

Exhibit No.:  
Issue: Revenue Requirement  
Witness: Steven C. Carver  
Type of Exhibit: Surrebuttal Testimony  
Sponsoring Party: Missouri Industrial Energy Consumers  
Case No.: ER-2014-0258  
Date Testimony Prepared: February 6, 2015

Filed  
March 23, 2015  
Data Center  
Missouri Public  
Service Commission

**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 Revenues for Electric Service )  
\_\_\_\_\_ )

Case No. ER-2014-0258  
Tariff No. YE-2015-0003

Surrebuttal Testimony and Schedule of

**Steven C. Carver**

**Revenue Requirement**

On behalf of

**Missouri Industrial Energy Consumers**

February 6, 2015

MIEC Exhibit No. 507  
Date 3-09-15 Reporter KF  
File No. ER-2014-0258

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STATE OF MISSOURI  
COUNTY OF JACKSON

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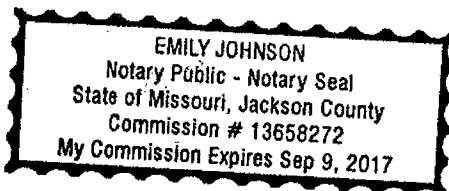
Affidavit of Steven C. Carver

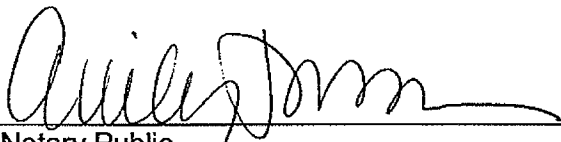
Steven C. Carver, being first duly sworn, on his oath states:

1. My name is Steven C. Carver. I am Vice President of Utilitech, Inc., having my principal place of business at PO Box 481934, Kansas City, Missouri 64148. We have been retained by the Missouri Industrial Energy Consumers in this proceeding on their behalf.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony and schedule which were prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. ER-2014-0258.
3. I hereby swear and affirm that the testimony and schedule are true and correct and that they show the matters and things that they purport to show.

  
\_\_\_\_\_  
Steven C. Carver

Subscribed and sworn to before me this 5<sup>th</sup> day of February 2015.



  
\_\_\_\_\_  
Notary Public

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

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**In the Matter of Union Electric Company,  
d/b/a Ameren Missouri's Tariff to Increase  
Its Revenues for Electric Service**

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)  
) **Case No. ER-2014-0258**  
) **Tariff No. YE-2015-0003**  
)  
)

**Surrebuttal Testimony of Steven C. Carver**

1   **Q     PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2   A     My name is Steven C. Carver. My business address is PO Box 481934, Kansas City,  
3         Missouri 64148.

4   **Q     ARE YOU THE SAME STEVEN C. CARVER THAT FILED DIRECT TESTIMONY IN**  
5         **THIS PROCEEDING?**

6   A     Yes. I am a Principal in the firm Utilitech, Inc., which was retained by the Missouri  
7         Industrial Energy Consumers ("MIEC").

8   **Q     PLEASE SUMMARIZE THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY.**

9   A     My surrebuttal testimony responds to the rebuttal testimony of Ameren witness Bob  
10        Porter and refines the recommendations presented in my direct testimony based on  
11        additional information subsequently provided by the Company. Generally, my  
12        surrebuttal addresses costs allocated to Ameren Missouri (hereinafter "Ameren Missouri"  
13        or "Company") by Ameren Services Company (hereinafter "Ameren Services" or "AMS").  
14        My direct testimony addressed an AMS-related adjustment to operating income and  
15        discussed the recommended treatment of AMS costs in the true-up phase of this  
16        proceeding.

1 Q AT THE TIME YOUR DIRECT TESTIMONY WAS FINALIZED, WERE THERE MIEC  
2 DISCOVERY REQUESTS TO AMEREN MISSOURI THAT REMAINED  
3 OUTSTANDING?

4 A Yes. At page 2 of my direct testimony, I identified multiple sets of outstanding discovery  
5 regarding affiliate transaction costs, allocated or assigned by AMS to Ameren Missouri  
6 that the Company sought to include in the quantification of overall revenue requirement.<sup>1</sup>  
7 Since my direct testimony was finalized, Ameren Missouri has provided responses to  
8 those data requests and two (2) additional sets of MIEC data requests have been  
9 submitted. The Company has already responded to MIEC Set 25 (6 DRs) while MIEC  
10 Set 30 (14 DRs) was submitted earlier this week (February 3, 2015) regarding the AMS  
11 rebuttal testimony of Mr. Porter and preliminary AMS related true-up adjustments.<sup>2</sup>

12 Q AT PAGE 13 OF HIS REBUTTAL TESTIMONY, MR. PORTER ACKNOWLEDGES  
13 THAT AMEREN MISSOURI HAD OBJECTED TO SOME DATA REQUESTS THAT  
14 WERE STILL BEING DISCUSSED AT THE TIME THE INTERVENORS FILED DIRECT  
15 TESTIMONY ON DECEMBER 5, 2014. HE ALSO EXPRESSED HIS  
16 UNDERSTANDING THAT THE COMPANY HAD PROVIDED RESPONSES TO ALL  
17 INTERVENOR REQUESTS IN DECEMBER 2014. IS THAT CORRECT?

18 A Technically, I do believe that is an accurate representation. It should be noted, however,  
19 that the subject of those discovery objections (i.e., MIEC DRs 10.4 and 18.2) were  
20 submitted (October 21, 2014 and November 18, 2014) seeking copies of a pre-existing  
21 report (i.e., the PW19650 Report) containing data for all Ameren Missouri affiliates that  
22 receive direct or allocated AMS costs. At the time those data requests were submitted, it

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<sup>1</sup>Discovery requests involving Ameren Services were submitted to Ameren Missouri and remained outstanding at the time my direct testimony was finalized included MIEC DR Set 18 (21 DRs issued November 18, 2014), Set 20 (5 DRs issued November 24, 2014) and Set 22 (4 DRs issued December 1, 2014).

<sup>2</sup>Ameren Missouri has responded to two of the 14 data requests comprising MIEC Set 30.

1 was believed that the PW19650 report was the principal source of readily available  
2 information key to any evaluation and verification of AMS costs allocated and assigned  
3 to Ameren Missouri. As discussed at pages 16-18 of my direct testimony, the Company  
4 initially provided MIEC with only the Ameren Missouri pages of this pre-existing report on  
5 November 21, 2014. It was not until December 29, 2014, that Ameren Missouri finally  
6 produced the entire PW19650 Report including data by Service Request for all Ameren  
7 entities.

8 Subsequent to the holiday break, MIEC committed substantial resources  
9 converting the PW19650 Reports, produced in an original PDF file format, into a  
10 sortable/searchable spreadsheet to allow for meaningful analysis of the recorded AMS  
11 data and verification of the Ameren Missouri allocation factors. This challenging  
12 undertaking, covering data for the period January 2013 through November 2014, was  
13 not completed until January 30, 2015, but resulted with some success and some  
14 disappointment.

15 **Q PLEASE EXPLAIN.**

16 **A** On the success side, MIEC's analysis of the data in the PW19650 Report supports a  
17 conclusion that the AMS costs (i.e., total O&M, capital and other accounts costs by  
18 Service Request) allocated to Ameren Missouri during the test year did accurately apply  
19 the target allocation factors for 2013 and 2014 provided by the Company in response to  
20 MPSC DR 0047.

21 In addition, the MIEC analysis compared AMS costs allocated to Ameren  
22 Missouri by reporting function and by allocation factor for the test year (April 2013  
23 through March 2014) with the most recent available 12-month period (December 2013  
24 through November 2014). This comparison identified the allocation factors by business  
25 function that resulted in the ten (10) largest increases in AMS costs allocated to Ameren

1 Missouri between these time periods. None of the allocation factors falling into the  
2 largest dollar increase category were the five (5) generation-related allocation factors  
3 identified at page 14 of my direct testimony.<sup>3</sup> More importantly, the total change in the  
4 amount of AMS costs allocated to Ameren Missouri associated with the five  
5 generation-related allocation factors actually declined from the test year to the  
6 12-months ended November 2014.

7 On the disappointment side, it recently became known that even more detailed  
8 AMS data (i.e., monthly data by business function, FERC account, service request,  
9 Ameren entity) than contained in the PW19650 Report does exist and could have been  
10 produced in a spreadsheet format allowing both the Staff and MIEC to conduct a more  
11 efficient review, evaluation and verification of the AMS cost assignment and allocation  
12 process.<sup>4</sup> Comparable detailed spreadsheet information should be produced by the  
13 Company in future rate cases.

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<sup>3</sup>As demonstrated by the table appearing on page 14 of my direct testimony, the pre-divestiture to post-divestiture variance for each of the five generation-related allocation factors (011A, 011B, 011C, 012B and 012D) increased by over 30% to 100% from a range of about 65% to 69%.

<sup>4</sup>In response to MPSC DR 446, Ameren Missouri provided a copy of a privileged and confidential report entitled "Summary of Concentric Energy Advisors, Inc.'s Review of Shared Services Costs in Relation to the Divestiture of Ameren Energy Resources" issued on March 12, 2014. MIEC recently became aware of a response to a follow-up Staff data request (MPSC DR 446.1) which sought all documentation and data provided to the outside consultant that prepared this report. The response to MPSC DR 446.1 indicates that "documents will be provided on a CD." The referenced documents were not uploaded to Ameren's CaseWorks website for discovery access, but a CD was provided to MIEC on February 5, 2015. While MIEC was only able to conduct a cursory review of the CD, the data the Company provided appears to support the availability of the type of detailed spreadsheet information needed on an ongoing basis to efficiently monitor, test and verify the reasonableness of AMS costs directly assigned and allocated to Ameren Missouri.

1 Q A FOCUS OF MR. PORTER'S REBUTTAL TESTIMONY IS THAT INCREASES IN  
2 AMS O&M COSTS ALLOCATED TO AMEREN MISSOURI ARE DRIVEN BY NEW  
3 AND ADDITIONAL SERVICES, SUCH AS INFORMATION TECHNOLOGY  
4 PROJECTS, AND THAT AMEREN'S DIVESTITURE OF AER DID NOT MATERIALLY  
5 INCREASE THE AMS COSTS ALLOCATED TO AMEREN MISSOURI. HOW DO YOU  
6 RESPOND?

7 A As indicated in my direct testimony at pages 13-15, MIEC became aware of recent  
8 events (i.e., the divestiture of AER's generation resources) that could have had a direct  
9 impact on the work requirements of Ameren Services' personnel and the allocation  
10 factors applied to apportion AMS costs to Ameren Missouri. During the period leading  
11 up to the filing of intervenor direct testimony, "MIEC had been unsuccessful in obtaining  
12 any substantive information related to these recent events for the purposes of verifying  
13 and determining the reasonableness of ongoing total Ameren Services costs or the  
14 allocation factors applied to those costs to drive charges to Ameren Missouri."<sup>5</sup>

15 The identifiable shift in the pre-divestiture and post-divestiture allocation factors  
16 summarized in the tables at pages 14-15 of my direct testimony served to highlight  
17 MIEC's concern about a possibly significant shift in AMS costs to Ameren Missouri.  
18 Ready access to AMS data is directly relevant and on point with respect to this concern.

19 The Company possesses and controls all data needed for a careful review of the  
20 AMS cost allocation and assignment process. MIEC's discovery was designed to allow  
21 for an independent assessment of the impact on Ameren Missouri of the shift in AMS  
22 allocation factors due to the divestiture of AER generating assets, an evaluation of  
23 historical trends or variations in total costs (i.e., both direct charged and subject to  
24 allocation) incurred by AMS, and a verification that the claimed allocation factors

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<sup>5</sup>Carver direct testimony at 13.

1 apportioning costs to Ameren Missouri have been properly applied in determining the  
2 monthly charges to Ameren Missouri's O&M accounts.

3 Based on MIEC's additional review and evaluation of the data supplied by the  
4 Company subsequent to the filing of my direct testimony as discussed previously, I have  
5 concluded that the divestiture of AER did not result in a material shift in AMS costs to  
6 Ameren Missouri and that the AMS allocation factors applied to individual Service  
7 Requests have been consistently applied.

8 **Q DOES THAT MEAN THAT YOU NOW CONCUR WITH THE COMPANY'S PROPOSAL**  
9 **TO TRUE-UP AMS COSTS?**

10 **A** No, not necessarily. Ameren Missouri and Ameren Services should strive for regulatory  
11 transparency of all direct and allocable charges incurred to support Missouri operations,  
12 particularly since these charges result from transactions between affiliated entities. As  
13 such, the underlying transactions are not at arm's length or between unrelated parties.  
14 So, regulatory review and evaluation of such related-party transactions should be  
15 reasonably expected in the context of a general rate case, particularly when significant  
16 events result in material shifts in the allocation process. Rather than consume rounds of  
17 discovery and multiple discussions to result in the production of relevant information in a  
18 difficult-to-use format, Ameren Missouri should provide detailed spreadsheet files in  
19 future rate cases containing AMS data<sup>6</sup> for all Ameren Corporation entities receiving  
20 AMS direct charges or allocated costs.

21 MIEC is certainly open to considering a reasonable true-up of AMS nonlabor  
22 costs, since the concerns summarized at page 29 of my direct testimony have now

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<sup>6</sup>Such AMS data would include monthly amounts by business function, Service Request and allocation factor in a format that allows for the segregation of direct charges and allocated costs and supports the ability to sort such data by FERC account (i.e., avoiding the comingling of O&M, capital and other account amounts by allocation factor and service request).



1 largely been resolved. However, the Company's new AMS true-up adjustment remains  
2 subject to review and verification. As discussed at page 25 of my direct testimony,  
3 Ameren Missouri's original methodology sought to annualize AMS charges (see the  
4 Company's O&M Adjustment 4) using a methodology that could not be meaningfully  
5 replicated for true-up purposes with any confidence that the result would be either  
6 reasonable or representative of ongoing conditions. In response to MIEC DRs 10.1 and  
7 10.2, the Company essentially characterized its O&M Adjustment 4 as a placeholder that  
8 will no longer be required after the O&M adjustments are updated during the true-up  
9 phase of this docket.

10 At pages 5-6 of his rebuttal testimony, Mr. Porter indicated that, while 2014  
11 financial information was not final at the time his rebuttal was filed, preliminary  
12 information for calendar year 2014 suggested that the proposed true-up of AMS costs  
13 would increase Ameren Missouri's O&M expenses "by \$5.3 million over the test year  
14 level, or about \$1 million less than the original estimates...Once the books are closed for  
15 2014 and true-up data is available, this sum will be trued-up." Via e-mail on January 27,  
16 2015, Ameren Missouri provided a spreadsheet file containing true-up numbers and  
17 calculations. During a teleconference between Staff, Ameren Missouri and MIEC on  
18 February 3, 2015, the Company indicated that the portions of the true-up spreadsheet  
19 file relating to AMS costs was undergoing further review and revision with the intent of  
20 attaching those calculations to Mr. Porter's surrebuttal testimony to be filed on  
21 February 6, 2015. So, as of this time, I am uncertain of Ameren Missouri's final true-up  
22 position on AMS costs and whether those costs will be verifiable and internally  
23 consistent.<sup>7</sup>

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<sup>7</sup>On February 3, 2015, MIEC's 30<sup>th</sup> set of discovery was submitted to Ameren Missouri seeking further clarification and explanation of certain information contained in Mr. Porter's rebuttal testimony and of the Company's preliminary true-up of AMS costs distributed to the parties on January 27, 2015.

1 It is certainly possible that MIEC's review of Ameren Missouri's proposed true-up  
2 of AMS nonlabor costs may conclude that such amounts are or are not reasonably  
3 includable in test year expense. But, such a determination cannot be made until the  
4 Company's true-up recommendation is finalized and additional supporting  
5 documentation is made available for review by the parties.

6 **Q WHAT TYPES OF CONCERNS MIGHT MIEC HAVE WITH THE COMPANY'S**  
7 **NONLABOR AMS TRUE-UP CALCULATIONS?**

8 A Mr. Porter's rebuttal testimony and the preliminary true-up data presented the theme that  
9 a significant portion of the AMS cost increases to Ameren Missouri was attributable to  
10 information technology ("IT") – new software, new or revised license/maintenance  
11 agreements, etc. – not the divestment of AER. The Company's preliminary true-up  
12 spreadsheet involves updating test year AMS nonlabor O&M expenses to 2014 actual  
13 amounts. If that approach is continued in Mr. Porter's surrebuttal testimony, there are  
14 several questions that should be addressed.

- 15 • Has the Company taken reasonable steps to remove any one-time and non-recurring  
16 (e.g., software implementation and transition costs) or out-of-period/prior period  
17 costs from the 2014 actual results?
- 18 • Can the increases in the IT true-up data be verified regarding the underlying factors  
19 driving the escalation in costs (e.g., licensing fees related to the roll-out of new  
20 software, the elimination of the cost of any replaced software, increased  
21 licensing/maintenance fees associated with continuing software use, purchase or  
22 lease of new computer hardware, etc.)?
- 23 • Can the AMS nonlabor true-up calculations be tested and verified to supporting data  
24 to determine the reasonableness of the proposed increase in nonlabor costs?

25 While these questions existed with the AMS nonlabor portion of the Company's  
26 preliminary true-up spreadsheet, it is presently unknown whether similar questions and  
27 concerns will exist with the true-up data Ameren Missouri is expected to file along with  
28 its surrebuttal testimony on February 6, 2015.

1 Finally, a series of MIEC discovery questions in this proceeding were directed to  
2 the AMS “rentbill” or rent compensation study.<sup>8</sup> The Company’s preliminary true-up  
3 spreadsheet included adjustments to both rent revenue and rent expense resulting from  
4 corrections identified as a result of MIEC data requests. Additional data requests were  
5 included in MIEC’s 30<sup>th</sup> set of discovery that involved AMS’ corrected rentbill study and  
6 sought additional calculation support that should be considered as part of the true-up  
7 portion of this proceeding.

8 **Q YOU PREVIOUSLY COMMENTED THAT REGULATORY REVIEW AND**  
9 **EVALUATION OF RELATED-PARTY TRANSACTIONS SHOULD BE REASONABLY**  
10 **EXPECTED IN THE CONTEXT OF A GENERAL RATE CASE, PARTICULARLY**  
11 **WHEN SIGNIFICANT EVENTS RESULT IN MATERIAL SHIFTS IN THE ALLOCATION**  
12 **PROCESS. ARE THERE ANY KNOWN OR POSSIBLE SHIFTS IN THE FOCUS OR**  
13 **DIRECTION OF AMEREN CORPORATION THAT COULD IMPACT FUTURE WORK**  
14 **REQUIREMENTS OF AMEREN SERVICES PERSONNEL AND THE DIRECT**  
15 **ASSIGNMENT OR ALLOCATION OF AMS COSTS?**

16 **A** Yes. A December 2014 investor meeting presentation<sup>9</sup> disclosed Ameren’s plans for  
17 future capital investment consistent with regulatory frameworks and provided the  
18 compound annual growth rate (“CAGR”) in forecast rate base<sup>10</sup> for different segments of  
19 its business – electric transmission (FERC regulated, 28% CAGR), Ameren Illinois (ICC

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<sup>8</sup>When assets (e.g., office buildings) are owned by an affiliated entity but are used by or for the benefit of a non-owning affiliate, a “rentbill” or rent compensation study is often performed to apportion asset-related costs (i.e., return on and of investment, operating expenses, property taxes, income taxes, etc.) between the benefiting entities.

<sup>9</sup>Excerpts from the “December Investor Meetings” presentation dated 12/16/2014 is included as Schedule SCC-S1. The entire presentation is publicly available on the Investor tab of Ameren Corporation’s website:

<http://phx.corporate-ir.net/phoenix.zhtml?c=91845&p=irol-EventDetails&EventId=5178344>

<sup>10</sup>See page 6 of the “December Investor Meeting” which defines rate base as including “construction work in progress related to ATXI’s [transmission] projects.” “ATXI” is the acronym for “Ameren Transmission Company of Illinois.” Also, see Schedule SCC-S1.

1 regulated, 5% electric CAGR) and Ameren Missouri (MPSC regulated, 2% CAGR).  
2 Between 2013 and 2018, the rate base for a combination of Ameren Illinois transmission  
3 and ATXI<sup>11</sup> is estimated to increase by about \$1.825 billion (i.e., \$2.575 billion at year-  
4 end 2018 less \$0.75 billion at year-end 2013), which far outpaces the expected growth in  
5 rate base for Ameren Missouri at \$0.575 billion (\$7.5 billion 2018 estimate less \$6.925  
6 billion at year-end 2013), Ameren Illinois electric delivery at \$0.6 billion (\$2.675 billion  
7 2018 estimate less \$2.075 billion at year-end 2013) and Ameren Illinois gas at \$0.425  
8 billion (\$1.425 billion 2018 estimate less \$1.0 billion at year-end 2013).

9 While rate base casts a wider net than plant investment, the December 2014  
10 investor meeting presentation also summarized planned transmission investment during  
11 the period 2014-2018 by ATXI and Ameren Illinois of about \$2.25 billion.<sup>12</sup>

12 While it is unknown how Ameren Corporation might choose to oversee and  
13 manage the substantial increase in transmission projects and investment, the hiring of  
14 additional personnel (whether by Ameren Services or by ATXI or Ameren Illinois) and  
15 the magnitude of the forecasted increase in transmission-related investment will have an  
16 impact on future AMS allocation factors that are based on relative employee counts,  
17 investment including CWIP, number of general ledger transactions, electric sales,  
18 number of customers, etc. While unknown at this time, future changes in the allocation  
19 and assignment of costs is certain.

20 Given the magnitude of the expected increase in non-Missouri transmission  
21 project investment, it is important that the parties participating in future rate cases before  
22 this Commission have timely access to the data and tools necessary to test and verify  
23 the reasonableness and accuracy of AMS costs directly assigned and allocated to  
24 Ameren Missouri.

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<sup>11</sup>Ameren Transmission Company of Illinois ("ATXI").

<sup>12</sup>See page 13 of the "December Investor Meeting" included in Schedule SCC-S1.

1 Q DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

2 A Yes.

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# DECEMBER INVESTOR MEETINGS

12.16.14

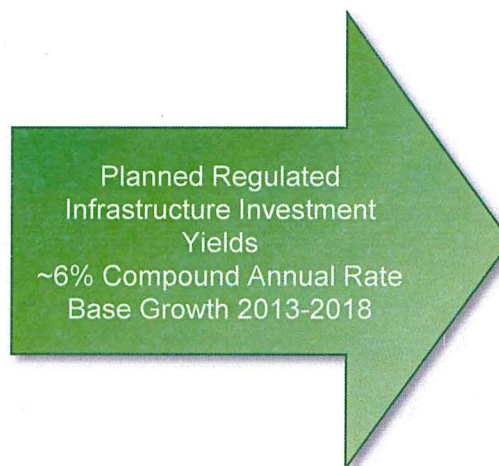
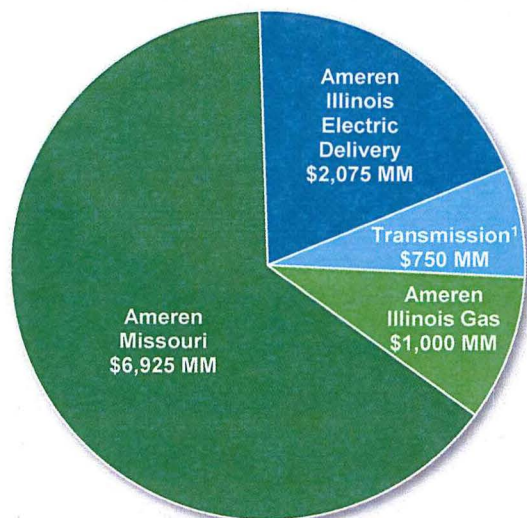
Gas pipeline replacement near Peoria, IL



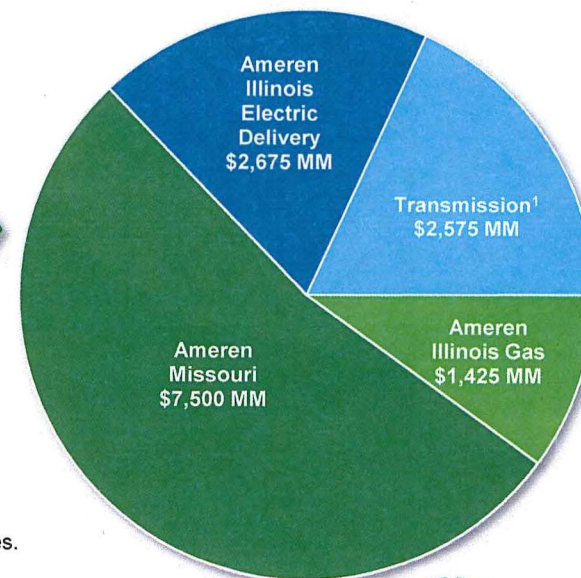
# INVESTING CONSISTENT WITH REGULATORY FRAMEWORKS

	Electric Transmission <sup>1</sup>	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 <sup>2</sup> 2013-2018 <sup>3</sup> :	28%	Electric: 5% Gas: 7%	2%

**2013**  
\$10.8 Billion of Regulated Infrastructure Rate Base<sup>3</sup>



**2018E**  
\$14.2 Billion of Regulated Infrastructure Rate Base<sup>3</sup>



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

<sup>2</sup> Compound Annual Growth Rate.

<sup>3</sup> 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.





# REGULATORY AND BUSINESS UPDATES





# REGULATORY UPDATES

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## Missouri

- Electric rate shift and earnings complaints denied by MoPSC by votes of 5-0
- Pending request for a \$264 million increase in annual electric service rates
  - MoPSC staff and intervenors filed their initial recommendations on Dec. 5, 2014
  - MoPSC staff reconciliation of parties' positions due Feb. 20, 2015
  - Hearings to begin Feb. 23, 2015
  - MoPSC decision expected by May 2015, with new rates effective by June 2015

## Illinois

- ICC authorized an annual electric delivery service formula rate increase of \$204 million on Dec. 10, 2014
  - Authorized rate increase nearly equal to Ameren Illinois' \$205 million request
  - New rates effective in Jan. 2015
- Illinois General Assembly overwhelmingly approved legislation (HB3975) extending EIMA<sup>1</sup> formula rates sunset from end of 2017 to end of 2019
  - Bill is awaiting action by Governor
  - General Assembly reaffirmed commitment to 10-year smart grid plan running through 2021

## FERC

- Complaint case seeks to reduce Ameren Illinois' and ATXI transmission service allowed base ROE of 12.38%
  - FERC issued an order establishing settlement procedures and, if necessary, hearing procedures
  - Believe we are eligible for ROE adder of up to 50 basis points for RTO participation and requested such an adder on Nov. 6, 2014

<sup>1</sup> Energy Infrastructure and Modernization Act.



# FERC-REGULATED ELECTRIC TRANSMISSION BUSINESS UPDATE

- Planned \$2.25<sup>1</sup> billion investment over 2014-2018 period
  - \$1.4 billion of MISO-approved regional multi-value projects at ATXI
  - \$850 million of local reliability projects at Ameren Illinois
- ATXI's ~\$1.1<sup>1</sup> billion Illinois Rivers Project
  - Updated cost estimate reflecting final ICC- approved route will be provided on Feb. 20, 2015 earnings call
  - In early stages of construction
  - Expect to complete in 2019
- ATXI's ~\$140 million to \$150 million Spoon River Project
  - Filed for ICC Certificate of Public Convenience and Necessity on Aug. 21, 2014 and expect decision in Q3 2015
  - Expect to complete in 2018
- ATXI's ~\$220 million Mark Twain Project
  - Plan to file for MoPSC Certificate of Public Necessity and Convenience in early 2015
  - Expect to complete in 2018

## ATXI Regional Multi-Value Projects



<sup>1</sup> Projections issued and effective as of Feb. 21, 2014 Earnings Conference Call.

