

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 9th day of June, 2022.

In the Matter of the Application of Union Electric)
Company for Authority To Continue the Transfer)
of Functional Control of Its Transmission System)
to the Midcontinent Independent Transmission)
System Operator, Inc.)

File No. EO-2011-0128

FOURTH ORDER MODIFYING 2012 REPORT AND ORDER

Issue Date: June 9, 2022

Effective Date: July 9, 2022

On April 19, 2012, the Commission issued a report and order that authorized Union Electric Company, d/b/a Ameren Missouri, to continue the transfer of functional control of its transmission system to the Midcontinent Independent System Operator, Inc. (MISO), subject to several specified conditions. The date through which Ameren Missouri has been authorized to participate in MISO has been extended several times, and the company is currently authorized to remain in MISO until May 31, 2024.

On May 18, 2022, Ameren Missouri, the Staff of the Commission, the Office of the Public Counsel, and the Missouri Industrial Energy Consumers (MIEC) filed a joint motion asking the Commission to further modify the 2012 Report and Order. The movants ask the Commission to extend authorization for Ameren Missouri to participate in MISO indefinitely rather than for a fixed term. The movants believe this revision would be appropriate given the substantial benefits Ameren Missouri receives from its membership in MISO, as well as the high financial costs Ameren Missouri would face if it were to leave

MISO. The Commission would retain authority to require further proceedings respecting Ameren Missouri's participation in MISO if it chooses to do so.

The Commission ordered that any party wishing to respond to the joint motion do so by June 1, 2022. No response has been filed.

After considering the matter, the Commission concludes the unopposed joint motion should be granted.

THE COMMISSION ORDERS THAT:

1. Paragraph 2 of the April 19, 2012 Report and Order, as previously modified, is further modified to state as follows:

Ameren Missouri's authority to continue the transfer of functional control of its transmission system to MISO is granted subject to the following conditions:

- A. The Commission approves Ameren Missouri's continued RTO participation in MISO. The extended permission granted in this order is also subject to the provisions of paragraphs J and K of this order.
- B. Ameren Missouri shall acknowledge that the Service Agreement's primary function is to ensure that the Commission continues to set the transmission component of Ameren Missouri's rates to serve its Bundled Retail Load. Consistent with Section 3.1 of the Service Agreement and its primary function, to the extent that the FERC offers incentive "adders" for participation in an RTO or in an ICT to the rate of return allowed for providing Transmission Service, as

that term is defined in the Service Agreement, to wholesale customers within the Ameren zone, such incentive adders shall not apply to the transmission component of rates set for Bundled Retail Load by the Commission.

- C. Currently, FERC requires Bundled Retail Load served by MISO Transmission Owners to take Transmission Service under the MISO's Energy Markets Tariff ("EMT"). If, at some point, Ameren Missouri is not required to take Transmission Service for Bundled Retail Load under the EMT, the Service Agreement shall be terminated concurrently with the point in time when Ameren Missouri is no longer required to take Transmission Service for Bundled Retail Load under the EMT. Termination of the Service Agreement under this provision shall not affect Ameren Missouri's membership participation status in the MISO and the Commission shall continue to have jurisdiction over the transmission component of the rates set for Bundled Retail Load. As a participant in the MISO, Ameren Missouri may remain subject to charges from the MISO for Bundled Retail Load under the EMT that are assessed ratably to all load-serving utilities who are participants in the MISO, but who are not taking Transmission Service for their Bundled Retail Load under the EMT. No ratemaking treatment has been adopted for these changes.

D. The Service Agreement (unless it is terminated pursuant to its terms) shall continue in its current form; provided that the Commission may rescind its approval of Ameren Missouri's participation in the MISO and may require Ameren Missouri to withdraw from participation in the MISO if the Commission determines withdrawal is in the public interest for reasons that include, but are not limited to, the following:

(i) The issuance by FERC of an order, or the adoption by FERC of a final rule or regulation, binding on Ameren Missouri, that has the effect of precluding the Commission from continuing to set the transmission component of Ameren Missouri's rates to serve its Bundled Retail Load; or

(ii) The issuance by FERC of an order, or the adoption by FERC of a final rule or regulation, binding on Ameren Missouri, that has the effect of amending, modifying, changing, or abrogating in any material respect any term or condition of the Service Agreement previously approved by the Commission and by FERC.

Ameren Missouri shall immediately notify the Stakeholders if Ameren Missouri becomes aware of the issuance of any order, rule, or regulation amending, modifying, changing, or abrogating any term or condition of the Service Agreement. Any stakeholder is free

to make a filing with the Commission as a result of an action by FERC as described in this provision.

- E. Unless ordered otherwise by the Commission, any order issued by the Commission that, on a basis provided for in paragraph D(i) or D(ii), terminates the Commission's approval of Ameren Missouri's participation in the MISO shall be effective when Ameren Missouri has re-established functional control of its transmission system as a transmission provider or transfers functional control to another entity depending on further orders of the Commission and the FERC.
- F. If Ameren Missouri desires to securitize the revenues associated with its transmission system, it shall obtain additional prior permission and approval from the Commission.
- G. If Ameren Missouri decides to seek any fundamental change in its membership participation or membership status in the MISO, it shall seek prior approval from the Commission no later than five business days after its filing with the FERC for authorization of that change.
- H. For transmission facilities located in Ameren Missouri's certificated service territory that are constructed by an Ameren affiliate and that are subject to regional cost allocation by MISO, for ratemaking purposes in Missouri, the costs allocated to Ameren Missouri by MISO shall be adjusted by an amount equal to the difference between: (i) the annual revenue requirement for such facilities that

would have resulted if Ameren Missouri's Commission-authorized ROE and capital structure had been applied and there had been no construction work in progress (CWIP) (if applicable), or other FERC Transmission Rate Incentives, including Abandoned Plant Recovery, recovery on a current basis instead of capitalizing pre-commercial operations expenses and accelerated depreciation, applied to such facilities and (ii) the annual FERC-authorized revenue requirement for such facilities. The ratemaking treatment established in this provision will, unless otherwise agreed or ordered, continue as long as Ameren Missouri's transmission system remains under MISO's functional control.

- I. Ameren Missouri shall provide the Stakeholders a presentation on the current and near-term plans for Ameren (Ameren Missouri, ATX, and ATXI) regarding local and regional transmission construction in Missouri annually while it participates in MISO at a mutually convenient time and location.
- J. Ameren Missouri shall convene a Stakeholder meeting should an event(s) or circumstance(s) occur in the MISO footprint or that of an adjacent RTO of which Ameren is aware that Ameren Missouri believes significantly affects its position in MISO. Ameren Missouri shall apprise Stakeholders by email of such events that may affect its position in MISO. Any Stakeholder can request such a meeting be convened for the same reason. If, because of such a meeting,

Ameren Missouri agrees that a further filing respecting its RTO participation or operation as an ICT should be made, it may make such a filing and it may include a cost-benefit study with its filing if it believes a cost-benefit study is warranted. If because of such a meeting Ameren Missouri does not agree that such a filing should be made or that such a filing should be made but that a cost-benefit study is not warranted, any Stakeholder can petition the Commission to enter, after hearing, its order requiring a further filing with or without a cost-benefit study.

- K. Any cost-benefit study to be submitted, pursuant to a Commission order under paragraph J, will at a minimum examine continued participation in MISO versus participation in SPP and continued participation in MISO versus operation as an ICT for a range of years of not less than five (5) nor more than twenty (20) years. With respect to any such cost-benefit study, Ameren Missouri shall work with Staff, Public Counsel, and MIEC, and give them substantive input regarding the development of the specific methodology, inputs, outputs, and other features to be included in such a cost-benefit study. Ameren Missouri shall also advise and update MISO and SPP regarding the cost-benefit study. If any difference of opinion regarding the scope, particular details or preliminary assumptions that are necessary to and part of such a cost-benefit study arises, Ameren Missouri shall ultimately have responsibility

for, and the burden of presenting a study in support of whatever position it deems appropriate and necessary at the time of its filing respecting its further RTO participation or operation as an ICT. Accordingly, Ameren Missouri is entitled to maintain a level of independence and control of any such cost-benefit study, while other parties retain their right to oppose Ameren Missouri's positions or to provide alternative positions. Subject to any applicable privilege recognized by law and the provisions of the Commission's rule regarding confidential information, Staff, OPC, and MIEC shall be given meaningful and substantial access to data necessary for, and used in, preparing any such cost-benefit study, and shall be given the opportunity to have meaningful input in the preparation of any such cost-benefit study. Furthermore, Ameren Missouri shall advise and update the MISO and SPP regarding such a cost-benefit study. Ameren Missouri will also provide regular reports regarding the progress and, if requested, reasonable details of the study to any party to this case that requests such updates or information. To maintain its independence and control of such cost-benefit study, Ameren Missouri (or Ameren Services on its behalf) shall act as the project manager for such cost-benefit study and shall engage and direct the work of Ameren Missouri or Ameren Services employees or consultants assigned or retained to perform the cost-benefit study.

- L. For purposes of the conditions imposed in this order, the Stakeholders are defined as Union Electric Company, d/b/a Ameren Missouri, the Staff of the Commission, the Midcontinent Independent System Operator, Inc., the Missouri Industrial Energy Consumers, the Office of the Public Counsel, The Empire District Electric Company, the Southwest Power Pool, Inc., and the Missouri Joint Municipal Electric Utility Commission.
- M. Any person or party who receives confidential or highly confidential information as part of the process established in this order shall handle that information in accordance with Commission Rule 20 CSR 4240-2.135.
2. This order shall be effective on July 9, 2022.



BY THE COMMISSION

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

Morris L. Woodruff
Secretary

Silvey, Chm., Coleman, Holsman, and Kolkmeier CC., concur and certify compliance with the provisions of Section 536.080, RSMo (2016). Rupp, C., dissents.

Woodruff, Chief Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 9th day of June, 2022.





Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

June 9, 2022

File/Case No. EO-2011-0128

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive style with a large, prominent "M" and "W".

**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.