BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of Ameren Missouri's Application for Authorization to Suspend Payment of Solar Rebates.

File No. ET-2014-Tariff No.

APPLICATION FOR AUTHORITY TO SUSPEND PAYMENT OF SOLAR REBATES

Pursuant to Sections 393.1030 and 393.1045 RSMo.,¹ and to 4 CSR 240-2.060, Union Electric Company, d/b/a Ameren Missouri ("Ameren Missouri," "Company" or "Applicant") hereby respectfully submits to the Missouri Public Service Commission ("Commission") its Application for Authority to Suspend Payment of Solar Rebates ("Application"). In support of its Application, Ameren Missouri states as follows:

I. APPLICANT

1. Union Electric Company is a Missouri corporation doing business under the fictitious name of Ameren Missouri in good standing in all respects, with its principal office and place of business located at One Ameren Plaza, 1901 Chouteau Ave., St. Louis, Missouri 63103. Applicant is engaged in providing electric and gas utility services in portions of Missouri as a public utility under the jurisdiction of the Commission. There is already on file with the Commission a certified copy of Applicant's Articles of Incorporation (See Case No. EA-87-105), Applicant's Fictitious Name Registrations as filed with the Missouri Secretary of State's Office (See File Nos. GO-98-487 and EN-2011-0069) and a Certificate of Good Standing from the Secretary of State's office (See File No. EA-2014-0136). Said documents are incorporated herein by reference and made a part hereof for all purposes.

2. Pleadings, notices, orders and other correspondence and communications concerning this Application should be addressed to:

¹ All statutory references are to the Revised Statutes of Missouri (Cum. Supp. 2013), unless otherwise noted.

Wendy K. Tatro Corporate Counsel Thomas M. Byrne Director and Assistant General Counsel Ameren Missouri 1901 Chouteau Ave. P.O. Box 66149 St. Louis, MO 63166-6149 AmerenMOService@ameren.com

and

James B. Lowery Smith Lewis, LLP 111 S. Ninth Street, Ste. 200 P.O. Box 918 Columbia, MO 65205 lowery@smithlewis.com

3. Applicant has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment, or decision has occurred within three years of the date of this Application, other than cases currently pending before the Commission. The Applicant has no annual reports or assessment fees that are overdue.

II. HISTORY

4. On November 4, 2008, Proposition C was adopted by the voters of Missouri and later codified as Section 393.1030 which mandated, *inter alia*, that the "commission shall, in consultation with the department, prescribe by rule a portfolio requirement for all electric utilities to generate or purchase electricity generated from renewable energy resources. . ." Section 393.1030.1. Proposition C also stated that "Such rules shall include: (1) A maximum average retail rate increase of one percent determined by estimating and comparing the electric utility's cost of compliance with least-cost renewable generation and the cost of continuing to generate or purchase electricity from entirely nonrenewable sources, taking into proper account

future environmental regulatory risk including the risk of greenhouse gas regulation. . ." Section 393.1030.2(1).

5. In compliance with Section 393.1030, the Commission adopted 4 CSR 240-20.100 Electric Utility Renewable Energy Standard Requirements (effective September 30, 2010) which states, *inter alia*, that: "The retail rate impact. . . may not exceed one percent (1%) for prudent costs of renewable energy resources directly attributable to RES compliance." 4 CSR 240-20.100(5). In addition, Subsection D of 4 CSR 240-20.100(5) states as follows: "For purposes of the determination in accordance with subsection (B) of this section, if the revenue requirement including the RES-compliant resource mix, averaged over the succeeding ten (10)-year period, exceeds the revenue requirement that includes the non-renewable resource mix by more than one percent (1%), <u>the utility shall adjust downward the proportion of renewable resources so that the average annual revenue requirement differential does not exceed one percent (1%)..." (emphasis added).</u>

6. On July 3, 2013, Governor Jeremiah (Jay) Nixon signed into law HB 142 which became effective on August 28, 2013 and amends Section 393.1030. HB 142 states in part (codified in Section 393.1030(3)):

If the electric utility determines the maximum average retail rate increase provided for in subdivision (1) of subsection 2 of this section will be reached in any calendar year, the electric utility shall be entitled to cease paying rebates to the extent necessary to avoid exceeding the maximum average retail rate increase if the electrical corporation files with the commission to suspend its rebate tariff for the remainder of that calendar year at least sixty days prior to the change taking effect. The filing with the commission to suspend the electrical corporation's rebate tariff shall include the calculation reflecting that the maximum average retail rate increase will be reached and supporting documentation reflecting that the maximum average retail rate increase will be reached. The commission shall rule on the suspension filing within sixty days of the date it is filed. 9. On October 11, 2013, Ameren Missouri filed for authority to cease making solar rebate payments. The case, File No. ET-2014-0085, was resolved by a Non-Unanimous Stipulation and Agreement² ("Stipulation") which provided that Ameren Missouri would not cease paying rebates until such time as solar rebate payments reached an aggregate level of \$91.9 million incurred subsequent to July 31, 2012. The Commission approved the Stipulation by an order that was effective on November 23, 2013.

III. AMEREN MISSOURI'S REQUEST TO SUSPEND PAYMENT OF SOLAR REBATES

10. The purpose of this application is to request that the Commission authorize Ameren Missouri to suspend solar rebate payments in order to meet the statutory and rule requirements to adjust downward the proportion of renewable resources so that the average annual revenue requirement differential does not exceed one percent. Authority to suspend solar rebate payments, subject to Ameren Missouri actually paying out the level of rebates it currently anticipates paying, is requested to begin no later than July 22, 2014. Pursuant to HB 142, the Commission is required to make its decision in this matter effective within sixty (60) days of the filing of this Application. Ameren Missouri has also filed a revised solar rebate tariff sheet to allow it to cease paying solar rebates consistent with this Application.

11. Attached to this pleading as Schedule 1HC is Ameren Missouri's calculation of the 1% Retail Rate Impact of its compliance costs with Missouri's Renewable Energy Standard statute. The calculation is made in accordance with the previously referenced Stipulation, which requires Ameren Missouri to use "the Staff's methodology in future RES compliance flings until the RES rule is changed."³ The Company asks the Commission to confirm Ameren Missouri's calculation of the 1% Maximum Average Retail Rate Increase and to find that the 1% Maximum

² While non-unanimous, no party objected to the Stipulation and Agreement.

³ File No. ET-2014-0085, Non-Unanimous Stipulation and Agreement, p. 4, para. 7b.

Average Retail Rate Increase will be reached and to approve the tariff change which will allow the Company to cease making payments as soon as it pays out the \$91.9 million.

12. To be clear, Ameren Missouri is not asking for permission to cease paying solar rebates before it has paid out the entire \$91.9 million to which it has committed. In consultation with the parties to the Stipulation, the Company set up a solar rebate queue and has told certain customers that their rebate dollars are "committed." Those customers who are in the queue with committed rebate dollars will still receive those rebates, assuming they properly install their solar panels within the required timeframes. This filing does not change any of that agreed-upon process.

13. Obviously, it is impossible for Ameren Missouri to know on exactly what date it will pay the last dollar that causes it to reach the 1% Maximum Average Retail Rate Increase and the Company does not desire to cease paying rebates prematurely. The Company also requests the Commission approve a tariff change that allows the Company to cease paying rebates when it pays out that amount, subject to the requirement that Ameren Missouri cannot cease paying rebates earlier than 60 days from the date of this filing. Once Ameren Missouri has paid the entire \$91.9 million, it will file to change its solar rebate tariff to reflect that fact.

WHEREFORE, because Ameren Missouri's RES expenditures are approaching the 1% Maximum Average Retail Rate Increase set forth in the Renewable Energy Standard statute, Ameren Missouri respectfully requests that the Commission authorize it to suspend solar rebate payments by confirming Ameren Missouri's calculation of the 1% Maximum Average Retail Rate Increase and approve a tariff change that allows the Company to cease paying rebates after it has paid out the entire \$91.9 million. The Company requests this order to be effective no

later than July 22, 2014, in order to comply with Section 393.1030.2(1) RSMo. and 4 CSR 240-20.100(5).

Respectfully Submitted,

Is/ Wendy K. Tatro

Wendy K. Tatro, #60261 Corporate Counsel Thomas M. Byrne, #33340 Director & Assistant General Counsel 1901 Chouteau Avenue, MC 1310 P.O. Box 66149 St. Louis, MO 63166-6149 Phone (314) 554-3484 (314) 554-2514 Facsimile (314) 554-4014 amerenmoservice@ameren.com

James B. Lowery MBN#40503 Smith Lewis, LLP

 111 S. Ninth Street, Ste. 200

 P.O. Box 918

 Columbia, MO 65205

 Telephone:
 (573) 443-3141

 Fax:
 (573) 442-6686

 Email:
 lowery@smithlewis.com

ATTORNEYS FOR UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

VERIFICATION

STATE OF MISSOURI)) SS CITY OF ST. LOUIS

WARREN WOOD, being duly sworn on oath, deposes and says that he is the Vice President of External Affairs & Communications of Union Electric Company d/b/a Ameren Missouri, that he has read the foregoing application, knows the contents thereof, and that the information contained in that application is true and correct to the best of his knowledge and belief.

UNION ELECTRIC d/b/2 AMEREN MISSOURI

Subscribed and sworn to before me, the undersigned Notary Public in and for the county and state aforesaid, on the 23 day of $May_{,2014}$.

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Lou Ann Dollar - Notary Public Notary Seal, State of Missouri - Cole County Commission # res 7/5/2015

My Commission expires: 7(2015)

CERTIFICATE OF SERVICE

The undersigned certifies that true and correct copies of the foregoing have been e-mailed or mailed, via first-class United States Mail, postage pre-paid, to the service list of record this 23rd day of May, 2014.

[s] Wendy K. Tatro

Wendy K. Tatro