

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held by telephone and internet audio conference on the 10th day of March, 2021.

In the Matter of the Application of Union)	
Electric Company d/b/a Ameren Missouri for)	<u>File No. ET-2021-0020</u>
Approval of Efficient Electrification Program)	Tariff No. YE-2021-0103

ORDER APPROVING STIPULATION AND AGREEMENT

Issue Date: March 10, 2021

Effective Date: April 9, 2021

On October 27, 2020, Union Electric Company d/b/a Ameren Missouri filed its Application, Request for Variances, and Request for Accounting Authority along with two tariff sheets designed to implement an electrification pilot program. The pilot program provided incentives to Ameren Missouri business customers to encourage the adoption of truck refrigeration units and Class I Electric Lift trucks with a capacity greater than 6,000 pounds. Ameren Missouri requested variances from parts of Commission Rule 20 CSR 4240-14 concerning promotional practices so that it could provide incentives for its pilot program. Ameren Missouri additionally requested an accounting authority order to defer the program costs to a regulatory asset for inclusion in Ameren Missouri's next rate case.

So that the Commission had adequate time to consider the application and the tariff sheets, the Commission suspended Ameren Missouri's tariff sheets until February 22, 2021, and then further suspended the tariff sheets until June 30, 2021.

On February 24, 2021, Ameren Missouri, the Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and Renew Missouri Advocates d/b/a Renew Missouri (collectively "Signatories") filed a stipulation and agreement (Agreement) purporting to resolve the issues between the parties. The Missouri Propane Gas

Association was not a signatory, although the Agreement represented that it did not object to the Agreement. Where all parties are not signatories to a stipulation and agreement, Commission Rule 20 CSR 4240-2-115(2) allows seven days to object to the stipulation and agreement. If no party files a timely objection to a stipulation and agreement, the Commission may treat it as a unanimous stipulation and agreement. More than seven days have passed since the Agreement was filed, and no party has objected. Therefore, the Commission will treat the Agreement as a unanimous.

The specific terms of the agreement are contained in the attached Agreement. By the terms of the Agreement, Ameren Missouri will use a deferral accounting mechanism to track the program costs and administrative expenses as a regulatory asset. Rate treatment of that regulatory asset will be determined in future rate cases.

A summary of the major points of the Agreement include:

1. Ameren Missouri agrees to cap its administrative and marketing costs associated with the pilot program at 20% of the proposed \$1.9 million budget, with the rest allocated to customer incentives.
2. Ameren Missouri will account for any carrying costs associated with the pilot program at the Company's short-term debt rate.
3. Ameren Missouri will promote time of day rates in its program marketing, and will encourage participating customers to utilize time of day rates if it is practical for that customer to do so.
4. The pilot program will be available for customer classifications including Small General Service Rate, Large General Service Rate, Small Primary Service Rate, Large Primary Service Rate, and Large Transmission Service

Rate. Those customers taking service under or applying for discounted rates under economic development programs will not be eligible.

5. Ameren Missouri will implement a plan for educating customers regarding the pilot program.
6. Ameren Missouri will encourage participation in the pilot program throughout its service territory, including in economically challenged areas.
7. Ameren Missouri will submit a report to the Commission at the pilot program term midpoint, as well as a final report at the end of the Initial Period, and provide operable workpapers to all signatories.

The Agreement also asks the Commission to grant Ameren Missouri a variance from Commission Rule 20 CSR 4240-14.020(1) provisions (D), (E), and (F), which concern the providing of incentives as part of a public utilities promotional practices, for the purpose of implementing the pilot program.

After reviewing the Agreement, the Commission finds that it is a reasonable resolution of the issues contained therein and should be approved. Commission Rule 20 CSR 4240-14.010(2), provides that on written application the Commission may grant a waiver of the promotional practice rules for good cause. The Commission finds there is good cause to grant the requested variances of the requested provisions to encourage participation in the electrification pilot program. The Commission will grant Ameren Missouri's request to use a deferral accounting mechanism to track the program costs and administrative expenses. The Commission will reject the tariff sheets filed by Ameren Missouri and will order it to submit tariff sheets conforming to the Agreement approved in this order.

THE COMMISSION ORDERS THAT:

1. The *Unanimous Stipulation and Agreement* filed on February 24, 2021, is approved. The Signatories are ordered to comply with its terms. A copy of the *Unanimous Stipulation and Agreement* is attached to this order and incorporated by reference.

2. Ameren Missouri's request for variances from Commission Rule 20 CSR 4240-14.020(1) provisions (D), (E), and (F), are granted to the extent necessary to accommodate the electrification pilot program that is the subject of the *Unanimous Stipulation and Agreement*.

3. The Commission grants Ameren Missouri's request to use a deferral accounting mechanism to track the program costs and administrative expenses as a regulatory asset. Any rate treatment of that regulatory asset will be determined in a future rate case.

4. The tariff sheets filed on October 27, 2020, by Ameren Missouri and assigned Tariff No. YE-2021-0103 are rejected.

5. Ameren Missouri shall file tariff sheets conforming with the *Unanimous Stipulation and Agreement* approved by this order.

6. This order shall be effective on April 9, 2021.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff
Secretary

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

Clark, Senior Regulatory Law Judge