

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 30th day  
of April, 2008.

In the Matter of the Application of Union Electric )  
Company d/b/a AmerenUE for an Accounting )  
Authority Order Regarding Accounting for the )  
Extraordinary Costs Relating to Damage from )  
the January 2007 Ice Storm )

**Case No. EU-2008-0141**

**ORDER APPROVING STIPULATION AND AGREEMENT**

Issue Date April 30, 2008

Effective Date: May 10, 2008

**Syllabus:** This order approves a Stipulation and Agreement between the Staff of the Missouri Public Service Commission and Union Electric Company d/b/a AmerenUE and AmerenUE's application to defer \$24.7 million in costs resulting from the ice storm of January 2007.

**Background**

On November 5, 2007, AmerenUE filed with the Commission an application as described above. In its application, AmerenUE seeks to defer \$24.7 million to Uniform System of Accounts, Account 182.3. The Staff of the Commission later filed its Memorandum recommending that the Commission grant the requested relief subject to the following conditions:

- AmerenUE should be authorized to defer actual incremental operation and maintenance expenses incurred as a direct result of the January 2007 ice storm to Account 182.3. Such expenses shall be in accordance with USOA definitions of operation and maintenance expense and shall exclude any expenditures relating to plant-in-service (i.e., capital costs).

- Any insurance claim proceeds applicable to incremental operation and maintenance expense must be used to offset the total amount of operation and maintenance expense to be deferred.
- AmerenUE must begin ratably amortizing to Account 182.3, over a five-year (60 month) period commencing January 15, 2007 (two days after the ice sort,), the appropriate amount of all operation and maintenance expenses directly related to the January 2007 ice storm to be deferred. The five-year amortization period concludes January 14, 2012.
- AmerenUE shall maintain adequate records supporting the incremental expenses deferred. Such records shall include, but not be limited to, listing of outside contractors, agreement with third parties for goods and services, controls in place to ensure all expenditures were reasonable and not utilized to take advantage of the situation, detailing food and lodging costs, labor and material costs, procedures and verification for expense versus capitalization determinations, and determination of incremental levels of such costs versus normal ongoing levels of costs. Such records shall be available for review by the Commission Staff, Office of the Public Counsel and intervenors in this case, pursuant to 4 CSR 240-2.085 and Section 386.480.
- The Commission does not make any findings or inferences as to whether the deferred expenses are prudent and reasonable, whether other factors contributed to the damage to the system and the resulting repair/replacement costs incurred, or whether AmerenUE would have suffered financial harm (i.e., earnings during the period were inadequate to compensate AmerenUE for the costs incurred) absent deferral. The Commission reserves the right to consider the recovery of these costs in a future rate case, the ratemaking treatment of the deferred costs and any assertions regarding the deferred expenses made by parties in AmerenUE's next rate case.

AmerenUE filed a response to Staff's recommendation stating that it agreed with all of the conditions except when the amortization should begin. AmerenUE contends that amortization should begin on the effective date of rates established in AmerenUE's current rate case, ER-2008-0318. Unable to agree on the start-date for amortization, Staff and AmerenUE agreed that the Commission should take this issue up in the current rate case and filed the agreement on April 8.

## **Conclusion**

The Commission has the legal authority to accept a stipulation and agreement as offered by the parties as a resolution of issues raised in this case.<sup>1</sup> The Commission notes that every decision and order in a contested case shall be in writing and, except in default cases or cases disposed of by stipulation, consent order or agreed settlement, shall include findings of fact and conclusions of law.<sup>2</sup> Consequently, the Commission need not make findings of fact or conclusions of law in this order.

Commission rule 4 CSR 240-2.115(2)(C) states that if no party files an objection within seven days from the date the agreement was filed the Commission may treat it as unanimous. Seven days have expired since the filing of the agreement and no party has filed an objection. Therefore, the Commission will treat it as unanimous. The Commission has reviewed the Stipulation and Agreement and finding it just and reasonable, will approve it and direct the parties to abide by its terms.

### **IT IS ORDERED THAT:**

1. The Stipulation and Agreement entered into between Union Electric Company d/b/a AmerenUE and the Staff of the Commission is approved.
2. The parties shall abide by the terms of the Stipulation and Agreement.
3. The parties shall abide by the conditions suggested by Staff and included in the Stipulation and Agreement.

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<sup>1</sup> Section 536.060, RSMo 2000.

<sup>2</sup> Section 536.090, RSMo 2000.

4. This order shall become effective on May 10, 2008.
5. This case may be closed on May 11, 2008.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a faint, circular official seal.

Colleen M. Dale  
Secretary

( S E A L )

Davis, Chm., Murray, Clayton,  
Jarrett, and Gunn, CC., concur.

Jones, Senior Regulatory Law Judge