

Exhibit No.:
Issue: Affiliate Transactions
Witness: Steven C. Carver
Type of Exhibit: Direct Testimony
Sponsoring Party: Office of the Public Counsel
File No.: ER-2016-0179
Date Testimony Prepared: December 9, 2016

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

_____)
In the Matter of Union Electric Company d/b/a)
Ameren Missouri's Tariffs to Increase Its)
Revenues for Electric Service)
_____)
File No. ER-2016-0179
Tariff No. YE-2017-0003

Direct Testimony and Schedules of

Steven C. Carver

Revenue Requirement

**Submitted On behalf of the
Office of the Public Counsel**

PUBLIC VERSION

December 9, 2016

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

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

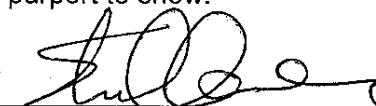
File No. ER-2016-0179
Tariff No. YE-2017-0003

STATE OF MISSOURI)
) SS
COUNTY OF JACKSON)

Affidavit of Steven C. Carver

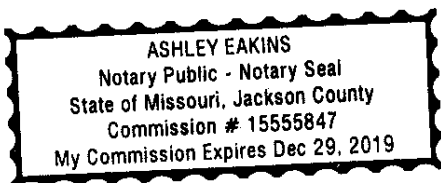
Steven C. Carver, being first duly sworn, on his oath states:

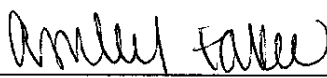
1. My name is Steven C. Carver. I am Vice President of Utilitech, Inc., having my principal place of business at PO Box 481934, Kansas City, Missouri 64148. I was retained by the Office of the Public Counsel in this proceeding on their behalf.
2. Attached hereto and made a part hereof for all purposes is my direct testimony and schedules which were prepared in written form for introduction into evidence in Missouri Public Service Commission File No. ER-2016-0179.
3. I hereby swear and affirm that the testimony and schedules are true and correct and that they show the matters and things that they purport to show.



Steven C. Carver

Subscribed and sworn to before me this 7th day of December 2016.





Notary Public

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

In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service)))))	File No. ER-2016-0179 Tariff No. YE-2017-0003
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Schedule SCC-1: Qualifications and Summary of Previously Filed Testimony

Schedule SCC-2: OPC proposed Ameren Services Adjustments

Schedule SCC-3: Ameren Missouri Cost Allocation Manual

Schedule SCC-4: Ameren Missouri Responses to Discovery Requests (Public)

Schedule SCC-5: Ameren Missouri Responses to Discovery Requests (HC)

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

In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service)))))	File No. ER-2016-0179 Tariff No. YE-2017-0003
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DIRECT TESTIMONY OF STEVEN C. CARVER

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A My name is Steven C. Carver. My business address is PO Box 481934, Kansas City,
3 Missouri 64148.

4 **Q WHAT IS YOUR PRESENT OCCUPATION?**

5 A I am a Principal in the firm Utilitech, Inc., which specializes in providing consulting
6 services for clients who actively participate in the process surrounding the regulation of
7 public utility companies. Our work includes the review of utility rate applications, as well
8 as the performance of special investigations and analyses related to utility operations,
9 business combinations and ratemaking issues.

10 **Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

11 A I was retained by and am appearing on behalf of the Office of the Public Counsel
12 ("OPC").

13 **Q PLEASE SUMMARIZE THE PURPOSE AND CONTENT OF YOUR TESTIMONY.**

14 A Generally, my responsibilities in this docket encompass the review and evaluation of the
15 costs allocated to Ameren Missouri (hereinafter "Ameren Missouri" or "Company") by

1 Ameren Services Company (hereinafter "Ameren Services" or "AMS") for consideration
2 for inclusion in overall revenue requirement. My direct testimony provides a general
3 discussion of the processes employed by AMS to apportion incurred costs between the
4 various Ameren Corporation entities and discusses related proposed adjustments that I
5 sponsor. Any additional ratemaking adjustments proposed by other OPC witnesses,
6 which I do not sponsor, are separately addressed in the direct testimony of other OPC
7 witnesses. The calculation of any OPC proposed adjustments are reflected in schedules
8 attached to the direct testimony of each sponsoring witness.

9 **Q HAVE YOU ATTACHED TO YOUR DIRECT TESTIMONY CERTAIN OF THE**
10 **DISCOVERY RESPONSES REFERENCED HEREIN?**

11 A Yes. Selected responses to OPC, MPSC Staff ("Staff") and Missouri Industrial Energy
12 Consumers ("MIEC") discovery are included in Schedule SCC-4 (public) or Schedule
13 SCC-5 (highly confidential) in sequential order.

14 **Q HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION IN**
15 **PROCEEDINGS THAT INVOLVED AMEREN MISSOURI?**

16 A Yes. I have prepared and presented revenue requirement recommendations in several
17 prior proceedings involving Ameren Missouri. I have filed testimony in seven of the
18 Company's previous Missouri rate cases (Case Nos. ER-82-52, ER-83-163, ER-84-
19 168/EO-85-17, ER-2007-0002, ER-2011-0028, ER-2012-0166 and ER-2014-0258)
20 dating back to 1982.

1 **EDUCATION AND EXPERIENCE**

2

3 **Q WHAT IS YOUR EDUCATIONAL BACKGROUND?**

4 A I graduated from State Fair Community College, where I received an Associate of Arts
5 Degree with an emphasis in Accounting. I also graduated from Central Missouri State
6 University with a Bachelor of Science Degree in Business Administration, majoring in
7 Accounting.

8 **Q PLEASE SUMMARIZE YOUR PROFESSIONAL EXPERIENCE IN THE FIELD OF**
9 **UTILITY REGULATION.**

10 A From 1977 to 1987, I was employed by the Missouri Public Service Commission
11 ("MPSC") in various professional auditing positions associated with the regulation of
12 public utilities. In April 1983, I was promoted by the Missouri Commissioners to the
13 position of Chief Accountant and assumed overall management and policy
14 responsibilities for the Accounting Department. I provided guidance and assistance in
15 the technical development of Staff issues in major rate cases and coordinated the
16 general audit and administrative activities of the Department.

17 I commenced employment with the firm in June 1987. During my employment
18 with Utilitech, I have been associated with various regulatory projects on behalf of clients
19 in the States of Arizona, California, Florida, Hawaii, Illinois, Iowa, Indiana, Kansas,
20 Mississippi, Missouri, Nevada, New Mexico, New York, Oklahoma, Pennsylvania, Texas,
21 Utah, Washington, West Virginia and Wyoming. I have conducted revenue requirement
22 analyses and special studies involving various regulated industries (i.e., electric, gas,
23 telephone, water and steam). Since joining the firm, I have occasionally appeared as an
24 expert witness before the MPSC on behalf of various clients, including the Commission

1 Staff and OPC. Additional information regarding my professional experience and
2 qualifications is summarized in Schedule SCC-1.

3 OVERALL APPROACH

4 **Q HAS OPC QUANTIFIED AN OVERALL REVENUE REQUIREMENT**
5 **RECOMMENDATION FOR THE COMPANY'S RETAIL ELECTRIC OPERATIONS?**

6 **A** No. OPC has not assembled an overall revenue requirement recommendation for
7 Ameren Missouri's electric operations. Each OPC witness, as appropriate, has
8 quantified and sponsors individual adjustments to Ameren Missouri's calculated revenue
9 requirement. Based on a historical test year ended March 31, 2016, "with pro forma
10 adjustments to account for the true-up of various items...through December 31, 2016",¹
11 Ameren Missouri proposes an overall revenue deficiency of about \$206.4 million, that it
12 seeks to recover in this case in the form of increased electric rates.²

13 **Q DOES THE COMPANY'S DIRECT TESTIMONY PROPOSE ANY ADJUSTMENTS TO**
14 **OR EXPLICITLY STATE ITS INTENTION TO UPDATE AMEREN SERVICES COSTS**
15 **IN THIS PROCEEDING?**

16 **A** No. The discussion of planned update items in the Company's direct testimony does not
17 identify Ameren Services costs³ nor does the Company's direct filing include any
18 annualization or pro forma adjustment for AMS costs. However, OPC Data Request
19 ("DR") 1500 sought to clarify the Company's intentions, which included the following
20 reply:⁴

¹ See the direct testimony of Company witness Ms. Laura Moore at 3.

² See the Direct Testimony of Company witness Laura M. Moore at 32 and Company Schedule LMM-16, appended thereto.

³ *Id.* at 3-4.

⁴ See Company response to subparts (a) and (b) of OPC DR 1500, which were renumbered as parts (1) and (2) by the Company. OPC DR 1500 is included in Schedule SCC-4.

- 1
- 2 1. The Company's direct filing does not contain an annualization
- 3 adjustment for AMS costs.
- 4
- 5 2. Our initial inclination was to true up the AMS costs, however, we are
- 6 still evaluating and haven't yet made a decision.

7 **Q DO YOU PROPOSE ANY ADJUSTMENTS TO THE AMOUNT OF AMEREN**
8 **SERVICES COSTS INCLUDED THE TEST YEAR?**

9 A Yes. In the absence of any Company proposed AMS cost adjustments, OPC's
10 recommended AMS adjustments employ Ameren Missouri's "prefiled" test year O&M
11 expense amounts as a starting point.

12 **Q HOW WILL YOU IDENTIFY AND REFER TO THE AMS ADJUSTMENTS YOU**
13 **SPONSOR?**

14 A I refer to the adjustments I sponsor by reference to the schedule attached to my
15 testimony supporting the calculation of that adjustment (e.g., OPC Adjustment Schedule
16 SCC-2). For purposes of testimony presentation in this proceeding, I may use the words
17 "schedule" and "adjustment" interchangeably when generally referring to an adjustment I
18 sponsor on behalf of OPC.

19

20 **Q DO YOUR SCHEDULES PROVIDE CALCULATION DETAIL SUPPORTING EACH**
21 **ADJUSTMENT YOU SPONSOR?**

22 A Generally, yes. The adjustments I sponsor provide quantification support with footnote
23 references to additional workpapers or other supporting documentation as necessary.
24 Since virtually all information relied upon in developing any adjustments were supplied
25 by Ameren Missouri in response to written discovery or obtained from its exhibits or
26 workpapers, the adjustment schedule will refer to relevant data sources already in the
27 Ameren Missouri's possession. Due to the volume of AMS data and underlying

1 calculations, the detailed calculation of an adjustment may be available only in
2 spreadsheet file format with the related schedule attached to my testimony limited to
3 summary level information.⁵

4 **Q PLEASE DESCRIBE HOW THE REMAINDER OF YOUR TESTIMONY IS**
5 **ORGANIZED.**

6 A The remainder of my testimony is arranged by topical section, following the index to my
7 testimony. This index identifies the specific areas I address in testimony and references
8 the testimony pages as well as any related adjustment or schedule number.

9 TEST YEAR

10 **Q PLEASE BRIEFLY DESCRIBE THE TEST YEAR APPROACH USED IN THIS**
11 **PROCEEDING.**

12 A Although the *Order Adopting Procedural Schedule and Delegating Authority* ("Procedural
13 Order" issued by the Commission on August 10, 2016) does not specify the test year as
14 the twelve months ended March 31, 2016 or discuss the Company's planned true-up or
15 update cut-off as of December 31, 2016 (i.e., Ameren Missouri proposes to recognize
16 certain specific price increases effective January 1, 2017), I am aware of no opposition
17 to the Company's test year or true-up period.

18 In general terms, a test year is used to determine actual and pro forma rate base,
19 operating revenues, expenses, and operating income based on a relatively recent 12-
20 month period (i.e., the 12 months ending March 2016) and adjusted for changes that are

⁵ Additional calculation support has been provided to the parties in the form of spreadsheet file workpapers in native format. The underlying AMS cost data encompasses tens of thousands of rows of data, spanning over a dozen columns of transaction detail. The adjustment schedules accompanying my direct testimony are necessarily presented in summary form. The additional native files were provided to the Company in conformance with Commission requirements.

1 fixed, known, and measurable for ratemaking purposes through a specified date (i.e.,
2 December 31, 2016) following the end of the test year. In addition, this Commission has
3 typically allowed various end-of-period annualization and normalization adjustments
4 recognizing that changes occurring during and subsequent to the test year should be
5 consistently matched in order to set rates on ongoing investment, revenue, and cost
6 levels.

7 **Q HAS THE COMMISSION ADOPTED THE PROPOSED TEST YEAR AND UPDATE**
8 **PERIOD OR SEPARATELY PROVIDED GUIDANCE REGARDING ACCEPTABLE**
9 **ADJUSTMENTS FOR TRUE-UP PURPOSES IN THIS PROCEEDING?**

10 A Yes. The transcript of the prehearing conference held on July 28, 2016, stated “Staff
11 and Public Counsel both indicated that they did not oppose that [the Company’s
12 proposed] test year and no one else responded within the time that was set by the
13 Commission’s order, so that test year will be adopted.”⁶ In prior Ameren Missouri rate
14 proceedings, methodologies have been fixed for purposes of quantifying true-up
15 adjustments; however, more current input values may be applied to the original
16 methodologies for purposes of quantifying the true-up revenue requirement. The
17 referenced test year and true-up responses filed by Staff and OPC (on July 19 and July
18 20, 2016, respectively) were consistent with the update process prescribed in prior
19 Ameren Missouri rate cases.⁷

20 **Q DO THE AMS COST ADJUSTMENTS YOU SPONSOR COMPLY WITH TYPICAL**
21 **KNOWN AND MEASURABLE ADJUSTMENTS ALLOWED BY THE COMMISSION?**

⁶ See Transcript of Proceedings Prehearing Conference held July 28, 2016, Volume 1 at 7, lines 5-11.

⁷ See the complete Notice Of Correction To Jointly Proposed Procedural Schedule And Procedures filed by Staff on August 2, 2016.

1 A Yes. The ratemaking equation commonly employed by this Commission, and other
2 regulatory agencies, compares a required return on rate base to the investment return
3 generated by adjusted test year operating results. For the ratemaking equation to
4 function properly, the components comprising the equation (i.e., rate base, revenues,
5 expenses and rate of return) must be reasonably representative of ongoing levels
6 internally consistent and comparable within the context of test period parameters
7 including true-up provisions.

8 To the extent these components are not properly synchronized or are otherwise
9 misstated, the design of utility rates may result in the company not having the
10 opportunity to earn its authorized return or, alternatively, to earn in excess of the return
11 authorized – all other factors remaining constant. By synchronizing or maintaining the
12 comparability of revenues, expenses, and investment, the integrity of the test year can
13 be maintained with the reasonable expectation that the resulting rates will not
14 significantly misstate the ongoing cost of providing utility service.

15 Consequently, it is critical that the ratemaking process properly synchronize only
16 those known and measurable changes that occur during the test year or within a
17 reasonable period subsequent thereto rather than establish utility rates on inappropriate
18 factors or inconsistent post-test year events. In this manner, regulators can best be
19 assured that rates are reasonably based on ongoing cost levels.

20 Although significant efforts may be undertaken to assist in the establishment of
21 rates based on a balanced test year, utility management may implement new programs,
22 redirect business objectives, or make decisions that could result in the incurrence of
23 operation and maintenance (“O&M”) expenses or capital expenditures that significantly
24 depart from comparable amounts included in then-existing utility rates. The ability and
25 authority of utility personnel to exercise management discretion in these matters is one
26 of the reasons that the ratemaking process involving rate-regulated public utilities is

1 intended to convey an opportunity, rather than a guarantee, to earn a “reasonable”
2 return on utility investment.

3 **Q PLEASE EXPLAIN THE CONCEPT OF FIXED, KNOWN AND MEASURABLE**
4 **CHANGES, AS TYPICALLY USED IN THE RATEMAKING PROCESS.**

5 **A** In general terms, the recognition of changes or adjustments to test year rate base and
6 operating income should be consistently applied and limited to transactions or events
7 that are fixed, known, and measurable for ratemaking purposes. In my opinion, the
8 following definition or explanation of the “fixed, known, and measurable” concept, as
9 commonly applied in utility ratemaking, is consistent with the Procedural Order:

10
11 **Fixed, known, and measurable changes** – transactions or events that
12 are:

- 13 (a) Fixed in time. A qualifying transaction or event must be “fixed” within
14 the test year or within the specified period following the test year – or
15 by December 31, 2016.
16 (b) Known to occur. The transaction or event must be “known” to exist,
17 in contrast with possible, uncertain or speculative changes.
18 (c) Measurable in amount. The financial effect of the transaction or
19 event can be “measured” or accurately quantified.

20 In this context, a transaction or event should be considered fixed, known, and
21 measurable only if it has been agreed to by contract or commitment, can be verified to
22 have occurred within the specified time period, and can be quantified employing known
23 data.

24 It is not uncommon for regulatory commissions to recognize or annualize
25 transactions occurring within, or subsequent to, the historical test period for verifiable,
26 yet balanced, changes that will impact a utility’s future earnings. However, it is also true
27 that parties often differ on whether offsetting factors have been appropriately considered
28 and how far outside the test year it may be appropriate to reach for changes. In my
29 opinion, the recognition of fixed, known, and measurable changes must be reasonably

1 balanced or matched with offsetting factors. Otherwise, a distorted view of the cost of
2 service may lead to improper rate adjustments.

3 A consistent matching of both price and quantity changes is necessary to
4 achieve this balance, particularly when volume changes during or subsequent to the test
5 year offset price level increases. Similarly, appropriate application of this matching
6 principle would also require costs to be offset or reduced by related cost savings in
7 determining the net cost of one-time or infrequent activities or programs eligible for
8 deferral and subsequent amortization recovery from ratepayers.

9 **AMS OVERVIEW**

10 **Q YOU PREVIOUSLY INDICATED THAT THE COMPANY'S DIRECT FILING DOES NOT**
11 **CONTAIN AN ANNUALIZATION ADJUSTMENT FOR AMS COSTS AND THAT THE**
12 **COMPANY HAD NOT YET DECIDED WHETHER TO SEEK A TRUE-UP OF AMS**
13 **COSTS. IS THIS CORRECT?**

14 **A** Yes.

15 **Q FOR CONTEXT, HOW DOES THE ACTUAL AMOUNT OF TEST YEAR AMS COSTS**
16 **COMPARE TO RECENT ANNUAL COST LEVELS?**

17 **A** According to information supplied by the Company,⁸ as summarized below, the amount
18 of total Ameren Services costs and billings to Ameren Missouri have increased
19 significantly in recent years:
20

⁸ See Schedule SCC-4 for the responses to OPC DR 1021 and OPC DR 1501, without voluminous attachments. See Schedule SCC-5 for the responses to MIEC DR 6-1, MPSC DR 388s1 and MPSC DR 388s2, without voluminous attachments. None of the attachments, some of which the Company designated confidential, have been included in Schedule SCC-4 or SCC-5.

1

	Cost Type	2013	2014	2015	TYE Mar-2016	
UEC	Capital	\$ 23,147,108	\$ 30,908,773	\$ 26,996,441	**	**
	O&M ⁹	\$ 120,925,395	\$ 128,996,026	\$ 136,107,762	**	**
	Other	\$ 4,306,794	\$ 4,691,688	\$ 3,826,904	**	**
UEC Total		\$ 148,379,297	\$ 164,596,487	\$ 166,931,107	**	**
	O&M % Change		6.67%	5.51%		0.71%
AMS	Capital	\$ 56,019,166	\$ 78,671,240	\$ 73,784,686	**	**
	O&M	\$ 275,908,597	\$ 267,713,743	\$ 282,008,899	**	**
	Other	\$ 9,717,542	\$ 9,016,322	\$ 8,575,348	**	**
AMS Total		\$ 341,645,305	\$ 355,401,305	\$ 364,368,933	**	**
	O&M % Change		-2.97%	5.34%		1.86%
Note: Amounts include all direct and allocated charges, with UEC including electric and gas operations.						

2 The amounts for calendar years 2013 through 2015 were summarized in the Company's
3 response to OPC DR 1501. Although the response to OPC DR 1501(c) referred to the
4 spreadsheet file supplied in response to OPC DR 1021 for test year amounts, it was
5 subsequently determined during discussions with Ameren Missouri representatives that
6 the attachment to OPC DR 1021 included data errors that required all AMS cost
7 analyses be redirected to the spreadsheets provided in response to MPSC DR 388 and
8 MIEC DR 6-1.¹⁰

⁹ The narrative response to MPSC DR 42(3) appears to misstate test year UEC O&M (electric and gas) at \$132,049,105 by the amount of \$5,021,959 that should have been attributed to gas O&M, effectively understating the "O&M" and overstating "Other" cost categories. The above test year values were obtained from attachments to MPSC DR 388 and MIEC DR 6-1, which the Company has designated as highly confidential.

¹⁰ A spreadsheet file supplied in response to OPC DR 1021 contained over 23,000 rows of data relating to the test year months of April 2015 through March 2016 while a separate spreadsheet contained over 14,000 rows of data for the months of April-June 2016. After learning of data errors in these files following the commitment of significant OPC resources analyzing such data, additional efforts were required to review multiple data files containing correct information provided in response to MPSC DR 388, including monthly data for 2015 (over 23,000 data rows), January-June 2016 (over 18,000 data rows) and July-September 2016 (over 16,000 data rows). According to the Company's response to OPC DR 1514, no analysis has been undertaken to determine the nature or extent of the data issues.

1 **Q PLEASE SUMMARIZE THE ADJUSTMENTS YOU PROPOSE TO TEST YEAR AMS**
2 **O&M EXPENSE CHARGED TO AMEREN MISSOURI.**

3 A I recommend Commission adoption of the following adjustments reducing test year AMS
4 expense:

- 5 • Annualize the AMS Direct Allocated Factors implemented by Ameren Services
6 effective January 1, 2016.
- 7 • Annualize the pro forma effect of the Noranda load loss on the 2016 AMS Direct
8 Allocated Factors.

9 **Q THE EARLIER TABLE APPEARS TO SUPPORT INCREASING AMS O&M**
10 **EXPENSES CHARGED TO AMEREN MISSOURI OVER TIME. WHY SHOULD TEST**
11 **YEAR AMEREN SERVICES EXPENSES BE ADJUSTED DOWNWARD AS YOU**
12 **PROPOSE IN THIS PROCEEDING?**

13 A Changes in the scope of operations, allocation factors, and direct charge arrangements
14 can and do occur. Historical trends are informative but not necessarily indicative of cost
15 levels reasonably includable in test year expense. Shortly before the finalization of this
16 direct testimony, Ameren Missouri updated the response to MPSC DR 388 to include
17 actual monthly AMS cost data through September 2016.¹¹ The following table compares
18 test year AMS costs with comparable data for the twelve months ended September
19 2016:

20

¹¹ The Company's responses to MPSC DR 388s1 and 388s2 have designated 2016 data as highly confidential. *See* Schedule SCC-5 for the narrative portion of the responses without the voluminous data files.

1

	Cost Type	TYE Mar-2016	12ME Sep-2016
UEC	Capital	**	**
	O&M	**	**
	Other	**	**
UEC Total		**	**
	O&M % Change		-1.06%
AMS	Capital	**	**
	O&M	**	**
	Other	**	**
AMS Total		**	**
	O&M % Change		0.48%
Note: Includes all direct charges and allocated amounts. UEC amounts also include electric and gas operations.			

2

3 The historically large increases in AMS O&M expenses directly assigned or allocated to
4 Ameren Missouri in 2013-2015 shifted directions and appear to have declined in 2016.
5 Over time, new developments or events can directly impact work requirements of
6 Ameren Services personnel and the direct charging or allocation of Ameren Services
7 costs to Ameren Missouri.

8 As indicated in a recent "Ameren Missouri Cost Allocation Manual" attached
9 hereto as Schedule SCC-3,¹² Ameren Missouri is one of the key subsidiaries of Ameren
10 Corporation. Other key subsidiaries include Ameren Illinois ("AIC"), Ameren

¹² The Company originally filed the "Ameren Missouri Cost Allocation Manual" ("CAM") as Schedule JLD-2 attached to the direct testimony of Ameren witness Jeff L. Dodd in this proceeding. On December 6, 2016, a stipulated agreement was filed in this docket between the Company, MPSC Staff and OPC that, among other things, is expected to result in the withdrawal of the direct testimony of Ameren witnesses Jeff L. Dodd and Kelly S. Hasenfratz, along with the withdrawal of the Company's request that a CAM be approved in this rate case. Assuming a Commission order approving the stipulated agreement, Ameren Missouri has agreed not to challenge or object to Mr. Dodd's as filed Schedule JLD-2 (the Ameren Missouri CAM) being attached to my direct testimony in this proceeding for purposes of providing an overview of how AMS costs are apportioned (i.e., direct assignment and allocation) between the various Ameren entities, thereby retaining a high-level overview of the AMS apportionment process in the record and providing context for various data requests submitted in this case. [See email correspondence between myself and Mr. Tom Byrne of Ameren Missouri dated November 30, 2016.]

1 Transmission Company (“ATX”), Ameren Transmission Company of Illinois (“AXTI”), and
2 Ameren Services Company (“AMS”). Ameren Services provides support services to
3 Ameren Corporation and its subsidiaries.¹³ To the extent possible, identifiable AMS
4 costs are directly charged to the benefiting Ameren subsidiary (aka “Client Company”
5 such as Ameren Missouri) or, alternatively, allocated using direct allocation factors or
6 indirect (functional or corporate) allocation factors.¹⁴

7 In general terms, the scope of the support services required of AMS personnel
8 changes over time due to corporate decisions that may involve corporate reorganization,
9 restructuring activities, business divestment, or business development. For example,
10 Ameren Corporation divested the generation resources of Ameren Energy Resources
11 Company, LLC (“AER”) in 2013. The divestment transactions resulted in Ameren
12 Missouri becoming the only Ameren corporate entity that owns generation resources.
13 Because the work requirements of certain Ameren Services personnel involved
14 generation support activities whose costs were allocated using relative generation
15 statistics, any remaining costs associated with such activities were allocated 100% to
16 Ameren Missouri beginning in December 2013.

17 In addition, Ameren Corporation has announced plans for about \$3 billion of
18 investment in significant FERC-regulated transmission projects during 2016-2020. To
19 the extent that these transmission projects require additional support services from
20 Ameren Services, the cost of those services should be directly assigned to or allocated
21 between the benefiting Ameren transmission corporate entities in future periods, causing
22 additional shifts in the apportionment of AMS costs.¹⁵

¹³ See Schedule SCC-3 at 2-3.

¹⁴ *Id.* at 4.

¹⁵ See the November 2016 Investor Meetings presentations that are publicly available on Ameren’s website (Ameren.com) under the “Investors” link, “Webcasts and presentations” at <http://phx.corporate-ir.net/External.File?t=1&item=VHlwZT0yfFBhcmVudEIEPTUyNDI2OTR8Q2hpbGRJR02NTE3NDY=> .
[To view, copy and paste this link into your browser.]

1 **Q PLEASE SUMMARIZE THE FUNCTIONAL AREAS OF SUPPORT SERVICES**
2 **PROVIDED BY AMS.**

3 A AMS provides a broad spectrum of support services, including:¹⁶

- 4 • Ameren Services Center. Transactional and compliance services, accounts
5 payable, payroll, payment processing, personnel and policy administration,
6 records management, print and mail services.
7
- 8 • Controller. Accounting services, investor relations, internal control, regulatory
9 filings.
10
- 11 • Corporate Communications. Advocacy, advertising and marketing, employee
12 communication, investor communication.
13
- 14 • Corporate Planning & Environmental Services. Corporate planning, regulatory
15 support, resource planning, business analysis, business development,
16 environmental compliance, remediation.
17
- 18 • Energy Delivery. Coordination of generation, transmission and interconnection
19 facilities; engineering and construction services; project management; delivering
20 energy; system planning.
21
- 22 • Executive Management.
23
- 24 • General Counsel. Legal services, litigation, legislative activities, regulatory,
25 corporate governance.
26
- 27 • Human Resources. Personnel records, human resource programs, employee
28 hiring and training, labor relations and negotiation.
29
- 30 • Information Technology. Computer software, telecommunications, data center
31 and network infrastructure, technology planning, cybersecurity, maintaining billing
32 records and processing customer meter readings.
33
- 34 • Internal Audit.
35
- 36 • Supply Services & Safety. Purchasing, inventory management, safety services,
37 land rights and permits.
38
- 39 • Tax. Federal, state and local tax compliance, filing returns.
40
- 41 • Transmission. Operations, maintenance, vegetation management, engineering,
42 construction, financial and regulatory services.
43
- 44 • Treasurer. Corporate finance, banking services, financial modeling, regulatory
45 filings.

¹⁶ See Schedule SCC-3 at 4-6 for additional discussion.

1 **Q PLEASE DESCRIBE THE DIRECT ASSIGNMENT AND ALLOCATION PROCESS**
2 **USED BY AMS TO APPORTION COST RESPONSIBILITY BETWEEN THE AMEREN**
3 **CORPORATE ENTITIES.**

4 A Generally, the objective of the Ameren Missouri CAM “is to operate under cost allocation
5 guidelines which fairly and equitably allocate costs to those affiliates causing the costs to
6 be incurred.”¹⁷ Whenever possible and identifiable, AMS costs are directly charged to
7 one or more Ameren entities. If direct assignment is not possible or the benefiting
8 entities cannot be specifically identified, AMS costs are allocated using predetermined
9 allocation methods applied to fully distributed costs.

10 The Ameren Missouri CAM identifies and briefly describes the direct and indirect
11 allocation factors and processes. At test year end (i.e., March 2016), AMS employed 33
12 direct allocated factors generally described in the CAM.¹⁸ These allocation factors are
13 determined annually typically based on prior calendar year data, but may be updated or
14 revised if required “due to a significant change in circumstances.”¹⁹

15 **Q DID YOU ADDRESS AMEREN SERVICES COSTS AND ALLOCATIONS IN AMEREN**
16 **MISSOURI’S LAST RATE CASE – CASE NO. ER-2014-0258?**

17 A Yes. In that prior rate case, Ameren Missouri proposed an annualization adjustment for
18 AMS costs. Efforts were undertaken to attempt a quantification of the impact of changes
19 in AMS allocation factors on Ameren Missouri O&M expense.²⁰ Unfortunately, the only
20 pre-existing report (“PW19650 Report”) that contained direct and allocated Ameren

¹⁷ *Id.* at 7.

¹⁸ *Id.* at 8-13 and listed as the “2016 Allocation Factors” in response to MPSC DR 42 (excerpts included in Schedule SCC-4). Not all attachments to MPSC DR 42 are included in Schedule SCC-4.

¹⁹ *Id.* at 8-13.

²⁰ With known changes in allocation factors and the total Ameren Services costs subject to those allocation factor changes (i.e., on an AMS Service Request basis), a spreadsheet could be created to quantify the impact of the allocation factor changes using monthly test year data.

1 Services costs by month to Ameren Missouri excluded dozens of pages containing total
2 Ameren Service costs as well as amounts charged or allocated to other Ameren
3 Corporation entities. After reviewing this data and engaging in discussions with Ameren
4 representatives, I concluded that the provision of the PW19650 reports made any
5 meaningful analysis of the AMS data very challenging and served as only an initial step
6 in the data gathering process that would enable a quantification of the impact of the shift
7 in AMS allocation factors on Ameren Missouri O&M expense.

8 In Case No. ER-2014-0258, I argued that Ameren Missouri and Ameren Services
9 should strive for regulatory transparency of all direct and allocable charges incurred to
10 support Missouri operations, particularly since these charges result from transactions
11 between affiliated entities. The Commission's affiliate transaction rules (see 4 CSR 240-
12 20.015 Affiliate Transactions) recognize that such transactions are not at arm's length or
13 between unrelated parties. Consequently, it is reasonable to expect additional
14 regulatory review and evaluation of such related-party transactions, particularly when
15 divestment transactions or other business decisions materially impact the allocation and
16 apportionment of an affiliate's common costs. It is only through such a review and
17 evaluation process that affiliate costs can be examined and verified to ensure that
18 Ameren Services costs are not mischarged to Ameren Missouri and its Missouri
19 ratepayers, whether intentionally or unintentionally.

20 The issues associated with AMS costs and the allocation process in Case No.
21 ER-2014-0258 were resolved by a settlement agreement relating to Ameren Services
22 Company.²¹ The applicable language from that settlement agreement is reproduced
23 below for reference:

24 2. Ameren Missouri agrees to seek Commission approval for its
25 Cost Allocation Manual ("CAM") as part of its next general rate case.

²¹ Case No. ER-2014-0258, *Amended Nonunanimous Stipulation And Agreement Regarding Certain Revenue Requirement Issues*, dated March 3, 2015.

1 Unless otherwise ordered by the Commission, Ameren Missouri agrees to
2 provide monthly data on an annual basis with its CAM filing, as well as
3 with any future rate case filing to include test year and any data for
4 additional months subsequent to its last CAM filing, in an electronic Excel
5 spreadsheet (with formulas intact, where applicable). Such spreadsheet
6 shall be provided in a sortable format containing the following information
7 regarding AMS costs directly charged or allocated to individual Ameren
8 entities, by month:

- 9 a. FERC account number (for individual O&M, capital and other
10 accounts)
- 11 b. Resource Type (including labor and non-labor)
- 12 c. Budget Function Category (e.g., General Counsel, Controller,
13 Treasurer)
- 14 d. Service Request Number
- 15 e. Description of item
- 16 f. Date of item (month/year)
- 17 g. Allocation factor field
- 18 h. All direct charges, and allocated charges (i.e., direct allocated,
19 indirect functional and indirect corporate).
- 20

21 This settlement agreement resulted in the production of the large spreadsheet data files
22 provided in response to MPSC DR 388, OPC DR 1021 and MIEC DR 6-1 as discussed
23 herein.

24 **Q HAS THE INFORMATION PROVIDED IN RESPONSE TO THESE DATA REQUESTS**
25 **BEEN USEFUL IN THE REVIEW AND ANALYSIS OF AMS COSTS APPORTIONED**
26 **TO AMEREN MISSOURI?**

27 **A** Yes, except for the data errors contained in the response to OPC DR 1021 discussed
28 previously. Without this degree of detail in spreadsheet file format, no meaningful
29 analysis could be undertaken to test, evaluate, and verify the reasonableness of costs
30 charged to Ameren Missouri by Ameren Services – charges which Ameren Missouri
31 seeks to recover in utility rates.

AMS ADJUSTMENTS

Q YOU PREVIOUSLY SUMMARIZED TWO ADJUSTMENTS TO AMS COSTS THAT YOU PROPOSE IN THIS PROCEEDING. DO YOU CONSIDER THESE ADJUSTMENTS TO BE KNOWN AND MEASURABLE, CONSISTENT WITH THE TEST YEAR ENDING MARCH 2016?

A Yes. Each adjustment has the effect of annualizing certain elements of the AMS allocation process to reflect known and measurable changes to O&M expense occurring within the test year. In other words, the first OPC adjustment (Schedule SCC-2.1) replaces the direct allocated factors applied in the test year months of April-December 2015 with the new allocation factors effective in January 2016. The second OPC adjustment (Schedule SCC-2.2) then adjusts the 2016 direct allocated factors used in quantifying OPC Adjustment Schedule SCC-2.1 to remove the quantifiable effect of the loss of Noranda load, consistent with other Noranda related adjustments proposed by the Company in direct testimony. The revised 2016 direct allocated factors were then applied to related activity during all twelve months of the test year.

So, each of the OPC adjustments I sponsor recognize changes in AMS O&M expenses that are both known and measurable by March 31, 2016. These adjustments and related amounts are summarized in the following table:

<u>OPC Reference</u>	<u>Description</u>	<u>Amount</u>
Schedule SCC-2.1	2016 Direct Allocated Factors	\$ (2.2) million
Schedule SCC-2.2	Remove Noranda Load	\$ (0.4) million
	Total Adjustments	<u>\$ (2.6) million</u>

Q PLEASE EXPLAIN THE FIRST OPC ADJUSTMENT TO ANNUALIZE THE AMS DIRECT ALLOCATION FACTORS EFFECTIVE JANUARY 1, 2016.

1 A In response to MPSC DR 42, the Company provided a series of attachments including
2 two spreadsheet files showing the AMS direct allocated factors applied in calendar years
3 2015 and 2016. The spreadsheet files underlying these particular attachments
4 contained a summary “tab” showing all of the allocation factors applied to direct
5 allocated costs with additional “tabs” supporting the calculation of each listed factor.²²

6 **Q WHY SHOULD AMS DIRECT ALLOCATED COSTS FOR THE MONTHS OF APRIL-**
7 **DECEMBER 2015 BE RESTATED TO REFLECT THE 2016 ALLOCATION**
8 **FACTORS?**

9 A As previously observed, AMS only revises the direct allocated factors annually unless
10 more frequent revisions are needed “due to a significant change in circumstances.” Just
11 as it is common and reasonable to adjust test year labor costs to recognize wage rate
12 increases granted near the end of the test year, known and measurable shifts in
13 allocation factors should also be reasonably recognized as long as the new factors are
14 consistent with the general approach to the test year. OPC Adjustment Schedule SCC-
15 2.1 annualizes the AMS direct allocated factors that were effective January 1, 2016 for
16 the 2015 months of the test year.

17 **Q WOULD IT BE REASONABLE FOR THE COMMISSION TO NOT ADOPT YOUR**
18 **PROPOSED AMS ADJUSTMENTS AND INSTEAD UPDATE AMEREN MISSOURI’S**
19 **SHARE OF AMS O&M EXPENSES TO REFLECT CALENDAR YEAR 2016 ACTUAL**
20 **LEVELS?**

21 A No, not necessarily. While updating AMS O&M expenses to 2016 actual direct charge
22 and allocated amounts would have some simplifying appeal, there are numerous AMS

²² See Schedule SCC-4 for the narrative response to MPSC DR 42 and the referenced summary “tabs”, showing the 2015 and 2016 allocation factors. Additional voluminous attachments to MPSC DR 42 were not included in Schedule SCC-4.

1 transactions that have or will yet occur subsequent to June 2016. In particular, the
2 procedural schedule provides little opportunity for the parties to review and evaluate
3 such changes. Absent sufficient time to assess the overall reasonableness or otherwise
4 reach comfort with the more current direct charges and direct allocated factors, it would
5 be difficult to rationally adopt with such an update approach. After all, the Company only
6 recently provided AMS transaction detail for the months of July-September 2016 and will
7 not update the response to MPSC DR 388 with October-December 2016 data for some
8 time.

9 **Q DID THE COMPANY NOT PROVIDE THE 2016 DIRECT ALLOCATED FACTORS**
10 **MONTHS AGO, IN RESPONSE TO MPSC DR 42?**

11 **A** Yes. Ameren Missouri did provide the 2016 allocation factors in response to MPSC DR
12 42 in late July 2016 but did not update the response to MPSC DR 388 with AMS
13 transaction detail through September 2016 until November 30, 2016. However, during
14 the period April 2016 through September 2016, Ameren Services has introduced
15 fourteen new direct allocated factors. But no information has been supplied regarding
16 the basis for those factors, whether those new factors are in addition to or a replacement
17 of the thirty-three factors updated in 2016 or supported by detail comparable to the
18 response to MPSC DR 42 or even referenced in the Ameren Missouri CAM. At this time,
19 the detailed affiliate transactions and direct assignment and allocation of AMS costs
20 during the post-June 2016 period should be considered un-auditable and unverifiable.

1 | **Q DOES THE COMPANY ANTICIPATE CHANGES TO THE AMS ALLOCATION**
2 | **FACTORS IN 2017?**

3 | **A** Yes. According to the response to MPSC DR 457,²³ the Company **

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16 | It is possible, but unclear, whether any of the fourteen new direct allocated factor codes
17 | appearing in the response to MPSC DR 388 in late 2016 may be associated with the
18 | planned introduction of the above ** **.

19 | It is also important to recognize that allocation factors do not drive, but instead
20 | should result from, the nature and magnitude of costs incurred by Ameren Services. In
21 | the normal course of business and in the absence of any material shift in allocation
22 | factors (e.g., due to generating resource divestment, material load loss, investment in
23 | new regulated or unregulated lines of business, etc.), the Commission might reach
24 | comfort with limited assessment of the new allocation factors or the update of AMS O&M
25 | expenses. In this proceeding, the AMS allocation factors that drive the apportionment of
26 | common costs to Ameren Missouri have changed subsequent to the test year due to the
27 | introduction of new allocation factors and costs that may or may not be related to the

²³ See Schedule SCC-5 for the narrative response to MPSC DR 457, which the Company has designated highly confidential.

1 new FERC-regulated transmission investments, but should require careful evaluation
2 before inclusion in the ratemaking process.

3 **Q YOU PREVIOUSLY INDICATED THAT THE LIST OF OTHER KEY AMEREN**
4 **SUBSIDIARIES INCLUDED AMEREN TRANSMISSION COMPANY (“ATX”) AND**
5 **AMEREN TRANSMISSION COMPANY OF ILLINOIS (“AXTI”). DO AMS**
6 **PERSONNEL DIRECTLY SUPPORT THE ACTIVITIES OF THESE TRANSMISSION**
7 **ENTITIES?**

8 A Yes. ATX, ATXI, ATE and ATS ** ²⁴ There are
9 approximately nine AMS employees (i.e., six project management and three business
10 development) regularly dedicated to providing support services to Ameren’s
11 transmission entities (i.e., ATX, ATXI, ATE and ATS). ²⁵

12 **Q WHY DID AMEREN FORM THESE TRANSMISSION ENTITIES?**

13 A The following excerpt from the Company’s response to OPC DR 1505 summarizes the
14 basis for forming these transmission entities:²⁶

15 ATX was formed to be an intermediate Holding company to own
16 companies involved in the transmission of energy. It has two wholly
17 owned subsidiaries; ATX East, LLC (ATE) and ATX Southwest, LLC
18 (ATS). ATE was formed for purposes of participating and bidding on
19 competitive transmission opportunities in the PJM footprint and if awarded
20 a competitive project, ATE would construct, own and operate
21 transmission assets in PJM. ATS was formed for purposes of
22 participating and bidding on competitive transmission opportunities in the
23 Southwest Power Pool (SPP) footprint and if awarded a competitive
24 project, ATS would construct, own and operate transmission assets in
25 SPP.

26
27 ATXI was formed to invest in greenfield transmission infrastructure in
28 Illinois. Subsequently, ATXI has an expanded purpose to identify,

²⁴ See Schedule SCC-5 for the highly confidential response to MPSC DR 456.

²⁵ See Schedule SCC-4 for the response to OPC DR 1513.

²⁶ See Schedule SCC-4 for the response to OPC DR 1505.

1 develop, construct, own and operate greenfield transmission
2 infrastructure in MISO.
3

4 ATE or ATS has neither constructed, owned, operated, or maintained any transmission
5 assets in any state. ATXI, however, does own, operate, and maintain transmission
6 related assets in Illinois and Missouri using services provided by Ameren Services or
7 third party contractors and relies on financing from Ameren Corp.²⁷
8

9 **Q WHY IS THIS INFORMATION ABOUT THE AMEREN TRANSMISSION ENTITIES OF**
10 **POTENTIAL IMPORTANCE REGARDING AFFILIATE TRANSACTIONS?**

11 **A** Referring to the response to MPSC DR 457,²⁸ AMS **

12
13 **. As noted previously,
14 Ameren Corporation has announced plans to invest about \$3 billion in FERC-regulated
15 transmission projects during 2016-2020. Coupled with the fact that Ameren
16 transmission entities **, the
17 Commission must be vigilant in the CAM development and the underlying allocation
18 process to ensure that the transmission entities are responsible for their fair share of
19 AMS support costs rather than receiving direct or indirect subsidies from the established
20 regulated operations of Ameren Missouri or Ameren Illinois.

21 The direct allocated factors used by Ameren Services to allocate costs typically
22 rely on embedded drivers (e.g., headcounts, sales, assets) for the prior year to apply
23 prospectively. Such reliance on embedded data will not typically account for any
24 increased support required of Ameren Services attributable to the development of new

²⁷ *Id.* and the response to OPC DR 1506. See Schedule SCC-4 for the response OPC DR 1506.

²⁸ See Schedule SCC-5 for the response to MPSC DR 457, which the Company has designated highly confidential.

1 lines of business, unless such costs can be adequately identified and completely
2 excluded from the allocation process.

3 **Q HOW DID YOU QUANTIFY OPC ADJUSTMENT SCHEDULE SCC-2.1?**

4 A Using data from the spreadsheets supplied in response to MPSC DR 388, pivot tables
5 were employed to accumulate direct allocated costs by month by FERC account and by
6 allocation factor during the test year. Using this data for the months of April through
7 December 2015, the net change in 2015 and 2016 allocation factors was determined
8 and applied to the 2015 direct allocated O&M expenses by FERC account to quantify
9 OPC Adjustment Schedule SCC-2.1.

10 **Q PLEASE EXPLAIN THE SECOND OPC ADJUSTMENT TO ANNUALIZE THE PRO**
11 **FORMA EFFECT OF THE NORANDA LOAD LOSS ON AMS DIRECT ALLOCATED**
12 **FACTORS.**

13 A The direct testimony of various Company witnesses²⁹ discuss the significant impact of
14 the loss of load from Noranda Aluminum, Inc. on the Company's rate filing. Using data
15 supplied by the Company that removes the Noranda load from the direct allocated
16 factors, OPC Adjustment Schedule SCC-2.2 removes the lost Noranda load from
17 influencing the 2016 actual allocation factors.

²⁹ Company witness Mr. Moehn at 4-5 attributes the significant loss in revenues caused by the cessation of smelting operations by Noranda Aluminum, Inc. as one of the main drivers contributing to the filing of this rate case. Company witness Mr. Davis at 30-32 discusses the recent history of Noranda including the declining electricity use and idling of smelter operations that brought electricity consumption at the smelter down to a very small fraction of load used to set rates in the Company's last rate case – generally characterized as an extreme reduction in electricity consumption. Company witness Ms. Moore at 18 introduces Adjustment 8 reducing revenues by \$124,925,000 to remove Noranda's load.

1 **Q HOW DID YOU QUANTIFY OPC ADJUSTMENT SCHEDULE SCC-2.2?**

2 A Similar to the calculation of OPC Adjustment Schedule SCC-2.1, pivot tables were used
3 to accumulate data for all test year months by FERC account and by direct allocated
4 factor. The net change in the direct allocated factors impacted by the Noranda load loss
5 was applied to the data compiled from the spreadsheets supplied in response to “MPSC
6 DR 388” (i.e., direct allocated costs by month by FERC account by allocation factor).
7 Because annualization of the Noranda load loss effects all test year months, OPC
8 Adjustment Schedule SCC-2.2 quantifies the net change in direct allocated factors as
9 applied to each FERC O&M expense account for the test year.

10 **Q IN QUANTIFYING EITHER OF YOUR PROPOSED AMS O&M ADJUSTMENTS, DID**
11 **YOU SEPARATELY QUANTIFY THE IMPACT ON LABOR AND NON-LABOR**
12 **COSTS?**

13 A No. It is my understanding that OPC is not proposing any labor adjustments in this
14 proceeding. So, OPC Adjustment Schedules SCC-2.1 and SCC-2.2 were not prepared
15 in a manner to segregate the adjustment amounts between labor and non-labor. If the
16 Commission were to adopt my proposed adjustments, any “per book” AMS O&M
17 expenses used by the parties in quantifying other ratemaking adjustments (e.g.,
18 employee wage adjustment, benefits adjustment) should consider the impact of these
19 OPC adjustments and apply the revised direct allocated factors.

20

CONCLUSION

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Q PLEASE SUMMARIZE YOUR RECOMMENDATION REGARDING AMEREN SERVICES COSTS.

A The historically significant increases in AMS costs directly assigned or allocated to Ameren Missouri appear to have abated thus far in 2016. Although planned transmission investments merit close attention due to the heavy reliance on the personnel and resources of Ameren Services, OPC has recommended two adjustments to recognize known and measurable changes to the direct allocated factors applied in determining the amount of AMS O&M expense that should be recognized in determining the level of costs reasonably included in the Company's cost of service.

11 **Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

12 A Yes.

Qualifications of Steven C. Carver and Summary of Previously Filed Testimony

EMPLOYER: Utilitech, Inc.
Regulatory and Management Consultants

POSITION: Vice-President

ADDRESS: P.O. Box 481934
Kansas City, Missouri 64148

PRIOR EXPERIENCE:

6/87 - Present	Utilitech, Inc.
4/83 - 6/87	Missouri Public Service Commission, Chief Accountant
10/79 - 4/83	Missouri Public Service Commission, Accounting Manager
6/77 -10/79	Missouri Public Service Commission, Regulatory Auditor

EDUCATION:

Central Missouri State University
Bachelor of Science Degree in Business Administration
Accounting Major (1977)

State Fair Community College
Associate of Arts Degree - Emphasis in Accounting (1975)

OTHER QUALIFICATIONS:

Speaker - 1988 Missouri Public Service Commission Workshop
- 1990 Annual NASUCA/NARUC Convention (Orlando)
- 1996 Mid-Year NASUCA Meeting (Chicago)

Instructor - 1994 Hawaii Consumer Advocate Regulatory Training Program
- 1997 Hawaii Consumer Advocate Telecommunications Training Program
- 1999 Overview of Utility Regulation (Hawaii)
- 2000 Telecommunications: Overview of Regulation (Arizona)

PRIOR TESTIMONIES: (See listings on Schedule SCC-1, pages 5-10.)

Education and Experience

I graduated from State Fair Community College where I received an Associate of Arts Degree with an emphasis in Accounting. I also graduated from Central Missouri State University with a Bachelor of Science Degree in Business Administration, majoring in Accounting. Subsequent to the completion of formal education, my entire professional career has been dedicated to public utility investigations, regulatory analysis and consulting.

From 1977 to 1987, I was employed by the Missouri Public Service Commission in various professional auditing positions associated with the regulation of public utilities. In that capacity, I participated in and supervised various accounting compliance and rate case audits (including earnings reviews) of electric, gas, telephone, water/wastewater and steam utility companies and was responsible for the submission of expert testimony as a Staff witness.

In October 1979, I was promoted to the position of Accounting Manager of the Kansas City Office of the Commission Staff and assumed supervisory responsibilities for a staff of regulatory auditors, directing numerous rate case audits of large electric, gas and telephone utility companies operating in the State of Missouri. In April 1983, I was promoted by the Commissioners to the position of Chief Accountant and assumed overall management and policy responsibilities for the Accounting Department, providing guidance and assistance in the technical development of Staff issues in major rate cases and coordinating the general audit and administrative activities of the Department.

During 1986-1987, I was actively involved in a docket established by the Missouri Public Service Commission to investigate the revenue requirement impact of the Tax Reform Act of 1986 on Missouri utilities. In 1986, I prepared the comments of the Missouri Public Service Commission respecting the Proposed Amendment to FAS Statement No. 71 (relating to phase-in plans, plant abandonments, plant cost disallowances, etc.) as well as the Proposed Statement of Financial Accounting Standards for Accounting for Income Taxes. I actively participated in the discussions of a subcommittee responsible for drafting the comments of the

National Association of Regulatory Utility Commissioners (“NARUC”) on the Proposed Amendment to FAS Statement No. 71 and subsequently appeared before the Financial Accounting Standards Board with a Missouri Commissioner to present the positions of NARUC and the Missouri Commission.

In July of 1983 and in addition to my duties as Chief Accountant, I was appointed Project Manager of the Commission Staff's construction audits of two nuclear power plants owned by electric utilities regulated by the Missouri Public Service Commission. As Project Manager, I was involved in the staffing and coordination of the construction audits and in the development and preparation of the Staff's audit findings for presentation to the Commission. In this capacity, I coordinated and supervised a matrix organization of Staff accountants, engineers, attorneys and consultants.

Since commencing employment with Utilitech in June 1987, I have conducted revenue requirement and special studies involving various regulated industries (i.e., electric, gas, telephone, water and steam heating) and have been associated with regulatory projects on behalf of clients in twenty State regulatory jurisdictions.

Previous Expert Testimony

I have appeared as an expert witness before the Missouri Public Service Commission on behalf of various clients, including the Commission Staff. I have filed testimony before utility regulatory agencies in Arizona, California, Florida, Hawaii, Kansas, Indiana, Nevada, New Mexico, Missouri, Oklahoma, Pennsylvania, Texas, Utah, and Washington. My previous experience involving electric and gas company proceedings includes: PSI Energy, Union Electric (now Ameren Missouri), Kansas City Power & Light, Missouri Public Service/ UtiliCorp United/Aquila (now Kansas City Power & Light Company), Public Service Company of Oklahoma, Oklahoma Gas and Electric, Hawaii Electric Light Company, Hawaiian Electric Company, Maui Electric Company, Sierra Pacific Power/ Nevada Power, Gas Service

Company, Northern Indiana Public Service Company, Arkla (a Division of NORAM Energy), Oklahoma Natural Gas Company, Missouri Gas Energy, Arizona Public Service Company, Southwestern Public Service (Texas), Atmos Energy Corporation (Texas divisions) and The Gas Company (Hawaii). I have also sponsored testimony in telecommunications, water and steam heat proceedings in various regulatory jurisdictions.

STEVEN C. CARVER
Summary of Previously Filed Testimony
1978 through 2016 (December)

Utility	Jurisdiction	Agency	Docket/Case Number	Party Represented	Year	Areas Addressed
Kansas City Power & Light	Missouri	PSC	ER-78-252	Staff	1978	Rate Base, Operating Income
Gas Service Company	Missouri	PSC	GR-79-114	Staff	1979	Rate Base, Operating Income
United Telephone of Missouri	Missouri	PSC	TO-79-227	Staff	1979	Rate Base, Operating Income, Affiliated Interest
Kansas City Power & Light	Missouri	PSC	ER-80-48	Staff	1980	Operating Income, Fuel Cost
Gas Service Company	Missouri	PSC	GR-80-173	Staff	1980	Operating Income
Southwestern Bell Telephone	Missouri	PSC	TR-80-256	Staff	1980	Operating Income
Missouri Public Service	Missouri	PSC	ER-81-85	Staff	1981	Operating Income
Missouri Public Service	Missouri	PSC	ER-81-154	Staff	1981	Interim Rates
Gas Service Company	Missouri	PSC	GR-81-155	Staff	1981	Operating Income
Gas Service Company	Missouri	PSC	GR-81-257	Staff	1981	Interim Rates
Union Electric Company	Missouri	PSC	ER-82-52	Staff	1982	Operating Income, Fuel Cost
Southwestern Bell Telephone	Missouri	PSC	TR-82-199	Staff	1982	Operating Income
Union Electric Company	Missouri	PSC	ER-83-163	Staff	1983	Rate Base, Plant Cancellation Costs
Gas Service Company	Missouri	PSC	GR-83-207	Staff	1983	Interim Rates
Union Electric Company	Missouri	PSC	ER-84-168/ EO-85-17	Staff	1984 1985	Construction Audit, Operating Income
Kansas City Power & Light	Missouri	PSC	ER-85-128/ EO-85-185	Staff	1983 1985	Construction Audit, Rate Base, Operating Income
St. Joseph Light & Power	Missouri	PSC	EC-88-107	Public Counsel	1987	Rate Base, Operating Income
Northern Indiana Public Service	Indiana	IURC	38380	Consumer Counsel	1988	Operating Income
US West Communications	Arizona	ACC	E-1051-88-146	Staff	1989	Rate Base, Operating Income

STEVEN C. CARVER
Summary of Previously Filed Testimony
1978 through 2016 (December)

Utility	Jurisdiction	Agency	Docket/Case Number	Party Represented	Year	Areas Addressed
Dauphin Consol. Water Supply Co.	Pennsylvania	PUC	R-891259	Staff	1989	Rate Base, Operating Income, Rate Design
Southwest Gas Corporation	Arizona	ACC	E-1551-89-102 E-1551-89-103	Staff	1989	Rate Base, Operating Income
Southwestern Bell Telephone	Missouri	PSC	TO-89-56	Public Counsel	1989 1990	Intrastate Cost Accounting Manual
Missouri Public Service	Missouri	PSC	ER-90-101	Public Counsel/ Staff	1990	UtiliCorp United Corporate Structure/ Diversification
City Gas Company	Florida	PSC	891175-GU	Public Counsel	1990	Rate Base, Operating Income, Acquisition Adjustment
Capital City Water Company	Missouri	PSC	WR-90-118	Jefferson City	1991	Rehearing - Water Storage Contract
Southwestern Bell Telephone Company	Oklahoma	OCC	PUD-000662	Attorney General	1991	Rate Base, Operating Income
Public Service of New Mexico	New Mexico	PSC	2437	USEA	1992	Franchise Taxes
Citizens Utilities Company	Arizona	ACC	ER-1032-92-073	Staff	1992 1993	Rate Base, Operating Income
Missouri Public Service Company	Missouri	PSC	ER-93-37	Staff	1993	Accounting Authority Order
Public Service Company of Oklahoma	Oklahoma	OCC	PUD-1342	Staff	1993	Rate Base, Operating Income, Acquisition Adjustment
Hawaiian Electric Company	Hawaii	PUC	7700	Consumer Advocate	1993	Rate Base, Operating Income
US West Communications	Washington	WUTC	UT-930074, 0307	Public Counsel/ TRACER	1994	Sharing Plan Modifications
US West Communications	Arizona	ACC	E-1051-93-183	Staff	1994	Rate Base, Operating Income
PSI Energy, Inc.	Indiana	IURC	39584	Consumer Counselor	1994	Operating Income, Capital Structure
Arkla, Division of NORAM Energy	Oklahoma	OCC	PUD-940000354	Attorney General	1994	Rate Base, Operating Income
Kauai Electric Division of Citizens Utilities Company	Hawaii	PUC	94-0097	Consumer Advocate	1995	Hurricane Iniki Storm Damage Restoration

STEVEN C. CARVER
Summary of Previously Filed Testimony
1978 through 2016 (December)

Utility	Jurisdiction	Agency	Docket/Case Number	Party Represented	Year	Areas Addressed
Oklahoma Natural Gas Company	Oklahoma	OCC	PUD-940000477	Attorney General	1995	Rate Base, Operating Income
US West Communications	Washington	WUTC	UT-950200	Attorney General/ TRACER	1995	Rate Base, Operating Income
PSI Energy, Inc.	Indiana	IURC	40003	Consumer Counselor	1995	Rate Base, Operating Income
GTE Hawaiian Tel; Kauai Electric - Citizens Utilities Co.; Hawaiian Electric Co.; Hawaii Electric Light Co.; Maui Electric Company	Hawaii	PUC	95-0051	Consumer Advocate	1996	Self-Insured Property Damage Reserve
GTE Hawaiian Telephone Co., Inc.	Hawaii	PUC	94-0298	Consumer Advocate	1996	Rate Base, Operating Income
Oklahoma Gas and Electric Company	Oklahoma	OCC	PUD-960000116	Attorney General	1996	Rate Base, Operating Income
Public Service Company	Oklahoma	OCC	PUD-0000214	Attorney General	1997	Rate Base, Operating Income
Arizona Telephone Company (TDS)	Arizona	ACC	U-2063-97-329	Staff	1997	Rate Base, Operating Income, Affiliate Transactions
US West Communications	Utah	UPSC	97-049-08	Committee of Consumer Services	1997	Rate Base, Operating Income
Missouri Gas Energy	Missouri	PSC	GR-98-140	Public Counsel	1998	Revenues, Uncollectibles
Sierra Pacific Power Company	Nevada	PUCN	98-4062 98-4063	Utility Consumers Advocate	1999	Sharing Plan
Hawaii Electric Light Co., PPA (Encogen)	Hawaii	PUC	98-0013	Consumer Advocate	1999	Keahole CT-4/CT-5 AFUDC, Avoided Cost
Kansas City Power & Light Company	Missouri	MoPSC	EC-99-553	GST Steel Company	1999	Complaint Investigation
US West Communications	New Mexico	NM PRC	3008	PRC Staff	2000	Rate Base, Operating Income
Hawaii Electric Light Company	Hawaii	PUC	99-0207	Consumer Advocate	2000	Keahole pre-PSD Common Facilities

STEVEN C. CARVER
Summary of Previously Filed Testimony
1978 through 2016 (December)

Utility	Jurisdiction	Agency	Docket/Case Number	Party Represented	Year	Areas Addressed
US West/ Qwest Communications	Arizona	ACC	T-1051B-99-105	Staff	2000	Rate Base, Operating Income
The Gas Company	Hawaii	PUC	00-0309	Consumer Advocate	2001	Rate Base, Operating Income, Nonreg Svcs.
Craw-Kan Telephone Cooperative, Inc.	Kansas	KCC	01-CRKT-713-AUD	KCC Staff	2001	Rate Base, Operating Income
Home Telephone Company, Inc.	Kansas	KCC	02-HOMT-209-AUD	KCC Staff	2002	Rate Base, Operating Income
Wilson Telephone Company, Inc.	Kansas	KCC	02-WLST-210-AUD	KCC Staff	2002	Rate Base, Operating Income
SBC Pacific Bell	California	PUC	01-09-001 / 01-09-002	Office of Ratepayer Advocate	2002	New Regulatory Framework / Earnings Sharing Investigation
JBN Telephone Company	Kansas	KCC	02-JBNT-846-AUD	KCC Staff	2002	Rate Base, Operating Income
Kerman Telephone Company	California	PUC	02-01-004	Office of Ratepayer Advocate	2002	General Rate Case, Affiliate Lease, Nonregulated Transactions
S&A Telephone Company	Kansas	KCC	03-S&AT-160-AUD	KCC Staff	2003	Rate Base, Operating Income, Nonreg Alloc
PSI Energy, Inc.	Indiana	IURC	42359	Consumer Counselor	2003	Rate Base, Operating Income, Nonreg Alloc
Arizona Public Service Company	Arizona	ACC	E-10345A-03-0437	ACC Staff	2004	Rate Base, Operating Income
Qwest Corporation	Arizona	ACC	T-01051B-03-0454 & T-00000D-00-0672	ACC Staff	2004	Rate Base, Operating Income, Nonreg Alloc
Verizon Northwest Inc.	Washington	WUTC	UT-040788	Attorney General/ AARP/ WeBTEC	2004	Rate Base, Operating Income
Public Service Company	Oklahoma	OCC	PUD-200300076	Attorney General	2005	Operating Income
Hawaiian Electric Company	Hawaii	PUC	04-0113	Consumer Advocate	2005	Rate Base, Operating Income
Citizens Gas & Coke Utility	Indiana	IURC	42767	Consumer Counselor	2005	Operating Income, Benchmarking Study
AmerenUE d/b/a Union Electric Co.	Missouri	MoPSC	ER-2007-0002	State of Missouri	2006	Revenue Requirement

STEVEN C. CARVER
Summary of Previously Filed Testimony
1978 through 2016 (December)

Utility	Jurisdiction	Agency	Docket/Case Number	Party Represented	Year	Areas Addressed
Hawaii Electric Light Company	Hawaii	PUC	05-0315	Consumer Advocate	2007	Rate Base, Operating Income & Keahole Units
Hawaii Electric Company	Hawaii	PUC	2006-0386	Consumer Advocate	2007	Rate Base, Operating Income
Maui Electric Company	Hawaii	PUC	2006-0387	Consumer Advocate	2007	Rate Base, Operating Income
Trigen-Kansas City Energy Corp.	Missouri	MoPSC	HR-2008-0300	Trigen-KC	2008	Revenue Requirement
Southwestern Public Service	Texas	PUCT	35763	Alliance of Xcel Muni.	2008	Rate Base, Operating Income
The Gas Company, LLC	Hawaii	PUC	2008-0081	Consumer Advocate	2009	Rate Base, Operating Income, Nonutility
Hawaiian Electric Company	Hawaii	PUC	2008-0083	Consumer Advocate	2009	Rate Base, Operating Income
Southwestern Public Service	Texas	PUCT	37135	Alliance of Xcel Muni.	2009	Transmission Cost Recovery Factor
Maui Electric Company	Hawaii	PUC	2009-0163	Consumer Advocate	2010	Rate Base, Operating Income
Hawaii Electric Light Company	Hawaii	PUC	2009-0164	Consumer Advocate	2010	Rate Base, Operating Income
Atmos Pipeline – Texas	Texas	RRC	10000	Atmos Texas Municipalities	2010	Rate Base, Operating Income
AmerenUE d/b/a Ameren Missouri	Missouri	MoPSC	ER-2011-0028	Missouri Industrial Energy Consumers	2011	Revenue Requirement
Veolia Energy Kansas City	Missouri	MoPSC	HR-2011-0241	Veolia-KC	2011	Revenue Requirement
Hawaiian Electric Company	Hawaii	PUC	2010-0080	Consumer Advocate	2011	Rate Base, Operating Income
Maui Electric Company	Hawaii	PUC	2011-0092	Consumer Advocate	2012	Rate Base, Operating Income
AmerenUE d/b/a Ameren Missouri	Missouri	MoPSC	ER-2012-0166	Missouri Industrial Energy Consumers	2012	Revenue Requirement
Atmos Energy, Mid-Tex Division	Texas	RCT	10170	Atmos Texas Municipalities	2012	Rate Base, Operating Income
Atmos Energy, West Texas Division	Texas	RCT	10174	Lubbock, Amarillo, Channing & Dalhart	2012	Rate Base, Operating Income

STEVEN C. CARVER
Summary of Previously Filed Testimony
1978 through 2016 (December)

Utility	Jurisdiction	Agency	Docket/Case Number	Party Represented	Year	Areas Addressed
Electric Industry	Missouri	MoPSC	EW-2013-0425	Mo. Retailers Assoc. & Consumers Council	2013	Legislative Concerns
Southwestern Public Service	Texas	PUCT	41430	Alliance of Xcel Muni.	2013	Sale of Transmission Assets
Veolia Energy Kansas City	Missouri	MoPSC	HR-2014-0066	Veolia-KC	2013	Revenue Requirement
Atmos Energy, Mid-Tex Division	Texas	RCT	10359	Atmos Texas Municipalities	2014	RRM Appeal, Revenue Requirement
Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company	Hawaii	PUC	2013-0141	Consumer Advocate	2014	Rate Adjustment Mechanism, Regulatory Process
AmerenUE d/b/a Ameren Missouri	Missouri	MoPSC	ER-2014-0258	Missouri Industrial Energy Consumers	2014	Revenue Requirement
Southwestern Public Service	Texas	PUCT	43695	Alliance of Xcel Muni.	2015	Rate Base, Operating Income, Revenue Requirement
NextEra Energy, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company	Hawaii	PUC	2015-0022	Consumer Advocate	2015	Change of Control, Merger Application
Southwestern Public Service	Texas	PUCT	45524	Alliance of Xcel Muni.	2016	Rate Base, Operating Income, Revenue Requirement
AmerenUE d/b/a Ameren Missouri	Missouri	MoPSC	ER-2016-0179	Public Counsel	2016	Affiliate Transactions

AMEREN MISSOURI
CASE NO. ER-2016-0179
OPC KNOWN & MEASURABLE ADJUSTMENT -- 2016 DIRECT ALLOCATION FACTORS

<u>Line No.</u>	<u>Description</u>	<u>Actual UEC</u> <u>Apr-Dec 2015</u>	<u>K&M Impact</u> <u>2016 Alloc. %</u>	<u>UEC Electric</u> <u>O&M Adjustment</u>
	(A)	(B)	(C)	(D)
1	Adjustment Recap:			
2	Balance Sheet Accounts	\$ 8,664,380	\$ (293,614)	\$ -
3	Non O&M Accounts	980,012	(71,324)	-
4	O&M - Electric Accounts	7,710,527	72,714	72,714
5	O&M (7xx) - Gas Gas	2,530,520	(410,598)	-
6	A&G (9xx) - Common E&G	60,883,163	(2,440,945)	(2,318,897)
7	Totals	<u>\$ 80,768,603</u>	<u>\$ (3,143,767)</u>	<u>\$ (2,246,183)</u>

Notes: Amounts calculated in "OPC Workpaper_ADJ SCC-2_Highly Confidential.xlsx".

Workpaper source documents include:

Sources: Ameren response to MPSC DR 42 & MPSC DR 388.

A&G Expense based on 95% electric allocation factor placeholder.

AMEREN MISSOURI
CASE NO. ER-2016-0179
OPC KNOWN & MEASURABLE ADJUSTMENT -- 2016 DIRECT ALLOCATION FACTORS

Line No.	Description (A)	Actual UEC Apr-Dec 2015 (B)	K&M Impact 2016 Alloc. % (C)	UEC Electric O&M Adjustment (D)
1	Adjustment Recap:			
2	Balance Sheet Accounts	\$ 11,461,307	\$ (52,654)	\$ -
3	Non O&M Accounts	1,289,618	(490)	-
4	O&M - Electric Accounts	11,450,162	(343,963)	(343,963)
5	O&M (7xx) - Gas Gas	3,127,818	(103)	-
6	A&G (9xx) - Common E&G	79,992,337	(92,951)	(88,304)
7	Totals	<u>\$ 107,321,242</u>	<u>\$ (490,161)</u>	<u>\$ (432,266)</u>

Notes: Amounts calculated in "OPC Workpaper_ADJ SCC-2_Highly Confidential.xlsx".

Workpaper source documents include:

Sources: Ameren response to MPSC DR 42, MPSC DR 388, MPSC DR 455 & OPC DR 1503.

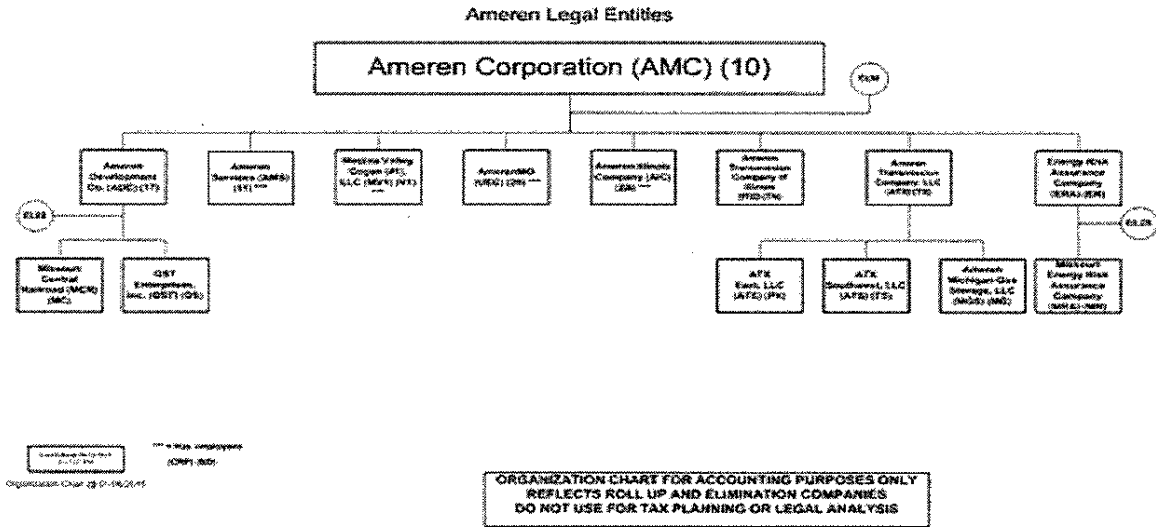
A&G Expense based on 95% electric allocation factor placeholder.

AMEREN MISSOURI COST ALLOCATION MANUAL

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Section 1: Corporate & Accounting Organization Overview



Corporate Organization:

Ameren Missouri is a wholly-owned subsidiary of Ameren Corporation. Ameren Corporation is a public utility holding company and does not own or operate any significant operating assets. Its primary asset is the stock of its subsidiaries.

Ameren Missouri operates a rate-regulated electric generation, transmission and distribution business, and a rate-regulated natural gas distribution business in Missouri. Ameren Missouri is the largest electric utility in the State of Missouri. It supplies electric and gas service in parts of central and eastern Missouri, including the greater St. Louis area. Ameren Missouri supplies electric service to approximately 1.2 million customers and natural gas service to approximately 0.1 million customers.

Other key subsidiaries of Ameren include the following:

- Ameren Illinois operates a rate-regulated electric and natural gas transmission and distribution business in Illinois.
- Ameren Transmission Company and Ameren Transmission Company of Illinois, which are dedicated to electric transmission infrastructure investment.
- Ameren Services, which provides a variety of shared support services to the Ameren group of companies.

Accounting Organization:

Ameren's accounting organization is centralized and performs all accounting services necessary to properly maintain and report on the books and records of Ameren and its subsidiaries. All wholly-owned subsidiaries utilize common accounting systems, policies and procedures and are parties to a General Services Agreement with Ameren Services. The Chart of Accounts is based on the FERC Uniform System of Accounts.

Further, each affiliate, including Ameren Missouri, in the Ameren holding company system maintains its own books, accounts and records in accordance with GAAP to facilitate auditing of the costs which are attributable to a particular affiliate. Records are maintained in sufficient detail to provide the basis used to record the transaction as well as facilitate compliance with Cost Allocation Manual guidelines of the Missouri Public Service Commission.

Section 2: Glossary of Terms and Abbreviations

Ameren – Ameren Corporation.

Ameren Illinois – Ameren Illinois Company, an Ameren subsidiary that operates a Illinois-Commerce Commission and FERC rate-regulated electric and natural gas transmission and distribution business in Illinois.

Ameren Missouri – Ameren Missouri, an Ameren subsidiary that operates a Missouri Public Service Commission and FERC rate-regulated electric generation, transmission and distribution business, and a rate-regulated natural gas transmission and distribution business in Missouri.

Ameren Services – Ameren Services Company, an Ameren subsidiary that provides support services to Ameren and its affiliates

ATX - Ameren Transmission Company, an Ameren subsidiary dedicated to electric transmission infrastructure investment.

ATXI - Ameren Transmission Company of Illinois, an Ameren subsidiary that is engaged in the construction and operation of electric transmission assets in Illinois and other states.

Client Company – Ameren Missouri.

Composite - an allocation methodology utilizing a simple average of sales (kwh and dekatherm), number of customers and number of employees. Each factor is equally weighted.

ERA - Energy Risk Assurance Company, an Ameren subsidiary which provides captive insurance coverage for regulated and non-regulated companies.

FERC – Federal Energy Regulatory Commission, a governmental agency of the United States of America that, among other things, regulates interstate transmission and wholesale sales of electricity and gas and related matters.

Section 3: Description of Services

A description of the services to be provided by Ameren Services is detailed below. Services are grouped into functional areas. Services listed are not limited to one functional area. Services may be moved between functional areas. Identifiable costs for all of the functional areas listed below will be directly charged to Client Company, whenever possible.

For costs that cannot be directly assigned or distributed, the direct cost allocation factors listed, or an indirect allocation (functional or corporate), will be used.

a. Ameren Services Center Functional Area

Services – Including, but not limited to, transactional and compliance services, including accounts payable, payroll, customer payments, bank reconciliations, personnel and policy administration, records management, print services, and mail.

b. Controller Functional Area

Services – Including, but not limited to, accounting services to properly maintain and report on the books and records, investor relations services, internal controls, margin analysis, business services and back office accounting support, and regulatory filings.

c. Corporate Communications Functional Area

Services – Including, but not limited to, corporate communications services, advocacy, leadership support, advertising and marketing, employee communications and events, community support efforts, media relations, digital communication strategies, investor communications, and corporate crisis communication support.

d. Corporate Planning & Environmental Services Functional Area

Services – Including, but not limited to, corporate planning services, regulatory support, resource planning, business analysis, business and transaction risk policy management, corporate oversight, continuous improvement support, community and business development, environmental compliance services, hazardous substance site investigations, and remediation activities.

e. Energy Delivery Technical Services Functional Area

Services – Including, but not limited to, energy supply services, coordinating the use of the generating, transmission and interconnection facilities to provide economical and reliable energy, engineering and construction services, project management, studying technology that may reduce costs of producing, delivering and using electricity or gas, substation maintenance and system planning, and training services.

f. Executive Functional Area

Services – Including, but not limited to, executive management.

g. General Counsel Functional Area

Services – Including, but not limited to, general legal advice and legal services in regards to litigation, legislative activities, regulatory agencies and security matters, physical security, crisis management services, processing claims activity, corporate governance, North American Reliability Corporation (NERC) and other regulatory compliance, regulatory filings, maintaining board of directors record, and conducting stockholder meetings.

h. Human Resources Functional Area

Services – Including, but not limited to, employee services, including required regulatory reporting and maintenance of personnel records, designing and managing human resource programs, compensation and benefit plans, policies and diversity and inclusion programs, resourcing workforce needs through hiring and/or contingent labor programs, employee and leadership training and development, and labor relations, including negotiation and contract management.

i. Information Technology Services Functional Area

Services – Including, but not limited to, development and operational support of computer software, telecommunications, telephony, data center and network infrastructure used to conduct business, operations and engineering activities, business technology planning and enterprise architecture services, cybersecurity governance, policies and procedures necessary to protect customer and employee data and to safely and securely generate, transmit and distribute gas and electric services to customers, and maintaining all billing records and processing customer meter readings.

j. Internal Audit Functional Area

Services – Including, but not limited to, providing independent, objective assurance and consulting services, assisting senior management in achieving business objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of processes, systems, and compliance with Company policies, assessing whether there are appropriate internal controls over financial reporting, business risks, business processes and functions, information systems, and related governance processes, and whether such areas are designed and functioning as intended by management.

k. Supply Services & Safety Functional Area

Services – Including, but not limited to, purchasing and supply services including the procurement of goods and services, materials inventory management services, safety services, including analysis and advocacy of health and safety issues, building and

facility management services for affiliate owned and leased facilities, excluding power plants, real estate services, including acquisition of necessary land rights and permits including coordination of site selection, and maintaining existing land rights while permitting licenses and leases to minimize investment or costs of holding property.

l. Tax Functional Area

Services -- Including, but not limited to, tax services including research and consultation on tax issues in connection with federal, state and local tax compliance, accounting, audit and planning matters, including the preparation and filing of returns and preparation, and filing and advocacy of regulatory tax reports.

m. Transmission Functional Area

Services -- Including, but not limited to services related to transmission, including operations, maintenance, vegetation management, engineering, construction, technical support, planning, policy support, risk management, and financial and regulatory services, project management, scheduling, and estimating and stakeholder relations services for transmission-related projects.

n. Treasurer Functional Area

Services -- Including, but not limited to, corporate finance, banking services, trust investment management, insurance and credit risk management, financial modeling services and regulatory filings.

Section 4: List of Goods and Services:

Goods and services provided to or received from affiliates:

Energy Sales and Purchases
Sales and Purchase of Assets
Labor (benefits and associated costs)
Rental of Assets
Stores Inventory transfers
Transportation costs
Interest (Money Pool, Notes, Accounts Payable, etc.)
Depreciation of Ameren Services Assets
Insurance Coverage

Goods and services provided to or received from affiliates undertaken without a contract:

Sales and Purchase of Assets
Labor (benefits and associated costs) – Affiliates other than Ameren Services
Stores Inventory transfers
Transportation costs

Rental of assets

Above goods and services transactions are based upon the business needs of Ameren Missouri and affiliates, that cannot be predicted (storm restoration, construction expertise, manpower requirements, and special testing, etc.) and/or the transaction is not material in the total scheme of Ameren Missouri operations.

Section 5: General Allocation Concepts:

The guiding principle is to operate under cost allocation guidelines which fairly and equitably allocate costs to those affiliates causing the costs to be incurred.

The accounting systems are aligned with the legal entity structure of Ameren and its affiliates, which is consistent with how Ameren reports externally to regulators and shareholders. Generally, costs are directly charged to one or more legal entities if the entity or entities can be specifically identified. If the costs cannot be identified with one or more entities they are allocated to a group of entities based on certain predetermined allocation methodology. Costs are allocated at the originator's fully distributed cost. Labor, when charged, will include overheads related to pension, benefits and payroll taxes. This fully distributed labor cost is based on the market as salaries are set utilizing market-based wage, salary and benefit surveys and other benchmarking information relating to the compensation being provided for comparable positions in other companies.

With regard to Ameren Missouri, cost allocations/affiliated transactions originate from several sources. Attached as Section 9 is a listing of contracts with affiliated entities of which Ameren Missouri is party. Copies of contracts shown are available for review at the Ameren corporate headquarters. While Ameren Missouri affiliates may have access to Ameren Missouri contracts and regulated facilities, such access is governed by applicable federal and state law and does not adversely impact the reliability or customer service. Additionally, access to contracts and facilities by unregulated affiliates is subject to the same rules of access afforded non-affiliated persons/customers. Some of the primary contracts are as follows:

- **General Services Agreement with Ameren Services.**
- **Tax Allocation Agreement**—an agreement between Ameren and all subsidiaries included in the consolidated income tax return. This agreement addresses the fair and equitable allocation of income tax liabilities.
- **Utility Money Pools**—an agreement between Ameren and each of its utility subsidiaries. Addresses the periodic short-term cash and working capital needs of the participating parties.

Section 6: Description of Allocation Factors:

The following allocation factors will be utilized:

Direct In addition to the allocation factors listed below, appropriate direct allocations will be made for costs benefiting a single company.

Indirect Functional and Corporate Indirect allocations will also be made to all affiliates. Indirect Costs shall include those costs of a general overhead basis which cannot be identified to a single company or group of companies. These indirect costs are defined as either functional or corporate in nature. Functional indirect costs, such as office supplies and secretarial labor, will be accumulated by functional area and distributed to companies based on the ratio of total direct and direct allocated costs charged to the company by a particular functional area as compared to all such costs charged to all companies for which services are provided. Indirect costs identified as corporate in nature, such as Ameren Services' banking activities and rent, will be distributed to companies served based on the ratio of total direct and direct allocated costs charged to the company by Ameren Services as compared to all such costs charged to all companies to which services are provided.

AMC-Shared The Corporate allocation factor allows a two-step process to manually allocate costs to Ameren, Client Company and Other companies when existing allocation methods do not adequately reflect the level of services or benefits received. After allocating this percentage of total costs to Ameren, the remaining costs will be allocated based upon one of the factors below.

Composite Allocated Direct Factors:

Operational Composite-Sales/Customers/Employees Based on an equal weighting of the sales (kwh & dekatherm), Number of Customers (total), and/or Number of Employees (total) allocation factors. The numerator of which is the simple average of the above three factors for a company and the denominator of which is for all companies served. This ratio will be determined annually and/or at such time as may be required due to a significant change in circumstances.

Corporate Composite -Revenues/Assets/Labor Based on an equal weighting of the Revenues (total), Assets (total), and Labor (total) allocation factors. The numerator of which is the simple average of the above three factors for a company and the denominator of which is for all companies served. This ratio will be determined annually and/or at such time as may be required due to a significant change in circumstances.

Revenue Related Allocated Direct Factors:

Number of Customers Based on the number of customers (electric and/or gas or combination) at the end of the most recent calendar year. The numerator of which is for a company and the denominator of which is for all companies served or a subset of companies served. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Sales Based on the sales volume (kwh and/or dekatherms) for the most recent calendar year. The numerator of which is for a company and the denominator of which is for all companies

served. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Revenues Based on revenues (electric and/or gas) for the most recent calendar year. The numerator of which is for a company or an affected affiliate company. The denominator of which is for all companies served and/or affected affiliate companies. This ratio will be determined annually, or at such time as may be required due to a significant change in circumstances.

Peak Load (electric) Based on the average 12 month coincidental peak (CP) for the 12 months ending June of the prior year. The numerator of which is for a company and the denominator of which is for all companies served. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Peak Load (gas) Based on the highest daily send out in therms (excluding transportation) for the most recent calendar year. The numerator of which is for a company and the denominator of which is for all companies served. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Gas Throughput Based on gas throughput in dekatherms (sales and transportation) for the most recent calendar year. The numerator of which is for a company. The denominator of which is for all companies served. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Labor/ Employee Related Allocated Direct Factors:

Number of Employees Based on the number of employees (contract and/or non-contract, or electric operating and/or gas operating) at the end of the most recent calendar year. The numerator of which is for a company or an affected affiliate company. The denominator of which is for all companies served and affected affiliate companies. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Labor Based on the Labor for the most recent calendar year. Labor includes salaries and other compensation but does not include benefits. The numerator of which is for a company or an affected affiliate and the denominator of which is for all companies served and affected affiliate companies. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Asset Related Allocated Direct Factors:

Total Capitalization Based on total capitalization (total common stockholder's equity, preferred stock, and long term debt) at the end of the most recent calendar year. The numerator of which is for a company. The denominator of which is for all companies served. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Total Assets Based on total assets at the end of the most recent calendar year. The numerator of which is for a company. The denominator of which is for all companies served. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Gross Plant-in-Service plus CWIP (Absolute Value) Based on the Gross Plant-in Service (Absolute Value) (Total Property and Plant in Service, adding back Depreciation and Amortization, plus CWIP, adding back Nuclear Fuel Settlement) at the end of the most recent calendar year. The numerator of which is the total of Gross Plant-in-Service plus CWIP of a company, the denominator of which is for all companies served. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Expenditure Related Allocated Direct Factors:

Construction Expenditures Based on construction expenditures for the most recent calendar year. The numerator of which is for a company. The denominator of which is for all companies served. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Non-Fuel Expenditures Based on the dollar expenditure of non-fuel transactions. The numerator is the dollar expenditure of non-fuel transactions for a company. The denominator of which is the total dollar expenditure of non-fuel transactions, excluding Ameren Services, for all companies served. The ratio will be determined annually, and/or at such times as may be required due to a significant change in circumstances.

Current Tax Expense Based on taxes charged (income and other) for the most recent calendar year. The numerator of which is for a company. The denominator of which is for all companies served. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Governmental Affairs Based on the information by governmental affairs personnel as to which companies will be supported in the coming year. The ratio will be determined annually, and/or at such times as may be required due to a significant change in circumstances.

Units & Usage Related Allocated Direct Factors:

Generating Capacity (nameplate) Based on installed capacity nameplate ratings at the end of the most recent calendar year. The numerator of which is for a company and the denominator of which is for all companies served. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Electric Net Output Based on the total electric net output (megawatt hours) at the end of the most recent calendar year. The numerator of which is for a company and the denominator of which is for all companies served. This ratio will be determined annually and/or at such time as may be required due to a significant change in circumstances.

Electric Net Generation (Megawatt Hours) Based on the electric net generation (megawatt hours) at the end of the most recent calendar year. The numerator of which is for Client Company, and the denominator of which is for all companies served by Ameren Services. This ratio will be determined annually and/or at such time as may be required due to a significant change in circumstances.

Number of Vehicles Based on number of vehicles at the end of the most recent calendar year. The numerator of which is for a company and the denominator of which is for all companies

served. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Number of General Ledger Transactions Based on the number of general ledger transactions. The numerator of which is the number of general ledger transactions for a company. The denominator of which is the total number of general ledger transactions, excluding Ameren Services and elimination corporations (ELMS), for all companies served. This ratio will be determined annually, and/or at such time as may be required due to a significant change in circumstances.

Number of Accounts Payable Vouchers Based on the number of accounts payable vouchers. The numerator is the number of accounts payable vouchers for a company and the denominator of which is the total number of accounts payable vouchers, excluding Ameren Services, for all companies served. The ratio will be determined annually, and/or at such times as may be required due to a significant change in circumstances.

Number of Active Projects Based on the number of active projects in the system. The numerator is the number of projects for a company and the denominator of which is the total number of all active projects, excluding Ameren Services, for companies served. This ratio will be calculated annually, and/or at such time as it may be required due to a significant change in circumstances.

Number of Major Projects Based on the number of projects greater than \$25 million. The numerator is the number of projects greater than \$25 million for a company and the denominator of which is the total number of projects greater than \$25 million, excluding AMS, for all companies served by Ameren Services. The ratio will be determined annually, and/or at such times as may be required due to a significant change in circumstances.

Number of Computer Devices Based on the number of computer devices managed by Information Technology. The numerator is the number of Information Technology managed computer devices for a company, and the denominator is the total number of managed computer devices, excluding AMS, for all companies served by Ameren Services. This ratio will be calculated annually, and/or at such time as it may be required due to a significant change in circumstances.

Computer Server Usage – Other than UNIX Based on the number of computer non-UNIX servers assigned to a Client Company or business segment, a ratio will be determined. The business segment will be reallocated based on the appropriate factor to support multiple corporations. For example, non-UNIX computer servers that support Energy Delivery will use customer counts to reallocate. The number of non-UNIX computer servers assigned to a company will be used as the numerator, and the denominator will be the total number of non-UNIX computer servers assigned. The ratio will be determined annually, and/or at such times as may be required due to a significant change in circumstances.

Computer Server Usage - UNIX Based on the number of UNIX computer servers assigned to a company or business segment, a ratio will be determined. The business segment will be reallocated based on the appropriate factor to support multiple corporations. For example, UNIX computer servers that support Energy Delivery will use customer counts to reallocate. The number of UNIX computer servers assigned to a company will be used as the numerator, and the

denominator will be the total number of UNIX computer servers assigned. The ratio will be determined annually, and/or at such times as may be required due to a significant change in circumstances.

Computer Storage Device Usage Based on the storage device usage by a company or business segment, a ratio will be determined. The business segment will be reallocated based on the appropriate factor to support multiple corporations. For example, computer storage device usage that supports Energy Delivery will use customer counts to reallocate. The storage device usage assigned to a company will be used as the numerator, and the denominator will be the total device usage assigned. The ratio will be determined annually, and /or at such times as may be required due to a significant change in circumstances.

Section 7: Allocation Factors:

INDIRECT ALLOCATION FACTORS

<u>Allocation Number</u>	<u>Description</u>
F_xx	Functional Indirect Allocation Factors, where "xx" will indicate a Functional Service area
CORP	Corporate Indirect Allocation

DIRECT ALLOCATION FACTORS

<u>Allocation Number</u>	<u>Description</u>
###	Direct allocation to a single company, where ### is an abbreviation for that affiliated company (for example, AIC and UEC)

ALLOCATED DIRECT COST FACTORS

<u>Allocation Number</u>	<u>Description</u>
001A	Operational Composite (Sales/ Customers/ Employees)
002A	Number of customers
002C	Number of electric customers
002D	Number of gas customers
002K	# Electric Distribution Customers
002L	# Electric/Gas Distribution Customers
003A	Sales (kwh and dekatherm)
003B	Kwh sales
003C	Gas M-Btu Sales

004A	Number of employees
004B	Number of contract employees
004C	Number of non-contract employees
004P	Number of Energy Delivery Employees
005A	O&M labor
005B	O&M labor (Electric)
005C	O&M labor (Gas)
006A	Total revenues
006B	Electric revenues
006C	Gas revenues
007A	Total capitalization
008A	Total assets
008C	Gross Plant-In-Service plus CWIP (Absolute Value)
009A	Construction expenditures
010A	Peak load (electric)
010B	Peak load (gas)
011A	Generating capacity (Nameplate)
011B	Generating capacity (Fossil)
012A	Gas throughput (includes transportation)
012B	Total electric net output
012D	Electric Net Generation (MWh)
015A	Current tax expense
016A	Number of vehicles
017A	Number of General Ledger Transactions
017B	Number of Accounts Payable Vouchers
017C	Number of Projects (Active)
017E	Number of Major Projects
018A	Number of Managed Computer Devices
018D	Non-Fuel Expenditures
018E	Computer Server Usage – Other than UNIX
018F	Computer Server Usage - UNIX
018G	Storage Device usage
019A	Governmental Affairs allocation

Section 8: Summary of Affiliated Transactions:

**Summary of Affiliated Transactions between Ameren Corporation and Ameren Missouri
For Twelve Months Ended December 31, 2015**

Transactions Billed from Ameren Missouri to Ameren Corporation for Goods & Services:

NONE

Transactions Billed from Ameren Corporation to Ameren Missouri for Goods & Services:

NONE

**Summary of Affiliated Transactions between Missouri Energy Risk Assurance Company
and Ameren Missouri For Twelve Months Ended December 31, 2015**

Transactions Billed from Ameren Missouri to Ameren Corporation for Goods & Services:

NONE

Transactions Billed from Ameren Corporation to Ameren Missouri for Goods & Services:

NONE

**Summary of Affiliated Transactions between Ameren Illinois and Ameren Missouri
For Twelve Months Ended December 31, 2015**

Transactions Billed from Ameren Missouri to Ameren Illinois for Goods & Services:
Balance Sheet Transactions

Utility	Account	Trantype	Amount
1	146		\$11,355,900.15
1	154		\$(3,970,533.49)
1	184		\$299,352.00
1	241		\$410.22
1	303	0	\$120,669.60
1	353	0	\$(8,135.90)
1	354	0	\$(2,125.00)
1	355	0	\$(129,605.00)
1	356	0	\$(21,409.00)
1	362	0	\$(1,550.00)
2	367	7	\$(8,939.49)
1	368	2	\$(5,169,469.00)
1	368	7	\$528,190.00
1	370	2	\$(74,012.00)
1	370	7	\$9,316.00
1	391	0	\$(461,345.02)
2	381	2	\$(14,517.00)
2	381	7	\$897.00

Income Statement Transactions

Utility	Account	Amount
1	454	\$(495,135.48)
1	457	\$(1,936,813.71)
1	506	\$(46,747.31)
1	569	\$(53.23)
1	588	\$(3,142.22)
1	592	\$(2,112.02)
1	593	\$(5,383.66)
1	921	\$54,802.36
2	493	\$(18,508.80)

Transactions Billed from Ameren Illinois to Ameren Missouri for Goods & Services:
Balance Sheet Transactions

Utility	Account	Trantype	Amount
1	154		\$2,693,882.86
1	234		\$(8,829,875.16)
1	303	0	\$182,255.11
1	353	0	\$5,601.06
1	354	0	\$224,484.00
1	368	2	\$6,019,348.00
1	368	7	\$(484,470.00)
1	370	2	\$16,811.00
1	370	7	\$(1,075.00)
1	374	0	\$22,662.12
1	392	2	\$69,681.00
1	392	7	\$(40,019.00)

Income Statement Transactions

Utility	Account	Amount
1	580	\$1,824.99
1	592	\$8,679.21
1	920	\$12,325.66
1	931	\$37,796.15
2	880	\$60,088.00

Summary of Affiliated Transactions between Medina Valley Cogen Company and Ameren Missouri For Twelve Months Ended December 31, 2015

Transactions Billed from **Ameren Missouri to Medina Valley Cogen Company** for Goods & Services:

Balance Sheet Transactions

Utility	Account	Trantype	Amount
1	146		\$976,168.54

Income Statement Transactions

Utility	Account	Amount
1	457	\$(691,175.64)
1	921	\$(284,992.90)

Transactions Billed from **Medina Valley Cogen Company to Ameren Missouri** for Goods & Services:

Balance Sheet Transactions

Utility	Account	Trantype	Amount
1	234		\$(284,992.90)

Income Statement Transactions

Utility	Account	Amount
1	921	\$284,992.90

**Summary of Affiliated Transactions between Ameren Transmission Company of Illinois
and Ameren Missouri For Twelve Months Ended December 31, 2015**

Transactions Billed from **Ameren Missouri to Ameren Transmission Company of Illinois** for
Goods & Services:

Balance Sheet Transactions

Utility	Account	Trantype	Amount
1	146		\$662,204.69
1	154		\$(7,398.00)
1	355	0	\$(149,198.49)
1	355	5	\$(11.50)
1	356	0	\$630.43
1	356	5	\$(72.16)
1	374	0	\$(276,736.46)
1	377	0	\$(3,335.43)
1	379	0	\$(4,454.72)

Income Statement Transactions

Utility	Account	Amount
1	457	\$(9,490.00)
1	506	\$(212,138.36)

Transactions Billed from **Ameren Transmission Company of Illinois to Ameren Missouri** for
Goods & Services:

Balance Sheet Transactions

Utility	Account	Trantype	Amount
1	234		\$(129,435.00)
1	353	0	\$129,435.00

**Summary of Affiliated Transactions between Ameren Services and Ameren Missouri
For Twelve Months Ended December 31, 2015**

Transactions Billed from **Ameren Missouri to Ameren Services** for Goods & Services:

Balance Sheet Transactions

Utility	Account	Trancode	Amount
1	146		\$24,380,523.41
1	154		\$(194,517.00)
1	184		\$(646,894.00)

1	303	0	\$(12,170.00)
1	374	0	\$3,407.00

Income Statement Transactions

Utility	Account	Amount
1	419	\$109,799.27
1	454	\$(23,639,178.96)
1	588	\$(969.72)
2	493	(715,234.69)

Transactions Billed from Ameren Services to Ameren Missouri for Goods & Services:

Balance Sheet Transactions

Utility	Account	Trancode	Amount
1	183		\$152,625.66
1	184		\$1,896,717.98
1	188		\$162,055.82
1	228		\$30,799.35
1	234		\$(167,332,923.48)
1	303	0	\$1,299,289.42
1	311	0	\$266.00
1	312	5	\$41,107.00
1	331	0	\$17,745.00
1	350	0	\$16,409.83
1	362	0	\$345,823.00
1	362	5	\$4,137.00
1	364	0	\$18,806.86
1	374	0	\$16,062,600.70
1	379	0	\$8,456,957.28
1	391	0	\$2,385.00
2	324	0	\$40,759.00
2	329	0	\$1,081,821.55
2	374	0	\$1,260.00

Income Statement Transactions

Utility	Account	Amount
1	418	\$271.00
1	421	\$(50.25)
1	426	\$1,565,993.36
1	430	\$8,889.80
1	456	\$(16,347.00)
1	506	\$1,432,501.69

1	514	\$5,314.00
1	517	\$6,874.16
1	524	\$1,218,227.06
1	528	\$11,881.00
1	532	\$7,045.00
1	539	\$59,510.92
1	549	\$182,079.29
1	557	\$1,019,767.82
1	560	\$1,983,823.05
1	561	\$3,513,115.38
1	566	\$3,231,401.83
1	568	\$420,123.00
1	569	\$848,378.66
1	571	\$277,629.00
1	580	\$980,273.69
1	584	\$32,664.00
1	588	\$1,051,794.69
1	590	\$699,524.67

Income Statement Transactions

Utility	Account	Amount
1	593	\$66,090.09
1	598	\$4,891.39
1	701	\$5,026,507.70
1	702	\$555.82
1	705	\$224,418.00
1	706	\$38,055.00
1	707	\$6,875.63
1	709	\$(257,205.00)
1	732	\$2,365.00
1	903	\$499,385.32
1	905	\$8,917.00
1	908	\$991,431.33
1	909	\$426,282.18
1	910	\$3,543.00
1	912	\$1,267.00
1	920	\$48,478,885.03
1	921	\$18,525,753.47
1	923	\$19,661,894.84
1	924	\$8,173.00
1	925	\$3,809,673.65
1	926	\$1,010,839.88
1	928	\$91,510.51
1	930	\$3,453,400.57
1	931	\$9,879,238.13

1 935 \$975,832.13

Income Statement Transactions

Utility	Account	Amount
2	426	\$34,838.00
2	867	\$52.00
2	870	\$980.00
2	880	\$366,771.50
2	885	\$207,745.85
2	903	\$195,277.00
2	905	\$1,447.00
2	908	\$5,840.00
2	909	\$29,468.00
2	910	\$197.00
2	912	\$95.00
2	920	\$4,289,908.69
2	921	\$56,039.78
2	923	\$14,601.46
2	925	\$265,072.44
2	930	\$45,600.82
2	931	\$704,163.00
2	935	\$3,993.00

Transactions Billed from Ameren Missouri to Ameren Development Company for Goods & Services:

NONE

Transactions Billed from Ameren Development Company to Ameren Missouri for Goods & Services:

NONE

Section 9: Contracts with Affiliated Entities:

1. General Services Agreement, as amended.
2. Utility Money Pool Agreement.
3. Ameren Corporation short-term loan to Ameren Missouri. This is not part of the utility money pool funds, but is administered according to the same general terms and conditions of the utility money pool agreement.
4. ILL-MO Pool Agreement between Ameren Missouri, Ameren Illinois, dated February 18, 1972.
5. Facility Use agreement between Ameren Missouri and Ameren Illinois, dated May 2, 2005.
6. Tax Allocation Agreement, as amended.
7. Ground Lease between Ameren Missouri and Ameren Illinois on the Hamilton substation, dated May 2, 2005.
8. Nuclear Accidental Outage Policy between Missouri Energy Risk Assurance Company (MRA) and Ameren Missouri, policy period is April 1, 2014 to April 1, 2015.
9. Parallel Operating Agreement between Ameren Missouri (as assigned) and Ameren Illinois in connection with Ameren Missouri's Pinckneyville generating station, dated November 9, 1999.
10. Parallel Operating Agreement between Ameren Missouri (as assigned) and Ameren Illinois in connection with Ameren Missouri's Kimmundy generating station, dated May 1, 2001.
11. Parallel Operating Agreement between Ameren Missouri (as assigned) and Ameren Illinois in connection with Ameren Missouri's Raccoon Creek generating station, dated April 9, 2002.
12. Interconnection and Operating Agreement between Ameren Missouri (as assigned) and Ameren Illinois in connection with Ameren Missouri's Goose Creek generating station, dated August 26, 2003.
13. Large Generator Interconnection Agreement between Ameren Missouri, Ameren Illinois, and MISO in connection with Ameren Missouri's Venice generation station, dated May 2, 2005.
14. A Construction Agreement between Ameren Missouri, Ameren Transmission Company of Illinois, and MISO in connection with Ameren Transmission Company of Illinois Maywood switching station in Marion County, Missouri, dated October 2, 2015.
15. Energy Supply Agreement between Ameren Missouri and Ameren Illinois, dated May 5, 2014 for the period June 1, 2014 through February 28, 2017.
16. Energy Supply Agreement between Ameren Missouri and Ameren Illinois, dated April 2, 2015 for the period June 1, 2015 through June 30, 2017.
17. Energy Supply Agreement between Ameren Missouri and Ameren Illinois, dated September 17, 2015 for the period March 1, 2016 through March 31, 2018.
18. Capacity Supply Agreement between Ameren Missouri and Ameren Illinois, dated September 17, 2015 for the period June 1, 2016 through May 31, 2017.

Section 10: Affiliated & Non-Affiliated Debt:

Ameren Missouri shall report in its Cost Allocation Manual each affiliate transaction event when it borrows money at interest rates higher than available from non-affiliated lenders or pays off non-affiliated debt with lower interest rates than is charged for affiliate debt. Each transaction shall contain the justification for Ameren Missouri entering into such a transaction.

No transactions currently meet these conditions.

Ameren Missouri's
Response to MIEC Data Request
ER-2016-0179

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

Data Request No.: MIEC 6-1

Provide the following for the Ameren Management Services ("AMS") costs charged to Ameren Missouri in working Excel format, with formulas intact:

- a. The total amount charged to Ameren Missouri's books for the test year in this case, by Federal Energy Regulatory Commission ("FERC") account;
- b. Identify the portion of each of the amounts in subpart (a) that is "direct," "direct allocated," and "indirect" AMS cost.

RESPONSE

Prepared By: Laura Moore
Title: Director, Regulatory Accounting
Date: November 29, 2016

See the attached file.

Ameren Missouri's
 Response to MPSC Data Request
 Docket No. ER-2016-0179
 In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its
 Revenues for Electric Service

Data Request No.: MPSC 0042

Please provide access to review all documentation related to the development of all cost allocation factors used to allocate any costs from Ameren Corporation, Ameren Services or any other Ameren Missouri affiliated entity to allocate costs to Ameren Missouri's electric and gas operations. 2. Provide these allocation factors by month beginning January 1, 2015 through December 31, 2016 as information becomes available. If any of this information is available in Ameren Missouri's CAM, or the PW19650 Report, please reference all applicable sections and pages of each document that applies. 3. Please provide the amount of Ameren Services (AMS) costs allocated to Ameren Missouri (UEC) for the Test Year with a breakdown of O&M, Capitalized and Other listed separately for both electric and gas operations 4. Please provide all workpapers supporting the calculation of the percentage AMS allocated to UEC for the 12-months ending December 31 for years 2015, 2016 and the estimated AMS percentage allocated to UEC for 2017 when available.

RESPONSE

Prepared By: Ben Hasse
Title: Financial Specialist
Date: July 27, 2016

1. Attached is a document showing the calculations of the 2015 (Excel file 'Allocation Factors – 2015-DR') and 2016 (Excel file '2016 Allocation Factors-DR') allocation factors.
2. Attached are the allocation factors by month beginning January 2015 (PDF files containing PW12613 in the file name). Each quarter, the MPSC Staff is provided with the allocation factors in report PW-12613.
3. Below are the Ameren Services billings to Ameren Missouri, broken down as requested for the test year:

Row Labels	Sum of Amount
Electric	160,554,597.97
Capital	25,929,047.40
O&M	125,910,832.41
Other	8,714,718.16
Gas	7,254,872.25
Capital	1,080,045.55
O&M	6,138,272.70
Other	36,554.00
Grand Total	167,809,470.22

4. Ameren Services will make the requested workpapers available for review at the Company's St. Louis offices at a mutually agreeable time. Please contact Mary Hoyt at 314-554-2514 or mhoyt@ameren.com to arrange the review.

2015 Allocation Factors

-----TARGET CORP-----

Factor	Description	Total	ADC	AIC	AMC	ITC	UEC
ADC	100% to Ameren Development	100%	100.00%				
AIC	100% to Ameren Illinois Company	100%		100.00%			
AMC	100% to Ameren Corporation	100%			100.00%		
ITC	100% to Ameren Transmission Company of IL	100%				100.00%	
UEC	100% to AmerenUE	100%					100.00%
001a	Electric/Gas Composite (T&D & Interchange MO/IL) *	100%	0.00%	57.72%	0.00%	0.00%	42.28%
001e	Gas Composite (T&D Interchange Sales & T&D customers MO/IL)**	100%	0.00%	87.48%	0.00%	0.00%	12.52%
002a	# of Customers(T&D Interchange Electric/Gas in MO/IL)^^^	100%	0.00%	60.53%	0.00%	0.00%	39.47%
002b	# of Gas Transportation Customers (MO/IL)	100%	0.00%	90.60%	0.00%	0.00%	9.40%
002c	# of Customers (T&D & Interchange electric in MO/IL)^^^	100%	0.00%	50.53%	0.00%	0.00%	49.47%
002d	# of Gas Customers (T&D in MO/IL)	100%	0.00%	86.36%	0.00%	0.00%	13.64%
002j	# Electric Customers Non-Residential (MO/IL)	100%	0.00%	50.38%	0.00%	0.00%	49.62%
002k	# Electric Distribution Customers (MO/IL)	100%	0.00%	50.53%	0.00%	0.00%	49.47%
002l	# Electric/Gas Distribution Customers (MO/IL)	100%	0.00%	60.53%	0.00%	0.00%	39.47%
003a	Electric/Gas Sales (T&D and Interchange in MO/IL)	100%	0.00%	67.69%	0.00%	0.00%	32.31%
003b	Electric Sales (T&D and Interchange in MO/IL)	100%	0.00%	46.79%	0.00%	0.00%	53.21%
003c	Gas Sales (T&D and Interchange in MO/IL)	100%	0.00%	88.59%	0.00%	0.00%	11.41%
004a	# of Employees (Mgmt & Contract)	100%	0.00%	44.95%	0.00%	0.00%	55.05%
004b	# of Contract Employees	100%	0.00%	43.74%	0.00%	0.00%	56.26%
004c	# of Non-Contract Employees	100%	0.00%	46.88%	0.00%	0.00%	53.12%
004o	# of Employees (Management & Contract (Excluding AME)	100%	0.00%	44.95%	0.00%	0.00%	55.05%
004p	# of Energy Delivery Employees	100%	0.00%	62.83%	0.00%	0.00%	37.17%
007a	Total Capitalization	100%	0.16%	24.72%	33.93%	1.13%	40.06%
008a	Total Assets	100%	0.10%	27.30%	26.32%	1.39%	44.89%
008c	Gross Plant In-Service plus CWIP (Absolute Value)	100%	0.04%	31.63%	0.00%	1.38%	66.95%
009A	Construction Expenditures	100%	0.00%	31.30%	0.00%	21.30%	47.40%
010a	Peak Load (Electric)	100%	0.00%	51.13%	0.00%	0.00%	48.87%
010b	Peak Load (Gas)	100%	0.00%	84.49%	0.00%	0.00%	15.51%
011a	Generating Capacity (All Plants)	100%	0.00%	0.00%	0.00%	0.00%	100.00%
011b	Generating Capacity (Fossil)	100%	0.00%	0.00%	0.00%	0.00%	100.00%
011c	Generating Capacity excluding CTGS (Except Grand Tower)	100%	0.00%	0.00%	0.00%	0.00%	100.00%
012a	Gas Throughput (Incl. Transp.)	100%	0.00%	90.40%	0.00%	0.00%	9.60%
012b	Total Electric Net Output	100%	0.00%	0.00%	0.00%	0.00%	100.00%
012c	Gas Throughput	100%	0.00%	89.75%	0.00%	0.00%	10.25%
012d	Electric Net Generation	100%	0.00%	0.00%	0.00%	0.00%	100.00%
015a	Current Tax Expense	100%	0.32%	33.11%	0.17%	0.96%	65.44%
016a	# of Vehicles	100%	0.00%	62.18%	0.00%	0.00%	37.82%
017a	# of General Ledger Transactions	100%	0.39%	50.95%	1.13%	1.64%	45.89%
017b	# of Accounts Payable Vouchers	100%	0.06%	45.48%	0.54%	3.01%	50.91%
017c	# Projects (Active & Closed) All Projects	100%	0.45%	47.93%	0.12%	0.79%	50.71%
017e	Major Projects	100%	0.00%	31.43%	0.00%	8.57%	60.00%
018a	Number of Managed PCs	100%	0.00%	36.56%	0.00%	0.00%	63.44%
018d	Purchasing Spend	100%	0.00%	47.61%	0.21%	10.40%	41.78%
018e	Comp Server Usage - Other	100%	0.04%	42.15%	0.11%	0.16%	57.54%
018f	Comp Server Usage - Unix	100%	0.08%	48.42%	0.22%	0.32%	50.96%
018g	Computer Storage	100%	0.01%	41.58%	0.02%	0.04%	58.35%
019a	Governmental Affairs	100%	0.02%	31.53%	0.00%	4.98%	63.47%

2016 Allocation Factors

Factor	Description	Total	TARGET CORP							
			ADC	AIC	AMC	ATE	ATS	ITC	MV1	UEC
ADC	100% to Ameren Development	100%	100.00%							
AIC	100% to Ameren Illinois Company	100%		100.00%						
AMC	100% to Ameren Corporation	100%			100.00%					
ATE	100% to Ameren Transmission East	100%				100.00%				
ATS	100% to Ameren Transmission South	100%					100.00%			
ITC	100% to Ameren Transmission Company of IL	100%						100.00%		
UEC	100% to Ameren UEC	100%								100.00%
001a	Electric/Gas Composite (T&D & Interchange MO/IL) *	100%	0.00%	58.01%	0.00%	0.00%	0.00%	0.00%	0.00%	41.99%
002a	# of Customers (T&D Interchange Electric/Gas in MO/IL)^^^	100%	0.00%	60.14%	0.00%	0.00%	0.00%	0.00%	0.00%	39.86%
002c	# of Customers (T&D & Interchange electric in MO/IL)^^^	100%	0.00%	50.12%	0.00%	0.00%	0.00%	0.00%	0.00%	49.88%
002d	# of Gas Customers (T&D in MO/IL)	100%	0.00%	86.18%	0.00%	0.00%	0.00%	0.00%	0.00%	13.82%
002k	# Electric Distribution Customers (MO/IL)	100%	0.00%	50.12%	0.00%	0.00%	0.00%	0.00%	0.00%	49.88%
002l	# Electric/Gas Distribution Customers (MO/IL)	100%	0.00%	60.14%	0.00%	0.00%	0.00%	0.00%	0.00%	39.86%
003a	Electric/Gas Sales (T&D and Interchange in MO/IL)	100%	0.00%	67.09%	0.00%	0.00%	0.00%	0.00%	0.00%	32.91%
003b	Electric Sales (T&D and Interchange in MO/IL)	100%	0.00%	45.27%	0.00%	0.00%	0.00%	0.00%	0.00%	54.73%
004a	# of Employees (Mgmt & Contract)	100%	0.00%	46.79%	0.00%	0.00%	0.00%	0.00%	0.00%	53.21%
004b	# of Contract Employees	100%	0.00%	44.86%	0.00%	0.00%	0.00%	0.00%	0.00%	55.14%
004c	# of Non-Contract Employees	100%	0.00%	49.80%	0.00%	0.00%	0.00%	0.00%	0.00%	50.20%
004p	# of Energy Delivery Employees	100%	0.00%	60.89%	0.00%	0.00%	0.00%	0.00%	0.00%	39.11%
007a	Total Capitalization	100%	0.17%	24.40%	35.56%	0.00%	0.00%	2.95%	0.00%	36.92%
008a	Total Assets	100%	0.10%	27.68%	26.06%	0.00%	0.00%	2.63%	0.00%	43.53%
008c	Gross Plant-in-Service plus CWIP (Absolute Value)	100%	0.01%	32.57%	0.00%	0.00%	0.00%	2.60%	0.00%	64.82%
009A	Construction Expenditures	100%	0.00%	37.14%	0.00%	0.00%	0.00%	31.85%	0.00%	31.01%
010a	Peak Load (Electric)	100%	0.00%	50.73%	0.00%	0.00%	0.00%	0.00%	0.00%	49.27%
010b	Peak Load (Gas)	100%	0.00%	84.24%	0.00%	0.00%	0.00%	0.00%	0.00%	15.76%
012a	Gas Throughput (Incl. Transp.)	100%	0.00%	90.23%	0.00%	0.00%	0.00%	0.00%	0.00%	9.77%
012b	Total Electric Net Output	100%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
012c	Gas Throughput	100%	0.00%	89.30%	0.00%	0.00%	0.00%	0.00%	0.00%	10.70%
015a	Current Tax Expense	100%	0.19%	30.12%	4.98%	0.04%	0.03%	2.38%	0.06%	62.20%
016a	# of Vehicles	100%	0.00%	64.25%	0.00%	0.00%	0.00%	0.00%	0.00%	35.75%
017a	# of General Ledger Transactions	100%	0.33%	52.86%	0.86%	0.02%	0.07%	1.87%	0.14%	43.85%
017b	# of Accounts Payable Vouchers	100%	0.07%	47.53%	0.34%	0.00%	0.00%	4.26%	0.41%	47.39%
017c	# Projects (Active) All Projects	100%	0.41%	48.09%	0.11%	0.00%	0.05%	1.01%	0.28%	50.05%
017e	Major Projects	100%	0.00%	33.33%	0.00%	0.00%	0.00%	13.34%	0.00%	53.33%
018a	Number of Managed PCs	100%	0.00%	40.57%	0.00%	0.00%	0.00%	0.00%	0.00%	59.43%
018d	Purchasing Spend	100%	0.00%	47.33%	0.14%	0.00%	0.00%	18.63%	0.12%	33.78%
018e	Comp Server Usage - Other	100%	0.01%	43.88%	0.02%	0.00%	0.00%	0.04%	0.00%	56.05%
018f	Comp Server Usage - Unix	100%	0.06%	49.40%	0.15%	0.00%	0.01%	0.34%	0.03%	50.01%
018g	Computer Storage	100%	0.04%	43.75%	0.09%	0.00%	0.01%	0.20%	0.01%	55.90%
019a	Governmental Affairs	100%	0.01%	32.95%	0.00%	0.00%	0.00%	7.97%	0.00%	59.07%

Ameren Missouri's
Response to MPSC Data Request
ER-2016-0179

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

Data Request No.: MPSC 0388

Please provide all AMS costs allocated to Ameren Missouri separately for electric and gas and separately by capital, O&M and Other, by FERC Account, by Resource Type for the time period January 2013 through December 2015. Requested by: Lisa Ferguson lisa.ferguson@psc.mo.gov

RESPONSE

Prepared By: Laura Moore

Title: Director, Regulatory Accounting

Date: October 12, 2016

See the attached files.

Ameren Missouri's
Response to MPSC Data Request
ER-2016-0179

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

Data Request No.: MPSC 0388REV

Please provide all AMS costs allocated to Ameren Missouri separately for electric and gas and separately by capital, O&M and Other, by FERC Account, by Resource Type for the time period January 2013 through December 2015. Requested by: Lisa Ferguson lisa.ferguson@psc.mo.gov

RESPONSE

Prepared By: Laura Moore

Title: Director, Regulatory Accounting

Date: November 30, 2016

SUPPLEMENTAL RESPONSE:

Please note the following regarding the reports provided in the original response to MPSC 0388. By design, the system that produces the report overwrites three fields each time the report is run, as follows: RMC Function, Billing Type and SR Type. Consequently, if a report is run for a given past period (e.g., a calendar year) at one point in time and then run again for that same past period at a later date, any changes made to the underlying data that populates these three fields will produce differences between the two reports. For example, effective January 2017 the Company is planning to change the headcount allocation factors to allocators based on labor. After that change is made in the system, if we were to go back and run a report covering all or part of a period ending December 31, 2016 or earlier, the re-run report would show that the allocation factors were labor allocation factors for that prior period even though at the time covered by the period headcount allocators were used. The dollars allocated between the companies for the period at issue (and the underlying accounting) would not change, but the factors could change. Because the system overwrites these three fields, please be aware that (again using the example where the headcount allocation factors are changed to labor allocators), one cannot go back and recalculate the allocations based on the labor factor that would be shown in the report ran January 1, 2017 or after as compared to a report run prior to that time that covers the same period because the dollars would not match

because they would have been allocated based on headcount. The SR Type would be adjusted based on the change in the allocation factor. The other field that could change is the RMC function, which might change if there is a reorganization in the Business and Corporate Services organization.

Ameren Missouri's
Response to OPC Data Request
ER-2016-0179

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 1021

Reference the direct testimony of Ameren MO witness Dodd: Please provide in Excel format with all formulas intact, each and every worksheet, workpaper, or other document related to the CAM, corporate allocations, and all Ameren Services Company allocations produced by Ameren as a result of the each and every Stipulation and Agreement reached in File No. ER-2014-0258.

RESPONSE

Prepared By: Laura Moore
Title: Director, Regulatory Accounting
Date: October 14, 2016

Based on the clarification provided by OPC, see the attached files. The third quarter report will not be available until third quarter results are finalized.

Ameren Missouri's
Response to OPC Data Request
ER-2016-0179

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 1500

Ref. Direct Testimony of Ameren Witness Moore (Ameren Services). Please provide the following regarding AMS: a. Please confirm that, unlike Case No. ER-2014-0258, the Company's direct filing does not contain a separate annualization adjustment for AMS costs chargeable to Ameren Missouri. If the Company cannot provide the requested confirmation, please explain and provide a pinpoint reference to any such adjustment proposed by the Company. b. Ms. Moore generally discusses the Company's true-up request at pages 3-4. Please clarify the Company's intentions regarding the inclusion or exclusion of AMS for purposes of the true-up in this proceeding. c. Referring to part (b) above, please provide a reference to any pre-filed testimony addressing the amount of AMS costs included in the test year and how those costs may be handled in the true-up process. If none, please so state.

RESPONSE

Prepared By: Laura Moore
Title: Director, Regulatory Accounting
Date: October 27, 2016

1. The Company's direct filing does not contain an annualization adjustment for AMS costs.
2. Our initial inclination was to true up the AMS costs, however, we are still evaluating and haven't yet made a decision.
3. None.

Ameren Missouri's
Response to OPC Data Request
ER-2016-0179

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 1501

Ref. Direct Testimony of Ameren Witnesses Moore and Dodd (Ameren Services). Please provide the following: a. Please confirm that the Company's direct testimony in this proceeding does not discuss or summarize the amount of AMS costs direct charged or allocated to Ameren Missouri during the test year or any historical period. If the Company cannot provide the requested confirmation, please explain. b. For calendar years 2013, 2014 and 2015, please provide total AMS costs (segregated between expense and capital accounts) that was (i) direct charged and (ii) allocated to each AMC entity. If the requested information is not available, please explain. c. Referring to part (b) above, please additionally provide the requested information by month during the test year (i.e., twelve months ended March 2016) and for each individual month following the test year, as the information becomes available.

RESPONSE

Prepared By: Laura Moore
Title: Director, Regulatory Accounting
Date: October 26, 2016

1. Correct
2. See attached file.
3. See OPC 1021.

Ameren Missouri's
Response to OPC Data Request
ER-2016-0179

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 1505

Ref. Direct Testimony of Ameren Witness Dodd and Schedule JLD-2 and the response to Staff DR 42 (Ameren Services). At page 2 of Schedule JLD-2, the Ameren Missouri CAM provides a high level chart of Ameren Legal Entities which includes Ameren Transmission Company of Illinois (ATXI), Ameren Transmission Company, LLC (ATX) and ATX subsidiaries ATX East, LLC (ATE) and ATX Southwest, LLC (ATS). At page 3, the CAM briefly describes ATX and ATXI as follows: **ATX** - Ameren Transmission Company, an Ameren subsidiary dedicated to electric transmission infrastructure investment. **ATXI** - Ameren Transmission Company of Illinois, an Ameren subsidiary that is engaged in the construction and operation of electric transmission assets in Illinois and other states. Please provide the following: a. Please provide additional clarification of the business scope, purpose and objectives of ATX versus ATXI. b. Do or will ATX and ATXI have business operations in both Missouri and Illinois or will their focus be limited to an individual state? Please explain and identify the geographic scope of business operations. c. Do or will ATX and ATXI individually construct their own transmission related assets within the state(s) identified in part (b) above? Please explain and specifically address the extent to which an affiliate will construct those transmission facilities. d. Do or will ATX and ATXI individually own, operate and maintain transmission related assets within the states identified in part (b) above? Please explain and specifically address the extent to which an affiliate will finance, operate and maintain those transmission facilities. e. Why was creation of ATX and ATXI believed to be desirable or necessary for business purposes? Please explain.

RESPONSE

Prepared By: Kathy Thole
Title: Sr. Transmission Financial and Policy Specialist
Date: October 25, 2016

1. ATX was formed to be an intermediate Holding company to own companies involved in the transmission of energy. It has two wholly owned subsidiaries; ATX East, LLC (ATE) and ATX Southwest, LLC (ATS). ATE was formed for

purposes of participating and bidding on competitive transmission opportunities in the PJM footprint and if awarded a competitive project, ATE would construct, own and operate transmission assets in PJM. ATS was formed for purposes of participating and bidding on competitive transmission opportunities in the Southwest Power Pool (SPP) footprint and if awarded a competitive project, ATS would construct, own and operate transmission assets in SPP.

ATXI was formed to invest in greenfield transmission infrastructure in Illinois. Subsequently, ATXI has an expanded purpose to identify, develop, construct, own and operate greenfield transmission infrastructure in MISO.

2. ATX is an intermediate holding company and accordingly does not and will not construct, own, operate or manage transmission operations in either state. For information on ATX's subsidiaries, please see responses to OPC 1506 (b) below.

ATXI has business operations in Missouri and Illinois. If ATXI is awarded a competitive transmission project as a result of the FERC Order 1000 competitive bidding process in MISO, then ATXI could have business operations in additional states in the MISO footprint.

3. ATX is an intermediate holding company. Please see responses to OPC 1506 (c) below for information on ATX's subsidiaries.

ATXI constructs its own assets in Missouri and Illinois using services provided by Ameren Services and third party contractors.

4. ATX does not and will not directly own, operate or maintain transmission related assets because it is an intermediate holding company. ATX receives financing from Ameren Corp in the form of equity contributions and intercompany loans, from non-regulated money pool borrowings, and may pursue external financing at some point in the future. As an intermediate holding company, it could also receive dividends from its subsidiaries at some point in the future.

ATXI owns, operates and maintains transmission related assets in Illinois and Missouri using services provided by Ameren Services and or third party contractors. ATXI receives financing from Ameren Corp in the form of equity contributions and intercompany loans, from utility money pool borrowings, and may pursue external financing at some point in the future.

5. Please see our response in (a) above.

Ameren Missouri's
Response to OPC Data Request
ER-2016-0179

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 1506

Ref. Direct Testimony of Ameren Witness Dodd and Schedule JLD-2 and the response to Staff DR 42 (Ameren Services). At page 2 of Schedule JLD-2, the Ameren Missouri CAM provides a high level chart of Ameren Legal Entities which includes Ameren Transmission Company of Illinois (ATXI), Ameren Transmission Company, LLC (ATX) and ATX subsidiaries ATX East, LLC (ATE) and ATX Southwest, LLC (ATS). At page 3, the CAM briefly describes ATX and ATXI as follows: *ATX* – Ameren Transmission Company, an Ameren subsidiary dedicated to electric transmission infrastructure investment. *ATXI* – Ameren Transmission Company of Illinois, an Ameren subsidiary that is engaged in the construction and operation of electric transmission assets in Illinois and other states. Please provide the following: a. Please provide additional clarification of the business scope, purpose and objectives of ATE versus ATS. b. Do or will ATE and ATS have business operations in both Missouri and Illinois or will their focus be limited to an individual state? Please explain and identify the geographic scope of business operations. c. Do or will ATE and ATS individually construct their own transmission related assets within the geographic areas identified in part (b) above? Please explain and specifically address the extent to which an affiliate will construct those transmission facilities. d. Do or will ATE and ATS individually own, operate and maintain transmission related assets within the geographic areas identified in part (b) above? Please explain and specifically address the extent to which an affiliate will finance, operate and maintain those transmission facilities. e. Why was creation of ATE and ATS believed to be desirable or necessary for business purposes? Please explain.

RESPONSE

Prepared By: Kathy Thole

Title: Sr. Transmission Financial and Policy Specialist

Date: October 25, 2016

1. Please see OPC 1505 in response to (a) above.
2. ATE does not own or operate transmission assets in Missouri, Illinois or any other state currently. However, if ATE was awarded a competitive transmission project as a result of the FERC Order 1000 competitive bidding process in PJM, then

ATE could have business operations in the PJM footprint which includes a portion of northern Illinois.

ATS does not own or operate transmission assets in Missouri, Illinois or any other state currently. However, if ATS was awarded a competitive transmission project as a result of the FERC Order 1000 competitive bidding process in SPP, then ATS could have business operations in the SPP footprint which includes a portion of western Missouri.

3. ATE has not constructed any transmission related assets in Missouri, Illinois or any other state. However, if ATE was awarded a competitive transmission project as a result of the FERC Order 1000 competitive bidding process in PJM, then ATE would most likely construct those facilities using services provided by Ameren Services and third party contractors.

ATS has not constructed any transmission related assets in Missouri, Illinois or any other state. However, if ATS was awarded a competitive transmission project as a result of the FERC Order 1000 competitive bidding process in SPP, then ATS would most likely construct those facilities using services provided by Ameren Services and third party contractors.

4. ATE does not currently operate or maintain any transmission related assets in Missouri, Illinois or any other state. However, if ATE was awarded a competitive transmission project as a result of the FERC Order 1000 competitive bidding process in PJM, then ATE would most likely operate and maintain those assets using services provided by Ameren Services and third party contractors. ATE expects to receive financing from ATX in the form of equity contributions and intercompany loans.

ATS does not currently operate or maintain any transmission related assets in Missouri, Illinois or any other state. However, if ATS was awarded a competitive transmission project as a result of the FERC Order 1000 competitive bidding process in SPP, then ATS would most likely operate and maintain those assets using services provided by Ameren Services and third party contractors. ATS expects to receive financing from ATX in the form of equity contributions and intercompany loans.

5. ATE and ATS were created to participate in and bid on competitive transmission opportunities in PJM and SPP, respectively.

Ameren Missouri's
Response to OPC Data Request
ER-2016-0179

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 1513

- Ref. Ameren Missouri response to MPSC DR 456 HC (Ameren Corporate Structure).** MPSC DR 456 relates to employees of and cost allocations to Ameren's transmission entities (i.e., ATX, ATXI, ATE and/or ATS). Please provide the following:
- a. Please provide the number of AMS employees that are solely dedicated to supporting the operations and activities of these Ameren transmission entities, either individually by transmission entity or collectively to all transmission entities.
 - b. Please provide the number of AMS employees that are principally dedicated to supporting the operations and activities of these Ameren transmission entities, either individually by transmission entity or collectively to all transmission entities.
 - c. Please provide the number of AMS employees that are regularly dedicated to supporting the operations and activities of these Ameren transmission entities, either individually by transmission entity or collectively to all transmission entities.
 - d. Referring to parts (a) through (c) above, please identify the AMS departments, resource types, RMC functions, projects and/or service requests associated with the support provided to these entities by AMS personnel.
 - e. Referring to parts (a) through (d) above, please explain whether the labor, labor overheads and other employee related expenses (e.g., intercompany rent, computer devices, server usage, etc.) associated with these AMS employees are directly charged to Ameren's transmission entities or are allocated between these entities and AIC and UEC using other general allocation factors.
 - f. If not determinable from the responses to OPC DR 1021 or MPSC DR 388, please provide the total O&M costs (e.g., labor, labor overheads and other employee related expenses) incurred during the test year showing allocation and direct assignment between each and every Ameren entity – clearly identifying the basis for any allocation factors applied. If the requested information is not available, please explain.
 - g. Please supplement the response to part (f) above with actual information subsequent to the test year as such data becomes available.

RESPONSE

Prepared By: Jennifer Tyson (parts a – e)/Laura Moore (parts f – g)

Title: Supervisor Financial Services/Director Regulatory Accounting

Date: December 5, 2016

1. Zero
2. Zero
3. There are approximately 9 AMS employees that are regularly dedicated to supporting the operations and activities of Ameren's Transmission entities (ATX, ATXI, ATE and/or ATS). This includes 6 project management personnel and 3 business development employees.
4. The AMS departments supporting the operations and activities of Ameren's Transmission entities are the Transmission Project Management Department, RMC 04P (partial) and the Transmission Business Development Department, RMC 04B. The resource types charged

34 - Purchasing Rate Ap Loading
3B - Pen, Ben, OPEB, Inj and Dmgs, SS Ldg-Cap
3L - AMS Pen, Ben, OPEB, Inj and Dmgs, SS Ldg-Non Cap
80 - Individual Expenses
82 - Non-Taxable Meals
83 - Non-Taxable Entertainment Expenses
88 - Taxable Meals - Individual Same Day Meals
BX - Purchases Other
EX - Professional Services Other
LE - Incentive Comp Management
LM - Labor Management
MD - Dues and Memberships Other
MT - Memberships Trade

include:

The projects and service requests charged include:

CS023 - Intelligrid - Core Medium
J09XL - INTG Rush Island-Baldwin S Yard
IL001 - IL Rivers
28733 - ITC Sidney-Rising-4567
28734 - ITC Meredosia-Herleman-4503
28742 - ITC Meredosia-Ipava-4539
28744 - ITC Austin-Meredosia-4527
28747 - ITC Pana-Austin-4553
28748 - ITC Faraday-Pana-4507
28759 - ITC Herleman-Maywood-4549
J00JP - ITC Herleman Substation Const
J00JQ - ITC Maywood Substation Construction
J012K - ITC Kansas Substation Construction
J012L - ITC Austin Substation Construction
J012M - ITC Faraday Substation Construction
J012N - ITC Meredosia Substation Constructi
J012P - ITC Pana Substation Construction
J012Q - ITC Ipava Substation Construction
J01XD - ITC Sidney Substation Construction
J0266 - ITC Rising Substation Construction
J0304 - ITC Herleman-Maywood River Crossing
J03K3 - ITC Meredosia-Ipava River Crossing
J03K4 - ITC Meredosia-Herleman River Crossi
IL002 - Spoon River
28756 - Sandburg-Fargo 345 kV Transmission
IL003 - Sandburg
28757 - Sandburg Substation Work
IT004 - Fargo Supply - TP 357
28758 - Fargo Substation Construction
MO001 - Mark Twain
28762 - ITC Zachary - Ottumwa
28769 - ITC Maywood-Zachary
28770 - Zachary-345/161KV Sub (Mark Twain)
J06HD - Zachary-Adair Connection 1
Service Requests and Other Projects
A3232 - Transmission Operations - ITC
J06GV - Ipava (ITC)-Install new 345/138kV X
J06W9 - ITC PJM Business Development
J077C - ATS SPP Business Development
J07B5 - ATS -Rate Filing Development
J07BP - ATE -Rate Filing Development
J080P - SPP Walkenmeyer - N Liberal
J0810 - ATXI Reorganization
J0902 - Control Room Upgrade/Replacement
J09BV - ATXI Proposal Duff-Coleman
J0B5R - ATX East Pre-Commercial Activities

5. None of the costs for these employees or these project charges are allocated between the Transmission entities (ATX, ATXI, ATE and/or ATS) and AIC and UEC. All projects and service requests listed are direct allocations to just one Transmission entity (ATX, ATXI, ATE and/or ATS).
6. The amounts can be determined in the responses to Data Requests OPC 1021 and MPSC 0388.
7. N/A

Schedule SCC-5

has been deemed

“Highly Confidential”

in Its Entirety