

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 8th day of March, 2017.

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 Midwest Independent Transmission System)
Operator, Inc.)

File No. EO-2011-0128

ORDER FURTHER MODIFYING 2012 REPORT AND ORDER

Issue Date: March 8, 2017

Effective Date: March 18, 2017

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 what was then known as the Midwest Independent Transmission System Operator, Inc. (MISO),¹ subject to several specified conditions. One of those conditions required Ameren Missouri to file a new case by November 15, 2015 to address its continued participation in MISO. Subsequently, at the request of the parties, the Commission extended that date to November 15, 2017.

On January 23, 2017, 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 to delay the filing of a new case until March 15, 2020. The motion explains that Ameren Missouri and the other joint movants believe that it would be unduly expensive to perform the

¹ That corporation is now known as the Midcontinent Independent System Operator, Inc. but still uses the acronym MISO. It will be referred to as MISO throughout this order.

comprehensive cost-benefit study that would be required as part of a filing to review Ameren Missouri's membership in MISO.² Further, they believe that because of the high cost to leave MISO, any such cost-benefit study could only show that Ameren Missouri's continued membership in MISO is currently in the public interest.

The Missouri Joint Municipal Electric Utility Commission (MJMEUC) responded to the Joint Motion on February 1, 2017. MJMEUC contends the previously ordered schedule for review of Ameren Missouri's membership in MISO should not be extended. It explains that much has changed since Ameren Missouri last obtained a comprehensive cost study regarding its membership in MISO, and that a new study is needed to ensure that Ameren Missouri's continued membership in MISO is still a net benefit for ratepayers.

Ameren Missouri replied to MJMEUC on February 21, 2017. Ameren Missouri argues that MJMEUC is not a retail customer of Ameren Missouri and has no interest in whether the company remains in MISO that should be protected by this Commission. Further, MJMEUC does not represent Ameren Missouri's retail customers and thus will not be required to pay the cost of the cost-benefit study it is demanding. Ameren Missouri points out that the stakeholders who represent the retail customers who would have to pay for the cost-benefit study have joined in the motion to delay what they believe is an unduly costly and unnecessary study. MJMEUC responded to Ameren Missouri on February 28, 2017.

² Ameren Missouri indicates such a study could cost as much as \$1 million.

After considering the matter, the Commission concludes that the joint motion should be granted.³ It is important to assess the value to ratepayers of Ameren Missouri's continued membership in MISO. But at this time, the cost of a comprehensive cost-benefit study required to assess that value outweighs the importance of the study. Thus, a delay in the performance of that study is appropriate.

THE COMMISSION ORDERS THAT:

1. Portions of the April 19, 2012 Report and Order, as previously modified by the Commission's May 17, 2012 Order Granting Ameren Missouri's Motion to Clarify Report and Order, and by the December 22, 2014 Order Modifying 2012 Report and Order, are further modified to state as follows: (the numbers of the modified paragraphs are taken from the April 19, 2012 Report and Order)

2. 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, on an interim basis, Ameren Missouri's continued Regional Transmission Organization (RTO) participation in MISO during a term ending May 31, 2021, provided that if the Commission has not by May 31, 2021, further extended its approval of Ameren Missouri's participation in MISO, Ameren Missouri shall be deemed

³This does not prevent the Commission from ordering Ameren Missouri to conduct the cost/benefit study regarding its continued participation in MISO before the extended deadline if, at any time, circumstances warrant taking such action.

to have Commission approval to continue its MISO participation for the additional time necessary to re-establish functional control of its transmission system so that it may operate the same as an Independent Coordinator of Transmission (ICT), or to transfer functional control of its transmission system to another RTO. The extended permission granted in this order is also subject to the provisions of paragraph 2.O of this order.

B. Assuming that Ameren Missouri has not earlier requested withdrawal or that withdrawal has not otherwise occurred, by January 30, 2019, Ameren Missouri shall contact and consult with the Stakeholders to review with the Stakeholders the additional analysis Ameren Missouri believes is appropriate and necessary regarding Ameren Missouri's continued participation in an RTO after May 31, 2021, or its operation as an ICT. Such study, at a minimum, shall examine continued participation in MISO versus participation in SPP and continued participation in MISO versus operation as an ICT. Such study shall examine a period after May 31, 2021, of not less than five years or more than ten years.

C. After taking into consideration in good faith the comments and input from the Stakeholders regarding the tentative analysis, Ameren Missouri shall, by March 30, 2019, advise the Stakeholders of the specific parameters, (including the minimum requirements provided for above) of the analysis Ameren Missouri intends to conduct.

D. By November 15, 2020, Ameren Missouri shall file a pleading, along with the results of its actual analysis regarding its continued RTO

participation or its possible operation as an ICT after May 31, 2021. That pleading shall also address, among other things, whether the Service Agreement or similar mechanism for the provision of transmission service to Missouri Bundled Retail Load should continue to remain in effect between Ameren Missouri and any RTO in which Ameren Missouri may participate after May 31, 2021.

E. 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 the March 15, 2020 actual analysis. Ameren Missouri shall advise and update MISO and SPP regarding that actual analysis.

I. If any difference of opinion regarding the scope, particular details or preliminary assumptions that are necessary to and part of any supporting analysis to be performed by Ameren Missouri arises, Ameren Missouri shall ultimately have responsibility for, and the burden of presenting an analysis in support of whatever position it deems appropriate and necessary at the time of its March 15, 2020 filing. Accordingly, Ameren Missouri is entitled to maintain a level of independence and control of any such analysis, while other parties retain their right to oppose Ameren Missouri's positions or to provide alternative positions.

O. If Ameren Missouri withdraws from MISO, or if the authority granted in this order is not extended beyond May 31, 2021, Ameren Missouri will have to re-establish functional control of its transmission system as a

transmission provider, or, depending upon further orders of the Commission and the Federal Energy Regulatory Commission (FERC), may have to transfer functional control of its transmission system to another entity. In either case, Ameren Missouri would have to give notice to MISO of its withdrawal. Under Article Five of the Service Agreement, such notice shall not be effective before December 31 of the calendar year following the calendar year in which notice is given by Ameren Missouri to MISO. For a possible withdrawal from the MISO to occur no later than May 31, 2021, the Commission will need to issue a decision with respect to Ameren Missouri's continued participation in MISO no later than December 15, 2020.

S. 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, end with the Commission's order regarding Ameren Missouri's participation in MISO, another RTO, or operation as an ICT to be filed on or before March 15, 2020, regarding Ameren Missouri's participation in MISO, another RTO, or operation as an ICT.

All other provisions of the 2012 Report and Order, as previously modified, including ordered paragraphs 2.F, 2.H, 2.J, 2.K, 2.L, 2.M, 2.N, 2.P, and 2.Q of the 2012 Report and Order, and paragraphs 2.T, and 2.U of the May 17, 2012 Order Granting Ameren Missouri's Motion to Clarify Report and Order are unchanged and remain in effect.⁴

2. 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 during 2017, 2018, 2019, and 2020 at a mutually convenient time and location.

3. On or before January 30 of 2018 and 2019, Ameren Missouri shall convene a stakeholder meeting or meetings to discuss whether extension of the time to file the next case to March 15, 2020 remains reasonable. The discussion shall include a review of the considerations set forth in paragraphs 4 and 5 of the Joint Motion to Make Additional Modifications to April 19, 2012 Report and Order, and such other considerations as Ameren Missouri or the Stakeholders believe should be discussed relative to Ameren Missouri's continued MISO participation. Ameren Missouri shall file a report on each such discussion by March 30 of the year in which the discussion occurs. After each such meeting, any

⁴ Paragraph 2.R of the 2012 Report and Order required Ameren Missouri to participate in an investigatory case (EW-2012-0369) which has been completed.

Stakeholder may petition the Commission to further modify its 2012 Report and Order to change the timing of the conduct of a further cost-benefit study and subsequent filing of Ameren Missouri's next RTO-ICT-related case.

4. This order shall be effective on March 18, 2017.



BY THE COMMISSION

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

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney,
Rupp, and Coleman, CC., concur.

Woodruff, Chief Regulatory Law Judge

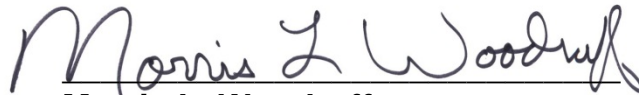
STATE OF MISSOURI

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 8th day of March 2017.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

March 8, 2017

File/Case No. EO-2011-0128

Missouri Public Service Commission
Staff Counsel Department
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
staffcounsel@psc.mo.gov

Office of the Public Counsel
Hampton Williams
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opcservice@ded.mo.gov

Empire District Electric Company, The
Dean L Cooper
312 East Capitol
P.O. Box 456
Jefferson City, MO 65102
dcooper@brydonlaw.com

Midwest Independent Transmission System Operator, Inc. (MISO)
Matthew R Dorsett
720 City Center Drive
P.O. Box 4202
Carmel, IN 46082-4202
mdorsett@misoenergy.org

Midwest Independent Transmission System Operator, Inc. (MISO)
Lisa A Gilbreath
254 Commercial Street
Portland, ME 04111-0410
lgilbreath@pierceatwood.com

Midwest Independent Transmission System Operator, Inc. (MISO)
Karl Zobrist
4520 Main Street, Suite 1100
Kansas City, MO 64111
karl.zobrist@dentons.com

Missouri Industrial Energy Consumers (MIEC)
Carole Iles
221 Bolivar St., Suite 101
Jefferson City, MO 65101
carole.iles@bryancave.com

Missouri Industrial Energy Consumers (MIEC)
Diana M Vuylsteke
211 N. Broadway, Suite 3600
St. Louis, MO 63102
dmvuylsteke@bryancave.com

Missouri Joint Municipal Electric Utility Commission
Douglas Healy
3010 E. Battlefield, Suite A
Springfield, MO 65804
doug@healylawoffices.com

Missouri Joint Municipal Electric Utility Commission
Terry M Jarrett
514 E. High Street, Suite 22
Jefferson City, MO 65101
terry@healylawoffices.com

Missouri Public Service Commission
Steve Dottheim
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
steve.dottheim@psc.mo.gov

Southwest Power Pool, Inc.
Mark W Comley
601 Monroe Street., Suite 301
Jefferson City, MO 65102-0537
comley@ncrpc.com

Union Electric Company
Thomas M Byrne
1901 Chouteau Avenue
P.O. Box 66149
St. Louis, MO 63166-6149
tbyrne@ameren.com

Union Electric Company
James B Lowery
111 South Ninth St., Suite 200
P.O. Box 918
Columbia, MO 65205-0918
lowery@smithlewis.com

Union Electric Company
Wendy Tatrow
1901 Chouteau Avenue
St. Louis, MO 63103-6149
AmerenMOService@ameren.com

Union Electric Company
Michael R Tripp
111 S. 9th Street
P.O. Box 918
Columbia, MO 65205-0918
tripp@smithlewis.com

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, flowing style.

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.