1 Ms. Muniz's claim because the ad campaign is merely the sum of its parts. One cannot evaluate
2 an ad campaign without evaluating each ad on an ad-by-ad basis. Finally, Staff believes that an
3 ad-by-ad review is the most accurate method to address advertising costs but has consistently
4 categorized Ameren Missouri's advertising on both the ad-by-ad and on the campaign basis in
5 this case and in prior rate cases.

6 Q. How did Staff's analysis using the ad-by-ad classification compare with the
7 Staff's analysis on a campaign basis?

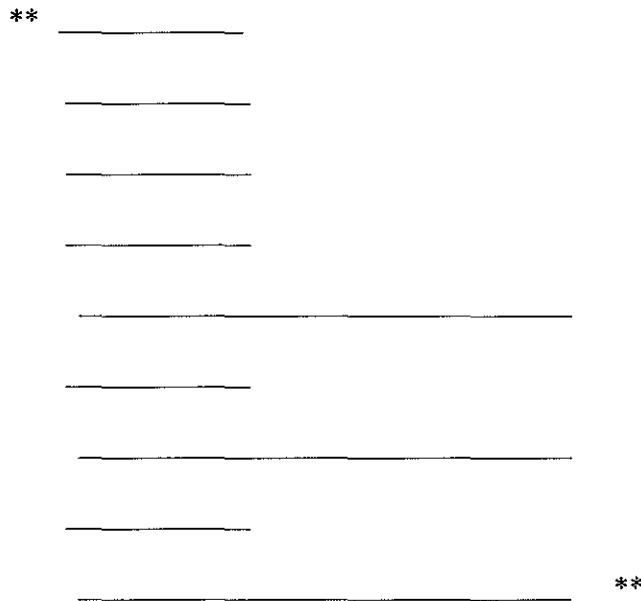
8 A. Staff provided detailed work papers to the Company clearly demonstrating the
9 results of both methods. Staff believes that an ad-by-ad review is much more accurate and
10 prevents the situation the campaign basis can create where ratepayers would be forced to pay for
11 substantial amounts of institution advertising. Furthermore, many ads are run on a stand-alone
12 basis and are not part of any particular ad campaign. In addition, an ad-by-ad review is still
13 necessary to determine if the campaign on the whole is acceptable, under the campaign basis,
14 because each of the ads within the campaign must first be evaluated individually. In order to
15 determine if a campaign was acceptable, Staff divided the total costs of the allowable general and
16 safety advertisements for the campaign by the ad campaign's total cost. If the percentage was
17 greater than 50%, the campaign was allowed on the campaign basis. Staff's analysis showed a
18 recommended disallowance of approximately \$1.5 million if the ad-by-ad method was used and
19 a recommended disallowance of approximately \$1.7 million if the campaign basis was applied.
20 Staff supports the use of the ad-by-ad analysis in this case as it resulted in a more conservative
21 adjustment to remove approximately \$200,000 less of advertising costs from the test year.
22 Although the Staff does not recommend this treatment, if the Commission wishes to apply the
23 campaign basis, then Staff would recommend a \$1.7 million adjustment to remove advertising

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1 costs based upon its categorization of advertising on a campaign basis. At the conclusion of this
2 surrebuttal testimony, Staff will provide two detailed charts summarizing the advertising costs on
3 an individual ad-by-ad basis but also on a campaign basis for the Commission to reference.

4 Q. Why did Staff recommend using the ad-by-ad basis over the campaign basis in its
5 Cost of Service Report?

6 A. Staff believes an ad-by-ad approach is the more appropriate, conservative, and
7 accurate method of evaluating advertising expenses. The advertising costs in this case are
8 somewhat lower in comparison to the level of advertising costs addressed in prior Ameren
9 Missouri rate cases. This is partly due to the fact that advertising expenditures were increased
10 due to a decision reached by Company management to engage in significant advertising efforts
11 in an attempt to restore Ameren Missouri's image after the Taum Sauk disaster and crippling
12 storm outages that occurred in 2006 and 2007. Please refer to the following chart which shows
13 the level of advertising costs incurred by the Company in the past 8 calendar years:



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1 The following example illustrates why the Staff has concerns about applying the campaign basis
2 when evaluating advertising. The Company could have a campaign where 51% of the
3 advertising is general or safety in nature, but the remaining 49% of the campaign consists
4 of institutional advertising. Under the campaign basis discussed in the order from Case No.
5 ER-2008-0318, the Company would be allowed to collect 100% of these costs in rates. In this
6 example, if the total campaign cost was \$5 million, the customers would be saddled with paying
7 for approximately \$2.5 million dollars of institutional advertising in rates if the campaign
8 standard were applied. However, if an ad-by-ad review was applied, customers would avoid
9 paying in rates for the \$2.5 million level in institutional advertising since it can be appropriately
10 removed from the overall campaign. Staff has concerns that the Company could manipulate the
11 campaign basis in future cases in order to recover in rates desired levels institutional advertising
12 merely by pairing it with otherwise acceptable general and safety advertising in a single
13 campaign. This would obviously be an undesirable ratemaking outcome. Finally, Staff believes
14 that, based on the testimony of customers at the twelve local public hearings that were held in
15 this case, many customers have made clear that they have concerns about Ameren Missouri
16 seeking recovery for advertising costs in rates. Certainly, customers would not find it acceptable
17 to be required to pay for any amount or portion of institutional advertising that could result based
18 upon the broad approach that exists with examining advertising solely on a campaign basis.

19 Q. On page 5, lines 7-17, of Company witness Muniz' rebuttal testimony, she
20 describes concerns regarding how the KCPL standard is applied by Staff. She also states that
21 there is no opportunity for Ameren Missouri to respond because there is no description in Staff's
22 direct testimony stating how the KCPL categories are applied. Does Staff believe the
23 Company's concern is valid?

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1 A. No. Staff has consistently applied the same method for categorizing advertising
2 since the KCPL standard was established by the Commission in KCPL cases, Nos. EO-85-185
3 and EO-85-224. Staff reviews each ad separately to determine the primary message of the ad
4 based upon the five categories established in the KCPL case. Ads whose *primary message* is
5 determined to be institutional or political in nature are proposed for disallowance, while ads
6 found to be general or safety-related are deemed acceptable for recovery in rates by the
7 Company. Staff allows promotional advertising if there is cost justification provided by the
8 Company for the advertisement. Staff has used the same practice in every one of the Company's
9 past eight rate and complaint cases that date back to Case No. EC-87-114. In addition, Staff has
10 also applied the campaign basis established in Case No. ER-2008-0318 to Ameren Missouri's
11 advertising in the four rate cases that have occurred since the time that the Commission issued an
12 order on advertising in that case. The Company has reviewed a great deal of Staff testimony and
13 conducted lengthy depositions of previous Staff witnesses in order to assess what exactly is
14 performed in an advertising review. Finally, in this case, a second auditor, Staff witness Lisa M.
15 Ferguson, conducted an independent and objective review of each separate ad under the KCPL
16 standard and each ad campaign under the order issued in Case No. ER-2008-0318. Ms. Ferguson
17 is an experienced auditor and has previously been responsible for the advertising issue in
18 Company rate cases. Both auditors in this case formed the same conclusion with regard to the
19 categorization of each advertisement and the assessment of each advertising campaign.

20 Q. On page 5, lines 19-23 and page 6, lines 1-7, Company witness Muniz expresses
21 concern that the Company has only been provided with an explanation of Staff's reasoning on
22 categorization in surrebuttal testimony or during deposition. Also, Ms. Muniz believes that Staff
23 auditors are not qualified to review advertising expenses. Does Staff agree with these concerns?

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1 A. No. By following the Commission-established precedent established in the KCPL
2 standard as part of Case No. EO-85-185 and the campaign basis set out in Ameren Missouri Case
3 No. ER-2008-0318, I have followed the same approach that has been taken in every Ameren
4 Missouri case during the past 25 plus years. The KCPL standard provides Staff with a
5 reasonable and objective standard with which to categorize the Company's advertising expenses.

6 Q. Ms. Muniz explains that Ameren Missouri must use a mix of paid, earned and
7 owned media in order to effectively reach their customers and that the customers are exposed to
8 over 20,000 messages a day. Ms. Muniz believes this is why the Company must communicate
9 more often than in the past to get their message to customers. Does Staff agree this is necessary?

10 A. Ms. Muniz appears to be saying that a regulated company needs to advertise more
11 than in the past simply because other non-regulated companies are advertising more than they
12 did in the past. The number of other messages that Ms. Muniz believes that Ameren Missouri
13 customers are exposed to each day is irrelevant with regard to the proper application of the
14 KCPL standard to a regulated utility. The fact remains that an objective ad-by-ad review is still
15 required as well as an assessment of each overall campaign to determine an appropriate
16 advertising allowance to include in customer rates. A reasonable level of general and safety ads
17 should be included in rates. Under appropriate circumstances, where promotional advertisements
18 are placed and can be cost justified by the Company, then those ads should be included as well.

19 Q. Throughout her rebuttal testimony, Company witness Muniz references changing
20 technology that has impacted Ameren Missouri's ability to reach its ratepayers. Should the
21 change in technology and how it has impacted the Company's ability to reach its ratepayers
22 change Staff's application of the KCPL standard?

1 In short the customers are paying to recognize others in their community while Ameren Missouri
2 takes the credit of pointing them out.

3 Q. Ms. Muniz states that the purpose of the campaign was to drive traffic to
4 the Ameren Missouri Facebook page and that, given that purpose; the costs should be classified
5 under the general category established in the KCPL cases, Nos. ER-85-185 and
6 EO-85-224. Does Staff agree with this assessment?

7 A. No. The Staff disagrees and believes the *primary message* of the advertisements
8 in this campaign is institutional in nature.

9 **Social Media Campaign**

10 Q. How did Staff evaluate the Social Media Campaign?

11 A. Staff reviewed the planned monthly Facebook content calendars provided to
12 Ameren Missouri by its then advertising agency, Weber Shandwick. Staff categorized 50% of
13 the suggested posts by Weber Shandwick to be institutional in nature and recommends that the
14 Commission disallow that portion of the costs associated with these postings. Additionally, Staff
15 categorized 40% of the posts as general and the remaining 10% as safety-related, and Staff
16 recommends that these portions be allowed for recovery in the cost-of-service calculation.

17 Q. What are examples of Facebook posts that Staff found institutional in nature?

18 A. Examples of institutional posts to Facebook that Staff recommends for
19 disallowance include:

20 Example #1: "Where's Louie? Find out where @Louie - St. Louis Blues Mascot is to get
21 free tickets to the next St. Louis Blues game! Look for clues to find Louie here:"

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1 Example #2: "Want to win one year of free electricity? Send Fresh 102.5 a photo of your
2 home's holiday lights for a chance to win up to \$1,500 toward your Ameren Missouri electric
3 bill! Enter here:"

4 Example #3: "There are only a few days left to enter your nominations for our Ameren
5 Missouri Community Lights contest! Tell us who the shining lights are in your community and
6 they could win \$5,000."

7 Example #4: "Check out some photos from last week, where youth from area Boys' &
8 Girls' Clubs got to bat at a clinic with former St. Louis Cardinals pitcher Rick Horton in Ballpark
9 Village:"

10 Q. Please provide examples of Facebook postings that Staff categorized as general
11 and safety-related messages.

12 A. The following are examples of general and safety posts to Facebook that Staff
13 recommends that the Commission allow the Company to recover in the rates to be established in
14 this case:

15 Example #1: "Want to see how the Maryland Heights Renewable Energy Center turns
16 trash into treasure? Learn how we transform decomposing trash into environmentally-responsible
17 electricity in this video:"

18 Example #2: "Want to be energy efficient on a budget? With our LightSavers program,
19 you can get discounts on compact fluorescent light bulbs (CFLs) and Light-Emitting Diode light
20 bulbs (LEDs). Find out more here:"

21 Example #3: "Did you know that placing lamps in the corner of a room rather than
22 against a flat wall allows light to reflect from two wall surfaces instead of one? Try this at home
23 to save energy and create more usable light."

1 Example #4: "It's Child Safety and Protection Month, and keeping you and your family
2 safe is an important part of Ameren Missouri's every day commitment to providing reliable
3 service. Use these tips to help keep your family safe:"

4 Staff has again used the primary message of each post to determine the amount of
5 the social media advertising that should be included in the cost of service. If the social media
6 was examined on a campaign basis as the Company and the Report and Order in Case No.
7 ER-2008-0318 suggests it should, and then the cost of every post was be included in the
8 cost-of-service calculation then all customers would be required to pay for giveaways of tickets,
9 kitchen makeovers, and electricity gift cards addition to costs that are actually general and
10 safety-related.

11 Q. What additional costs were included in Staff's recommendation to disallow
12 \$183,390 for the Social Media Campaign?

13 A. The expenses Staff removed from its cost-of-service calculation included the
14 Weber Shandwick payment invoices that Ameren Missouri had grouped into the Social Media
15 Campaign. Weber Shandwick provided planned social media content to the Company. Staff
16 believes allowing the costs for the Weber Shandwick planned social media would be duplicative
17 in nature because the costs for responding to posts, monitoring posts, and reviewing private
18 messages are now handled by supervisors in the Ameren Missouri call center and the Ameren
19 Missouri communications team. These costs have already been included in the payroll
20 annualization that has been included in the Staff's cost-of-service calculation in this case. In
21 addition, from the examples above, Staff did not completely disallow all social media costs as
22 the Company suggests. Staff is not disallowing the social media ads because of the type of

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1 media involved, but rather due to the primary message of the posts per the guidelines of the
2 KCPL standard.

3 Q. On page 12, lines 22-23, and page 13, lines 1-4, Company witness Muniz states
4 “A single Facebook post may not appear to be educational when viewed on its own, but the
5 stream of Facebook posts-which should be considered one campaign-is educational because the
6 constant stream of posts keeps the followers interested so that they receive the particular posts
7 that are designed to be educational or informational.” Is Staff suggesting that the Company
8 should not make a steady stream of posts for its Facebook advertising?

9 A. No. Staff is merely stating that not all Facebook posts fall into the general and
10 safety categories so as to benefit the customer in the provision of safe and adequate electric
11 service. Staff believes that customers should only pay for posts that fall within these categories.
12 If the Company wishes to draw customers to their Facebook page, the Company and its
13 shareholders should be required to bear the costs of those giveaway items designed to attract
14 customer to Ameren Missouri’s Facebook page. Please refer to Schedule JK-2, pages 2
15 through 5 to this surrebuttal testimony it provides the planned postings to Facebook for
16 November 2013, which provides a fair representation of a typical month of Ameren Missouri
17 Facebook postings.

18 The planned Facebook posts found in Schedule JK-2, pages 2 through 5 demonstrate that
19 many posts have a primary message of general and safety, while other posts are institutional in
20 nature. The rest of the planned Facebook posts were submitted in Appendix 4 of the Staff’s
21 Cost of Service Report. This demonstrates the problems that occur with examining advertising
22 solely on a campaign basis. If this entire set of costs for the Facebook advertising are allowed
23 into rates, not only is the customer paying for general and safety advertising, but also

1 institutional advertising. Staff believes, in general, that Ameren Missouri customers would not
2 be receptive to paying for any amount or portion of institutional advertising in rates.

3 **Storm Response Ads**

4 Q. Do you agree with Company witness Muniz that the storm response ads should be
5 classified as general advertising and included in the cost of service?

6 A. No. Please refer to Schedule JK-2, pages 6 and 7 to view these particular
7 advertisements. The *primary message* of each of these ads was to draw attention to Ameren
8 Missouri and how hard they worked to restore power. Ameren Missouri is showing what amount
9 of resources is required to perform the job that they are required to perform in the first place.
10 Customers expect the Company to restore power after a storm as part of the customer service of
11 Ameren Missouri. Staff contends that these ads are designed to pat Ameren Missouri on the
12 back for restoring service. In addition, as Staff witness, Lisa M. Ferguson has pointed out in her
13 surrebuttal testimony on page 2, lines 15-19, in Ameren Missouri Rate Case No. ER-202-0166,
14 these ads are part of an overall strategy that Ameren Missouri has employed in recent year to
15 restore their image after the negative publicity that resulted in the aftermath of the 2006 and 2007
16 storm outages. As a customer at the Florissant local public hearing on January 5, 2015, testified
17 "The public does not want to know what you do to provide power. The public just wants the
18 electricity to work."⁴ Additionally in the Company response to Staff Data Request No. 0034 in
19 ER-2014-0258, the Company internally classified the storm response ad as institutional when it
20 was ran in the Labor Tribune. The cost for that advertisement is included in the \$49,901 the
21 Company is seeking to recover.

⁴ Quote from Charles Meador, Florissant lph.

Cardinals Digital Outdoor Signs

1
2 Q. On page 15, lines 5-10, Ms. Muniz states “These costs are prudent. In order to
3 raise awareness for our energy effective rebates and to provide tips on how to lower energy
4 usage, we partnered with the St. Louis Cardinals. The agreement put the Cardinals’ live game
5 scores on digital outdoor boards on highways throughout St. Louis with ActOnEnergy.com
6 prominently displayed on the signs, drawing attention to our website.” Does Staff agree with
7 this characterization of this advertising?

8 A. No. Please refer to Schedule JK-2, page 8 to see a copy of this ad provided to
9 Staff. Once again, Staff determined the primary message of the billboard advertisement to be
10 institutional. Company witness Muniz states that the purpose of this ad is to raise awareness for
11 energy effective rebates. The Staff again disagrees with this characterization. When a customer
12 looks at this billboard, the primary message is the Cardinals score sponsored by Ameren
13 Missouri. There is absolutely no website for ActOnEnergy.com anywhere on this billboard. The
14 only item referring to Ameren Missouri is the logo. Even if the website were prominently
15 displayed on the billboard, the primary message is still institutional in that this is merely another
16 attempt to associate Ameren Missouri with the St. Louis Cardinals. Just because a website is
17 displayed on any piece of advertising is not a blank check for the Company to consider it general
18 advertising, especially when the website costs are already included in customers rates. If that
19 were the case, then any piece of advertising would be general just because the website is on it.

20 Q. On page 15, lines 15-17, Ms. Muniz states “However, these costs enabled us to
21 provide information about our service – energy efficiency, and therefore should be classified as
22 General.” Does Staff agree with this argument?

1 A. No. For the reasons enumerated above these advertising costs are institutional
2 in nature.

3 **Reliability Fair Invite**

4 Q. Does Staff have a similar stance on the use of the St. Louis Rams association with
5 Ameren Missouri to draw crowds to the reliability fair?

6 A. Yes. Staff allowed 50% of this advertising because the main thrust of part of the
7 advertising is Ameren Missouri's effort to improve system reliability and its effect on customer's
8 provision of safe and reliable service. However, as Ms. Muniz states on page 16, lines 1-6:

9 One could speculate that the reason for the proposed disallowance
10 was that the Company hired a popular professional football player
11 to appear at the fair. The purpose of having the football player at
12 the fair was to attract attention and bring more people to the fair,
13 which was open to the public and held in Florissant. Without his
14 presence, the fair would have been far less well attended and thus
15 less effective.

16 This is a prime example where, if the Company wishes to improve its image by partnering with
17 another organization, the Company can shoulder the costs of the institutional advertising which
18 is the primary message of the professional football player.

19 Q. Do you agree with Company witness Muniz that the full cost of the reliability fair
20 invite should be included in the cost of service?

21 A. No. Staff contends that the *primary message* of the invitation was to meet a
22 professional football player, based on the wording "Ameren Missouri invites you to meet Chris
23 Givens" (with a photo of Chris Givens dominating the front of the invitation). A different
24 primary message may have been relayed if the invitation stated "Ameren Missouri invites you to
25 learn more about improvements in reliability." That was not the case, so Staff allowed half of

1 the cost of the invitation as the reliability fair itself was allowed because the primary message of
2 the reliability fair itself was general in nature.

3 **Louie the Lightning Bug Parade Balloon**

4 Q. On page 16, lines 14-15, Ms. Muniz states "Without explanation, I do not
5 know why the recommendation to disallow these costs was made." Does Staff agree that this
6 is possible?

7 A. No. Ms. Muniz states in her rebuttal testimony that "The balloon is used in large,
8 sometimes televised, parades and is held by Ameren Missouri employees and volunteers." It is
9 clear that the primary message of the balloon itself is institutional. This has been the same
10 position that Staff has maintained for the last four rate cases. The intent is clear that Ameren
11 Missouri actively seeks to have its balloon seen and recognized by customers during happy
12 events like the annual Thanksgiving Day parade in downtown St. Louis. The Company's
13 attempt to recover these costs in rates under the guise of safety is not reasonable. However, Staff
14 would point out that it has allowed costs for costumes, actors, etc., to be worn to schools for the
15 safety education of children as well as the bus that displays a safety message.

16 **Downtown Pole Banners**

17 Q. Do you agree with Company witness Muniz that the pole banners should be
18 classified as general and included in rates?

19 A. No. *The primary message* of the banners is of the Company attempting to raise its
20 public image by displaying these banners around its headquarters for the outside public to see.
21 Staff has also disallowed these banners in the past four rate cases.

22 The Company has numerous employee motivation posters and signs located in the
23 atrium, the hallways and in the conference rooms throughout its headquarters that are sufficient

1 to provide motivational messages its employees. The Staff has not proposed disallowance of any
2 of the numerous motivational signs located inside Ameren's corporate headquarters. Company
3 witness Muniz states that "The banners help raise the awareness of the service we provide our
4 customers.....it is important for us to keep our employees engaged and aware of information used
5 to serve our customers." These costs are unnecessary and if it is employee engagement the
6 Company seeks, that has already been accomplished through the countless motivational posters
7 located throughout the building.

8 Q. Please summarize Staff's position with regard to advertising costs still at issue in
9 this case.

10 A. Staff believes that the Company's position that the KCPL standard is antiquated
11 and improper is completely unfounded. The Staff maintains that the KCPL standard is still
12 applicable despite the fact that additional media outlets now exist. It represents an objective
13 attempt to evaluate advertising in all the various forms that exist, even today. Furthermore, the
14 Staff as part of each rate case has two auditors perform a completely independent assessment of
15 the advertisements on an-by-ad basis as well as on a campaign basis. In this case, both auditors
16 have agreed on the proper categorization of the advertisements. I have attached two charts
17 Schedule JK-2, pages 9 through 11 showing Staff's recommendation on the ad-by-ad basis as
18 well as the campaign basis vs the campaign basis for the ads detailed above.

19 **BOARD OF DIRECTORS FEES & EXPENSES**

20 Q. On page 69, lines 16-17 of her rebuttal testimony, Company witness Barnes wrote
21 "We are, and should be, allocated an appropriate share of these expenses." Do you agree with
22 that statement?

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1 A. No. In addition to the points addressed in my rebuttal testimony that was filed on
2 January 16, 2015, Staff has concerns with the amount of time the board of directors may have
3 spent on the divestiture of its merchant generation business, AER, during the test year. Staff
4 submitted Staff Data Request No. 0542 seeking more information that would provide the total
5 Ameren Corporate board costs and how those cost were allocated to each business unit under
6 Ameren Corporation and is still awaiting a response to this request. Furthermore the Ameren
7 Corporate board has subsidiaries that have conflicting goals and objectives. The Staff is not
8 allowed to review the entire set of Ameren Corporate board documents. Instead, the Staff is
9 provided only those board documents that Ameren deems applicable to Ameren Missouri.
10 Absent the complete set of board documentation Staff is unable to assess whether the amount of
11 time that Ameren Corporation board members devoted to Ameren Missouri matters, as well as
12 the cost that were assigned to Ameren Missouri, are reasonable in relation to the time and costs
13 that were devoted to the AER divestiture during the test year by the Ameren Corporation board.
14 Furthermore, Staff is prevented from determining the amount of time that the Ameren Corporate
15 board spent on other entities such Ameren Transmission Company ("ATX"), or Ameren Illinois.
16 For an example of this please refer to Schedule JK-2, page 12 to this surrebuttal. This
17 attachment is a copy of page 6 of a presentation that Ameren Corporation made on December 16,
18 2014, as part of an investor meeting. This page illustrates that Ameren Corporation can be
19 conflicted with regard to making a determination of where to invest capital.

20 Q. Are any of the costs incurred by the board of directors duplicative?

21 A. Yes. The costs to host the board of director meetings offsite are duplicative,
22 unnecessary, and unreasonable. Ameren Corporation has a board room at its headquarters where
23 the board has met at many times. Hosting the meetings offsite at the Ritz Carlton Hotel or at

1 the Four Seasons hotel is excessive and unreasonable. The costs of the meeting rooms, phone
2 and internet service, audio/video setup, printing, computer usage, parking, et al. that were
3 allocated down to Ameren Missouri would have otherwise been avoided. All of those costs
4 could have been eliminated by hosting the board meeting at the existing boardroom located at
5 Ameren headquarters. The costs for all of those services that are available at Ameren's corporate
6 headquarters are already being paid for by Missouri electric rate-payers.

7 Q. On page 72, lines 1-13, Company witness Barnes disagreed with your statement
8 regarding excessive costs relating to the board of directors expenses. How do you respond?

9 A. Staff believes the costs for hotel and airfare are excessive and, if Ameren
10 Corporation wishes to treat the board of directors to stays at luxury hotels and use of private
11 aircraft, then the shareholders should bear the burden of the costs. Ameren Missouri electric
12 ratepayers were attempted to be charged \$192,000 for ** _ ** flights in the test year, whereas
13 first-class, round-trip airfare would have been approximately \$6,000 for the same number of
14 flights after allocation. Invoices from the Ritz Carlton show food and beverage costs of
15 ** ____ ** before allocation to Ameren Missouri. Staff believes these are unnecessary and
16 exorbitant costs.

17 Q. During the test year in this case ending March 31, 2014, did any members of the
18 board of directors choose to fly on commercial flights?

19 A. ** _____
20 _____
21 _____ **

22 Q. Are there any additional costs that Staff recommends disallowing in regards to
23 board of directors fees and expenses?

1 A. Yes. Upon further review, Staff recommends a disallowance of \$3,176 to remove
2 the costs of limousine services to transport the board of directors to and from the hotel.

3 Q. Has the Company indicated that is no longer seeking to include any of the
4 aforementioned costs in the cost-of-service?

5 A. Yes. The Company has indicated to Staff that it is no longer seeking to recover
6 the costs associated with board meetings and hotel stays at the Ritz Carlton and the Four
7 Seasons. In addition the Company also does not seek to recover the costs associated with the use
8 of the private chartered jet.

9 **PROJECT FIRST (ENTERPRISE SYSTEM)**

10 Q. What is "Project First?"

11 A. Ameren initiated Project First to replace its unsupported and high-risk financial
12 systems. Subsequent to the test year in this case, Ameren Missouri completed the installation of
13 a new general ledger and an internal management reporting system.

14 Q. Does Staff propose any adjustment to the costs associated with these systems?

15 A. Yes. Staff recommends the disallowance of \$240,641 of one-time non-recurring
16 software set up costs that occurred in the test year ending March 31, 2014.

17 **PLANT IN SERVICE AND DEPRECIATION RESERVE**

18 Q. Has Staff made any adjustment to the level of plant in service and depreciation
19 reserve?

20 A. Yes. Staff has updated it's adjustments to reflect the actual rate base value of
21 Ameren Missouri's plant in service and depreciation reserve through the December 31, 2014,
22 true-up date. Staff, however, has not included the Callaway life extension in its plant-in-service

1 balances; please refer to the surrebuttal testimony of Staff witness John P. Cassidy for a complete
2 discussion of this issue.

3 **CUSTOMER DEPOSITS AND INTEREST**

4 Q. Has Staff reviewed the level of customer deposits to include in rate base?

5 A. Yes. Staff has adjusted the amount to reflect the 13-month average ending
6 December 31, 2014. Additionally Staff has recalculated the interest on customer deposits
7 expense adjustment to reflect the change above.

8 **CUSTOMER ADVANCES**

9 Q. Has Staff made any adjustment to the level of customer advances to include as an
10 offset to rate base?

11 A. Yes. Staff has adjusted the amount to reflect the 13-month average ending
12 December 31, 2014.

13 **PREPAYMENTS AND MATERIALS AND SUPPLIES**

14 Q. Has Staff reexamined the level of prepayments to include in rate base?

15 A. Yes. Staff has adjusted the levels to reflect the 13-month average ending
16 December 31, 2014. ** _____
17 _____

18 _____ **

19 Q. Has Staff reexamined the level of materials and supplies to include in rate base?

20 A. Yes. Staff has adjusted the level to reflect the 13-month average ending
21 December 31, 2014. Additionally, Staff recommends removing \$451,680 for obsolete,

Surrebuttal Testimony of
Jason Kunst

1 incompatible, and/or unusable inventory due to the installation of the new reactor head at the
2 Callaway nuclear power plant.

3 Q. Does this conclude your surrebuttal testimony?

4 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

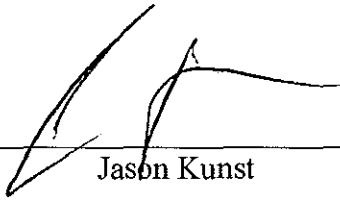
OF THE STATE OF MISSOURI

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

AFFIDAVIT OF JASON KUNST

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

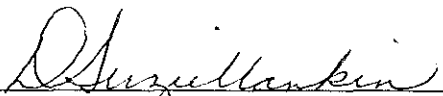
Jason Kunst, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Surrebuttal Testimony in question and answer form, consisting of 38 pages to be presented in the above case; that the answers in the foregoing Surrebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.



Jason Kunst

Subscribed and sworn to before me this 6th day of February, 2015.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2016
Commission Number: 12412070



Notary Public

GENERAL INVESTIGATION

POWER
PLAY

CONFIDENTIAL



To: Trina Muniz, Bryan Daniels, Kent Martin
 From: Lindsey Herzog
 Cc: Heather Woodard
 Date: October 30, 2013
 Re: Ameren Missouri Facebook Content Calendar: November 2013

Following, you will find the recommended November content calendar for Ameren Missouri's Facebook page.

We will continue to post 3-4 short posts per week. We will also leverage brand assets whenever possible and use photos to keep the content engaging for fans.

CONTENT CALENDAR

A preliminary breakdown of baseline activity is detailed in the following grid. Additionally, any opportunistic posts will be swapped with scheduled posts, and we have included a couple of alternate posts should the need to deviate from the schedule arise.

November posts will highlight the beginning of the Ameren Missouri Community Lights contest as well as links to helpful Ameren Missouri content. We will continue with quizzes and "Throwback Thursdays," both of which have been successful in the previous months. In addition, the calendar will include posts about relevant holidays, such as Thanksgiving, Veterans Day and Fire Prevention Day. We will also post about the St. Louis Blues and St. Louis Rams, where appropriate.

Please let us know if there are other programs or community involvement activities we can help promote on Facebook. We will revise our recommended content based on those programs' needs.

Timing	Status Update	Additional Media (Photo, Link, Etc.)	Type of Post
Friday, November 1	Daylight Savings Time ends on Sunday! Be sure to set your clock back and enjoy that extra hour of sleep.	[Use stock photo of sleeping woman with alarm clock; \$19 via istockphoto.com]	Brand/fun
Monday, November 4	Want an easy way to save energy and money? Use the auto sleep function on your computer to save up to \$30 a year on your electricity bills. For more tips, visit:	[Link to DOE savings tips: http://energy.gov/articles/new-psas-help-you-save-	EE

Comment [HE(1)]: Is there anything Ameren Missouri promotes around Daylight Savings Time? Perhaps a "set your clocks back, set your thermostats back" type of thing?



		energy-and-money] [Use stock photo of computer: http://www.istockphoto.com/stock-photo-23597058-laptop.php?st=98da402 (\$9 via Istockphoto.com)]	
Wednesday, November 6	It's Child Safety and Protection Month, and keeping you and your family safe is an important part of Ameren Missouri's every day commitment to providing reliable service. Use these tips to help keep your family safe:	[Link to SafeKids.org safety tips: http://www.safekids.org/safetytips] [Use stock photo of family helping little girl ride bike: http://www.istockphoto.com/stock-photo-18901091-african-american-family-with-girl-riding-bike-and-happy-parents.php?st=9b48591 (\$6 via istockphoto.com)]	Brand/Fun
Thursday, November 7	Throwback Thursday: Remember when temperatures were hot, hot, hot this past summer? We love the cooler weather, but is your house ready for winter? To prep for the chill, be sure to have your heating system regularly serviced and seal any leaks. For more energy-saving tips, visit:	[Link to DOE fall and winter energy saving tips: http://energy.gov/energysaver/articles/fall-and-winter-energy-saving-tips] [Use photo of man sealing leaks in home from previous posts]	Brand/Fun
Monday, November 11	<u>On Veterans Day, we celebrate and honor America's veterans for their patriotism, service and sacrifices. Thank you, veterans, for all that you've done for our country.</u>	[Use stock photo of American flags in the wind: http://www.istockphoto.com/stock-photo-13094205-memorial-day-flags.php?st=d3249d4 (\$19 via Istockphoto.com)]	Veterans Day
Tuesday, November 12	Is there someone special who lights up your community? This holiday season, we're celebrating the people who make your community better and brighter. Tell us who lights up your community and they could win \$2,500 and \$2,500 for their charity of choice.	[Link to program tab] [Use program graphic]	Community Lights

Comment [HL (2)]: Are there any veterans Ameren Missouri would like to highlight?



Thursday, November 14	<p>Throwback Thursday: Do you remember the last time you had a home energy audit? Neither do we. Don't worry – Ameren Missouri can help! Through our Performance Savers program, gas and electric customers can get an in-home energy audit for only \$25. Learn more here:</p>	<p>(Link to Performance Savers: http://bit.ly/15UBcO5)</p> <p>(Use DOE home energy audit infographic: http://energy.gov/sites/prod/files/styles/article_hero/public/homeEnergyAudits_MG0813-01.png?tok=BQ9ivFOE)</p>	AOE
Monday, November 18	<p>Quiz: Which room in the house typically uses the most energy? The first fan to comment with the correct answer will win 2 tickets to the @St. Louis Blues game on <u>XX</u>.</p> <p>A. Living Room B. Kitchen C. Laundry Room D. Basement</p>	(No photo used)	EE
Thursday, November 21	<p>If you guessed D in yesterday's quiz, you're right! Heating and air conditioning units, typically found in the basement, account for about 31% of home energy use, with kitchen appliances following close behind at 27%.</p> <p>Congratulations, <u>(NAME)</u>. You won two tickets to the @St. Louis Blues game on <u>XX</u>. Please message us to claim your prize.</p>	(No photo used)	EE
Friday, November 22	<p>The season of lights is almost here! We want to know who is lighting up your community this holiday season, and beyond. Tell us about someone who works hard each day to help those in need and that person could win \$2,500 and \$2,500 for the charity of their choice.</p>	<p>(Link to program tab)</p> <p>(Use program graphic)</p>	Community Lights
Tuesday, November 26	<p>Is there someone who really lights up your community by helping others? Nominate that person for a chance to win \$2,500 and \$2,500 for the charity of their choice! Enter here:</p>	<p>(Link to program tab)</p> <p>(Use program graphic)</p>	Community Lights
Wednesday, November 27	<p>Are you preparing tomorrow's Thanksgiving feast? Since the turkey is typically roasted for a long period of time, there's no need to preheat your oven, even when the recipe suggests it. For more energy-saving Thanksgiving tips, visit:</p>	<p>(Link to California Energy Commission tips for holiday cooking: http://www.consumerenergycenter.org/tips/holiday.html)</p> <p>(Use stock photo of Thanksgiving turkey: http://www.istockphoto.com/stock-photo-20852964-thanksgiving-)</p>	Brand/Fun

Comment [HL (3)]: Will check with Tina on availability of tickets

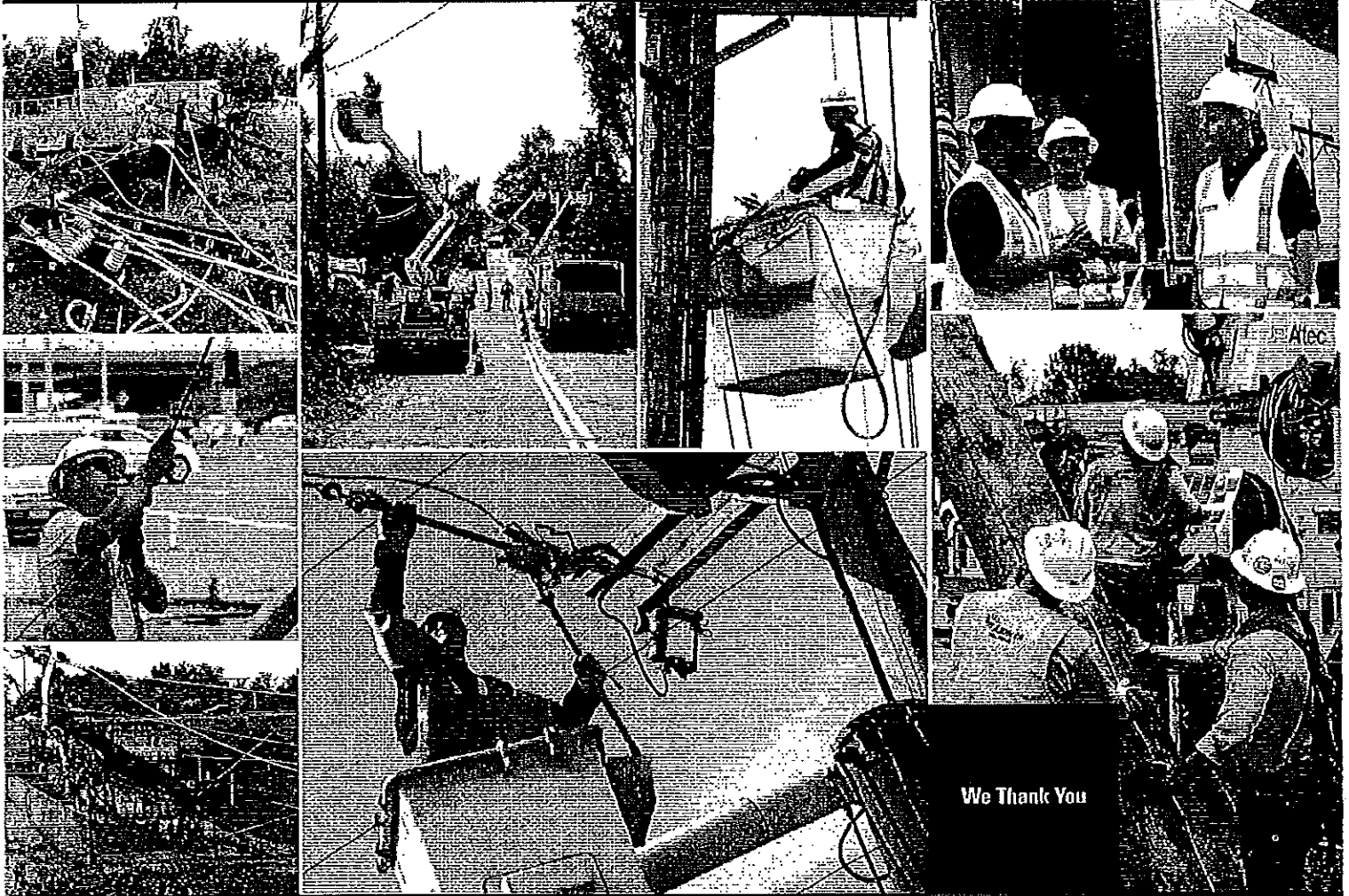


		turkey.php?st=be4f434 (\$19 via istockphoto.com)]	
Thursday, November 28	Happy Thanksgiving! Come join us at the 29 th Ameren Missouri Thanksgiving Day Parade. The parade will start at 8:45a.m. at the corner of Washington Avenue and Fourth Street in downtown St. Louis. If you can't join us, you can also watch the festivities on XMOV-TV Channel 4's "Great Day St. Louis."	[Use photo of Louis balloon from previous Thanksgiving Day parade: http://cbsstlouis.files.wordpress.com/2012/11/img_6549.jpg?w=620]	Brand/Fun
Friday, November 29	Doing some shopping this Black Friday? If you're on the hunt for a new TV, make sure to check out which televisions Energy Star rates most efficient:	[Link to Energy Star TV ratings: http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&ved=0CDkQFjAB&url=http%3A%2F%2Fwww.energystar.gov%2Findex.cfm%3F%3Dmost_efficient_m_e_index&ei=zWfcUvumDvey2gWP-wE&usq=AFOJCNH8nkg0STP-oCumkbsPMkz2-SpiQ&sig2=2MAf_Xbos71FG-RZS8aYmzA&bvm=bv.53899372,d.b2l&cad=rja] [Use stock photo of woman shopping for tv: http://www.istockphoto.com/stock-photo-15700224-the-woman-buys-a-tv-in-shop-17019859.php?st=4a96552 (\$19 via istockphoto.com)]	EE

Alternate Post

We are committed to reliable, affordable energy – take advantage of our ActOnEnergy programs to save energy, money and the environment. Visit ActOnEnergy.com for more information: [Link to ActOnEnergy.com/Missouri]

powering Missouri



We Thank You

Here is What it Takes to Restore Power to **95,000 Customers...**

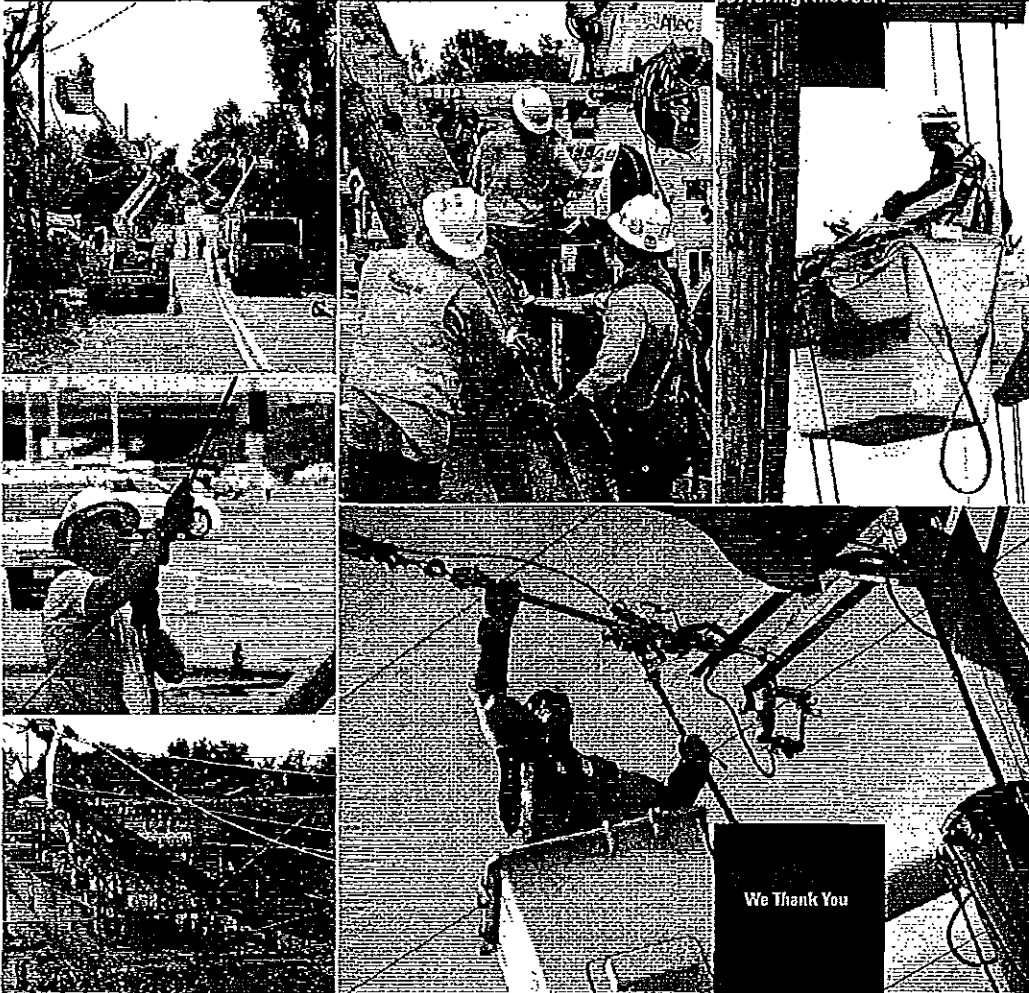
- 2,800 dedicated men and women, including 1,000 linemen, 125 field checkers, 400 tree trimmers, and support staff working around the clock
- Hundreds of people providing logistical support, customer service and communications
- Hundreds of out-of-state workers from companies based in Kansas, Oklahoma, Minnesota, Michigan and Indiana, as well as from other Missouri utilities and Ameren Illinois
- Nine North County substations repaired
- 500 damaged poles replaced — including 100-foot poles along Interstate 170
- Thousands of power lines restored for homes and businesses — including the restringing of sub-transmission power lines over Interstate 170

At Ameren Missouri, we care about our customers, and we understand that power outages can be difficult and frustrating. We were relentless in our efforts to restore power both as quickly and as safely as possible.

We thank you, our customers, for your understanding.



FOCUSED ENERGY. *For life.*



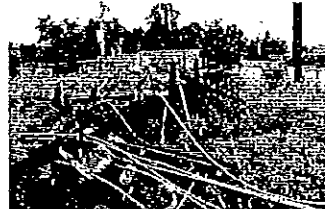
We Thank You

Here is What it Takes to Restore Power to **95,000 Customers...**

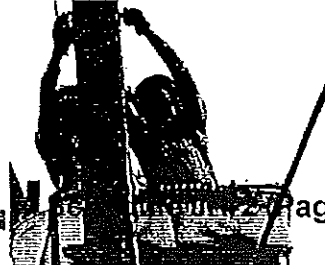
- 2,803 dedicated men and women, including 1,000 linemen, 125 field checkers, 400 tree trimmers, and support staff working around the clock
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FOCUSED ENERGY. For life.





CURRENT SCORE - BOTTOM OF 4th INNING

07 vs 02

sponsored by

Ameren MISSOURI



Union Electric Company, d/b/a Ameren Missouri
Case No. ER-2014-0258

Ad-by-Ad Basis

Ad/Campaign	Test Year Cost	Staff Amount	Company Amount	Difference
Solar Farm Artwork	\$ 197	\$ 197	\$ 197	\$ -
Community Lights Campaign	\$ 283,485	\$ -	\$ 283,485	\$ (283,485)
Energy Efficiency-Digital Media	\$ 33,288	\$ 33,288	\$ 33,288	\$ -
Storm Response Ads	\$ 49,901	\$ -	\$ 49,901	\$ (49,901)
Cardinals Digital Signs	\$ 44,222	\$ -	\$ 44,222	\$ (44,222)
Reliability Fair Invite	\$ 66,610	\$ 33,305	\$ 66,610	\$ (33,305)
Louie the Lightning Bug	\$ 52,664	\$ -	\$ 52,664	\$ (52,664)
Downtown Pole Banners	\$ 1,621	\$ -	\$ 1,621	\$ (1,621)
Social Media Campaign	\$ 366,780	\$ 183,390	\$ 366,780	\$ (183,390)
	\$ 898,768	\$ 250,180	\$ 898,768	\$ (648,588)

Vendor Name	Description	Test Year Cost	Staff Allowance	Company Amount	Difference
Solar Farm Artwork					
Bowling-Roberts(Corp)	Ameren Missouri Signs	\$ 197	\$ 197	\$ 197	\$ -
Community Lights					
ADVERTISERS PRINTING	Community Lights - Customer First	\$ 145	\$ -	\$ 145	\$ 145
ADVERTISERS PRINTING	Community Lights - Customer First	\$ 1	\$ -	\$ 1	\$ 1
ADVERTISERS PRINTING	Community Lights - Customer First	\$ 7	\$ -	\$ 7	\$ 7
ADVERTISERS PRINTING	Community Lights - Customer First	\$ 13	\$ -	\$ 13	\$ 13
ADVERTISERS PRINTING	Community Lights - Customer First	\$ 229	\$ -	\$ 229	\$ 229
WEBER SHANDWICK	Customer First Planning - Corporate Citizenship	\$ 10,825	\$ -	\$ 10,825	\$ 10,825
WEBER SHANDWICK	Customer First Planning - Corporate Citizenship	\$ 222,266	\$ -	\$ 222,266	\$ 222,266
WEBER SHANDWICK	Community Lights Planning - Customer First	\$ 50,000	\$ -	\$ 50,000	\$ 50,000
Energy Efficiency Digital Media					
WEBER SHANDWICK	Energy Efficiency Launch	\$ 33,288	\$ 33,288	\$ 33,288	\$ -
Storm Response Ads					
WEBER SHANDWICK	Tornado/Storm Ad	\$ 41,708	\$ -	\$ 41,708	\$ 41,708
Bowling-Roberts(Corp)	Labor Tribune Ad	\$ 2,775	\$ -	\$ 2,775	\$ 2,775
ST LOUIS AMERICAN FO	Storm Ad	\$ 6,048	\$ -	\$ 6,048	\$ 6,048
Cardinals Digital Signs					
WEBER SHANDWICK	Act On Energy Billboards	\$ 5,556	\$ -	\$ 5,556	\$ 5,556
WEBER SHANDWICK	Act On Energy Billboards	\$ 16,667	\$ -	\$ 16,667	\$ 16,667
WEBER SHANDWICK	Act On Energy Billboards	\$ 6,188	\$ -	\$ 6,188	\$ 6,188
WEBER SHANDWICK	Act On Energy Billboards	\$ 15,813	\$ -	\$ 15,813	\$ 15,813

Union Electric Company, d/b/a Ameren Missouri
Case No. ER-2014-0258

Vendor Name	Description	Test Year Cost	Staff Allowance	Company Amount	Difference
Reliability Fair Invite					
K C CREATIVE SERVICE	Reliability Fair Invite - Customer First	\$ 11,632	\$ 5,816	\$ 11,632	\$ 5,816
K C CREATIVE SERVICE	Reliability Fair Invite - Customer First	\$ 36,273	\$ 18,136	\$ 36,273	\$ 18,136
K C CREATIVE SERVICE	Reliability Fair Invite - Customer First	\$ 17,005	\$ 8,503	\$ 17,005	\$ 8,503
UNITED STATES POSTAL	Postage for Reliability Fair Invite	\$ 1,700	\$ 850	\$ 1,700	\$ 850
Louie the Lightning Bug					
DYNAMIC DISPLAYS INC	Louie Balloon Repairs	\$ 1,150	\$ -	\$ 1,150	\$ 1,150
MOORE SYNDICATION IN	New Louie CFL Parade Balloon	\$ 3,139	\$ -	\$ 3,139	\$ 3,139
MOORE SYNDICATION IN	New Louie CFL Parade Balloon	\$ 1,700	\$ -	\$ 1,700	\$ 1,700
MOORE SYNDICATION IN	New Louie CFL Parade Balloon	\$ 39,175	\$ -	\$ 39,175	\$ 39,175
VEILED PROPHETS OF S	Louie Parade Balloon Event	\$ 7,500	\$ -	\$ 7,500	\$ 7,500
Downtown Pole Banners					
DOWNTOWN ST LOUIS CO	rental for banners July through	\$ 616	\$ -	\$ 616	\$ 616
DOWNTOWN ST LOUIS CO	PURCHASING RATE	\$ 18	\$ -	\$ 18	\$ 18
DOWNTOWN ST LOUIS CO	rental for banners July through	\$ 339	\$ -	\$ 339	\$ 339
DOWNTOWN ST LOUIS CO	PURCHASING RATE	\$ 10	\$ -	\$ 10	\$ 10
DOWNTOWN ST LOUIS CO	rental for banners July through	\$ 619	\$ -	\$ 619	\$ 619
DOWNTOWN ST LOUIS CO	PURCHASING RATE	\$ 19	\$ -	\$ 19	\$ 19
Social Media Campaign					
WEBER SHANDWICK	Customer First Planning - Social Media	\$ 35,000	\$ 17,500	\$ 35,000	\$ 17,500
WEBER SHANDWICK	Customer First Planning - Social Media	\$ 20,801	\$ 10,401	\$ 20,801	\$ 10,401
WEBER SHANDWICK	Customer First Planning - Social Media	\$ 3,306	\$ 1,653	\$ 3,306	\$ 1,653
WEBER SHANDWICK	Customer First Planning - Social Media	\$ 8,461	\$ 4,231	\$ 8,461	\$ 4,231
WEBER SHANDWICK	Customer First Planning - Social Media	\$ 52,210	\$ 26,105	\$ 52,210	\$ 26,105
WEBER SHANDWICK	Customer First Planning - Social Media	\$ 27,983	\$ 13,992	\$ 27,983	\$ 13,992
WEBER SHANDWICK	Customer First Planning - Social Media	\$ 6,200	\$ 3,100	\$ 6,200	\$ 3,100
WEBER SHANDWICK	Customer First Planning - Social Media	\$ 7,479	\$ 3,739	\$ 7,479	\$ 3,739
WEBER SHANDWICK	Customer First Planning - Social Media	\$ 205,339	\$ 102,669	\$ 205,339	\$ 102,669

Union Electric Company, d/b/a Ameren Missouri
Case No. ER-2014-0258

Campaign Basis

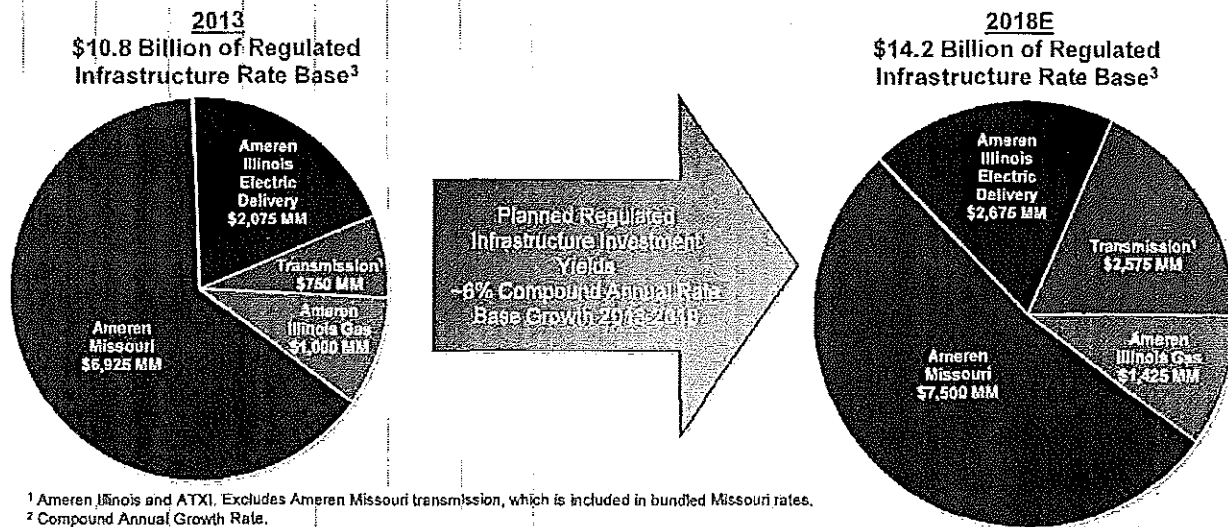
Campaigns	Test Year		Company % ¹	Difference
	Amount	Staff % ¹		
Community Lights	\$ 283,485	0%	100%	\$ (283,485)
Safety - Louie the Lightning Bug	\$ 110,973	53%	100%	\$ -
EE Launch - EE Launch Digital				
Media, Cardinals Digital Signs	\$ 475,966	44%	53%	\$ (475,966)
Reliability - Fair Invite, Storm				
Thank You Ads	\$ 693,901	88%	99%	\$ -
Social Media	\$ 366,780	50%	100%	\$ (183,390)
	\$ 1,931,105			\$ (942,841)

Standalone Ads	Test Year		Company Amount	Difference
	Amount	Staff Amount		
Solar Farm Artwork	\$ 197	\$ 197	\$ 197	\$ -
Storm Ads - Not part of a campaign	\$ 8,823	\$ -	\$ 8,823	\$ 8,823
Downtown Pole Banners	\$ 1,620	\$ -	\$ 1,620	\$ 1,620
	\$ 10,640	\$ 197	\$ 10,640	\$ 10,443

¹ Percentage is based on the cost of the ads deemed to be general & safety, divided by the total cost of the campaign.

INVESTING CONSISTENT WITH REGULATORY FRAMEWORKS

	Electric Transmission ¹	Ameren Illinois	Ameren Missouri
REGULATOR:	Federal Energy Regulatory Commission	Illinois Commerce Commission	Missouri Public Service Commission
CURRENT ALLOWED RETURN ON EQUITY (ROE):	12.38%	Electric: 30-yr Treasury yield + 580 basis points Gas: 9.08%	Electric: 9.8%
SPEED OF RECOVERY:	Timely	Lag minimized	Lag remains
FORECAST RATE BASE CAGR ² 2013-2018 ³ :	28%	Electric: 5% Gas: 7%	2%



¹ Ameren Illinois and ATXI. Excludes Ameren Missouri transmission, which is included in bundled Missouri rates.

² Compound Annual Growth Rate.

³ Reflects year-end rate base (rounded to nearest \$25 million) and includes construction work in progress related to ATXI's projects.

2018 projections issued and effective as of Feb. 21, 2014 Earnings Conference Call.

6 December Investor Meetings

