

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

In the Matter of the Adjustment of Union Electric)
Company d/b/a Ameren Missouri's Fuel Adjustment) File No. ER-2016-0130
Clause for the 20th Accumulation Period.) Tariff No. YE-2016-0129

SECOND NON-UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”), the Missouri Public Service Commission Staff (“Staff”), the Office of the Public Counsel (“OPC”), and the Missouri Industrial Energy Consumers (“MIEC”) (collectively “the Signatories”), and for their Second Non-unanimous Stipulation and Agreement (the “Second Stipulation”) state as follows:

Background

1. On January 12, 2016, the Signatories filed a Non-Unanimous Stipulation and Agreement (the “First Stipulation”) under which they agreed that an amount in dispute arising from the calculation of an adjustment triggered by Noranda Aluminum, Inc.’s (“Noranda”) load changes (an adjustment commonly referred to as the “N Factor”) would not be included in the Fuel Adjustment Rate (“FAR”) called for by the Company’s Fuel Adjustment Clause (“FAC”) which was then pending in this docket. The FAR to be made in this docket arose from changes in net energy costs for the FAC accumulation period of June to September, 2015 (“Accumulation Period 20”). At that time, the Signatories all agreed that an N Factor adjustment in some amount should be made arising from Accumulation Period 20, but they were not in agreement on the methodology to calculate the adjustment.

2. Consequently, the First Stipulation reflected the Signatories’ agreement to exclude an N Factor adjustment from the new FARs that were to take effect starting with Ameren Missouri’s February, 2016 billing month (which began January 27, 2016), pending a later determination on the calculation of the N Factor adjustment. The First Stipulation provided

that the Signatories would either agree on a methodology for calculating the adjustment by March 18, 2016 or, if an agreement could not be reached by that date, would file a Joint Proposed Procedural Schedule designed to bring the issue before the Commission for decision. Moreover, the Signatories agreed that the methodology determined by them by agreement (or the Commission ordered methodology, if necessary) would be implemented for Accumulation Period 20 by including the agreed upon or ordered adjustment for Accumulation Period 20 in the first FAR adjustment to occur after the agreement (or Commission order) becomes effective, and that the agreed upon (or ordered) N Factor adjustment would also be included in future FAR adjustments post-Accumulation Period 20.

3. By order dated January 26, 2016, the Commission approved a tariff sheet implementing new FARs arising from Accumulation Period 20, but excluding any N Factor adjustment for Accumulation Period 20, as was agreed upon in the First Stipulation.

Specific Agreements

4. The methodology described in Exhibit A attached hereto and incorporated herein by this reference, shall be used to determine the N Factor adjustment for Accumulation Period 20, and to determine future FAR adjustments post-Accumulation Period 20. The Signatories further agree that the N Factor adjustment using said methodology and arising from Accumulation Period 20 is \$460,554, or after applying the 95%/5% sharing ratio, is \$437,526.¹ The inputs to the FAR calculation for determination of the N Factor for Accumulation Period 20, which were derived from the methodology outlined in Exhibit A, are included in the table below.

Month	Reduction to OSSR (\$)	Increase to SAP (kWh)
June	\$0	0
July	\$776,171	33,988,834

¹ Applicable interest shall be added to this sum when the adjustment is reflected in the FAR filing.

August	\$763,688	34,172,924
September	\$845,236	38,995,367

5. An N Factor adjustment in the amount of \$437,526 (after sharing is applied), plus applicable interest (arising from Accumulation Period 20), and an N Factor adjustment for Accumulation Period 21 (determined using the methodology set forth in Exhibit A), shall be included in the Company's upcoming FAR filing for Accumulation Period 21, so long as the Commission issues an order that has become effective no later than March 19, 2016 approving this Second Stipulation. Should an effective order not exist by March 19, 2016, the Signatories agree that the N Factor adjustment in the amount of \$437,526 for Accumulation Period 20 (after sharing is applied), plus applicable interest, and the N Factor adjustment for Accumulation Period 21 (after sharing is applied), plus applicable interest, shall be included in the Company's FAR filing for Accumulation Period 22.²

6. The methodology provided for in Exhibit A shall be used to determine future N Factor adjustments arising from accumulation periods post-Accumulation Period 21, including for Accumulation Period 22 and all Accumulation Periods to which the current Rider FAC applies.

7. The Signatories request that the Commission approve this Second Stipulation no later than March 9, 2016, with an effective date of its approval order of to be 10-days later (no later than March 19, 2016), so that the N Factor adjustment for Accumulation Periods 20 and 21 can be included in the FAR filing for Accumulation Period 21, which is to be made at least 60 days prior to the start of the June 2016 billing month.³

² Accumulation Period 22 covers the months of February through May, 2016.

³ If the Commission is unable to approve this Second Stipulation as requested in this paragraph, the Signatories request that the Commission approve it as soon thereafter as possible so that the N Factor adjustments for Accumulation Periods 20, 21 and 22 (if applicable) can be included in the FAR filing for Accumulation Period 22.

8. Certain variances from the Commission's FAC rules may be needed to effectuate this Second Stipulation, specifically of 4 CSR 240-20.090(4). The Signatories agree, to the extent necessary, that the Commission should grant a variance of said rule and any such other variances as may be necessary to effectuate the terms of this Second Stipulation in its order approving this Second Stipulation.

9. No party will argue that including the N Factor adjustment from Accumulation Period 20 in a FAR filing post-Accumulation Period 20 is unlawful or unreasonable.⁴

10. This Second Stipulation applies to all Accumulation Periods to which Ameren Missouri's Rider FAC, as currently written, applies.

General Provisions

11. This Stipulation is being entered into for the purpose of disposing of the issues that are specifically addressed herein. In presenting this Stipulation, none of the Signatories shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking principle or procedural principle, including, without limitation, any method of cost or revenue determination or cost allocation or revenue related methodology, and none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation (whether it is approved or not) in this or any other proceeding, other than a proceeding limited to enforce the terms of this Stipulation, except as otherwise expressly specified herein.

12. This Stipulation has resulted from extensive negotiations and the terms hereof are interdependent. If the Commission does not approve this Stipulation, or approves it with modifications or conditions to which a party objects, then this Stipulation shall be void and no signatory shall be bound by any of its provisions.

⁴ No party will make such an argument as to Accumulation Period 21 either, if, as contemplated by footnote 3, this Second Stipulation is not approved in time to include the N Factor adjustment for Accumulation Period 21 in the FAR filing for Accumulation Period 21.

13. If the Commission does not unconditionally approve this Stipulation without modification, and notwithstanding its provision that it shall become void, neither this Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

14. If the Commission unconditionally accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2000; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo 2000; (3) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000 and (4) their respective rights to judicial review pursuant to Section 386.510, RSMo Supp. 2013. These waivers apply only to a Commission order respecting this Stipulation issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation.

15. This Stipulation contains the entire agreement of the signatories concerning the issues addressed herein.

16. This Stipulation does not constitute a contract with the Commission. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

WHEREFORE, the Signatories respectfully request the Commission issue an Order approving the terms of this Second Stipulation, including the requested variance, and that it do so by March 9, 2016 to be effective on March 19, 2016, as well as granting any other relief required to implement this Second Stipulation.

Respectfully submitted:

/s/ James B. Lowery

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 7th day of March, 2016, to all parties on the Commission's service list in this case.

/s/James B. Lowery

Exhibit A to Second Non-Unanimous Stipulation and Agreement, File No. ER-2016-0130

N-Factor Methodology Description for Any Given Month:

The term "IAS Sales" refers to the actual metered kWh sales for either Service Classification 13(M) Industrial Aluminum Smelter or 12(M) Large Transmission Service.

Step 1 – Determine if N-Factor is Triggered

Compare the monthly IAS Sales to the ER-2014-0258 rate case billing determinants for that same month. If the monthly reduction is equal to or greater than 40,000,000 kWh the N-Factor is triggered and the remaining steps of this methodology are to be followed. The rate case billing determinants are specified in a table below.

	Billing Units (kWh)
January	357,119,161
February	320,761,619
March	355,462,442
April	344,426,585
May	354,714,758
June	339,854,682
July	356,423,566
August	356,715,009
September	344,507,754
October	355,976,902
November	346,725,741
December	358,325,347

Step 2 – Determine Hourly Baseline IAS Sales

The hourly baseline IAS Sales shall be the ER-2014-0258 rate case billing determinants for the month divided by the numbers of hours in the month such that each hour for the month is equal.

Step 3 – Determine the Hourly Deviation of IAS Sales to Baseline IAS Sales

For each hour in the month, subtract the IAS Sales from the Baseline IAS Sales from Step 2.

Step 4 – Determine the hourly kWh of Energy Associated with the 12(M) or 13(M) OSSR Adjustment

Each hourly deviation determined in Step 3 is then adjusted for losses. A 0.9917 loss adjustment factor shall be used to maintain consistency with voltage adjustment factor provided for in Rider FAC as used in the Fuel Adjustment Rate ("FAR") calculation provided for by Rider FAC. The resulting kWh value for each hour associated with the 12(M) or 13(M) OSSR adjustment will then be compared to the volume (kWh) of the Company's "net day-ahead off-system sales."

The volume of net day-ahead off-system sales for each hour shall be determined by subtracting the total kWh of day-ahead energy for the load settled at the Company's Midcontinent Independent System

Operator, Inc. ("MISO") Commercial Pricing ("CP") Node (AMMO.UE or successor node), from the total kWh of day-ahead energy for all of the generating units, for which the Company made offers into the MISO market in the applicable hour, settled at the applicable generator's MISO CP Nodes.

The kWh of energy sold off-system associated with the 12(M) or 13(M) OSSR adjustment in any given hour shall be the lesser of 1) the deviation of IAS Sales from Baseline IAS Sales for that hour, as determined from Step 3, and as adjusted for losses, as specified in Step 4, and 2) the net day-ahead off-system sales for that hour.

Step 5 – Determining the adjustment to S_{AP}

The sum of the hourly kWh of energy sold off-system associated with the 12(M) or 13(M) OSSR adjustment determined in Step 4 establishes the "kWh of energy sold off-system associated with the 12(M) or 13(M) OSSR adjustment" provided for in tariff sheet 73.7 and is to be used in the determination of factor S_{AP} .

Step 6 – Determining the hourly change in off-system sales revenues due to the reduction in IAS Sales

For each hour of the month, the kWh derived in Step 4 shall be multiplied by the day-ahead Locational Marginal Price for the MOGEN1.AGG Node published by the MISO.

Step 7 – Determining the "adjustment to OSSR" provided for by tariff sheet 73.4

The sum of the hourly values determined in Step 6 establishes the "adjustment to OSSR" provided for by tariff sheet 73.4, provided, that in no event shall the "adjustment to OSSR" be greater than the difference between 1) the actual 12(M) or 13(M) billed revenues applicable to the month and 2) the normalized 12(M) or 13(M) revenues for the same month as determined in Case No. ER-2014-0258.

Step 8 – Perform Fuel Adjustment Rate calculation

For each month, after applying the adjustments from Step 5 and Step 7, the FAR calculations will be performed according to the FAR formula provided for in Rider FAC.