

208

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Sponsoring Party: Public Counsel  
Case No.: ER-2019-0335

**SURREBUTTAL TESTIMONY**  
**OF**  
**ROBERT E. SCHALLENBERG**

Submitted on Behalf of the Office of the Public Counsel

**UNION ELECTRIC COMPANY**  
**D/B/A AMEREN MISSOURI**

FILE NO. ER-2019-0335

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**Denotes Confidential Information  
that has been Redacted**

February 14, 2020

**NON-PROPRIETARY**

OPC Exhibit No. 208P  
Date 3/11/20 Reporter JnB  
File No. ER-2019-0335

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of the Union Electric-Company d/b/a )  
Ameren Missouri's Tariffs to Decrease Its ) File No. ER-2019-0335  
Revenues for Electric Service )

AFFIDAVIT OF ROBERT E. SCHALLENBERG

STATE OF MISSOURI )  
) ss  
COUNTY OF COLE )

Robert E. Schallenberg, of lawful age and being first duly sworn, deposes and states:

- 1. My name is Robert E. Schallenberg. I am the Director of Policy for the Office of the Public Counsel.
- 2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.
- 3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

*Robert E. Schallenberg*  
Robert E. Schallenberg  
Director of Policy

Subscribed and sworn to me this 14<sup>th</sup> day of February 2020.



TIFFANY HILDEBRAND  
My Commission Expires  
August 8, 2023  
Cole County  
Commission #15637121

*Tiffany Hildebrand*  
Tiffany Hildebrand  
Notary Public

My Commission expires August 8, 2023.

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**SURREBUTTAL TESTIMONY**

**OF**

**ROBERT E. SCHALLENBERG**

**UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI**

**FILE NO. ER-2019-0335**

1 **Q. Please state your name and business address.**

2 A. My name is Robert E. Schallenberg. My business address is Governor Office Building,  
3 Suite 650, 200 Madison Street, and Post Office Box 2230, Jefferson City, Missouri 65102.

4 **Q. By whom are you employed and what is your position?**

5 A. I am employed by the Office of the Public Counsel (OPC or Public Counsel) as the Director  
6 of Policy.

7 **Q. Are you the same Robert E. Schallenberg that filed direct and rebuttal in this case?**

8 A. Yes.

9 **Q. What is the purpose of your surrebuttal testimony?**

10 A. The purpose of my surrebuttal testimony is to clarify what Public Counsel is seeking in this  
11 case. The OPC is seeking proof that the costs Union Electric Company's d/b/a Ameren  
12 Missouri (UEC or Company) pays Ameren Services Company (AMS) for goods and  
13 services are just and reasonable and were all prudently incurred expenditures. In other  
14 words, OPC seeks documentary evidence demonstrating Staff actually audited these  
15 affiliate transactions for prudence in conformance with the Supreme Court's mandate that  
16 the Commission may not view affiliate transactions with any "presumption of prudence."  
17 "A presumption of prudence is inconsistent with the rationale for the affiliate transaction  
18 rules and with the PSC's obligation to prevent regulated utilities from subsidizing their non-  
19 regulated operations." *Office of the Public Counsel v. Missouri Public Service Commission*  
20 *and Atmos Energy Corporation*, 409 S.W.3d 371(Mo. banc 2013).

1 An alternative would be for UEC to show that it had obtained a variance from the  
2 Commission so it did not have to apply the affiliate transaction rule's presumption of  
3 imprudence.

4 I address the portions of the UEC and Commission Staff's (Staff) rebuttal testimony  
5 regarding the affiliate transaction documentation issue. In this case, my analysis is that  
6 there is simply no evidence of prudence. Neither the Staff nor UEC have produced any  
7 evidence to support the prudence of the \$218,000,000.

8 **Q. Is the \$218 million the best estimation of the AMS costs included in this case?**

9 A. No. The starting point is \$218 million plus all of the Company and Staff Adjustments to  
10 increase AMS costs in this case.

11 **Q. Does the Company represent that they have a CAM in any of their filings and**  
12 **submittals?**

13 A. Yes, their current affiliate transaction report Tab A page 2, lines 15 through 17 states that  
14 \*\*

15 \*\*

16 **Q. Has the Commission actually approved this CAM or variances?**

17 A. No. UEC also has no approved variances from the rule or an approved CAM, which could  
18 allow UEC to participate in the affiliate transactions now that are non-compliant. UEC has  
19 and continues to participate in affiliate transactions prohibited by the rule because they  
20 have not done what they said they would do in their current affiliate transactions report.

1 **Response to Mark Oligschlaeger Rebuttal**

2 **Q. On page 7 lines 18 – 19, Mr. Oligschlaeger’s comments that: “In this audit, Staff did**  
3 **not find any irregularities or excessive charges to Ameren Missouri by AMS, and**  
4 **accordingly has not proposed any disallowances of those expenses.” Are you satisfied**  
5 **with Staff’s analysis?**

6 A. No. Mr. Oligschlaeger’s response indicates that Staff “reviewed” costs with a  
7 “presumption of prudence.” That is Staff “presumed” the costs were prudent and then  
8 looked for “irregularities.” However, the Commission may not approve affiliate  
9 transactions through the “lens of a presumption of prudence.” This is a complete deterrent  
10 to the Commission’s ability to find any of the affiliate transactions were prudently incurred.

11 **Q. Does the fact that Staff reviewed this case just, “as it has in many Ameren Missouri**  
12 **rate cases over the past 15 years” as Mr. Oligschlaeger says provide any reassurance?**

13 A. No, the case law concerning review of affiliate transaction changed in July of 2013. At  
14 that time Staff should have changed how it reviewed affiliate transactions so it could assist  
15 the Commission in complying with the Supreme Court opinion. If Staff has not changed  
16 anything in its review process in the past 15 years, then it indicates that nothing is being  
17 done to comply with the Supreme Court’s decision seven years ago.

18 **Q. What about Mr. Oligschlaeger’s response that, to his knowledge, “the Commission**  
19 **has not ordered any disallowances of AMS charges or other affiliated transactions in**  
20 **general rate proceedings during the period of time the ATRs have been in effect.”**

21 A. Again, the fact that no disallowances have been made does not establish that no violations  
22 have occurred. In my opinion the Staff treats affiliate transactions the same as corporate  
23 allocations. A cursory review of UEC’s affiliate transactions is wholly inadequate to give

1 the Commission sufficient evidence to approve these costs as prudently incurred and that  
2 the purpose of its rule is being satisfied. The Supreme Court noted that the presumption of  
3 prudence “sets out *an evidentiary presumption* created by the PSC. That standard provides  
4 that the utility's expenditures are presumed to be prudent until adequate contrary evidence  
5 is produced, at which point the presumption disappears from the case.” *Atmos Energy*  
6 *Corporation*, 409 S.W.3d 371. A presumption that costs of transactions between affiliates  
7 are prudent is inconsistent with this decision.

8 **Q. In his Rebuttal Mr. Oligschlaeger testifies service company transactions should not**  
9 **be viewed as being as necessarily prone to potential abuse as other kinds of affiliated**  
10 **transactions. Oligschlaeger Reb. pg. 8 lns 6 – 10. Do you agree?**

11 A. There is nothing to support such a theory, and in fact, Mr. Oligschlaeger offers nothing but  
12 a general statement about a “reasonable expectation” of cost-effectiveness.

13 **Q. Does support of a “general concept” provide any proof a cost is prudently incurred?**

14 A. No.

15 **Q. Is there any testimony demonstrating the expectation holds true in this case?**

16 A. No.

17 **Q. On page 8, lns 11 – 16, Mr. Oligschlaeger responds to the question of whether the**  
18 **benefit of service companies have been recognized by other regulatory bodies, is this**  
19 **relevant?**

20 A. No. My issue is not with UEC’s use of a service company, just with their lack of  
21 demonstration of compliance with the affiliate transaction rules. In addition, I believe Mr.  
22 Oligschlaeger’s reliance on the Public Utility Holding Company Act (PUHCA) is  
23 misleading. Congress repealed the entirety of PUHCA 1935 in the Energy Policy Act of

1           2005. The repeal became effective on February 8, 2006. As of that date, all of the SEC-  
2           enforced requirements and restrictions placed on public utility holding companies  
3           under PUHCA 1935 were removed.

4   **Q.   Mr. Oligschlaeger testifies that “AMS charges are calculated at its cost, with no profit**  
5           **margin included in its charges to affiliates, it can be presumed that most other types**  
6           **of affiliated transactions involve charging of a profit margin to the buyer of the goods**  
7           **and services.” Do you agree?**

8   **A.**   No. AMS is registered with the Missouri Secretary of State as a “For Profit” business entity.  
9           See Schedule RES-S-2. AMS will create profit for Ameren Corporation by shifting costs  
10          to UEC to recover from its customers instead of offsetting the costs against corporate  
11          profits. AMS’ profitability off of Ameren Missouri customers is demonstrated in its tax  
12          returns. AMS is a company included in Ameren’s consolidated federal income tax return.  
13          The following chart shows AMS taxable income from past income tax returns: \*\*



1 \*\*

2 **Q. On page 9, lns 6 – 12, Mr. Oligschlaeger states that it is his understanding that UEC**  
3 **is not compelled to take any particular good or service offered by AMS, among**  
4 **other things. Has Mr. Oligschlaeger provided any evidence to support his**  
5 **understanding?**

6 A. No.

7 **Q. Has he identified this understanding in any responses to data requests?**

8 A. No.

9 **Q. Has he supported this understanding with any documents?**

10 A. No.

11 **Q. In the same paragraph, Mr. Oligschlaeger also mentions a review process for UEC to**  
12 **determine its needs for and to evaluate the economics of services received from AMS.**  
13 **Is this sufficient?**

14 A. No. This is equivalent to letting the foxes guard the henhouse. Ameren Missouri's incentive  
15 to adequately review its relationship with AMS is questionable given the inextricable  
16 connection between the two companies, and their ultimate profitability for Ameren  
17 Corporation.

18 **Q. Mr. Oligschlaeger concludes this paragraph with a suggestion to the Company. What**  
19 **does Mr. Oligschlaeger suggest?**

20 A. That "Ameren Missouri should continue to take reasonable measures to ensure that receipt  
21 of services from AMS is a low-cost course of action, and to bypass AMS for services when  
22 prudent and instead utilize third party vendors for the service or to provide its own service."

23 **Q. Does Mr. Oligschlaeger explain what a "reasonably measure" would be?**

1 A. No. Mr. Oligschlaeger identifies no reasonable measures. At a minimum, an example could  
2 have been competitive bidding, but UEC does not competitively bid the goods and services  
3 that AMS charges to UEC.

4 **Q. What is the basis for your answer regarding competitive bidding?**

5 A. The response to MoPSC staff data request 0519 indicates that UEC did not bid out any  
6 AMS services or products during the test year. The response to OPC data request 1022  
7 indicates that the Company does not document the reasons it does not use competitive  
8 bidding. The only documentation available is the hindsight testimony of UEC witnesses  
9 Mr. Byrne and Mr. Reed in another case.

10 **Q. Mr. Oligschlaeger says that you testify in your direct testimony that UEC must**  
11 **competitively bid every AMS transaction. Do you agree?**

12 A. No. As Mr. Oligschlaeger correctly states, the affiliate transaction rule require utilities to  
13 *either* competitively bid for goods and services otherwise obtainable from affiliates, or  
14 demonstrate good cause why competitive bidding is not needed. I am just asking to see  
15 the “good cause” beyond Ameren simply wanting to use AMS, and for AMS be treated on  
16 the same basis as UEC would treat non-affiliate suppliers or buyers. UEC is showing a  
17 preference to AMS as it does not have to be the best supplier to win the company’s business  
18 and will receive the business even when it is better for UEC to address the need internally.

19 **Q. Are there other reasonable measures that need to be taken to ensure UEC is only**  
20 **using affiliate transactions when it is the utility’s best choice?**

21 A. Yes, The utility must evaluate what its costs would be if the utility obtained the good or  
22 service on its own. While UEC has opportunities to examine its costs to provide the good

1 or service in-house, the Company has failed to utilize this opportunity formally and only  
2 performed this reasonable process once on an informal basis.

3 **Q. What is the basis for your response?**

4 A. The apparent lack of control UEC has over what AMS charges are attributed to it. The OPC  
5 data request 1017 and 1025 show that every AMS employee has the ability to charge UEC.  
6 At this time, AMS employees are trained that they choose the entities they will charge, how  
7 much they will be charged, and the account to record the charges. The rationale for  
8 justifying this approach is that AMS employees know best what work is being done. In  
9 UEC's recent gas case, OPC Data Requests 1016 response notes the results of an  
10 examination in 2014 of AMS employees charging a significant amount of time to UEC.  
11 Certain AMS employees worked 90% or more of their time for UEC. No guidelines were  
12 established from this study and no further work of this kind was undertaken.

13 **Q. Mr. Oligschlaeger describes Benchmarking on page 9 In 22 -- page 10. What is  
14 benchmarking and is it allowed by the affiliate transaction rule?**

15 A. Mr. Oligschlaeger says "Benchmarking is an attempt to determine the market value of a  
16 given good or service through research of the relevant competitive markets (for example,  
17 taking a survey of the price of goods/services available from unaffiliated third parties)."

18 **Q. Is benchmarking comparable to competitive bidding?**

19 A. No. It is a half-measure, and UEC still needs an approved rule variance or Commission  
20 approved CAM for benchmarking to be a replacement compliance measure. But again,  
21 UEC has no approved rule variances.

22 **Q. On page 10, lns 11 – 20, Mr. Oligschlaeger discusses your criticisms that UEC is not  
23 in compliance with the affiliate transaction rule due to its failure to receive any**

1           **Commission approved variances from the affiliate transaction rule. What is his**  
2           **response?**

3           A.     Mr. Oligschlaeger states that he disagrees with the contention that UEC is not in  
4           compliance with the affiliate transaction rule due to its failure to receive any Commission  
5           approved variances but then immediately admits that UEC has not received Commission  
6           approval of any variances. Mr. Oligschlaeger does testify that: “Ameren Missouri  
7           currently has several ATR variance requests outstanding in the context of Case No. EO-  
8           2017-0176,” but these requests have never been granted, so obviously the company has no  
9           Commission approved variances.

10          **Q.     If Mr. Oligschlaeger’s only testimony is that there are variances “outstanding,” why**  
11          **does he disagree with your contention that the Company has no Commission**  
12          **approved variances from the affiliate transaction rule?**

13          A.     I do not know. Mr. Oligschlaeger testifies that “good cause in Case No. EO-2017-0176 has  
14          been shown by Ameren Missouri to justify its variance requests.” However, he never  
15          states what this good cause is, and, regardless, the Commission itself has never approved  
16          the variance requests.

17          **Q.     So are you saying that Staff’s position is that because it believes “good cause exists”**  
18          **in a completely different case, in which the Commission has neither heard testimony**  
19          **or issued any order, there is sufficient evidence for the Commission to make a**  
20          **determination regarding the prudence of the affiliate transections in this case?**

21          A.     I cannot speak for Staff’s position, but it appears that is what Staff is arguing. However,  
22          “good cause” in another docket is not evidence of anything pertaining to this rate case.

1 **Q. Has Mr. Oligschlaeger provided any documentation related to this case to support his**  
2 **position?**

3 A. The Response to OPC DR 588 to Staff in RES-S-3 purports to show the underlying support  
4 for Mr. Oligschlaeger's conclusions that UEC is currently in compliance with the rule. It  
5 shows that Mr. Oligschlaeger did not review any documentation regarding the question of  
6 the Company's compliance with the rule.

7 **Q. Does Mr. Oligschlaeger claim the Auditing Department reviewed any specific**  
8 **company documentation that proved the Company's affiliate transactions with AMS**  
9 **were prudent?**

10 A. No.

11 **Q. Does Mr. Oligschlaeger's faith that UEC has an "intent" to abide by the terms of the**  
12 **non-unanimous agreement reached in Case No. EO-2017-0176 matter?**

13 A. No. As Mr. Oligschlaeger himself points out, the Commission suspended the procedural  
14 schedule before the Commission ruled on that stipulation. The Stipulation has no force and  
15 effect.

16 **Q. Do Staff and Ameren suggest another approach to address affiliate transactions**  
17 **compliance?**

18 A. Yes. They suggest OPC should file a complaint against UEC.

19 **Q. Do you agree with this approach?**

20 A. No. This is beside the point. A rate case is the time to audit costs and set the costs charged  
21 to customers.

22 **Q. Can you summarize your response to Mr. Oligschlaeger's testimony?**

1 A. Public Counsel's issue in this case is the fact that neither the Company nor Staff actually  
2 put forth, let alone proved in any way that these affiliate transaction costs were prudently  
3 incurred. While it is the Company's burden to prove that its affiliate transactions are  
4 prudent, it appears Mr. Oligschlaeger simply presumes UEC's affiliate transactions are  
5 prudent. The affiliate transaction rule defines exactly what proof is required and the Court  
6 has been abundantly clear about what audit of affiliate transactions is required.  
7 Mr. Oligschlaeger offered his "opinion" on issues, but if Staff had performed the audit with  
8 the special scrutiny to affiliate transactions, he would have produced a notable amount of  
9 evidence.

10 **Response to Tom Byrne Rebuttal**

11 **Q. Mr. Byrne testifies that: "It is not clear whether Ameren Missouri has materially**  
12 **violated the Affiliate Transaction Rule at all." Rebuttal, Pg 2, lns 38-39. What is your**  
13 **response?**

14 A. It is clear UEC has materially violated the rule. The evidence shows that UEC has  
15 violated requirements in areas that include all its affiliate transactions. For  
16 example, UEC fails to maintain documentation in sufficient detail to show its  
17 compliance with 20 CSR 4240-20.015(4)(6)(C).

18 **Q. At pg. 2 lns 22 – 23, Mr. Byrne claims "Ameren Missouri has no material level of**  
19 **transactions with unregulated affiliates." Is this accurate?**

20 A. No. UEC engages in more than \$220,000,000 affiliate transactions with AMS, which is  
21 without question an unregulated affiliate of UEC. Any suggestion that level of costs is  
22 immaterial is false. Ironically, Mr. Oligschlaeger agrees with this contention on page 11

1           In 8. However, if Mr. Byrne truly believes that this amount is not material, it begs the  
2           question why company should try so hard to oppose this adjustment.

3   **Q.   Mr. Byrne’s testimony on page 3 lines 1 – 2 states that AMS provides service to UEC**  
4           **on a “continual basis.” Does a “continual basis” exempt those transactions from the**  
5           **rule?**

6   A.   No. Mr. Byrne has not cited to any provision of the affiliate transaction rule that would  
7           lead to this conclusion. If it were true the rule only addressed a few discrete transactions  
8           there would have been no reason to promulgate the rule.

9   **Q.   Does the fact that UEC’s corporate structure has undergone no changes since**  
10          **formation in 1997, as Mr. Byrne testifies on page 3, lns 13 – 17, matter in this case?**

11   A.   No. the affiliate transaction rule did not go into effect for UEC until June 2003. The fact  
12          that UEC’s corporate structure would otherwise have violated a rule that did not exist at  
13          that time means nothing.

14   **Q.   Mr. Byrne discusses the PUHCA of 1935 on pages 3 – 4 of his testimony. Does the**  
15          **PUHCA matter in this case?**

16   A.   As already addressed when discussing Mr. Oligschlaeger’s testimony, no. PUHCA was  
17          repealed in 2005. Moreover, Mr. Byrne relies on PUHCA to establish that service  
18          companies were required to provided services “at cost.” This is irrelevant to the affiliate  
19          transaction rule which requires the utility to procure goods or services at the lower of fully  
20          distributed cost if the utility did them itself or fair market price. If either the fully distributed  
21          cost or fair market price of the goods or services fell below the “price” for the service  
22          company to provide the same, the utility should just not use the service company.

1 **Q. Mr. Byrne also discussed the “widespread” use of service companies on page 5 of his**  
2 **testimony. Is this relevant to your issue?**

3 A. No. I have no problem with the use of a service company in principal. I only ask that UEC  
4 abide by the Commission’s affiliate transaction rules by providing the requisite data to  
5 justify its expenditures.

6 **Q. What do you say in response to Mr. Byrne’s Rebuttal on page 5 – 6, that customers**  
7 **have not been adversely impacted by UEC’s purchases from AMS?**

8 A. This statement is incorrect. UEC is paying and being charged by AMS costs that AMS is  
9 incurring to operate its non-state regulated utility especially Ameren Corporation. The  
10 record in this case recognize some examples of AMS inappropriate charges to UEC. For  
11 example, UEC continues to pay an increasing amount of the operation of Ameren’s non-  
12 state regulated entities. I showed this in Schedule RES-R-7 attached to my rebuttal  
13 testimony.

14 **Q. How do you respond to Mr. Byrne’s testimony that other parties have been aware of**  
15 **UEC’s affiliate transactions for 20 years because it filed a Cost Allocation Manual**  
16 **annually?**

17 A. The rule became effective for UEC in June, 2003. I note that the Company did not submit  
18 a CAM for Commission approval until it was required to make this filing in ER-2016-0179.

19 OPC Data Request 1100 requested:

20 “Did UEC file its first CAM for Commission approval due to a requirement  
21 in an agreement/settlement approved in a prior UEC Missouri general rate  
22 case?”

23 The Company’s response was:



1                    “As OPC knows, a stipulation in File No. ER-2014-0258 required Ameren  
2                    Missouri to file a CAM for approval in its next electric general rate  
3                    proceeding (which was File No. ER-2016-0179), which Ameren Missouri  
4                    did. As OPC also knows, an additional stipulation in File No. ER-2016-  
5                    0179 called for Ameren Missouri to propose a CAM for approval in File  
6                    No. EO-2017-0176 instead of File No. ER-2016-0179, which Ameren  
7                    Missouri has done. Ameren Missouri has since submitted its CAM covering  
8                    calendar year 2018 and, as the notice filed in File No. EO-2017-0176  
9                    indicates, seeks approval of that CAM which, in all material respects, is  
10                    identical to the CAM submitted jointly by Ameren Missouri and the Staff  
11                    in File No. EO-2017-0176.”  
12

13    **Q.    Is Mr. Byrne’s claim that “all of Ameren Missouri’s costs and revenues have been**  
14                    **comprehensively examined in eight electric rate cases and four gas rate cases filed**  
15                    **since the Rule was first adopted” speak to the prudence of the affiliate transactions?**

16    **A.**    No. The cases were examined under the Commission’s presumption of prudence practice.  
17                    That practice ended with the Supreme Court decision on August 14, 2013. The utility now  
18                    has the affirmative burden of showing its affiliate transactions are prudent. Compliance  
19                    with the rule was a good first step in satisfying the utilities’ burden to show the prudence  
20                    of its affiliate transactions.

21                    On July 3, 2014, UEC’s next electric rate case after the Supreme Court’s decision, File No.  
22                    ER-2014-0258, was filed. In this case, Staff, OPC, and Missouri Industrial Energy  
23                    Consumers (MIEC) had affiliate transaction issues with such areas as UEC’s being  
24                    allocated a share of AMC compensation paid to AMC directors and Ameren Services’  
25                    office in Washington D.C. Ameren Services were issues as to the level of its allocations  
26                    that should be included in UEC’s revenue requirement. Parties also were seeking a  
27                    Commission order to open a separate docket to further examine AMS costs after the case  
28                    was closed.

1           These issues and others were resolved by a stipulation and agreement that increased the  
2           Staff's revenue requirement and an UEC commitment that it will seek Commission  
3           approval of its CAM as part of its next rate case.

4   **Q.    What happened in UEC's next rate case?**

5   A.    UEC's next rate case was ER-2017-0179. This filing contained a CAM that UEC applied  
6           the Commission for approval. In that case, a stipulation and agreement transferred the  
7           CAM issue to a separate docket, EO-2017-0176. Thus the UEC CAM approval process did  
8           not start from a baseline of prudent UEC affiliate transactions. The CAM approval process  
9           started from a baseline of questioning the validity of UEC affiliate transactions at a  
10          transition point following a Supreme Court finding that affiliate transaction cannot be  
11          presumed prudent and required affirmative action to meet that burden itself.

12   **Q.    How do you respond to Mr. Byrne's argument on pages 7 – 8 of his testimony that**  
13          **concludes that, because AMS is providing services "at cost" to UEC, the Company is**  
14          **not engaged in "cross-subsidization" and therefore not in violation of the affiliate**  
15          **transaction rule?**

16   A.    I believe that this is primarily a legal issue, so I think it would better be addressed in  
17          briefing. However, as far as my own opinion is concerned, cross-subsidization can still  
18          easily occur if the service company (AMS) requires the utility to take more goods or  
19          services than it actually needs. That is why the affiliate transaction rule exists in the first  
20          place; to require utilities to prove that their affiliate transaction costs are reasonable and  
21          prudent.

22   **Q.    On pages 11 – 14, Mr. Byrne attempts to argue that UEC has not "consistently"**  
23          **violated the letter of the affiliate transaction rules. Is he correct?**

1 A. No. Most of his arguments are repetitive of points I have already addressed, so I will not  
2 repeat myself here. However there are several key points I wish to reiterate.

3 First, even if a service company was truly providing goods and services “at cost” that still  
4 does not mean that the utility should employ a service company because the utility might  
5 still be able to receive services elsewhere at a lower cost. Staff Witness Oligschlaeger  
6 makes this same point in his own rebuttal testimony at page 9, lns 1 – 4:

7 “Even with the existence of a service company, there may still be  
8 opportunities for a regulated utility to obtain services from an unaffiliated  
9 third party at a lower cost than from a service company. In that  
10 circumstance, it would be uneconomic and imprudent for the utility to rely  
11 on the service company for provision of those particular services.”  
12

13 Second, the fact that the Commission has granted KCPL/GMO/Westar a waiver from the  
14 affiliate transactions rule, does not help Mr. Byrne’s argument, it hinders it. The rule has  
15 section 10 which addresses variances. In this section the rule states:

16 “(10) Variances.

17 (A)A variance from the standards in this rule may be obtained by  
18 compliance with paragraphs (10)(A)1.or (10)(A)2. The  
19 granting of a variance to one regulated electrical  
20 corporation does not constitute a waiver respecting or  
21 otherwise affect the required compliance of any other  
22 regulated electrical corporation to comply with the  
23 standards. The scope of a variance will be determined based  
24 on the facts and circumstances found in support of the  
25 application. 1. The regulated electrical corporation shall  
26 request a variance upon written application in accordance with  
27 commission procedures set out in 4 CSR 240-2.060(11); or”  
28 (Emphasis added)  
29

30 The rule states that the waiver granted to KCPL/GMO does not constitute a waiver for  
31 UEC. The variance will be determined based on the facts and circumstances found in  
32 support of the application.

1 **Q. Mr. Byrne discusses case number EO-2017-0176 beginning on page 15. Is this case**  
2 **relevant?**

3 A. No. As I already explained when discussing Mr. Oligschlaeger's testimony, this case has  
4 been suspended and no final decision was reached. That being said, I find it humorous to  
5 note on page 16 of his rebuttal testimony, Mr. Byrne acknowledges that variances to the  
6 affiliate transaction rule are necessary for what he calls a "not-for-profit" service company,  
7 thereby all but admitting that the AMS structure violates the affiliate transaction rule. Of  
8 course, UEC has no such variances.

9 **Q. How do you respond to Mr. Byrne's discussion of the renting of UEC's corporate**  
10 **headquarters on page 16 – 17?**

11 A. UEC has provided no evidence to show that AMS is leasing this corporate space from UEC  
12 at its fair market value.

13 **Q. Why are you recommending disallowance of the entire costs?**

14 A. Because UEC has not proven prudence.

15 **Response to John Reed Rebuttal**

16 **Q. Mr. Reed suggests you have not provided any justification for disallowing a single**  
17 **dollar of the affiliate transactions between AMS and UEC. How do you respond?**

18 A. The Company did not provide a single document that it determined the fair market price or  
19 the fully distributed cost for UEC to provide the service for itself. Affiliate transactions  
20 are not occurring between independent buyers and sellers, so they may not be presumed to  
21 be prudent.

1 **Q. Mr. Reed claims you “effectively presume[] that under the ‘lower of cost or market’**  
2 **standard for affiliate transaction pricing that the market value of all of Ameren**  
3 **Missouri’s corporate support services is zero.” Reed Rebuttal p. 1:24 -2:26.**

4 A. I do not presume any particular value of the goods and services AMS provides to UEC.  
5 There is no documentation that either UEC or AMS has proven the prudence of any of  
6 these costs by using the “lower of cost or market” standard required by the Commission’s  
7 affiliate transactions rule. The fact that they are corporate support services does not allow  
8 the Commission to apply a “presumption of prudence.”

9 **Q. What else do you challenge?**

10 A. I also challenge all of the other “facts” he lists at Reed Rebuttal p. 3-4 as wholly irrelevant  
11 to the issue in this case of whether any of the affiliate transactions between AMS and UEC  
12 are just and reasonable and prudently incurred.

13 His claim that AMS has provided services to the Company for 22 years and that the services  
14 provided to UEC, and the pricing of these services, has remained largely the same for many  
15 years indicates the Company did not adjust its recordkeeping to be able to demonstrate its  
16 transactions are prudently incurred as a result of the Supreme Court’s 2013 Opinion.

17 **Q. On page 3:16-21, Mr. Reed “[i]n its 1997 order approving the merger of Union**  
18 **Electric and CIPS, the Missouri Commission also approved the formation of AMS,**  
19 **which is a centralized service company that provides various corporate support**  
20 **services to AMC affiliates at cost.” Is this accurate?**

21 A. It is equally irrelevant. Even if it is true that the Commission approved the holding company  
22 structure, including the utilization of AMS as the group’s corporate support services  
23 provider in Case No. EM-96-149 as Mr. Reed contends, that does not address the changing.

1 His second fact is equally irrelevant. In approving a “holding company structure” the  
2 Commission did not approve the prudence of any affiliate transactions. In fact a thorough  
3 reading of EM-96-149 proves this statement to be false. The Commission recognized that,  
4 “The corporate structure resulting from the proposed merger will include Ameren as a  
5 federally regulated utility holding company.” But the federal regulation at that time was  
6 the PUHCA which was repealed in 2005.

7 **Q. Also on p. 4, Mr. Reed testifies that the “use of service companies” remains common.  
8 Is this relevant?**

9 A. No. As I have said, I have no problem with the use of a service company in principal. I  
10 only ask that UEC abide by the Commission’s affiliate transaction rules and the 2013  
11 Supreme Court Opinion by providing the necessary data to justify its expenditures.

12 **Q. Mr. Reed claims your statement, “Affiliate transactions are commonly done on terms  
13 that are not in the best interest of all the persons or entities entering into the  
14 agreement” is unsupported. Reed rebuttal p. 6:4-5. Do you have support for this  
15 statement?**

16 A. My support is the Commission’s rule and statements the Commission has made  
17 promulgating the rules: In the Commission’s words in the Missouri Register when the  
18 Commission promulgated the rules; “Foregoing opportunity costs or shifting the costs of  
19 unregulated activities to ratepayers will not generally be in the interests of ratepayers, or  
20 for that matter, the longer term interests of the regulated companies. Mo. Reg. p. 55, Vol.  
21 25, (Jan. 3, 2000, Vol.25).

22 **Q. Mr. Reed concludes that the context for the affiliate transaction rule is “no longer  
23 applicable for UEC.” Do you agree?**

1 A. No. Mr. Reed's position is effectively one that argues for the full repeal of consumer  
2 protections from affiliate transaction abuses.

3 **Q. In response to your conclusion: "There is no documentation that UEC has ever been**  
4 **in compliance with the Commission's affiliate transaction rules . . . ." Mr. Reed refers**  
5 **to the number of pages filed in another case. How do you reply?**

6 A. None of the documents contain anything resembling the results of third party bids or the  
7 cost to UEC to produce the goods and services itself to support the prudence of a single  
8 transaction claimed in the \$220,000,000 in affiliate transactions costs.

9 **Q. Mr. Reed finds it notable you did not refer to any of this material in your direct**  
10 **testimony. Is this relevant?**

11 A. No. Those materials are testimony in a completely separate case that do nothing to  
12 demonstrate that a single affiliate transaction was prudent. I have reviewed all documents  
13 provided in this case and found nothing supporting the prudence of any affiliate transaction.

14 **Q. Why don't you provide any specific examples of UEC's transactions with affiliates**  
15 **that you believe are incorrectly priced, or that result in unreasonable expense levels**  
16 **for UEC?**

17 A. I cannot cite to specific examples because there is no evidence filed to determine how any  
18 affiliate transaction was priced. I have no way of determining the levels of expense due to  
19 the total absence of evidence.

20 **Q. Mr. Reed claims that it is not likely that UEC could have secured the services AMS**  
21 **provides at a lower cost from itself or a third party. Rebuttal p. 9. Do you agree?**

1 A. No. It is highly likely that UEC could secure the same goods and services from third parties  
2 or other methods at a lower cost. But, again, there is no evidence of any sort to support  
3 Mr. Reed's opinion.

4 **Q. Does Mr. Reed prove what AMS' costs would be lower?**

5 A. No. He merely speculates that "AMS's cost should be equal to or below" that of UEC.

6 **Q. Does Mr. Reed support his speculation that having a service provider providing a**  
7 **service that pays a competitive wage, but has no profit margin, will always have a**  
8 **lower cost than a for-profit company that pays a competitive wage? Reed Rebuttal p.**  
9 **10-11.**

10 A. No.

11 **Q. Can you summarize your response to Mr. Reed's rebuttal testimony?**

12 A. The Commission cannot rely on Mr. Reed's conclusions or presumptions that AMS costs  
13 are lower than UEC's costs to serve itself because he provides no documentation  
14 supporting his conclusions or presumptions. Of course, what documentation I have seen  
15 shows \*\* \*\* from internal assessment.

16 See RES-S-4.

17 **Mr. Hasse Rebuttal Testimony**

18 **Q. Is Mr. Hasse correct that you assert that the Company is not in compliance with the**  
19 **Rules?**

20 A. Yes. The Company's failure to train and advise personnel regarding the affiliate  
21 transaction rule is one of my issues with the Company.



1 **Q. Mr. Hasse's testimony recounts UEC's training efforts regarding affiliate transaction**  
2 **rule compliance. Did your rebuttal testimony address the Company's efforts**  
3 **regarding the training provided to employees?**

4 A. No. The element of effort put into training is not a factor excusing the Company from  
5 compliance with the affiliate transaction rule.

6 **Q. Why are you just now criticizing the Company's lack of training?**

7 A. I did not have any information about the Company's training until this case. OPC did not  
8 receive the new training material nor was OPC asked to comment.

9 **Q. Does Mr. Hasse have any workpapers to support his rebuttal testimony?**

10 A. No. Mr. Hasse had no work papers supporting his testimony.

11 **Q. Mr. Hasse refers back to the stipulation in the EO-2017-0176 case to justify UEC's**  
12 **affiliate transactions with AMS. How do you respond to that?**

13 A. I've already addressed why referencing an agreement in another docket, that the  
14 Commission has yet to approve, does nothing to prove that AMS related costs are prudent.

15 **Q. Does this conclude your testimony?**

16 A. Yes.

Ameren Missouri's  
Response to OPC Data Request  
ER-2019-0335

In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its  
Revenues for Electric Service.

Data Request No.: OPC 1020

Ameren Missouri's 20108 affiliate transaction report indicates on Tab A page 2, lines 15 through 17, that Ameren's Missouri that will not participate in any affiliate transactions unless the transactions are in compliance with the Rule, approved variances from the Rule, and its CAM. Please identify Ameren Missouri's currently existing Commission approved variances, and associated Commission orders, from the Commission's affiliate transaction rules?

**RESPONSE**

<b>Prepared By: Tom Byrne</b>
<b>Title: Sr. Director, Regulatory Affairs</b>
<b>Date: 11/22/19</b>

Ameren Missouri has no existing Commission-approved variances.



**John R. Ashcroft**  
Missouri Secretary of State

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General Information	Filings	Address	Contact(s)
<b>Name(s)</b> AJEREN SERVICES COMPANY	<b>Type</b> Gen. Business - For Profit	<b>Address</b> One Ameren Plaza 1901 Chouteau Avenue St. Louis, MO 63103	<b>Charter No.</b> 00447931
<b>Domesticity</b> Domestic	<b>Registered Agent</b> C T CORPORATION SYSTEM 120 South Central Ave Clayton, MO 63105	<b>Status</b> Good Standing	<b>Date Formed</b> 11/11/1997
<b>Duration</b> Perpetual	<b>Renewal Month</b> January		
<b>Report Due</b> 4/30/2021			

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**Missouri Public Service Commission**

**Respond Data Request**

<b>Data Request No.</b>	0519
<b>Company Name</b>	Union Electric Company-Investor(Electric)
<b>Case/Tracking No.</b>	ER-2019-0335
<b>Date Requested</b>	11/13/2019
<b>Issue</b>	General Information & Miscellaneous - Other General Info & Misc.
<b>Requested From</b>	Geri Best
<b>Requested By</b>	Jeff Keevil
<b>Brief Description</b>	Affiliate Transaction Bidding Process
<b>Description</b>	1. Please explain in detail and/or provide a complete copy of the bidding processes utilized by Ameren Services (AMS) and Non-AMS Ameren entities. 2. Did Ameren Missouri or AMS bid out any services or products during the test year ending December 31, 2018? If yes, please provide complete copies of the bids and/or request for proposals (RFPs) and the responses to those bids or RFPs. DR requested by Lisa Ferguson (lisa.ferguson@psc.mo.gov).
<b>Response</b>	Please see the attached response.
<b>Objections</b>	NA

The attached information provided to **Missouri Public Service Commission** Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the **Missouri Public Service Commission** if, during the pendency of Case No. **ER-2019-0335** before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information. If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the **Union Electric Company-Investor(Electric)** office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to **Union Electric Company-Investor(Electric)** and its employees, contractors, agents or others employed by or acting in its behalf.

<b>Security :</b>	Public
<b>Rationale :</b>	NA

Ameren Missouri's  
Response to MPSC Data Request - MPSC  
ER-2019-0335

In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its  
Revenues for Electric Service.

No.: MPSC 0519

1. Please explain in detail and/or provide a complete copy of the bidding processes utilized by Ameren Services (AMS) and Non-AMS Ameren entities. 2. Did Ameren Missouri or AMS bid out any services or products during the test year ending December 31, 2018? If yes, please provide complete copies of the bids and/or request for proposals (RFPs) and the responses to those bids or RFPs. DR requested by Lisa Ferguson (lisa.ferguson@psc.mo.gov).

**RESPONSE**

**Prepared By: Ben Hasse**  
**Title: Cost Allocation Manual Manager**  
**Date: December 6, 2019**

Subject to the Company's objections and answering the following italicized question which we understand to be the question Staff intended:

*1. Please explain in detail and/or provide a complete copy of the bidding processes utilized by the Company, with respect to (goods and) services provided by Ameren Services (AMS) and Non-AMS Ameren entities (affiliate transactions). 2. Did Ameren Missouri or AMS bid out any AMS services or products during the test year ending December 31, 2018? If yes, please provide complete copies of the bids and/or request for proposals (RFPs) and the responses to those bids or RFPs. DR requested by Lisa Ferguson ([lisa.ferguson@psc.mo.gov](mailto:lisa.ferguson@psc.mo.gov)).*

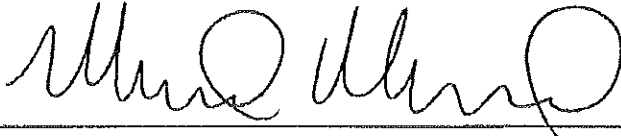
1. The Joint Planning and Procurement process (Joint Planning) is designed for Ameren Missouri to determine its needs for, the nature of, and the value of the products and services offered by AMS. As part of Joint Planning, Ameren Missouri analyzes and evaluates practical alternatives, if any, before Ameren Missouri makes a commitment to purchase a product or service from AMS. See attached for the Joint Planning policy. If as part of Joint Planning, a formal bidding process for a particular good or service AMS has been providing would occur, the attached Procurement Policy would apply. If an opportunity was identified outside of Joint Planning, the Procurement Policy would also apply.
2. No.

3. N/A.




**Joint Planning and Procurement Procedure for Purchasing Ameren Services  
Company Products and Services**

**Effective Date: [9/26/18]**

Approved By:  Date: 9/26/18

**Michael Moehn  
President – Ameren Missouri**

Approved By:  Date: 9/26/18

**Marty Lyons  
President – Ameren Services Company**

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## **1.0 Purpose**

- 1.1 The purpose of this document is to establish the procedure used by Ameren Missouri for planning for and purchasing products and services from Ameren Services Company (AMS) in an efficient process.

This process is designed to allow Ameren Missouri to determine its need for, the nature of, and the value of the products and services offered by AMS. This process contemplates that Ameren Missouri will analyze and evaluate practical alternatives, if any, including performing the service or developing the product within Ameren Missouri, before Ameren Missouri makes commitments to purchase AMS products and services from AMS. This procedure allows Ameren Missouri to explore additional opportunities for obtaining the products or services it needs, and to increase the value of the products and services AMS provides to Ameren Missouri by either reducing the cost or increasing the service level.

- 1.2 It is understood that Ameren Missouri is responsible to perform adequate review and evaluation to support its decision to procure specific AMS products and services for the current year as well as the following budget year. It is understood that Ameren Missouri is responsible to ensure AMS provides all necessary information to facilitate a review of the products, services, and billings received from AMS, in order to determine whether Ameren Missouri should dispute or question AMS charges.

## **2.0 Scope**

- 2.1 This procedure applies to all expenditures made by Ameren Missouri for AMS products and services, whether charged to balance sheet or income statement accounts.
- 2.2 This procedure does not apply to transactions under the Money Pool Agreement, under the Tax Allocation Agreement, or to products or services purchased by AMS as agent for Ameren Missouri on Ameren Missouri's behalf.
- 2.3 This procedure applies to current year AMS expenditures charged to Ameren Missouri and to development of the annual budget of AMS expenditures charged to Ameren Missouri for the following year.

## **3.0 AMS Joint Planning and Procurement Process**

- 3.1 AMS planning and procurement is done on an annual basis, beginning no later than the end of September, so that it may be completed prior to the final Ameren Missouri board meeting of the year, normally held in December.
- 3.2 An initial comprehensive joint planning and procurement meeting is held between representatives of Ameren Missouri and AMS.

3.2.1 The President of Ameren Missouri, the Sr. Vice President – Customer and Power Operations, the Sr. Vice President and Chief Nuclear Officer, and the Vice President – External Affairs and Communications will ensure that they have obtained the views of employees within their organizations as necessary to properly evaluate the products and services available from AMS.

3.2.2 AMS Officers (Vice President or Sr. Vice President) representing each AMS organization providing products or services to Ameren Missouri will ensure that they have obtained information from employees in their organizations as necessary to properly provide Ameren Missouri with relevant information regarding the products and services available from AMS.

3.2.3 By a deadline to be determined by Ameren Missouri each year, AMS will provide to Ameren Missouri detailed information for Ameren Missouri to review in advance of the initial comprehensive planning and procurement meeting. This deadline shall be far enough in advance of the meeting to allow for in-depth review by Ameren Missouri leaders and for broader dissemination and in-depth review by Ameren Missouri employees at lower levels of the Company. The information provided by AMS shall include:

3.2.3.1 Descriptions of the individual services and products AMS is willing to provide Ameren Missouri, with details defining what is included in the product or service,

3.2.3.2 AMS' assessment of opportunities for Ameren Missouri to consider alternatives for obtaining the product or service or to increase the value derived from each product and service to Ameren Missouri by reducing the cost or increasing the service level.

3.2.3.3 Projected aggregate annual AMS costs related to its products and services provided to Ameren Missouri, including year-over-year comparisons,

3.2.3.4 Projected annual costs for each AMS product and service offered, including year-over-year actual historical costs comparisons.

3.2.3.4 Records of AMS' exercise of its authority as agent for Ameren Missouri during the prior year.

3.2.3.5 Any additional information requested by Ameren Missouri from AMS needed to prepare for the initial comprehensive planning and procurement meeting. Ameren Missouri and AMS are expected to document and communicate their current positions regarding AMS transactions at the time any material issue/matter develops and not wait until this annual initial comprehensive planning and procurement meeting.

3.2.4 Ameren Missouri will assign company resources as necessary to review the detailed information in advance of the initial comprehensive planning and procurement meeting, and ensure that:

3.2.4.1 Ameren Missouri understands the full nature of the products and services that AMS offers to Ameren Missouri.

3.2.4.2 Ameren Missouri evaluates the nature and extent of the products and services it will receive for the coming year.

3.2.4.3 Ameren Missouri evaluates practical alternatives, if any, such as providing them within Ameren Missouri or outsourcing them to third parties other than AMS, to determine if such actions would increase the value derived from the products and services.

3.2.4.4 Ameren Missouri assesses and provides feedback to AMS on opportunities for AMS to increase the value of products and services it is willing to provide to Ameren Missouri, either by reducing costs or increasing service levels.

3.2.4.5 Ameren Missouri assesses and provides feedback to AMS on opportunities for AMS to provide value to Ameren Missouri and other Ameren affiliates by providing new or additional products and services needed by Ameren Missouri, at a lower cost or with a higher service level than Ameren Missouri could otherwise do on its own.

3.2.4.6 Ameren Missouri assesses and provides feedback to AMS regarding the nature and extent of AMS' historical exercise of its authority as Ameren Missouri's agent and provides instructions with respect to any limits on such authority or consultation required by AMS with Ameren Missouri with respect to exercise of such authority during the upcoming year.

3.2.5 If the first meeting is not conclusive regarding the products, services, and price terms between AMS and Ameren Missouri, follow-up actions will be agreed to by AMS and Ameren Missouri, which may include additional meetings of the appropriate Ameren Missouri and AMS representatives.

3.3 Once Ameren Missouri agrees to the purchase of specific AMS products and/or services, Ameren Missouri will adjust its budgets to reflect the results of decisions made in this joint planning and procurement process and ensure that appropriate parties enter these results in the budget system before required deadlines.

3.4 Ameren Missouri will ensure that the individual products and services that AMS is to provide to Ameren Missouri are documented contemporaneously and also reflected in Ameren Missouri's next CAM filing.

**4.0 Oversight/Approval Process**

4.1 Ameren Missouri understands its responsibility to ensure payments to AMS are consistent with the products and services approved by Ameren Missouri. In order to support payments to AMS, Ameren Missouri will establish a monitoring process documenting the receipt of the specified product and/or service from AMS, as agreed to with Ameren Missouri, as well as Ameren Missouri's level of satisfaction with the received product or service as compared to the specified conditions for the received product or service outlined in the Ameren Missouri – AMS General Services Agreement, and will establish a monitoring process for AMS' exercise of agency authority on Ameren Missouri's behalf. Ameren Missouri shall ensure that its agreement with AMS includes a billing format that facilitates the Ameren Missouri approval process.

**5.0 Internal Audit**

5.1 Ameren Missouri shall initially conduct annual audits to assess the level of compliance with this procedure and to identify corrective actions, if any, necessary to ensure ongoing compliance and satisfaction of Ameren Missouri's stated responsibilities. After three years and upon a showing of a high level of compliance and responsibility satisfaction, these audits may be conducted not less than once every four years.



<b>Owner</b>	<b>Sponsor</b>	<b>Approval</b>
<b>Dennis Weisenborn Vice President, Corporate Safety, Supply Services and Chief Procurement Officer</b>	<b>Mark Birk Senior Vice President, Corporate Safety, Planning, &amp; Operations Oversight</b>	<b>Marty Lyons Executive Vice President &amp; Chief Financial Officer</b>
<b>Owner Signature</b> 	<b>Sponsor Signature</b> 	<b>Approval Signature</b> 
<b>Date</b>	<b>Date</b>	<b>Date</b>

**Procurement Policy**

**1. Purpose**

1.1 The purpose of this document is to establish the Ameren corporate policy for procurement of non-fuel materials, services, and asset leases.

**2. Scope**

- 2.1. This policy applies to all Ameren companies.
- 2.2. This policy applies to procurement of non-fuel materials, services and asset leases. This policy does not apply to procurement of commodities, which is included within the scope of the Corporate Risk Management Governance policy dated April, 2013.
- 2.3. Employee travel and entertainment expenses are not included in this policy (see T&E Expense Policy).
- 2.4. Purchase Order exception categories are listed in section 4.3.4.1(B) of the Procurement Procedure AMN-ADM-4004.
- 2.5. This policy supersedes the Procurement Policy, dated 12-1-2013.

**3. Definitions**

3.1. Terms used in this document are defined in the CPOC Policy and Procedure Glossary AMN-ADM-4011.

**4. Responsibilities**

4.1. Supply Services:

4.1.1. Policy and Procedure maintenance

- 4.1.1.1. Review annually and update as needed to ensure alignment with other processes, new tools, and to reflect lessons learned.
- 4.1.1.2. Publicize Procurement Policy and Procedure and communicate updates to all personnel affected.
- 4.1.1.3. Both the policy and procedure shall be made available to all employees.

4.1.2. Planning and forecasting:

- 4.1.2.1. Take part in the three year capital planning process to ensure appropriate procurement strategies are developed.
- 4.1.2.2. Assign resources to actively participate on project and contract development teams starting from project initiation.
- 4.1.2.3. Communicate market conditions, trends, and key lead times for materials and services to Business Segments and project management prior to funding request.

4.1.3. Organize and administer all procurement activities to include:

- 4.1.3.1. Supply Services is responsible for procurement activities of projects and/or contracts, as well as administration of all contracts and agreements.
- 4.1.3.2. Secure materials and services at competitive prices, consistent with prevailing economic conditions and value maximization.
- 4.1.3.3. Conduct procurement activities in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety
- 4.1.3.4. Take an active role in the Cyber Security process as outlined by IT.
- 4.1.3.5. Take an active role in specification development with operations and engineering and promote use of standard specifications for "run-of-the-mill" commodities prior to issuing a Request for Quote (RFQ).

- 4.1.3.6. Periodically, benchmark Ameren pricing against published indices wherever available and assess Ameren's procurement practices against industry leading practices.

4.1.4. Control responsibilities:

- 4.1.4.1. Oracle is the system of record for all purchase orders and purchase order revisions, and associated agreements/contracts for the Structured Buy and Easy Buy procurement channels,
- 4.1.4.2. Maintain a historical list of supplier performance based on feedback from project managers in order to assess supplier risk. The supplier performance list shall be reviewed with the Contract Development Team (CDT) or Business Segment during the supplier selection process.
- 4.1.4.3. Review requisitions to ensure the proper authorization level has approved the purchase prior to the issuance of a purchase order. Any requisition without the proper level of authorization shall be rejected and sent back to the requestor.
- 4.1.4.4. Ensure that the Procurement Policy Deviation Form, is completed when required and approved by the individual from the requesting Business Segment having the appropriate requisition approval authority outlined in Report HR151AR – Approved Requisition Amount by Employee. The value on the Procurement Policy Deviation form must be greater than or equal to the total value of the purchase. The approved deviation form shall be attached to the approved requisition. Any request for a policy deviation purchase without the approved form will be rejected and returned to the requestor. Supply Services will review and may challenge any policy deviation. Approved policy deviation forms will be stored in Oracle (system of record).
- 4.1.4.5. Ensure that a minimum of three suppliers have been invited to bid for competitive events. If three suppliers cannot be invited then approval from the appropriate business segment representative and the Supply Services professional receiving the requisition must be obtained via completion and acceptance of the Procurement Policy Deviation Form.
- 4.1.4.6. Prior to issuing an RFQ, ensure that technical specifications and commercial terms and conditions are completed and attached to the RFQ. If either of these items is deficient, the RFQ will not be issued until complete.

- 4.1.4.7. Follow the Contract Development and Commercial Administration Procedure, AMN-ADM-4005 during all Structured Buys. Supply Services shall also refer to the Contract Development and Commercial Administration Procedure when any change order mandating a contract change is received for a new or any amended purchase order.
- 4.1.4.8. Supply Services will close out purchase orders when they are designated as complete by the project manager or requestor, as well as, review for closure any purchase order that is older than one year from the date of issue.

4.2. Business Segments:

- 4.2.1. Responsible for forecasting requirements as far in advance of the required delivery date as possible and communicating these requirements to Supply Services. Additionally, Business Segments will:
  - 4.2.1.1. Include Supply Services in their three-year planning process to ensure appropriate procurement strategies can be developed;
  - 4.2.1.2. Prepare commercial requirements and specifications, drawings, and other documentation as required to define technical and operating requirements;
  - 4.2.1.3. Actively participate in the development of the procurement plan.
- 4.2.2. Contact the Supervisor of Capital Budgets when considering any leasing arrangements, subject to the conditions set forth in section 5.5
- 4.2.3. Business Segments should contact the Supervisor Cybersecurity when applicable.
- 4.2.4. Ensure all non-capital contracts and non-commodity contracts with an expected spend greater than \$100 million and a term longer than 3 years achieve Finance Committee approval, and all such contracts with an expected spend greater than \$250 million and a term longer than 3 years achieve Board Of Director approval.

4.3. Project Management:

4.3.1. Project Managers:



- 4.3.1.1. Involve Supply Services throughout project initiation, planning, and execution.
- 4.3.1.2. Establish and communicate procurement goals, objectives, and special considerations to ensure successful project delivery.

4.3.2. Contract Development Team:

- 4.3.2.1. Identify project needs, potential suppliers, and possible risks, in awarding the contract.
- 4.3.2.2. Actively participate in supplier qualification, RFQ review, evaluation of proposals, supplier negotiations, supplier selection, contract form selection, and supplier relationship management.
- 4.3.2.3. Create and issue RFQs on a timely basis.
- 4.3.2.4. Develop contracts in accordance with the Contract Development and Commercial Administration Procedure, AMN-ADM-4005. Contact Market Risk Management and Treasurer's if a project has a foreign currency exposure greater than the equivalent of USD \$1 million.
- 4.3.2.5. Control responsibilities
  - A. Evaluate competitive bids and determine the winning bidder based on criteria supporting the lowest total cost of ownership or best value to Ameren.
  - B. Integrate a Supply Services resource into the project management process during the project initiation phase.

4.4. Accounts Payable:

- 4.4.1. Obtain and manage supplier/contractor payment data.
- 4.4.2. Review and pay invoices in accordance with agreed upon terms outlined in the purchase order.
- 4.4.3. Identify and notify the Business Segment requestor of invoices that exceed the invoice to purchase order tolerance.

4.5. Construction Audit:

- 4.5.1. Review invoices per Construction Audit procedures.

4.6. Corporate Legal:

4.6.1. Review and endorse procurement and leasing contracts not conforming to standard contract templates or as required by this Policy prior to execution to ensure formal contracting terms and conditions and appropriate risk management are in place.

4.7. Information Technology

4.7.1. Review and set Cyber security requirements for suppliers/contractors.

4.7.2. Review contracts not conforming to the requirements outlined in 4.9.1 or where additional risks have been identified, prior to execution to ensure proper identification and management of risks

4.8. Internal Audit:

4.8.1. Periodically perform audit procedures to evaluate compliance with this policy.

4.9. Risk Management:

4.9.1. Review and set insurance requirements for suppliers/contractors.

4.9.2. Review contracts not conforming to the requirements outlined in Attachment F, General Insurance Requirements, to Procurement Procedure, AMN-ADM 4004, or where additional risks have been identified prior to execution to ensure proper identification and management of risks.

4.10. Supervisor of Capital Budgets:

4.10.1. Review and analyze all leasing arrangements subject to section 5.5.

**5. Policy Requirements**

5.1. Authorization to suppliers for the purchase of goods or services must be made through the creation and approval of a purchase requisition in Oracle iProcurement or EMPRV (EBOM) and issuance of a purchase order from Oracle iProcurement, except as noted in Table 1, Purchase Order Exception Categories, of the Procurement Procedure, AMN-ADM-4004. Alternatively, P-Cards may be used for low cost items (see Company Visa Purchasing Card Policy).

5.2. Non-fuel procurement spend must go through the Source to Settle process.

5.2.1 Procurement of non-fuel materials and services described in the Purchase Order Exception Categories table (Table 1,

Procurement Procedure, AMN-ADM-4004) may but are not required to follow the Easy and/or Structured Buy process.

- 5.2.2 Exceptions must be approved by the Vice President, Corporate Safety, Supply Services and Chief Procurement Officer in advance of commitments to supplier or other non-Ameren entities.
- 5.2.3 In extreme and unforeseen circumstances associated with outage restoration, projects requiring outages, or environmental projects where work will be stopped, materials or services may be committed with written authorization of the appropriate Business Segment officer or the Vice President, Corporate Safety, Supply Services and Chief Procurement Officer. Under these circumstances, a purchase requisition must follow within 14 days of the commitment, leading to amendment of an existing agreement or creation of a contract and/or purchase order.
- 5.3. Non-fuel material and service spend eligible for the Easy Buy channel must go through the Easy Buy channel.
  - 5.3.1. Easy Buy transactions will be done directly by Business Segments using the approved list of contracts/agreements supplied by Supply Services, issued from stock, or purchased via P-Card. Requestor must comply with all applicable CPOC policies and procedures when creating an Easy Buy requisition.
  - 5.3.2. Supplier/Contractor Agreements will be setup and maintained by Supply Services.
  - 5.3.3. Any necessary deviation from the use of an approved supplier must be reviewed and agreed to by Supply Services.
- 5.4. Non-fuel material and service purchases greater than \$100,000 and not eligible for the Easy Buy channel must go through the Structured Buy channel.
  - 5.4.1. Must be competitively bid with a minimum of 3 suppliers invited to bid/propose. Bids will be evaluated and awarded by the Contract Development Team.
  - 5.4.2. Any substantive change to the contract or purchase order requires either a new or revised requisition, outlining the change(s) to be made as well as the change in value. If the original contract or purchase order required a Policy Deviation, the Policy Deviation must be updated to the new total value and must be re-approved per section 5.4.3 or 5.4.4.

- 5.4.3. Sole source or two bidder purchases may be used on an exception basis with proper justification. Every sole source or two bidder requisition must be accompanied by a Procurement Policy Deviation Form approved by the Business Segment individual with the appropriate requisition approval level and approved by the Supply Services professional receiving the requisition with the appropriate delegation of authority approval level. The value on the Procurement Policy Deviation form must be greater than or equal to the total value of the purchase. The Procurement Policy Deviation Form must be completed in advance of a commitment to suppliers or other non-Ameren entities and the issuance of a purchase order.
- 5.4.4. All other purchases that deviate from this procedure must be approved in advance of commitments to suppliers or other non-Ameren entities, in writing via the Procurement Policy Deviation Form (Attachment D), approved by the Business Segment individual with the appropriate requisition approval level and approved by the Supply Services professional receiving the requisition with the appropriate delegation of authority approval level and approved by the Vice President, Corporate Safety, Supply Services and Chief Procurement Officer. If the requesting department is Corporate Safety or Supply Services, the Policy Deviation must be approved in advance by Senior Vice President, Corporate Safety, Planning, & Operations Oversight. The value on the Procurement Policy Deviation form must be greater than or equal to the total value of the purchase.
- 5.4.5.
- 5.5. Leasing may be considered as a method of financing in lieu of purchasing a piece of equipment. Refer to the Project Justification Policy when considering the financial benefits/cost to owning the asset. The option to lease a piece of equipment is NOT to be used as a means of justifying the acquisition of the asset.
  - 5.5.1. All lease commitments must go through the work order approval process. (see Work Order Procedure AMN-ADM-4003)
  - 5.5.2. Any lease arrangement in excess of \$100,000 must be evaluated by the Supervisor of Capital Budgets prior to making any commitment.
  - 5.5.3. Any lease arrangement less than \$100,000 may be evaluated by the Supervisor of Capital Budgets at the discretion of the Business Segments to determine whether the lease is a capital lease or operating lease.

- 5.5.4. Any deviation from Section 5.5 must be approved, in writing, by the Vice President & Treasurer.
- 5.6. Corporate Legal will review the following contracts:
  - 5.6.1. All project contracts with a total cost greater than \$5 million;
  - 5.6.2. All project contracts with a total cost less than \$5 million at the discretion of the Project Manager;
  - 5.6.3. Non-project standard form contracts, modifications to standard form contracts, and specific needs terms and conditions;
  - 5.6.4. Contract extensions.
  - 5.6.5. Lease Contracts
    - 5.6.5.1. Any lease arrangement in excess of \$100,000, or
    - 5.6.5.2. Any lease contract that may be considered a capital lease per Financial Accounting Standards Board:
      - A. Lease term exceeds 75% of the presumed economic life, or
      - B. 90% Net Present Value of rent exceeds the original cost, or
      - C. A discounted purchase option at the end of lease
- 5.7. Ameren's Finance Committee shall review and approve all non-capital contracts and non-commodity contracts with an expected spend greater than \$100 million and a term longer than 3 years.
- 5.8. Ameren's Board of Directors shall review and approve all non-capital contracts and non-commodity contracts with an expected spend greater than \$250 million and a term longer than 3 years.
- 5.9. Supplier Relationships
  - 5.9.1. In keeping with Ameren's corporate values of respect and integrity, Ameren will treat all suppliers equitably.
  - 5.9.2. Parameters and procedures concerning bidding, re-bidding, and negotiations must be established prior to issuance of an RFQ. Additionally, bidding procedures must be communicated

simultaneously to suppliers in a consistent manner. When re-bidding, bidders in contention for the awarding of business must be given the same opportunity.

5.10. Supplier Diversity

- 5.10.1. All purchases must abide by Ameren's Supplier Diversity Policy AMN-08-09.
- 5.10.2. Supplier Diversity Team will help identify potential diverse suppliers for procurement opportunities at the beginning of the project with the goal of including diverse suppliers in the process with first tier opportunities.
- 5.10.3. Should diverse suppliers not be identified for first tier opportunities; attempts should be made to identify and include diverse suppliers in second tier opportunities.

5.11. Confidentiality, Ethics, and Legal Compliance

- 5.11.1. All procurement activities will adhere to the Ameren Corporation Corporate Compliance Policy and Guidebook.
- 5.11.2. Ameren promotes equitable buying practices, strict adherence to ethical standards, and recognition of the confidential nature of supplier information. Confidential information that is legitimately disclosed or disseminated should be labeled as confidential and/or proprietary. Ameren will not tolerate activities that undermine the competitive process such as:
  - 5.11.2.1. Divulging current or historic pricing or any other information that could adversely affect the Company's negotiating position and/or future pricing;
  - 5.11.2.2. Selectively limiting or timing the release of pertinent bid information to offer unfair advantage to a select bidder(s);
  - 5.11.2.3. Informing a supplier it is the only approved source, thus preventing a competitive bid situation;
  - 5.11.2.4. Divulging proprietary supplier/contractor information, drawings, processes or pricing of one bidder to another
  - 5.11.2.5. Providing a supplier/contractor with information or advice on a preferential basis;
  - 5.11.2.6. Scheduling and/or delaying release of a purchase to limit or prevent the solicitation of competitive bids;

- 5.11.2.7. Poorly written, vague specifications, or intentionally writing specifications around a particular supplier to eliminate or restrict competitive bidding;
  - 5.11.2.8. Using statements of work, specification or sole source justification developed by, or in consultation with, a supplier who will be permitted to bid without appropriate internal Ameren review and documentation to ensure that there is no unfavorable advantage given to the supplier;
  - 5.11.2.9. Permitting consultants who assisted in the preparation of the statements of work, specifications, or design to perform on the contract as subcontractors or consultants without appropriate internal Ameren review and documentation to ensure that there is no unfavorable advantage given to the consultants;
  - 5.11.2.10. Sole source procurements without sufficient justification and approval;
  - 5.11.2.11. Frequent business entertaining with a supplier;
  - 5.11.2.12. Soliciting or accepting favors, gratuities, or entertainment from any person, firm, corporation, or other entity that is engaged in active procurement activities with Ameren by a member of the Contract Development Team;
  - 5.11.2.13. Splitting a single purchase into several smaller purchases to circumvent the Procurement Policy
- 5.11.3. Notwithstanding anything herein to the contrary, the Company shall at all times comply with any and all applicable federal, state, and local laws and regulations to the extent such apply in any given situation.

## **6. Deviations**

- 6.1. Deviations from this procedure must be approved in advance of commitments to suppliers or other non-Ameren entities, in writing via the Procurement Policy Deviation Form (Attachment D), by an appropriate Supply Services representative for sole source and two bidder purchases and by the Vice President, Corporate Safety, Supply Services and Chief Procurement Officer for all other purchases. If the requesting department is Corporate Safety or Supply Services, the Policy Deviation must be approved in advance by Senior Vice President, Corporate Safety, Planning, & Operations Oversight.

## **7. Enforcement**

- 7.1. Individuals in violation of this policy may be subject to disciplinary action up to and including termination.

## **8. Corporate Implementing Procedure**

- 8.1 Procedures and instructions for compliance with this policy are included in the Procurement Procedure AMN-ADM-4004.



## Missouri Public Service Commission

Respond Data Request

<b>Data Request No.</b>	0588
<b>Company Name</b>	MO PSC Staff-(All)
<b>Case/Tracking No.</b>	ER-2019-0335
<b>Date Requested</b>	1/28/2020
<b>Issue</b>	Other - Other
<b>Requested From</b>	Jeff Keevil
<b>Requested By</b>	Bob Schallenberg
<b>Brief Description</b>	Mark Oligschlaeger Rebuttal Testimony
<b>Description</b>	Please identify the "recent reviews" that Mr. Oligschlaeger refers to on page 2, line 13 of his rebuttal testimony? Please provide copies of all documentation from these reviews that support Staff's position that OPC's position is inappropriate. What role(s) did Mr. Oligschlaeger play in these reviews? Please identify what, if any, other Staff worked on these reviews and the role each played on each of these reviews. Aside from those communications covered by attorney-client privilege, please provide copies of the documentation each Staff member created or reviewed in conjunction with their work on each of the identified reviews. Please provide a privilege log for all documents not provided.
<b>Response</b>	a) Mr. Oligschlaeger is referring to the reviews performed in Case Nos. EO-2019-0176 and ER-2019-0335. b) Staff's reviews of the available documentation from Ameren Missouri in each case, as well as discussions with Ameren Missouri personnel regarding its transactions with AMS led it to its conclusion that OPC's position in this case is inappropriate. The documentation reviewed by Staff in each case included Ameren Missouri responses to Staff data requests, and ongoing affiliated transaction reporting required of Ameren Missouri under the affiliated transactions rules. The results of Staff's reviews are outlined in Staff direct testimony in Case No. EO-2017-0176, and in direct and rebuttal testimony in Case No. ER-2019-0335. OPC is a party to both cases, and has access to all Ameren Missouri responses to Staff data requests and Staff filed testimony. c) Mr. Oligschlaeger did not play an active role in Case No. EO-2017-0176 until after Mr. Schallenberg's departure from the Commission Staff in May 2018. After that point, Mr. Oligschlaeger participated in most meetings of the involved parties, and provided oversight over the Auditing Department activities in that case. For Case No. ER-2019-0335, Mr. Oligschlaeger provided oversight over Auditing Department activities in his position as Manager of Auditing from July – September 2019, and more general oversight over case activities in his current role as Director of Financial and Business Analysis from October 2019 to present. d) John Cassidy, Auditor V – participated in meetings and provided general oversight in both cases. Privilege log provided separately via email to OPC Counsel. Data Request Response submitted by Mark Johnson (mark.johnson@psc.mo.gov)
<b>Objections</b>	NA

The attached information provided to **Missouri Public Service Commission** Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the **Missouri Public Service Commission** if, during the pendency of Case No. **ER-2019-0335** before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information. If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to

Submit REB-S-3

22/55

have documents available for inspection in the **MO PSC Staff-(All)** office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to **MO PSC Staff-(All)** and its employees, contractors, agents or others employed by or acting in its behalf.

**Security :** Public

**Rationale :** NA

**Oligschlaeger, Mark**

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**From:** Binkley, Traci  
**Sent:** Tuesday, January 21, 2020 1:26 PM  
**To:** Oligschlaeger, Mark  
**Cc:** Vaught, Dianna  
**Subject:** RE: ER-2019-0335 Rebuttal

Ok, changes are made.  
Yes, on the cover - that is consistent with how other witnesses' testimony is being handled.

Thank you,  
Traci

**From:** Oligschlaeger, Mark <mark.oligschlaeger@psc.mo.gov>  
**Sent:** Tuesday, January 21, 2020 1:17 PM  
**To:** Binkley, Traci <Traci.Binkley@psc.mo.gov>  
**Cc:** Vaught, Dianna <dianna.vaught@psc.mo.gov>  
**Subject:** RE: ER-2019-0335 Rebuttal

Traci,  
I have a few final edits in the attached, mostly towards the front. Please note that I also am changing the cover page to refer to the FBA Division; is this consistent with how other witnesses' testimony is being handled?  
Thanks!

**From:** Binkley, Traci <Traci.Binkley@psc.mo.gov>  
**Sent:** Tuesday, January 21, 2020 12:16 PM  
**To:** Oligschlaeger, Mark <mark.oligschlaeger@psc.mo.gov>  
**Subject:** RE: ER-2019-0335 Rebuttal

Mark,

Please review for final approval.

Thank you,  
Traci

**From:** Oligschlaeger, Mark <mark.oligschlaeger@psc.mo.gov>  
**Sent:** Tuesday, January 21, 2020 11:49 AM  
**To:** Binkley, Traci <Traci.Binkley@psc.mo.gov>  
**Subject:** RE: ER-2019-0335 Rebuttal

Traci,  
No confidential material in the draft.

**From:** Binkley, Traci <Traci.Binkley@psc.mo.gov>  
**Sent:** Tuesday, January 21, 2020 11:48 AM  
**To:** Oligschlaeger, Mark <mark.oligschlaeger@psc.mo.gov>  
**Subject:** ER-2019-0335 Rebuttal

Mark,

I haven't started working on your testimony yet, but was wanting to know if you have any Confidential in it? I'm still working on Smith's testimony.

Traci

**From:** Vaught, Dianna <[dianna.vaught@psc.mo.gov](mailto:dianna.vaught@psc.mo.gov)>  
**Sent:** Tuesday, January 21, 2020 11:23 AM  
**To:** Binkley, Traci <[Traci.Binkley@psc.mo.gov](mailto:Traci.Binkley@psc.mo.gov)>  
**Subject:** FW: Rebuttal

Mark Oligschlaeger is in the final folder now. Can you work on this one also. I'm getting ready for a workshop and working on annual report stuff.

**From:** Oligschlaeger, Mark <[mark.oligschlaeger@psc.mo.gov](mailto:mark.oligschlaeger@psc.mo.gov)>  
**Sent:** Tuesday, January 21, 2020 11:06 AM  
**To:** Vaught, Dianna <[dianna.vaught@psc.mo.gov](mailto:dianna.vaught@psc.mo.gov)>  
**Subject:** FW: Rebuttal

Dianna,

Per my standard practice, I would like to look at this one more time once it is formatted and "prettied-up."  
Thanks!

## **Oligschlaeger, Mark**

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**From:** Oligschlaeger, Mark  
**Sent:** Tuesday, January 21, 2020 8:19 AM  
**To:** Mankin, Suzie  
**Subject:** RE: Schedule MLO-r1 for case No. ER-2019-0335

Suzie,  
Schedule 1 looks fine.  
Thanks!

---

**From:** Mankin, Suzie <suzie.mankin@psc.mo.gov>  
**Sent:** Friday, January 17, 2020 9:59 AM  
**To:** Oligschlaeger, Mark <mark.oligschlaeger@psc.mo.gov>  
**Subject:** Schedule MLO-r1 for case No. ER-2019-0335

Please review the document (in Word / PDF) located at: S:\Ameren Missouri ER-2019-0335\Staff Rebuttal\Drafts\Oligschlaeger

and then, let me know if any edits are needed.

Suzie  
☎ 751-7346

**Oligschlaeger, Mark**

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**From:** Vaught, Dianna  
**Sent:** Tuesday, January 21, 2020 8:09 AM  
**To:** Kliethermes, Robin; Lange, Sarah; Oligschlaeger, Mark  
**Subject:** Rebuttal Affidavit - Case No. ER-2019-0335

Your affidavits are ready at my desk when you are ready to sign. Thank you!

*Dianna Vaught*  
*Manager, Administrative Support Department*  
*Missouri Public Service Commission*  
*200 Madison Street*  
*Jefferson City, MO 65101*  
*573/522-4619 (telephone)*  
*573/751-9285 (fax)*  
[dianna.vaught@psc.mo.gov](mailto:dianna.vaught@psc.mo.gov)



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**Oligschlaeger, Mark**

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**From:** Binkley, Traci  
**Sent:** Friday, June 14, 2019 2:34 PM  
**To:** Oligschlaeger, Mark  
**Subject:** Final Direct Testimony EO-2017-0176

Mark,

I'm done with the Final Testimony, if you're sure you don't need to see a printed version of it, then all we need is for you to sign your affidavit. (I think Suzie has it).

*Thank you,*

*Traci*

*Traci Binkley  
Administrative Office Support Assistant  
Administrative Support Department  
(573)522-1172 (telephone)  
[traci.binkley@psc.mo.gov](mailto:traci.binkley@psc.mo.gov)*

## **Oligschlaeger, Mark**

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**From:** Cassidy, John  
**Sent:** Friday, March 29, 2019 9:40 AM  
**To:** Oligschlaeger, Mark  
**Cc:** Ferguson, Lisa  
**Subject:** RE: UE CAM FDC Study  
**Attachments:** GR 2019 0077 Schallenberg DRs 1010-1028.pdf

Mark – Here are the data requests OPC submitted. John

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**From:** Cassidy, John  
**Sent:** Thursday, March 28, 2019 5:12 PM  
**To:** Oligschlaeger, Mark  
**Cc:** Ferguson, Lisa  
**Subject:** RE: UE CAM FDC Study

Mark,

We had some more meetings this afternoon with Laura on gas rate case matters. At the end of those meetings I inquired of Laura about whether or not OPC had ever responded to Tom's inquiry. She indicated that in fact there was a new development to report that occurred in the last few days. Apparently OPC submitted roughly 20 data requests in the current gas rate case on matters that do not appear to be relevant to the gas rate case but readily appear to be relevant to the CAM case. I think Tom B., Russ M. and Laura may be having a meeting to discuss this latest development. I'm trying to track those OPC DRS down through our attorneys and once I do I will forward them to you.

John

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**From:** Oligschlaeger, Mark  
**Sent:** Thursday, March 28, 2019 2:44 PM  
**To:** Cassidy, John  
**Cc:** Ferguson, Lisa  
**Subject:** RE: UE CAM FDC Study

Lately, I think a reasonable default presumption is that OPC will always be "non-responsive" in any given situation.



**From:** Cassidy, John  
**Sent:** Thursday, March 28, 2019 2:10 PM  
**To:** Oligschlaeger, Mark  
**Cc:** Ferguson, Lisa  
**Subject:** UE CAM FDC Study

Mark,

Laura mentioned to me and Lisa at the end of one of our meetings here, maybe a couple of weeks ago or so, that Tom Byrne had reached out to OPC at least two times about the FDC /CAM concerns but they have never provided him any feedback. I'm not certain where it stands or if something has changed but Laura indicated at that time that she was already drafting her direct testimony filing for that case. Which makes sense to me now that we know of the pending electric filing. I just wanted to pass this on to you because Ameren is reading the situation as OPC will continue to be non-responsive.

John

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

In the Matter of Union Electric                                    )  
Company d/b/a Ameren Missouri's                                )     File No. GR-2019-0077  
Tariffs to Increase Its Revenues for                            )  
Natural Gas Service    )

**PUBLIC COUNSEL DATA REQUESTS 1010 – 1028 TO  
UNION ELECTRIC D/B/A AMEREN MISSOURI**

The Office of Public Counsel (Public Counsel) hereby provides the following Data Request to Union Electric d/b/a Ameren Missouri (Ameren) pursuant to the Commission's Rule 4 CSR 240-2.090. Public Counsel is requesting Ameren to respond to these requests within twenty (20) days of receipt. Please provide electronic responses to the following: [opcservice@ded.mo.gov](mailto:opcservice@ded.mo.gov).

**DEFINITIONS**

1. "The Company" or "company" means: Union Electric d/b/a Ameren Missouri ("Union Electric"), its subsidiaries and affiliates, past or present; its employees, officers, directors, agents, consultants, attorneys, and all persons acting under contractual arrangements with or acting on behalf of Union Electric; any merged or consolidated predecessors or predecessor in interest; and any merged or consolidated successors or successor in interest.
2. "Document" should be interpreted to include, but not be limited to, the original or any copy, of any kind, any, exhibit, pleading, transcript, calendar, cancelled check, photograph, form, memo, ledger, tax return, report, record, order or notice of the Commission or other governmental action of any kind, study (including engineering, feasibility, general economic, and market studies), survey, summaries, comparisons, calculations, handwritten note, minutes, logs, graphs, indices, computer files, computer inputs and outputs, internal operating manuals, data sheets, recordings, electronic mail or text messages and attachments, or any other written, or retrievable matter or data of any kind.
3. Any document that is not exactly identical to another document for any reason, including, but not limited to, marginal notations or deletions, should be considered to be a separate document.

4. Please provide data responses as they become available.
5. Consider each data request is continuing in nature and requires a supplemental response as soon as further or different information is obtained that is responsive to the request.

#### DATA REQUESTS

- Referring to the Company's response to Data Request OPC 1003, please provide a copy of the General Services Agreement between Ameren Missouri Services (AMS) and the Union Electric Company (UEC) dated August 8, 2010, with all amendments, restatements, supplements, and modification.
- If an agreement allowing AMS to utilize UEC property is not included in the August 8, 2010, General Services Agreement between AMS and UEC dated with all amendments, restatements, supplements, and modifications, please provide a copy of the agreement allowing AMS to utilize UEC regulated assets during the period beginning with the test year in this case through the test-year update and true-ups.
- Please provide the rental agreement between AMS and UEC, for AMS to conduct business and use other functions associated with use of in UEC's Headquarters Building (e.g. parking, electric car charging, electricity, water, etc.) beginning with the test year in this case through the test year update to present.
- The January 1, 2019 Amended and Restated Agreement between AMS and UEC states the following:

**WHEREAS**, Service Company was created as a centralized service company under PUHCA 2005, and is organized, staffed and equipped to provide to Ameren Missouri and its affiliates certain products and services as herein provided; . . . .

1010. Did UEC review the above representation and determine it was accurate?
1011. If yes, please provide a copy of all documentation reviewed or known by UEC to verify the accuracy of the above representation;
1012. Please identify the individuals, by position title, that were relied upon for determining that the representation is accurate;
1013. Please provide copies of any documentation that UEC reviewed to determine AMS organization's ability to provide the goods or services necessary or desirable to UEC's operations and business;
1014. Please provide copies of any documentation that UEC reviewed to verify that AMS has the staff required to provide the goods or services necessary or desirable to UEC's operations and business, and

1015. Please identify the UEC regulated assets that AMS can and does use to provide products and services to UEC with copies of related the agreements or contracts;
1016. Is it Ameren Missouri's guideline that UEC and Ameren Illinois Company (AIC) employees are limited to those employees in positions that charge 90% or more of their time to these Ameren entities? Is it correct that all other employees who charge less than 90% of their time to Ameren Missouri or AIC are AMS employees? If yes, please provide all copies of documentation related to this decision, including any analysis performed on other alternative guidelines (e.g. why not 50%, 80%, etc.) for an UEC employee. If yes, please provide all copies of all documents related to this analysis including but not limited to the resulting conclusions, and ultimate approvals. Are there exceptions to this guideline? If so, what are these exceptions?
1017. Are AMS employees currently supervising, or have they ever supervised, UEC and AIC employees? If yes, please identify which UEC and AIC groups of employees are directed by an AMS employee(s) during the 2018 period. For each AMS employee identified, please provide the 2018 through true-up period monthly time sheet for these employees and the service request selected each month to charge an Ameren affiliate for their costs. Please provide job title, description, objectives, and incentives targets for each AMS employee identified supervising an UEC or AIC employee groups.
1018. Does AMS rely on only its own Staff to provide goods and services in the January 1, 2019 Amended and Restated Agreement between AMS and UEC? Does AMS also rely on outside consultants to provide goods and services to UEC as well? Does AMS also rely on the AMS-supervised UEC and AIC employees to provide goods and services to UEC?
1019. Do UEC, AIC, and AMS transfer positions to each other? If yes, please provide all documentation regarding decision-making, criteria, and the transfer process in place beginning with the test year through the update period?
1020. Please provide the levels of management (e.g. president, director, manager, senior director) that are utilized at AMS, UEC, and AIC with a position description as to what distinguishes one level of management from the lower levels of management?
1021. Does AMS identify its costs to operate all non-UEC/AIC Ameren affiliates separate from the AMS function to provide goods and services to all Ameren affiliates? If yes, please provide all documentation explaining how AMS assign its costs to each function.
1022. How does AMS assign its administrative costs to Ameren Money Pool operations? If AMS does not charge its administrative costs directly to Ameren's Money Pool, how are these costs assigned to UEC?
1023. Does AMS assign its costs to distribute information to shareholders to the Ameren entities based on the number of shareholders of each Ameren affiliate that receive this information? If not, how does AMS charge these costs to UEC?

1024. Does AMS directly charge outside board members costs to the Ameren affiliates based on which specific boards these members serve? If no, how does AMS charge these costs to UEC? Does UEC have any outside board members?
1025. Do AMS and other Ameren affiliates operate from UEC's headquarters building and facilities? If yes, does UEC receive rent or similar compensation for the AMS and affiliate use of the UEC headquarters and facilities? Is UEC headquarters' building and facilities included in the Company's rate base in this case? How is the amount of compensation determined?
1026. Is AMS or other affiliates' use of UEC's property covered by written contracts or agreements? If not, why not? Was Commission approval sought and received for any such contracts or agreements? If yes, please identify case numbers granting Commission approval.
1027. Have AMS and other affiliates paid UEC for all their energy usage in UEC's headquarters and facilities for the period beginning the year before the test year through the true-up period? If yes, is AMS and affiliates charged consistent with a UEC Missouri tariff? Please identify the Missouri tariff if one is used. Has UEC back charged AMS and Ameren affiliates for any periods that AMS or Ameren affiliates received service without being charged for energy usage? If not, why not?
1028. Please provide the year-end monthly financials (income statement, balance sheet, and cash flow statements) for AMC and UEC's parent from the test year through the true up period.

*Issued by Robert Schallenberg 3/21/2019*

**Oligschlaeger, Mark**

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**From:** Moore, Laura M <L.Moore2@ameren.com>  
**Sent:** Tuesday, February 26, 2019 3:30 PM  
**To:** Oligschlaeger, Mark; Cassidy, John; Ferguson, Lisa  
**Subject:** Catalog  
**Attachments:** P\_S Catalog 2018.pptx

*saved 'Ammo PS...'*

Attached is the current products and services catalog that I mentioned in our call today. Let me know if you have any questions.

Laura

**LAURA MOORE** :: Director, Regulatory Accounting :: T 314.554.3821 :: C 314.223.0835  
**Ameren Missouri** :: 1901 Chouteau Avenue :: St. Louis, MO 63103

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## **Oligschlaeger, Mark**

---

**From:** Cassidy, John  
**Sent:** Friday, February 22, 2019 4:58 PM  
**To:** Oligschlaeger, Mark  
**Subject:** FW: [EXTERNAL] RE: Today

Mark,

Just a reminder 9 to 11 on Tuesday with Laura.

John

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**From:** Moore, Laura M [<mailto:LMoore2@ameren.com>]  
**Sent:** Friday, February 22, 2019 11:15 AM  
**To:** Cassidy, John; Ferguson, Lisa  
**Subject:** Re: [EXTERNAL] RE: Today

Thanks for being so flexible. I really appreciate it. This really did knock me down this week. I wasn't prepared for that at all.

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**From:** Cassidy, John <[john.cassidy@psc.mo.gov](mailto:john.cassidy@psc.mo.gov)>  
**Sent:** Friday, February 22, 2019 10:04 AM  
**To:** Moore, Laura M; Ferguson, Lisa  
**Subject:** RE: [EXTERNAL] RE: Today

Laura,

We will schedule 9:00 AM to 11:00 AM on Tuesday, February 26, 2019 with Mark. Lisa I will join you and then we can contact Mark at that time.

I last had the flu in 1998 and I still haven't forgotten how bad it was. Hope you are feeling better soon Laura.

Thanks,

John

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copies of the original message. If you are the intended recipient but do not wish to receive communications through this medium, please so advise the sender immediately.

**From:** Moore, Laura M [<mailto:L.Moore2@ameren.com>]  
**Sent:** Friday, February 22, 2019 10:00 AM  
**To:** Cassidy, John; Ferguson, Lisa  
**Subject:** Re: [EXTERNAL] RE: Today

I am free from 9-11 if that works for you.

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---

**From:** Cassidy, John <[john.cassidy@psc.mo.gov](mailto:john.cassidy@psc.mo.gov)>  
**Sent:** Thursday, February 21, 2019 3:23 PM  
**To:** Moore, Laura M; Ferguson, Lisa  
**Subject:** [EXTERNAL] RE: Today

## **EXTERNAL SENDER**

Laura,

Let's plan to reschedule the call for Tuesday of next week. Please pick a time between 9:00 AM and 4:00 PM and we will call Mark at that time for the meeting. Also we plan to work from our office tomorrow in order to hold some internal meetings so we won't be at Ameren tomorrow. Hope you feel better soon.

Thanks,

John

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**Oligschlaeger, Mark**

---

**From:** Cassidy, John  
**Sent:** Friday, February 15, 2019 12:02 PM  
**To:** Oligschlaeger, Mark  
**Cc:** Ferguson, Lisa  
**Subject:** FDC Study meeting with Ameren

Mark,

Laura Moore indicated that she would schedule the FDC study meeting on Friday, February 22, 2019 at 11:00 AM at Ameren. There will be no attorneys attending. She will send out a meeting invite once she has a conference room secured.

John

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**Oligschlaeger, Mark**

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**Subject:** FDC Questions  
**Location:** CNF-RM GOB E339  
  
**Start:** Fri 2/22/2019 11:00 AM  
**End:** Fri 2/22/2019 12:00 PM  
**Show Time As:** Tentative  
  
**Recurrence:** (none) - *accepted, 2/16/19*  
  
**Organizer:** Moore, Laura M

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**Oligschlaeger, Mark**

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**From:** Ferguson, Lisa  
**Sent:** Friday, January 11, 2019 11:02 AM  
**To:** Oligschlaeger, Mark; Cassidy, John  
**Subject:** RE: FDC Study

Sounds fine.

*Lisa*

**From:** Oligschlaeger, Mark  
**Sent:** Friday, January 11, 2019 11:02 AM  
**To:** Ferguson, Lisa; Cassidy, John  
**Subject:** RE: FDC Study

I'll call John's office.

**From:** Ferguson, Lisa  
**Sent:** Friday, January 11, 2019 11:02 AM  
**To:** Oligschlaeger, Mark; Cassidy, John  
**Subject:** RE: FDC Study

Mark let's do 11:15.

*Lisa*

**From:** Oligschlaeger, Mark  
**Sent:** Friday, January 11, 2019 11:00 AM  
**To:** Ferguson, Lisa; Cassidy, John  
**Subject:** RE: FDC Study

We can talk at 11:15, or 1:15 this afternoon. Your call what works best for you.  
Mark

**From:** Ferguson, Lisa  
**Sent:** Friday, January 11, 2019 10:56 AM  
**To:** Oligschlaeger, Mark; Cassidy, John  
**Subject:** RE: FDC Study

Hi Mark,

John and I have included some changes to the FDC document, we are not certain if more changes are needed at this point. We would like to visit with you about what we have added thus far. Let us know when you are available to discuss.

Thanks.

*Lisa*

**From:** Olligschlaeger, Mark  
**Sent:** Thursday, January 10, 2019 4:32 PM  
**To:** Cassidy, John; Ferguson, Lisa  
**Subject:** FDC Study

John and Lisa,

I have proposed to add an additional "deliverable" bullet point to this Ameren draft, as well as making a general comment in the attached. Do you see anything else that should be added or clarified to the draft?

Please give me a call tomorrow at your convenience to discuss my comment and any additional concerns you might have.

Thanks,

Mark

**Oligschlaeger, Mark**

---

**From:** Ferguson, Lisa  
**Sent:** Wednesday, August 29, 2018 3:33 PM  
**To:** Oligschlaeger, Mark  
**Cc:** Cassidy, John  
**Subject:** RE: Ameren CAM

OK Mark. Thanks. I will let Steve know.

*Lisa*

---

**From:** Oligschlaeger, Mark  
**Sent:** Wednesday, August 29, 2018 3:32 PM  
**To:** Ferguson, Lisa  
**Cc:** Cassidy, John  
**Subject:** Ameren CAM

Lisa,  
I have read the relevant emails, and I am OK with what you stated on the phone regarding electric and gas information in a combined CAM  
Mark

## Oligschlaeger, Mark

---

**From:** Moore, Laura M <LMoore2@ameren.com>  
**Sent:** Wednesday, August 15, 2018 10:55 AM  
**To:** Oligschlaeger, Mark  
**Cc:** Cassidy, John; Ferguson, Lisa  
**Subject:** RE: Transactions between Ameren MO and Ameren IL/ATXI - CAM

See my comments below.

1. ITC is the GL code for ATXI. Sorry I meant to change that and I forgot.
2. With a greater focus on continuous improvement and more awareness across the company, we have been able to reduce the transfers.
3. I am not sure what happened in 2013 and it would take a lot of work to determine what the driver was.

Let me know if you have any other questions.

---

**From:** Oligschlaeger, Mark <[mark.oligschlaeger@psc.mo.gov](mailto:mark.oligschlaeger@psc.mo.gov)>  
**Sent:** Tuesday, August 14, 2018 4:43 PM  
**To:** Moore, Laura M <LMoore2@ameren.com>  
**Cc:** Cassidy, John <[john.cassidy@psc.mo.gov](mailto:john.cassidy@psc.mo.gov)>; Ferguson, Lisa <[lisa.ferguson@psc.mo.gov](mailto:lisa.ferguson@psc.mo.gov)>  
**Subject:** [EXTERNAL] RE: Transactions between Ameren MO and Ameren IL/ATXI - CAM

## EXTERNAL SENDER

---

Laura,

Thanks as well for sending us this information.

A couple of quick questions:

- 1) First, what entity is labeled as "ITC" in the spreadsheet you sent us?
- 2) Also, can you generally explain why Ameren affiliates are now "doing less interco inventory transfers" than previously?
- 3) If you know, why was the total dollar amount of inventory transfers so much greater in 2013 than in the succeeding four years? Was this storm activity related?

Thanks!

---

**From:** Moore, Laura M [<mailto:LMoore2@ameren.com>]  
**Sent:** Friday, August 10, 2018 11:19 AM  
**To:** Ferguson, Lisa  
**Cc:** Oligschlaeger, Mark; Cassidy, John  
**Subject:** RE: Transactions between Ameren MO and Ameren IL/ATXI - CAM

Attached are the de minimis transactions between Ameren Missouri & AIC and Ameren Missouri & ATXI (ITC). The inventory did not always get close to netting out in the prior years. A couple things could affect that. We are doing less interco inventory transfers now and also storms can play into it. During a year where we are doing storm assistance for each other, the transfers may also be increased. It would be a significant exercise to try to break down all of the inventory and plant transfers between storms and non-storm needs. Let me know if you have any questions as you review.

Laura

From: Ferguson, Lisa <lisa.ferguson@psc.mo.gov>  
Sent: Wednesday, August 08, 2018 4:50 PM  
To: Moore, Laura M <LMoore2@ameren.com>  
Cc: Oligschlaeger, Mark <mark.oligschlaeger@psc.mo.gov>; Cassidy, John <john.cassidy@psc.mo.gov>  
Subject: [EXTERNAL] Transactions between Ameren MO and Ameren IL/ATXI - CAM

## EXTERNAL SENDER

---

Laura,

I just wanted to follow up to see if you were able to provide us with the transactions between Ameren Missouri and Ameren Illinois as well as transactions between Ameren Missouri and ATXI for the last five years as we had discussed on the phone a week or so ago. We had discussed wanting to see that the transactions between these entities over the years to verify that they were substantially a wash where one entity may receive more one year but then the other entity would receive more in a previous or subsequent year.

Please let us know when this information will be available. Thanks.

*Lisa Ferguson*

Missouri Public Service Commission  
Regulatory Auditor V  
St. Louis, MO 63101

Cell: 314-766-9457  
Office: 314-340-4700 Ext. 29  
Fax: 314-340-4758

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**Oligschlaeger, Mark**

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**From:** Ferguson, Lisa  
**Sent:** Friday, August 10, 2018 2:45 PM  
**To:** 'Moore, Laura M'  
**Cc:** Oligschlaeger, Mark; Cassidy, John  
**Subject:** RE: Transactions between Ameren MO and Ameren IL/ATXI - CAM

Thank you Laura for pulling this information together for us. Have a good weekend.

*Lisa*

---

**From:** Moore, Laura M [mailto:LMoore2@ameren.com]  
**Sent:** Friday, August 10, 2018 11:19 AM  
**To:** Ferguson, Lisa  
**Cc:** Oligschlaeger, Mark; Cassidy, John  
**Subject:** RE: Transactions between Ameren MO and Ameren IL/ATXI - CAM

Attached are the de minimis transactions between Ameren Missouri & AIC and Ameren Missouri & ATXI (ITC). The inventory did not always get close to netting out in the prior years. A couple things could affect that. We are doing less interco inventory transfers now and also storms can play into it. During a year where we are doing storm assistance for each other, the transfers may also be increased. It would be a significant exercise to try to break down all of the inventory and plant transfers between storms and non-storm needs. Let me know if you have any questions as you review.

Laura

---

**From:** Ferguson, Lisa <lisa.ferguson@psc.mo.gov>  
**Sent:** Wednesday, August 08, 2018 4:50 PM  
**To:** Moore, Laura M <LMoore2@ameren.com>  
**Cc:** Oligschlaeger, Mark <mark.oligschlaeger@psc.mo.gov>; Cassidy, John <john.cassidy@psc.mo.gov>  
**Subject:** [EXTERNAL] Transactions between Ameren MO and Ameren IL/ATXI - CAM

**EXTERNAL SENDER**

---

Laura,

I just wanted to follow up to see if you were able to provide us with the transactions between Ameren Missouri and Ameren Illinois as well as transactions between Ameren Missouri and ATXI for the last five years as we had discussed on the phone a week or so ago. We had discussed wanting to see that the transactions between these entities over the years to verify that they were substantially a wash where one entity may receive more one year but then the other entity would receive more in a previous or subsequent year.

Please let us know when this information will be available. Thanks.

*Lisa Ferguson*

Missouri Public Service Commission  
Regulatory Auditor V



**Oligschlaeger, Mark**

---

**From:** Myers, Jamie  
**Sent:** Tuesday, June 05, 2018 11:05 AM  
**To:** Oligschlaeger, Mark  
**Subject:** RE: Meeting

Yes. I'm available all day. Stop by at your convenience. Thanks.

**From:** Oligschlaeger, Mark  
**Sent:** Tuesday, June 05, 2018 11:04 AM  
**To:** Myers, Jamie  
**Subject:** Meeting

Jamie,  
Do you have time for a quick discussion today concerning the Ameren CAM case and other matters?  
I'm free any time today.  
Thanks,  
Mark

**Oligschlaeger, Mark**

---

**From:** Cassidy, John  
**Sent:** Tuesday, June 05, 2018 2:22 PM  
**To:** Oligschlaeger, Mark; Ferguson, Lisa  
**Subject:** RE: Call

Mark,

We just finished a call with Jeff Keevil. Anytime this afternoon is ok.

John

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**From:** Oligschlaeger, Mark  
**Sent:** Tuesday, June 05, 2018 1:45 PM  
**To:** Cassidy, John; Ferguson, Lisa  
**Subject:** Call

Is there a good time this afternoon for a call? Primarily to keep you informed of my ongoing Ameren CAM discussions, and to further discuss a possible small water case staffing assignment.

Let me know,  
Mark

## **Oligschlaeger, Mark**

---

**From:** Schallenberg, Bob  
**Sent:** Monday, March 26, 2018 1:19 PM  
**To:** Ferguson, Lisa; Cassidy, John  
**Cc:** Oligschlaeger, Mark  
**Subject:** RE: AMS Information

No problem. I'll work on DRs to try to obtain the information.

Thanks for your help and time

**From:** Ferguson, Lisa  
**Sent:** Monday, March 26, 2018 11:58 AM  
**To:** Schallenberg, Bob; Cassidy, John  
**Cc:** Oligschlaeger, Mark  
**Subject:** RE: AMS Information

Hi Bob,

John and I are very appreciative of your work on this CAM.

We do not have any budgets or variance reports for AMS. In the last rate case, ER-2016-0179, DR's 159 and 160 addressed budgets but those were O&M and capital budgets for Ameren Missouri for years 2015 and 2016. The response to DR 159 contains attachments that address budget guidelines and strategic business plans and the attached "budget" to DR 160 has a line item for "business and corporate services" which I assume are AMS costs but they are not labeled that way. That DR response also does not include variances.

I have looked through all rate case DR responses, CAM filings, and my files and I cannot find anything more that would address your request. Sorry about that.

*Lisa*

**From:** Schallenberg, Bob  
**Sent:** Monday, March 26, 2018 9:36 AM  
**To:** Cassidy, John; Ferguson, Lisa  
**Cc:** Oligschlaeger, Mark  
**Subject:** AMS Information

Two questions.

Do we have any documentation regarding the development of the AMS budget for UEC, preferably for 2016 and 2017?

Do we have any of the variance reports AMS gives UEC explaining the reason actuals deviate from budget, preferably for 2016 and 2017?

Thanks. You guys have been a great help in trying to get an approved UEC CAM!!

Ameren Missouri's  
Response to OPC Data Request  
ER-2019-0335  
In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its  
Revenues for Electric Service.

Data Request No.: OPC 1017

What is the organization structure of the functions (e.g. executive, treasury, accounting, legal, etc.) performed by AMS?

**RESPONSE**

<b>Prepared By: Ben Hasse</b>
<b>Title: Cost Allocation Manual Manager</b>
<b>Date: 11/7/18</b>

1. See attached for the AMS Products and Services Listing by function.
2. All employees of AMS have the ability to charge UEC.

## AMS Products and Services by Function

### Row Labels

#### **P&S - CONTROLLERS - Controllers Products and Svc**

ASSET\_MAINT - Plant Asset Maintenance  
CLOSE - Close the Books  
COMMOD\_SPT - Commod Transact Spt  
CONTR MGMT\_AUDT REVW - Contract Mgmt and Audit Review  
CORP\_BUD - Corp Budget Support  
INT\_COMP - Internal Compliance Controls  
INV\_REL - Investor Relations  
MARGIN - Commodity Margin Reporting Analysis  
REGULATORY - Regulatory  
UNITIZATION - Unitization  
WORKORDER - Work Order Review

#### **P&S - CONTROLLERS CORP - Controllers Corporate**

CONTROLLERS\_CORP - Controllers Corporate Svc

#### **P&S - FIN SVCS - Financial Services Prod and Svc**

MNG\_CORP\_MODEL - Manage Corp Model  
RPT\_INT - Reporting Internal

#### **P&S - INTERNAL AUDIT - Internal Audit Prod and Svc**

INT\_AUD - Internal Audit Services

#### **P&S - STRAT\_INNOVATION - Strategy, Innovation and Econ Dev**

CORP\_STRAT - Corp Strategic Planning  
DSRPTV\_TECH - Technology Transfer  
EC\_DEV - Economic Develop Services  
P&S - ELECTRIFICATION - Electrification Rollup  
RES\_DEV - Research and Development

#### **P&S - TAX - Tax Products and Services**

TAXS\_SERVICES - Tax Services

#### **P&S - TRANSMISSION - Transmission Prod and Svc**

TRX\_ENG\_MTCE - TRX Engineering and Maintenance  
TRX\_OPS\_TECH - TRX Operations and Technical Support  
TRX\_POLICY\_STKREL\_BUSDEV - TRX Policy, Stakeholder Relations and Business Dev  
TRX\_PROJ\_MGMT\_CON\_SRV - TRX Project Management and Construction Services

#### **P&S - TREASURER - Treasurer Products and Svcs**

CAP\_AVAIL\_MGMT - Capital Availability Mgmt  
CASH\_MGMT - Cash Management  
CR\_RISK\_MGMT - Credit Risk Management  
INV\_SRV - Investor Services  
IS\_MAN\_SEC - Issue and Manage Securities  
RM\_INSUR - Risk Management Insurance  
TR\_INVEST\_MGMT - Trust and Investment Mgmt

#### **P&S ASC - Ameren Service Ctr Prod and Svcs**

AP\_DISBURSEMENTS - Account Payable and Credit Card Disb  
BANKING - Banking and Rec Svc  
CASHIER - Cashiers Wrk Fund

DOT - Drug Alcohol DOT Compliance  
FMLA\_UNEMP - FMLA and Unemp Adm  
LOCKBOX - Lockbox Processing  
MAIL\_SRV - Mailing Services  
PAYROLL - Payroll Svcs  
PDS - Personal Data Support  
REC\_MGMT - Records Management  
REMITTANCE - Elec Remit and eBill  
REPROD\_PRINT - Reproduction and Printing  
STAFFING - Staffing Support  
STENO - Steno Pool  
TAXC\_COMPLIANCE - Tax Compliance

**P&S CA - Customer Afford Prod and Svcs**

BUS\_TRANSFORMATION - Business Transformation

**P&S CORPORATE COMM - Corp Communications Prod and Svcs**

CORP\_COMM\_SVC - Corp Communications Svcs Misc  
CORP\_CONTR - Corporate Contributions  
EMP\_COM - Employee Communication  
HR\_DIVERSITY - Diversity Services, Training, Council  
SR\_MGMT\_SR - Sr Management Requested Svc

**P&S CSR - Corp Social Resp Prod and Svcs**

CUST\_SVC - ES Customer Services  
ENV\_ASSESS - Env and Prop Assessment  
GOV\_ADV - Env Advocacy Svcs  
LOAD\_REV\_FRCST - Load and Rev Forecast and Analysis  
ONSITE - ES Onsite Support  
P&S - SUSTAINABILITY - Sustainability Rollup  
PERMIT - ES Permitting Services  
REG - Regulatory Rpt Svcs  
REMEDiate - Remediation Svcs  
RES\_PLN - Resource Planning  
RTO - Regional Transmission Org Support  
SPC\_SVCS - ES Special Svcs Compliance

**P&S CSSO - Corp Safety, Sec & Oversight Prod and Svcs**

CORP\_OPS\_OVERSIGHT - Corporate Ops Oversight  
CRISIS\_MGMT - Crisis Management  
SAFETY - Safety Performance and Culture  
SECURITY - Security Svcs

**P&S DIGITAL - Digital Prod and Svcs**

APP\_DEV - Application Develop and Enhance  
APPLMGT\_MTCE - Appl Mgt Maintenance  
COMP\_HDWRE - Computer Hardware  
DATA\_ANALYTICS - Data Analytics  
DB\_MGMT\_AD\_SER - Database Mgmt and Admin Svcs  
DC\_SERV\_OPS - Data Center Svcs and Ops  
EUS - End User Services  
IS\_DESGN\_ADM - Information Secur Design Admin

IT\_PLAN\_SERV - IT Planning Services and Compliance  
IT\_STOR\_SERV - IT Storage Services  
NETWK\_SER\_OPS - Core Network Svcs and Ops  
PROJ\_MGMT\_SERV - Project Management Svcs  
RAD\_SY\_SERV\_SPPT - Radio System Svc and Support  
SCADA\_SERV\_SPPT - SCADA and Smartgrid Svcs  
TECH\_REV\_RES - Technology Review and Research  
TELCOM\_SERV - Telecom and Voice Services  
TELE\_VOICE\_SERV - Telephone and Voice Svcs  
TELECOM LOADINGS - Telecom Loadings

**P&S GENERAL COUNSEL - Legal, Fed Reg and Compliance Prod and Svcs**

BRDSVCS - Board of Director Services  
BUS\_CONT - Business Continuity  
CLMS\_MGT - Claims Management  
FEDPOLICY - Regulatory Policy - Federal  
GOVREL - Government Relations  
INVESTIGATE - Investigative Svcs  
LGL\_CMP - Corporate Compliance  
LGL\_OPS - Legal Operations  
LGL\_SRV - Legal Services  
REG\_REL - Regulatory Services - General  
SHRLDMTGS - Shareholder Meetings  
WRK\_COMP\_MGT - Workers Comp Mgt

**P&S HUMAN RESOURCES - Human Resources Prod and Svc**

BEN\_PLAN\_ADMIN - Benefits Plan Administration  
COMPENS\_ADMIN - Compensation Administration  
EMP\_BEN - Employee Benefits  
PG\_MR\_COM\_TR - Pol Gov Med Review Compliance  
TALENT\_MGMT - Talent Management

**P&S SCRPM - Supply Chain, Risk & Prop Mgmt Prod and Svcs**

BC\_RISK\_MGMT - Bus and Corp Risk Mgmt  
COMM\_TRANS - Comm Trans Congest  
ENER\_EFF - Energy Eff Demand Resp  
INVMGT - Purchasing and Inventory Mgmt  
JANITORIAL - Janitorial Services  
MAINT\_REPAIR - Routine O and M Repair Svcs of Facilities  
MATERIAL - Delivery of Material and Equipment  
MKT\_RM - Market Risk Management  
OPERATIONS - Storeroom Operations  
PORTER\_SVCS - Porter Services  
PORTFOLIO\_TRADING - Portfolio, Trading, Volatility Analysis  
PRD\_CST\_SIM - Production Cost Simulation  
RE\_ACQUIRE - Acquire Real Estate  
RE\_MANAGE - Manage Real Estate  
RE\_SELL - Sell Real Estate  
SALVAGE - Salvage and Reclaim Operations  
SPACE\_PLANNING - Maintenance and Space Projects

STRTSOURCING - Strategic Sourcing  
SUPPLY\_DIVERSITY - Supplier Diversity  
SUPPLY\_PROCESS - Supply Chn Process and Perf  
TOOLMGT - Tool and Equip Mgt



Ameren Missouri's  
Response to OPC Data Request  
ER-2019-0335

In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service.

Data Request No.: OPC 1025

Please identify all who chose the Ameren Missouri account for each affiliate charge to be recorded from January 1, 2018 through December 31, 2019? Please provide title, position, job description, and employer for each individual involved in making the decision as to the account that each affiliate charge is to be recorded.

**RESPONSE**

<b>Prepared By: Ben Hasse</b>
<b>Title: Cost Allocation Manual Manager</b>
<b>Date: 11/22/19</b>

All AMS employees have the ability to charge UEC. The individual employee charges the appropriate FERC account based on the work they are doing.

Ameren Missouri's  
Response to OPC Data Request  
GR-2019-0077

In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its  
Revenues for Natural Gas Service

Data Request No.: OPC 1016

Is it Ameren Missouri's guideline that UEC and Ameren Illinois Company (AIC) employees are limited to those employees in positions that charge 90% or more of their time to these Ameren entities? Is it correct that all other employees who charge less than 90% of their time to Ameren Missouri or AIC are AMS employees? If yes, please provide all copies of documentation related to this decision, including any analysis performed on other alternative guidelines (e.g. why not 50%, 80%, etc.) for an UEC employee. If yes, please provide all copies of all documents related to this analysis including but not limited to the resulting conclusions, and ultimate approvals. Are there exceptions to this guideline? If so, what are these exceptions?

**RESPONSE**

<b>Prepared By: Laura Moore</b>
<b>Title: Controller, Ameren Missouri</b>
<b>Date: May 2, 2019</b>

[1] No. An examination of individuals that were employed by AMS but that had historically spent a significant portion of their time providing services to Ameren Missouri or Ameren Illinois was undertaken back in 2014. At that time Ameren Missouri (and Ameren Illinois followed suit) decided to employ approximately 32 individuals who had been employed by AMS. All these individuals had historically spent 90% or more of their time providing services to Ameren Missouri (or AIC). However, a guideline (at 90% or any other percentage) was not adopted or employed on a going forward basis.

[2] No. See the response to subpart 1.

[3] N/a.

[4] N/a

[5] See the response to subpart 1.

ER-2019-0335

Union Electric  
d/b/a Ameren

Schedule RES-S-4

has been deemed

“Confidential”

in its Entirety