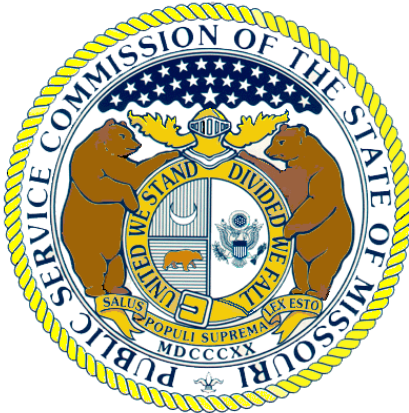


**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**



In the Matter of the Application of Union Electric)
Company d/b/a Ameren Missouri for Permission and)
Approval and a Certificate of Convenience and)
Necessity Authorizing it to Construct a Wind)
Generation Facility)

File No. EA-2018-0202

REPORT AND ORDER

Issue Date: December 12, 2018

Effective Date: December 22, 2018

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Union Electric)
Company d/b/a Ameren Missouri for Permission and)
Approval and a Certificate of Convenience and) **File No. EA-2018-0202**
Necessity Authorizing it to Construct a Wind)
Generation Facility)

APPEARANCES

James B. Lowery, Attorney at Law, SMITH LEWIS, LLP, P.O. Box 918, Columbia, Missouri 65205-0918, and

Wendy K. Tatro, Director and Assistant General Counsel, Ameren Missouri, 1901 Chouteau Ave. St. Louis, Missouri 63103

For Union Electric Company d/b/a Ameren Missouri.

Nicole Mers, Deputy Staff Counsel, 200 Madison Street, Suite. 800, Jefferson City, Missouri 65102-0360.

For the Staff of the Missouri Public Service Commission.

Caleb Hall, Senior Counsel, and **Ryan Smith**, Senior Counsel, Office of the Public Counsel, 200 Madison Street, Suite 650, Jefferson City, Missouri 65102-2230.

For the Office of the Public Counsel and the Public.

Chief Regulatory Law Judge: **Morris L. Woodruff**

REPORT AND ORDER

Table of Contents

Appearances	2
Procedural History	3
Findings of Fact	5
Conclusions of Law	6
Decision	9

The Missouri Public Service Commission, having considered all the competent and substantial evidence upon the whole record, makes the following findings of fact and conclusions of law. The positions and arguments of all of the parties have been considered by the Commission in making this decision. Failure to specifically address a piece of evidence, position, or argument of any party does not indicate that the Commission has failed to consider relevant evidence, but indicates rather that the omitted material was not dispositive of this decision.

Procedural History

Union Electric Company d/b/a Ameren Missouri filed an application on May 21, 2018, seeking a certificate of convenience and necessity (a CCN) to construct and operate a wind generation facility in Schuyler and Adair Counties in Missouri. That application also sought leave to establish a Renewable Energy Standard Cost Recovery Mechanism (RESRAM) related to the cost of the wind generation project. At the same time, Ameren Missouri filed a tariff designed to implement the RESRAM. That tariff carried a January 1, 2019 effective date. The Commission granted applications to intervene filed by the Natural Resources Defense Council (NRDC); the Missouri Department of Conservation; the Missouri Department of Economic Development – Division of Energy; the Missouri Industrial Energy Consumers (MIEC); Renew Missouri Advocates, d/b/a Renew Missouri; and Sierra Club.

On October 12, Ameren Missouri, Staff, Public Counsel, Renew Missouri, MIEC, Department of Conservation, Division of Energy, and the NRDC filed a Third Stipulation and Agreement¹ that resolved all issues regarding the requested CCN, and resolved all but one

¹ Various parties filed two earlier stipulations and agreements that were opposed by one or more

issue regarding the requested RESRAM. The Commission approved that stipulation and agreement in an order issued on October 24.

By approving the stipulation and agreement, the Commission granted Ameren Missouri's request for a CCN to construct and own a wind generation facility to be constructed in Schuyler and Adair Counties under terms of a Build Transfer Agreement with TG High Prairie Holdings, LLC. Further, Ameren Missouri was given authority to merge TG High Prairie, LLC, into Ameren Missouri, with Ameren Missouri to be the surviving entity. Ameren Missouri was also required to comply with various provisions intended to mitigate the impact of the wind project on the environment and Missouri wildlife.

The one remaining unresolved issue concerns the requested RESRAM. While the signatories agree the Commission should grant Ameren Missouri's request to establish a RESRAM, subject to the conditions contained in the stipulation and agreement, the stipulation and agreement provides that if the Commission accepts Ameren Missouri's position on the unresolved issue, it should approve an Ameren Missouri tariff in the form attached to the stipulation and agreement as Appendix B. If the Commission accepts Public Counsel's position on that issue, it should approve an Ameren Missouri tariff in the form attached to the stipulation and agreement as Appendix C. The Commission's determination of which RESRAM tariff should be approved will be made in this Report and Order. The pending RESRAM tariff, which was filed along with Ameren Missouri's application on May 21, was rejected in the order approving the stipulation and agreement.

An evidentiary hearing was held on October 31. Thereafter, the parties filed initial briefs on November 13, and reply briefs on November 20.

parties. The third stipulation and agreement superseded the two previous filings.

Findings of Fact

1. Ameren Missouri is a Missouri certificated electrical corporation as defined by Subsection 386.020(15), RSMo 2016, and is authorized to provide electric service to portions of Missouri.

2. Ameren Missouri filed an application on May 21, 2018, seeking a certificate of convenience and necessity (a CCN) to construct and operate a wind generation facility in Schuyler and Adair Counties in Missouri. That wind generation facility will be referred to as the High Prairie project.

3. As part of its May 21, 2018 Application, Ameren Missouri requested that it be allowed to establish a Renewable Energy Standard Cost Recovery Mechanism, which is frequently referred to by its acronym, RESRAM.²

4. The purpose of the RESRAM is to allow the electric utility an opportunity to recover its prudently incurred costs, and to pass through to its customers any benefits of savings achieved, resulting from the utility's compliance with the renewable energy mandates imposed by Missouri's Renewable Energy Standards law.³

5. The wind generation project for which Ameren Missouri has been granted a CCN in this case is intended to comply with the renewable energy mandates of the law.⁴

6. The operation of the RESRAM allows the electric utility to recover its investment in renewable energy production more quickly than it would be able to recover those costs if it had to wait to recover those costs in a general rate case. The use of the RESRAM also allows the electric utility to avoid the effects of regulatory lag, which would otherwise prevent the utility from recovering RES compliance costs associated with the

² Application, Page 9.

³ Section 393.1030, RSMo 2016.

⁴ Wills Direct, Ex. 119, Page 3, Lines 8-22.

investment during the period between when the asset goes into service until the completion of a general rate case that included the in-service assets within the true-up period.⁵

7. Missouri's General Assembly passed Senate Bill 564 during the 2018 legislative session.⁶ That bill included a provision, codified at Section 393.1400 RSMo, that requires an electric utility that elects to come under this provision to "defer to a regulatory asset eighty-five percent of all depreciation expense and return associated with all qualifying electric plant recorded to plant-in-service on the utility's books commencing on or after the effective date of this section."⁷ This is referred to as "plant in service accounting" or PISA.

8. When Senate Bill 564 was initially introduced, it required all depreciation expense and associated return to be deferred. The eighty-five percent limitation was added to the legislation by the General Assembly during the legislative process.⁸

9. Ameren Missouri elected to make the deferrals required under the terms of Section 393.1400, and to be subject to the terms of Senate Bill 564, through a notice filed with the Commission on September 1, 2018.⁹

Conclusions of Law

A. Subsection 386.020(15), RSMo 2016 defines "electrical corporation" as including:

every corporation, company, association, joint stock company or association, partnership and person, their lessees, trustees, or receivers appointed by any court whatsoever, ... owning, operating, controlling or managing any electric plant except where electricity is generated or distributed by the producer solely on or through private property for railroad, light rail or street railroad purposes or for its own use or the use of its tenants and not for sale to others;

⁵ Wills Direct, Ex. 119, Pages 4-5, Lines 16-23, 1-12.

⁶ Ex. 127.

⁷ Section 393.1400.2.(1), RSMo.

⁸ Ex. 127.

⁹ Notice, File No. EO-2019-0044, September 1, 2018.

By the terms of the statute, Ameren Missouri is an electrical corporation and is subject to regulation by the Commission pursuant to Section 393.140, RSMo 2016.

B. Missouri's "Renewable Energy Standard" portfolio requirements are found in Subsection 393.1030.1, RSMo. That statute requires electric utilities to provide electricity from renewable energy resources at set percentages increasing from year to year. For 2018-2020, no less than ten percent of electricity sold must be from renewable resources. That percentage increases to no less than fifteen percent for each year beginning in 2021. Subsection 393.1030.2 gives the Commission authority to "make whatever rules are necessary to enforce the renewable energy standard." Subdivision 393.1030.2.(4) requires that the rules to be promulgated by the Commission make "[p]rovision for recovery outside the context of a regular rate case of prudently incurred costs and the pass-through of benefits to customers of any savings achieved by an electrical corporation in meeting the requirements of this section."

C. Commission Rule 4 CSR 240-20.100 is the regulation promulgated by the Commission to implement the Renewable Energy Standard. That regulation allows for the establishment of a Renewable Energy Standard Rate Adjustment Mechanism, a RESRAM, which is defined by 4 CSR 240-20.100(1)(P) as "a mechanism that allows periodic rate adjustments to recover prudently incurred RES compliance costs and pass-through to customers the benefits of any savings achieved in meeting the requirements of the Renewable Energy Standard."

D. For both the statute and the implementing regulation, the only limitation on the amount of RES costs that the electric utility may recover through the RESRAM is that those costs be "prudently incurred." In other words, the electric utility will be allowed to recover 100 percent of its "prudently incurred" RES costs.

E. Subdivision 393.1400.2.(1), RSMo, which will be referred to as the Plant in Service Accounting (PISA) statute, states:

Notwithstanding any other provision of this chapter to the contrary, electrical corporations shall defer to a regulatory asset eighty-five percent of all depreciation expense and return associated with all qualifying electric plant recorded to plant-in-service on the utility's books commencing on or after August 28, 2018, if the electrical corporation has made the election provided for by subsection 5 of this section by that date, or on the date such election is made if the election is made after August 28, 2018. In each general rate proceeding concluded after August 28, 2018, the balance of the regulatory asset as of the rate-base cutoff date shall be included in the electrical corporation's rate base without any offset, reduction, or adjustment based upon consideration of any other factor, other than as provided for in subdivision (2) of this subsection, with the regulatory asset balance arising from deferrals associated with qualifying electric plant placed in service after the rate-base cutoff date to be included in rate base in the next general rate proceeding. The expiration of this section shall not affect the continued inclusion in rate base and the amortization of regulatory asset balances that arose under this section prior to such expiration.

Subdivision 393.1400.2.(2), which is referenced in subdivision 393.1400.2.(1), states:

The regulatory asset balances arising under this section shall be adjusted to reflect any prudence disallowances ordered by the commission. The provisions of this section shall not be construed to affect existing law respecting the burdens of production and persuasion in general rate proceedings for rate-base additions.

F. Unlike the RESRAM, which allows an electric utility to immediately recover RES costs from its ratepayers through the RESRAM, the PISA statute does not allow for immediate recovery of depreciation expense and return. Instead, those amounts are to be deferred in a regulatory asset for recovery in rates that will be established in a subsequent general rate case. Further, unlike the RESRAM, which applies only to RES costs and benefits related to the generation and provision of renewable energy, the PISA statute applies to all depreciation expense and return associated with qualifying electric plant, not limited to costs associated with renewable energy.

G. Subsection 393.1400.5, which is also referenced in subdivision 393.1400.2.(1), indicates the PISA statute applies only to an electrical corporation that files notice with the Commission of its intent to be subject to that statute. As the Commission found in Finding of Fact No. 9, Ameren Missouri has chosen to be subject to the PISA statute.

H. In interpreting a statute, the Commission must determine the intent of the legislature, giving the language used its plain and ordinary meaning.¹⁰ Here the language of the PISA statute and the RES statute are clear and unambiguous and not subject to further construction.

I. In interpreting a statute, a “notwithstanding clause” does not create a conflict, but eliminates the conflict that would have occurred in the absence of the clause.¹¹ In this case, there is no conflict between the PISA statute and the RES statute so the “notwithstanding clause” has no effect.

J. If the legislature intends to repeal or amend a statute it must do so explicitly.¹² The Commission will not infer that the legislature intended to amend the RES statute by implication because amendments by implication are not favored.¹³

Decision

Ameren Missouri proposes to use the PISA statute to defer 85 percent of the depreciation expense and return associated with the High Prairie wind project for recovery in a future rate case. All parties agree it can do that. Indeed, by the terms of the PISA

¹⁰ *Lane v. Lensmeyer*, 158 S.W.3d 218, 226, (Mo. banc 2005).

¹¹ *Earth Island Institute v. Union Electric Co.* 456 S.W.3d 27, 34, (Mo. banc 2015)

¹² Missouri Constitution, Art. 3, Section 28.

¹³ *Fisher v. Waste Management of Missouri*, 58 S.W.3d 523, 525 (Mo. banc 2001). See also, *Sours v. State*, 603 S.W.2d 592, 599 (Mo. banc 1980).

statute, it must do that. The issue before the Commission concerns the other 15 percent of the depreciation expense and return associated with the High Prairie project.

Ameren Missouri proposes to use the RES statute and the RESRAM to recover that 15 percent of the depreciation expense and return from its ratepayers. Staff agrees that Ameren Missouri can do so. Public Counsel argues that when Ameren Missouri elected to be subject to the PISA statute, it was precluded, by the terms of that statute, from recovering that 15 percent from its ratepayers through the RES statute and its RESRAM.

This disagreement is a legal issue founded on the language of the PISA statute. The first clause of the first sentence of that statute says “[n]otwithstanding any other provision of this chapter to the contrary.” Public Counsel contends the RES statute is contrary to the PISA statute and argues that the “notwithstanding” clause in the PISA statute precludes application of the RES statute and the associated RESRAM, which are also a part of Chapter 393. The flaw in Public Counsel’s argument is that the RES statute is not contrary to the PISA statute, and therefore the “notwithstanding” clause does not come into play in this situation.

The PISA statute requires the subject electric utility to “defer to a regulatory asset eighty-five percent of all depreciation expense and return associated with all qualifying electric plant recorded to plant-in-service on the utility’s books. ...” By deferring those amounts into a regulatory asset, the electric utility is allowed to avoid some of the financial effect of regulatory lag that results from the time gap between when an item of electric plant is put in service and when it is added to the utility’s rate base as part of a general rate proceeding. As Public Counsel contends, the eighty-five percent limitation on the utility’s ability to defer costs is likely a legislative compromise intended to maintain some regulatory lag to protect ratepayer interests. The PISA statute is silent about what is to be done with the other fifteen percent of those costs.

For most utility “depreciation expense and return associated with all qualifying electric plant recorded to plant-in-service on the utility’s books,” the silence of the PISA statute means the fifteen percent cannot be deferred for future recovery and remains subject to regulatory lag. However, the subset of the fifteen percent associated with renewable energy and thus eligible for recovery under the RES statute falls within the terms of the RES statute and thus can be recovered through the RESRAM.

This interpretation of the two statutes as consistent with each other allows both to be harmonized as fully effective, in compliance with the rule of statutory interpretation that presumes that to be the intent of the legislature. Certainly, the legislature could have written a provision into the PISA statute to forbid recovery of any portion of the fifteen percent by other means, but it did not do so. Similarly, it could have explicitly amended the RES statute, but it did not do so and the Commission will not presume that it amended the RES statute by implication.

The Commission finds and concludes that Ameren Missouri may recover depreciation expense and return associated with the High Prairie project recorded to plant-in-service on the utility’s books as it is permitted to do by the RES statute, exclusive of the eighty-five percent of that expense and return deferred for future recovery pursuant to the PISA statute.

So that Ameren Missouri can proceed with the High Prairie project as soon as possible, and because only a single, narrow issue has been decided, the Commission will make this report and order effective in ten days.

THE COMMISSION ORDERS THAT:

1. Union Electric Company d/b/a Ameren Missouri shall file a RESRAM tariff on the terms reflected in the tariff sheets attached to the approved Third Stipulation and Agreement as Appendix B.
2. This report and order shall become effective on December 22, 2018.

BY THE COMMISSION



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

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Hall, Rupp, and
Coleman, CC., concur;
and certify compliance with the
provisions of Section 536.080, RSMo 2016

Dated at Jefferson City, Missouri,
on this 12th day of December, 2018.

on August 17, 2018.

AGREEMENTS AMONG THE SIGNATORIES

4. Ameren Missouri, Staff, Renew Missouri, MIEC, DE, the Sierra Club, the NRDC, and OPC agree that, with the conditions provided below, the Missouri Public Service Commission ("Commission") should grant Ameren Missouri's request for a CCN pursuant to Section 393.170.1 to construct and own a wind generation facility to be constructed in Schuyler and Adair Counties in Missouri, under the Build Transfer Agreement ("BTA") with TG High Prairie Holdings, LLC (the "Project") as set forth in the Company's *Application*. This authority includes permission to acquire any Non-Compliant wind turbine generators, as defined by and according to the terms of the BTA. The Signatories agree the costs of this Project are Renewable Energy Standard compliance costs so long as the facility is certified by the Division of Energy as a renewable energy resource under 4 CSR 340-8.010. MDC's principal interest in this case are the wildlife issues addressed in paragraph 10 of this Agreement. Therefore, it neither supports nor opposes the grant of the CCN.

5. Authority to Merge: The Signatories agree the Commission should grant Ameren Missouri authority to merge the special purpose entity TG High Prairie, LLC into Ameren Missouri with Ameren Missouri to be the surviving entity pursuant to § 393.190.1, as set forth in the Company's *Application*.

6. Plans and Specifications: Ameren Missouri shall file with the Commission quarterly progress reports on the plans and specifications for the Project, and the first report shall be due on the earlier of the first day of the first calendar quarter beginning after this Agreement is approved, or January 1, 2019. Ameren Missouri will file complete plans and specifications prior to commencement of construction.

7. Permits: Ameren Missouri shall include an update on all permits obtained as part of its quarterly progress reports.

8. Ameren Missouri must receive approval from the Federal Energy Regulatory Commission pursuant to § 203 of the Federal Power Act.

9. In-Service Criteria: In-service criteria must be agreed upon and filed with the Commission on or before December 31, 2018 that would satisfy the fully operational and used for service standard in § 393.135, RSMo, and the applicable Internal Revenue Service requirements to qualify for Production Tax Credits. The Company, the Staff, and any other Signatory desiring to have input on the in-service criteria will work together reasonably and in good faith to develop such in-service criteria by such date.

10. Wildlife: Appendix A attached hereto and incorporated herein by this reference reflects terms and conditions agreed upon by the Signatories relating to conservation issues raised in testimony in this case.

11. Depreciation: The Signatories agree that until such time as a different depreciation rate is approved by the Commission for wind facility investments recorded to FERC Account 344, the currently-approved depreciation rate of 6.81% shall be used. The Signatories further agree until such time as a different net salvage percentage is approved by the Commission, a net salvage percentage of -17% shall be used and tracked on the Company's books. The Signatories agree that the direct testimony of Ameren Missouri supports a life of the wind assets of 30 years. Prior to the in-service date for the Project, Ameren Missouri will provide a depreciation study potentially proposing a new depreciation rate for the wind facility investments recorded to FERC Account 344.

12. Prudence: The Signatories agree that they shall not challenge the prudence of the

decision to acquire the facility under the terms of the BTA, including Non-Compliant windturbine generators under the terms of the BTA, and to merge TG High Prairie, LLC into Ameren Missouri if the acquisition of the facility closes pursuant to the BTA. Nothing in this Stipulation limits the ability of any Signatory or other party from challenging the prudence of the design, construction costs, interconnection costs, and all other project related costs, including costs impacted by construction duration.

13. Production Tax Credits (“PTCs”): Ameren Missouri will provide the full grossed-up value of PTCs to customers through the RESRAM or in rates when earned (subject to normal billing lags), without any reduction and without a return on any deferred tax assets, regardless of Ameren Missouri’s tax position (the “PTC Guarantee”). Notwithstanding the foregoing, this PTC Guarantee will not apply to the extent a change in law or a force majeure event results in a tax position for Ameren Missouri that prevents Ameren Missouri from utilizing the PTCs in the year earned. If the PTC Guarantee did not apply in a given year because of the immediately preceding sentence, the Company will provide to customers the grossed-up value of the PTCs that are earned in that year when and to the extent that those PTCs are actually utilized to reduce the Company's tax liability. For purposes of this agreement, a “force majeure event” is defined as an act of God such as an earthquake, tornado, or severe flood, or a war or act of terrorism.

14. By signing this Agreement, the Signatories agree that neither OPC nor MIEC is waiving their right, in any subsequent Company general rate proceeding, or other subsequent proceeding in which the rate design applicable to RES compliance costs is at issue, to present evidence and argument to the Commission that the rate design applicable to the RES compliance costs reflected in the revenue requirement upon which base rates are set should treat the RES

compliance costs associated with the wind generation facility as fixed costs, nor are OPC or MIEC waiving their right in any such proceeding to present evidence and argument that the rate to be charged/credited to customers under the RESRAM should be determined as a percentage of customer bills instead of as a uniform amount per kilowatt-hour for all customers.

15. By signing this Agreement, the Signatories agree that OPC has not conceded OPC's argument that the 15% of the return and depreciation that is not deferred to a regulatory asset under Section 393.1400 cannot be included in the Company's RESRAM. Consequently, if the Commission disagrees with OPC's argument, all Signatories agree that the Commission should approve a RESRAM on the terms reflected in the tariff sheets attached hereto as Appendix B. If, however, the Commission were to agree with OPC's argument, all Signatories agree that the Commission should approve a RESRAM on the terms reflected in the tariff sheets attached hereto as Appendix C. The Signatories agree to resolve this issued based upon the pre-filed testimony and after an up-to one day evidentiary hearing and post-hearing briefing. The Signatories further agree that the Commission should approve this Agreement and issue the CCN prior to resolving the issue that is the subject of this ¶ 15.

16. Variances: The Signatories agree the Commission should grant Ameren Missouri the limited variances listed as follows:

A. **4 CSR 240-20.100(6)13:** "An electric utility that has implemented a RESRAM shall file revised RESRAM rate schedules to reset the RESRAM charge to zero (0) when new base rates and charges become effective following a commission report and order establishing customer rates in a general rate proceeding that incorporates RES compliance costs or benefits previously reflected in a RESRAM in the utility's base rates. If an over- or under-recovery of RESRAM revenues or over- or under-pass-through of RESRAM benefits exists after the RESRAM charge has been reset to zero (0), that amount of over- or under-recovery, or over- or under-pass-through, shall be tracked in an account and considered in the next RESRAM filing of the electric utility."

Variance: The Signatories recommend the Commission grant a variance to allow the RESRAM rate to be adjusted upon conclusion of a rate case to remove the RES Revenue Requirement that is being moved to base rates from the RESRAM rate, but the RESRAM rate continues to reflect recovery/return of any existing over/under (1) recovery balance, (2) True-up, or (3) Ordered Adjustment.

B. 4 CSR 240-20.100(6)(A)10: “The RESRAM charge will be calculated as a percentage of the customer’s energy charge for the applicable billing period.”

Variance: The Signatories recommend the Commission grant a variance to allow the RESRAM rate to be billed customers as a flat rate per kWh of energy consumed.

C. CSR 240-20.100(6)(C): “RESRAM for equal to or greater than two percent (2%) actual increase in utility revenue requirements. The commission shall have no less than thirty days . . . to hold a hearing and issue a report and order approving the electric utility’s rate schedules . . .”

Variance: The Signatories recommend the Commission grant a variance to allow a RESRAM rate change of 2% or more to take effect 120 days after its filing if the Commission has not yet resolved a dispute about the rate change on an interim, subject to refund basis, in the same manner provided for by the Commission’s fuel adjustment clause (“FAC”) rules. See 4 CSR 240-20.090(4) (Which provides that if the Commission has not issued an order approving an FAC rate adjustment, the adjustment takes effect as an interim rate, as follows: “the commission shall either issue an interim rate adjustment order approving the tariff schedules and the FAC rate adjustments within sixty (60) days of the electric utility’s filing or, if no such order is issued, the tariff schedules and the FAC rate adjustments shall take effect sixty (60) days after the tariff schedules were filed.”). Without such a variance, it will be difficult if not impossible to calculate a RESRAM rate that accurately recovers the costs (or returns the benefits) that are appropriate under the RESRAM because such a calculation must be predicated on knowing (a) when the rate adjustment will occur, and (b) how long that RESRAM rate will be in effect. As a result, it is appropriate to allow the RESRAM rate to go into effect within 120 days in all circumstances in order to ensure the RESRAM rate in each RESRAM rate filing can be developed accurately. If, after resolution of any dispute about the RESRAM rate the Commission determines that the rate was incorrect, an adjustment can be made via the "Ordered Adjustment" factor in the RESRAM tariff sheets, with

interest.

D. 4 CSR 240-20.100(6): “In all RESRAM applications, the increase in utility revenue requirements shall be calculated as the amount of additional RES compliance costs incurred since the electric utility’s last RESRAM application or general rate proceeding, net of any reduction in RES compliance costs . . . and any new RES compliance benefits.”

Variance: The Signatories recommend the Commission grant a variance to allow the market value at generation node/meter of the energy generated and associated capacity sold from a renewable resource (a RES compliance benefit) to be included in the determination of base and actual net energy costs in the Company’s fuel adjustment clause instead of in the RESRAM.

17. RESRAM: The Signatories agree that Ameren Missouri's request for a RESRAM should be granted subject to the conditions contained in this Agreement. With respect to the RESRAM:

A. The Signatories agree that costs currently included under its Renewable Energy Standard ("RES") tracker and the existing solar rebate tracker will continue to be tracked pursuant to the mechanisms already authorized for those specific costs. Also excluded from the RESRAM are all current and future costs associated with existing renewable generation facilities, Renewable Energy Credits ("RECs") from existing renewable purchase power agreements and any RECs purchased prior to the effective date of the Commission order approving this Agreement. This results in a starting base factor of \$0.00 for the RESRAM tariff. All new RES compliance costs and benefits, as defined in the RESRAM tariff, including REC purchases made after the effective date of an order approving this Agreement and the solar rebates authorized under Section 393.1670 RSMo (effective August 28, 2018), will flow through the RESRAM.

B. RESRAM Accounting: In order to ensure RESRAM costs are tracked appropriately and that double recovery is avoided, Ameren Missouri agrees to meet with

members of Staff's Auditing group and to give OPC reasonable advance notice of such a meeting (s) such that OPC has a reasonable opportunity to attend while developing the accounting process to implement the RESRAM. Ameren Missouri anticipates this process will begin in October of 2018.

C. Rate of Return for RESRAM: If the dispute referenced in ¶ 15 of this Agreement is resolved against OPC's position such that the exemplar tariff sheets attached hereto as Appendix B are adopted as the RESRAM, the initial capital structure ratios for purposes of the RESRAM shall utilize the percent of common equity and long-term debt reflected in the last Commission-approved capital structure for the Company.¹ Thereafter, the capital structure ratios for purposes of the RESRAM will be those approved by the Commission in subsequent general rate proceedings. The return on common equity applied to the common equity ratio shall be based on the Commission's most recent allowed return on equity for the Company. The return applied to the long-term debt ratio shall be based on Ameren Missouri's embedded cost of long-term debt as of the most recent fiscal quarter before each RESRAM filing with the Commission.

D. RESRAM Benefits to Account for 5% Fuel Adjustment Sharing: The Signatories agree that for any new RES compliance generation with a nameplate capacity greater than 10 megawatts that comes online, that 5% of the market value at generation node/meter of the energy generated and associated capacity sold be credited to the RESRAM until the market benefits from the generation are included in net base energy costs in a general rate proceeding.

¹ The Commission last approved a capital structure for the Company in File No. ER-2014-0258.

GENERAL PROVISIONS OF AGREEMENT

18. This Agreement is being entered into solely for the purpose of settling the issues in this case explicitly set forth above. Unless otherwise explicitly provided herein, none of the Signatories to this Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any cost of service methodology or determination, depreciation principle or method, method of cost determination or cost allocation or revenue-related methodology.

19. This Agreement is a negotiated settlement. Except as specified herein, the Signatories to this Agreement shall not be prejudiced, bound by, or in any way affected by the terms of this Agreement: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Agreement, or in any way condition its approval of same. This Agreement has resulted from extensive negotiations among the Signatories, and the terms hereof are interdependent. If the Commission has questions for the Signatories' witnesses or Signatories, the Signatories will make available, at any on-the-record session, their witnesses (if any) and attorneys on the issues resolved by this Stipulation, so long as all Signatories have had adequate notice of that session. The Signatories agree to cooperate in presenting this Stipulation to the Commission for approval, and will take no action, direct or indirect, in opposition to the request for approval of this Stipulation.

20. If the Commission does not approve this Agreement unconditionally and without modification, then this Agreement shall be void and no Signatory shall be bound by any of the agreements or provisions hereof.

21. If approved and adopted by the Commission, this Agreement shall constitute

a binding agreement among the Signatories. The Signatories shall cooperate in defending the validity and enforceability of this Agreement and the operation of this Agreement according to its terms.

22. If the Commission does not approve this Agreement without condition or modification, and notwithstanding the provision herein that it shall become void, (a) neither this Agreement nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with RSMo. §536.080 or Article V, Section 18 of the Missouri Constitution, and (b) the Signatories shall retain all procedural and due process rights as fully as though this Agreement had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Agreement shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

23. If the Commission accepts the specific terms of this Agreement without condition or modification, only as to the settled issues in these cases explicitly set forth above, the Signatories each waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §536.500, and their respective rights to judicial review pursuant to §386.510. This waiver applies only to a Commission order approving this Agreement without condition or modification issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed

by this Agreement.

24. This Agreement embodies the entirety of the agreements between the Signatories in this case on the issues addressed herein, and may be modified by the Signatories only by a written amendment executed by all of the Signatories.

25. Contingent upon Commission approval of this Stipulation without modification, the Signatories hereby stipulate to the admission into the evidentiary record of the testimony of their witnesses.

WHEREFORE, the Signatories request the Missouri Public Service Commission (a) issue an order approving the terms and conditions of this Stipulation and Agreement, including (in the case of all Signatories except MDC, which neither supports nor opposes issuance of the CCN) issuing a CCN subject to the terms hereof in its approval order and that is not dependent on resolving the issue that is the subject of ¶ 15, and (b) scheduling a one-day evidentiary hearing, which the Signatories suggest could be held on one of the originally-scheduled hearing dates between October 31, 2018 to November 2, 2018, and thereafter issuing its order approving the RESRAM tariff sheets in the form of Appendix B or Appendix C hereto, depending on the Commission's resolution of the issue that is the subject of ¶ 15.

Respectfully submitted,

/s/ James B. Lowery

James B. Lowery, Mo. Bar #40503
SMITH LEWIS, LLP
P. O. Box 918
Columbia, MO 65205
(T) 573-443-3141
(F) 573-442-6686
lowery@smithlewis.com

/s/ Wendy K. Tatro

Wendy K. Tatro, Mo. Bar #60261
Director & Assistant General Counsel
Ameren Missouri
1901 Chouteau Avenue, MC 1301
St. Louis, MO 63103
(T) (314) 554-3484
(F) (314) 554-4014
AmerenMOService@ameren.com

**Attorneys for Union Electric Company
d/b/a Ameren Missouri**

/s/ Lewis Mills

Lewis Mills, Mo. Bar #35275
221 Bolivar St., Ste. 101
Jefferson City, MO 65102
(T) 573-556-6627
(F) 573-556-7447
Lewis.mills@bclplaw.com

/s/ Diana M. Vuylsteke

Diana M. Vuylsteke, Mo. Bar #42419
221 N. Broadway, Ste. 3600
St. Louis, MO 63012
(T) 314-259-2543
(F) 314-259-2020
dmvuylsteke@bclplaw.com

**Attorneys for Missouri Industrial
Energy Consumers**

/s/ Nicole Mers

Nicole Mers, Mo. Bar #66766
Staff Counsel
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(T) 573-751-6651
(F) 573-751-9285
Nicole.mers@psc.mo.gov

**Attorney for the Staff of
Missouri Public Service Commission**

/s/ Tim Opitz

Tim Opitz, Mo. Bar #65082
409 Vandiver Dr., Bldg. 5, Ste. 205
Columbia, MO 65202
(T) 573-303-0394, Ext. 3
(F) 573-303-5633
tim@renewmo.org

Attorney for Renew Missouri

/s/ Henry B. Robertson

Henry B. Robertson, Mo Bar #29502
319 N. Fourth St., Suite 800
St. Louis, MO 63102
(T) 314-231-4181
(F) 314-231-4184
hrobertson@greatriverslaw.org

**Attorney for Natural Resources
Defense Council**

/s/ Brian T. Bear

Brian T. Bear, Mo. Bar #61957
301 W. High St., Room 680
Jefferson City, MO 65102
(T) 573-526-2423
bbear.deenergycases@ded.mo.gov

Attorney for Missouri Division of Energy

/s/ Stephanie S. Bell

Stephanie S. Bell, Mo. Bar #61855
308 E. High Street, Suite 300
Jefferson City, MO 65101
(T) 573-750-4100
sbell@ellingerlaw.com

*Attorney for Missouri Department
Of Conservation*

/s/ Ryan Smith

Ryan Smith, Mo. Bar #66244
Senior Counsel
Ryan.smith@ded.mo.gov

/s/ Caleb Hall

Caleb Hall, Mo. Bar #68112
Senior Counsel
Caleb.hall@ded.mo.gov

200 Madison Street, Suite 650
Jefferson City, MO 65102
(T) 573-751-4857
(F) 573-751-5562

*Attorneys for the Office of the
Public Counsel*

CERTIFICATE OF SERVICE

The undersigned certifies that true and correct copies of the foregoing have been e-mailed or mailed, via first-class United States Mail, postage pre-paid, to counsel of record this 12th day of October, 2018.

/s/ James B. Lowery

James B. Lowery

**APPENDIX A TO THIRD STIPULATION AND AGREEMENT
FILE NO. EA-2019-0202**

The Company¹ agrees to the imposition of conditions on the CCN as reflected in Items 1-7 and 9-13 below. In consideration of the Company's agreement, MDC agrees to the terms of Item 8 below.

1. The Company will not clear known active or inactive eagle nest trees.
2. The Company will not clear known bat maternity trees.
3. In order to afford MDC the opportunity to audit post-construction monitoring requirements of an Eagle Take Permit or Incidental Take Permit for bats, MDC will be allowed for the first six years of the facility's operation (upon completion of the Company's standard requirements for third parties to access Company property) to accompany Company or contracted monitoring personnel for two up to three-day sampling events per season (Spring to Fall) when those personnel conduct post-construction monitoring for bats and for an additional two up to three-day sampling events per calendar year when those personnel conduct post-construction monitoring for eagles.
4. The Company will use its best efforts to obtain an Eagle Take Permit (pursuant to an approved Eagle Conservation Plan (ECP) from the United States Fish and Wildlife Service (USFWS)).
5. The Company will use its best efforts to obtain an Incidental Take Permit (ITP) covering the Indiana bat, the northern long eared bat, the little brown bat, and the tricolored bat (pursuant to an approved Habitat Conservation Plan (HCP) from the USFWS).
6. For purposes of Items 4 and 5, "best efforts" means diligent pursuit of each permit but not an absolute obligation to obtain the same if the terms required by USFWS are such that operation without one or both the permits would be in the interest of the Company's customers.
7. The Company's post-construction monitoring of state species of conservation concern (now listed or added pursuant to MDC's approval process during the post-constructing monitoring period under the ITP) will be the same as its monitoring of the four species of bats covered by the HCP, with results reported directly to MDC in an excel format (MDC's bat reporting form or USFWS Region 3's Indiana bat reporting form), at least annually, in accordance with MDC's Wildlife Collector Permit process. Copies of reports sent to USFWS and MDC under an HCP and ECP and reporting under this Item shall be submitted as business confidential information. MDC may include information from such submittals in MDC's Natural Heritage Database. Any data provided to MDC pursuant to this Item which is requested by third parties, except the USFWS, pursuant to a data sharing request will be provided as follows: a) using at least a 2.5-mile radius polygon that contains the sites at which bats were present, and b) eagle nest locations are buffered (at least 1.0-mile).

¹ References to the Company during that period of time prior to the Company taking ownership of the facility shall be deemed to be references to Terra-Gen.

8. No citations for violation of Chapter 252, RSMo or related state regulations (collectively, the “Wildlife Code”) shall be issued by MDC or at MDC’s suggestion for the incidental take of species at the facility authorized by a federal permit, reported on as part of the monitoring described in Item 7, or discovered as part of the research project described in Item 9.
9. Prior to commencement of operations at 6.9 meters/second or higher during the active bat season at night when temperatures are 50 degrees Fahrenheit or above, the Company will in good faith work with MDC toward the goal of reaching agreement on a research plan involving post-construction monitoring for a limited time period (between one and three years) and with appropriate confidentiality protections, to be conducted at the Company’s expense for research purposes as a part of a collaboration between the Company and MDC relating to conservation issues with wind facilities, with such research plan to be implemented if an Incidental Take Permit for bats is not obtained and/or the Company operates the Project during the active season at a cut-in speed of 6.9 meters/second or higher.
10. Ameren Missouri will provide reasonable advanced notice to MDC of all scheduled meetings and conference calls (related to the Project) with the USFWS.
11. Ameren Missouri will provide MDC a copy of all documents and/or reports related to the Project that it provides to the USFWS at the same time as they are provided to the USFWS.
12. Ameren Missouri agrees to notify and consult with MDC regarding potential sites for future utility-scale wind generation facilities sited in Missouri (a) for which Ameren Missouri is serving as the project developer, and (b) that are not already under development.
13. In future Requests for Proposals issued by the Company for utility-scale wind generation facilities sited in Missouri, the Company will ask respondents if they have had any conversations with MDC about the site under consideration.

RIDER RESRAM

RENEWABLE ENERGY STANDARD RATE ADJUSTMENT MECHANISM (Cont'd.)

- RRR = RESRAM Revenue Requirement: An amount equal to the revenue requirement associated with all RES Compliance Costs net of RESRAM Benefits that are not reflected in the revenue requirement that was established in the Company's last general rate proceeding. The RRR shall consist of (1) the capital costs associated with investments in renewable energy resources used to comply with the RES that have been placed into service on the Company's books as of the end of each AP, except the 85% of the return and depreciation on such investments which is reflected in a mechanism authorized under Section 393.1400; and (2) the non-capital RES Compliance Costs and RESRAM Benefits reflected on the Company's books during that AP except to the extent those costs and benefits are addressed under the company's Rider FAC, on an annualized basis for the first AP which may be less than twelve months in length, or if the asset to which the costs and benefits relate was only in service for a portion of the AP. Notwithstanding the previous sentence, if a wind generation asset used for RES compliance ceases to earn Production Tax Credits during an AP, an adjustment necessary to offset the annual impact of those Production Tax Credits as reflected in rates established in a general rate proceeding shall be included.
- T = True-Up Amount: An amount calculated at the end of each AP reflecting the difference between (1) the revenues billed for the first 6 months of the then-effective RP and projected to be billed for the second 6 months of the RP and (2) the revenues authorized for collection through this rider during the first 6 months of the then-effective RP and projected to be collected during the second 6 months of the RP, excluding amounts of authorized and actual revenues associated with factor RRR, resulting from the difference in forecasted RP total kWh usage, and actual total kWh usage from the RP. Forecasted amounts shall be trued-up with actual amounts in the next applicable calculation.
- OA = Ordered Adjustment: The amount of any adjustment to the TRR ordered by the Commission not reflected as an ROA.
- MBA = Monthly Base Amount: Is one-twelfth of the Base Amount. The Base Amount is the revenue requirement associated with RES Compliance Costs and RESRAM Benefits reflected in the revenue requirement established in the applicable general rate proceedings. At the conclusion of each general rate proceeding, unless otherwise ordered, the Base Amount shall be published on a replacement sheet for Sheet 93.6.

DATE OF ISSUE	<u>May 21, 2018</u>	DATE EFFECTIVE	<u>January 1, 2019</u>
ISSUED BY	<u>Michael M. Moehn</u>	<u>President</u>	<u>St. Louis, Missouri</u>
	NAME OF OFFICER	TITLE	ADDRESS

RIDER RESRAM

RENEWABLE ENERGY STANDARD RATE ADJUSTMENT MECHANISM (Cont'd.)

- RRR = RESRAM Revenue Requirement: An amount equal to the revenue requirement associated with all RES Compliance Costs net of RESRAM Benefits that are not reflected in the revenue requirement that was established in the Company's last general rate proceeding. The RRR shall consist of (1) the capital costs associated with investments in renewable energy resources used to comply with the RES that have been placed into service on the Company's books as of the end of each AP, excluding 100% of the depreciation and return on such investments; and (2) the non-capital RES Compliance Costs and RESRAM Benefits reflected on the Company's books during that AP except to the extent those costs and benefits are addressed under the company's Rider FAC, on an annualized basis for the first AP which may be less than twelve months in length, or if the asset to which the costs and benefits relate was only in service for a portion of the AP. Notwithstanding the previous sentence, if a wind generation asset used for RES compliance ceases to earn Production Tax Credits during an AP, an adjustment necessary to offset the annual impact of those Production Tax Credits as reflected in rates established in a general rate proceeding shall be included.
- T = True-Up Amount: An amount calculated at the end of each AP reflecting the difference between (1) the revenues billed for the first 6 months of the then-effective RP and projected to be billed for the second 6 months of the RP and (2) the revenues authorized for collection through this rider during the first 6 months of the then-effective RP and projected to be collected during the second 6 months of the RP, excluding amounts of authorized and actual revenues associated with factor RRR, resulting from the difference in forecasted RP total kWh usage, and actual total kWh usage from the RP. Forecasted amounts shall be trued-up with actual amounts in the next applicable calculation.
- OA = Ordered Adjustment: The amount of any adjustment to the TRR ordered by the Commission not reflected as an ROA.
- MBA = Monthly Base Amount: Is one-twelfth of the Base Amount. The Base Amount is the revenue requirement associated with RES Compliance Costs and RESRAM Benefits reflected in the revenue requirement established in the applicable general rate proceedings. At the conclusion of each general rate proceeding, unless otherwise ordered, the Base Amount shall be published on a replacement sheet for Sheet 93.6.

DATE OF ISSUE	<u>May 21, 2018</u>	DATE EFFECTIVE	<u>January 1, 2019</u>
ISSUED BY	<u>Michael M. Moehn</u>	<u>President</u>	<u>St. Louis, Missouri</u>
	NAME OF OFFICER	TITLE	ADDRESS

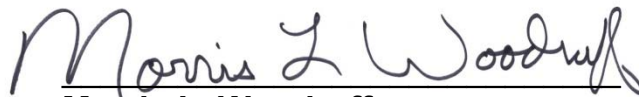
STATE OF MISSOURI

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 12th day of December 2018.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

December 12, 2018

File/Case No. EA-2018-0202

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
Marc Poston
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opcservice@ded.mo.gov

Missouri Department of Conservation
Stephanie S Bell
308 East High Street, Suite 300
Jefferson City, MO 65101
sbell@ellingerlaw.com

Missouri Department of Conservation
Marc H Ellinger
308 E. High Street, Ste. 300
Jefferson City, MO 65101
mellinger@ellingerlaw.com

Missouri Department of Conservation
Jennifer S Frazier
2901 W. Truman Blvd
Jefferson City, MO 65102
jennifer.frazier@mdc.mo.gov

Missouri Division of Energy
Brian T Bear
301 W. High St., Room 680
P.O. Box 1766
Jefferson City, MO 65102
bbear.deenergycases@ded.mo.gov

Missouri Industrial Energy Consumers (MIEC)
Lewis Mills
221 Bolivar Street, Suite 101
Jefferson City, MO 65101-1574
lewis.mills@bclplaw.com

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

Missouri Public Service Commission
Nicole Mers
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
nicole.mers@psc.mo.gov

Natural Resources Defense Council
Henry B Robertson
319 N. Fourth St., Suite 800
St. Louis, MO 63102
hrobertson@greatriverslaw.org

Renew Missouri
Tim Opitz
409 Vandiver Dr Building 5, Suite 205
Columbia, MO 65202
tim@renewmo.org

Sierra Club
Henry B Robertson
319 N. Fourth St., Suite 800
St. Louis, MO 63102
hrobertson@greatriverslaw.org

Union Electric Company
Paula Johnson
1901 Chouteau Ave
St Louis, MO 63103
AmerenMOService@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 Tatro
1901 Chouteau Avenue
St. Louis, MO 63103-6149
AmerenMOService@ameren.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 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.