

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held by internet and audio conference on the 21<sup>st</sup> day of October, 2020.

In the Matter of the Application of Union )  
Electric Company d/b/a Ameren Missouri )  
for a Variance from the Provisions of )  
Commission Rule 20 CSR 4240-14 to Meet )  
Unregulated Competition in a Subdivision )  
in St. Charles County, Missouri. )

**File No. EE-2021-0086**  
Tariff No. JE-2021-0083

**ORDER GRANTING VARIANCE, APPROVING STIPULATION AND  
AGREEMENT, AND NOTICE THAT TARIFF WILL BE ALLOWED  
TO GO INTO EFFECT**

Issue Date: October 21, 2020

Effective Date: October 24, 2020

On September 24, 2020, Union Electric Company d/b/a Ameren Missouri filed an Application, Request for Waivers, and Motion for Expedited Treatment. Ameren Missouri requests a variance from Commission Rule 4 CSR 240-14.020 regarding prohibited promotional practices. Ameren Missouri seeks the variance to allow it to compete with Cuivre River Electric Cooperative, Inc. (Cuivre River), an unregulated entity, for business in a new subdivision.

Ameren Missouri and Cuivre River have been in discussions with W&M Properties, a developer, to provide electric service to a new 10-lot subdivision being developed in Josephville, Missouri, tentatively known as the Kersting Road Development. Both Ameren Missouri and Cuivre River have facilities in the vicinity, and the subdivision area is not subject to an existing territorial agreement. Cuivre River has offered the developer incentives to provide service to the subdivision. Ameren Missouri requests a variance to

offer the developer matching incentives, so that it may provide electric service to the new subdivision.

The Commission set an intervention deadline, but received no intervention requests. The Commission ordered its Staff to file a recommendation regarding the application and tariff sheet. On October 7, 2020, Staff filed a recommendation to approve Ameren Missouri's request pursuant to a Stipulation and Agreement signed by Staff and Ameren Missouri. The Office of the Public Counsel was not a signatory to the Stipulation and Agreement, but the Stipulation and Agreement represents that the Office of the Public Counsel has indicated it will not object. Under Commission Rule 20 CSR 4240-2.115(2) parties have seven days to object to a non-unanimous stipulation and agreement or the Commission may treat the stipulation and agreement as unanimous. The Commission shortened the time for objections to the Stipulation and Agreement by one day to October 13, 2020, to accord with Ameren Missouri's request for expedited treatment. No objections to the Stipulation and Agreement were received. Therefore, the Commission will treat the Stipulation and Agreement as unanimous.

Commission Rule 20 CSR 4240-14.020(1)(B) prohibits a utility from furnishing consideration to any developer for work done or to be done on property not owned or otherwise possessed by the utility. Commission Rule 20 CSR 4240-14.020(1)(E) prohibits a utility from providing free, or less than cost of value, wiring, piping, appliances or equipment. Ameren Missouri's tariff sheet No. 161 permits competition waiver requests for costs otherwise attributable to developers or customers in order to compete with unregulated competition such as electric cooperatives, which would include extension costs. Since Ameren Missouri's facilities are adjacent to the development, no extension

costs will be incurred in order for Ameren Missouri to provide service, so the incentives contemplated by tariff sheet No. 161 are not available and Ameren has no other incentive option available and authorized by its tariff.

The Stipulation and Agreement provides that Ameren Missouri may offer the requested incentives to the developer, but the incentives shall not receive treatment as a Missouri Energy Efficiency Investment Act program for any purpose. It also provides that Ameren Missouri shall separately account for the level of revenue, expense, and plant investment attributable to the Kersting Road Development. Furthermore, in a rate case initiated by Ameren Missouri, the Company shall have the burden of proof that the expenses and plant investment are prudent, and there will be no presumption of prudence for the Kersting Road Development's expenses and plant investments.

Commission Rule 20 CSR 4240-14.010(2) allows a utility to request a variance from the Commission's Utility Promotional Practices Rules. Good cause to grant the variance exists because Ameren Missouri will gain new customers, which would spread existing fixed costs among a larger customer base causing a downward pressure on rates. Ameren Missouri's new customers will also serve as an additional revenue stream. Additionally, since Ameren Missouri's facilities are adjacent to the proposed development, providing service will incur no extension costs, which promotes more efficient use of the existing distribution system.

Ameren Missouri necessarily seeks a waiver of the Commission's 60-day notice requirement of Commission Rule 20 CSR 4240-4.017(1)(D) so that it could file its variance request quickly. Ameren Missouri certifies that it has had no communication with

the office of the Commission regarding any substantive issue likely to be in this case during the preceding 150 days.

Ameren Missouri seeks expedited treatment of its application under Commission Rule 20 CSR 4240-2.080(14). Good cause to grant the request for expedited treatment exists because Ameren Missouri must accommodate the developer's construction timeline.

Ameren Missouri filed tariff revision JE-2021-0083, a revision of Ameren Missouri's Tariff Sheet No. 161.1, that adds the subdivision to Ameren Missouri's list of unregulated competition waivers. That tariff revision has an effective date of October 24, 2020.

After reviewing the Stipulation and Agreement, the Commission finds it is a reasonable resolution of the issues contained therein and should be approved. Based on the application, the unopposed recommendation of its Staff, and its own findings of good cause, the Commission will grant the requested 60-day waiver and variance from Commission Rule 20 CSR 4240-14. The Commission additionally finds there is good cause to make this order effective on October 24, 2020, so that the variance approved in this order is effective when the tariff sheet identifying that variance also becomes effective. The Commission makes no ratemaking determination at this time concerning this transaction.

**THE COMMISSION PROVIDES NOTICE THAT:**

1. The tariff sheet revision filed by Ameren Missouri on September 24, 2020, and assigned Tariff No. JE-2021-0083 will be allowed to become effective on October 24, 2020, by operation of law.

**THE COMMISSION ORDERS THAT:**

1. Ameren Missouri's request for waiver from the 60-day notice requirement of Commission Rule 20 CSR 4240-4.017(1)(D) is granted.
2. Ameren Missouri's request for expedited treatment is granted.
3. Ameren Missouri's request for variance from Commission Rule 20 CSR 4240-14 is granted as it relates to the Kersting Road Development, pursuant to the Stipulation and Agreement.
4. The Stipulation and Agreement filed on October 7, 2020, is approved. The signatories are ordered to comply with the terms of the Stipulation and Agreement. A copy of the Stipulation and Agreement is attached to this order and incorporated by reference.
5. This order shall become effective on October 24, 2020.



**BY THE COMMISSION**

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and  
Holsman CC., concur.

Clark, Senior Regulatory Law Judge