

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

In the Matter of the Commission’s Proposed)	
Rule 20 CSR 4240-10.155 Relating to Affiliate)	
Transactions Respecting Electrical Corporations,)	File No. OX-2025-0104
Gas Corporations, Heating Companies, Certain)	
Water Corporations and Certain)	
Sewer Corporations.)	

**AMEREN MISSOURI’S COMMENTS
ON PROPOSED RULES**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Company” or “Ameren Missouri”), and for its comments on the rules proposed in this docket, states as follows:

Introduction

1. As outlined in its filings made in the workshop docket (File No. AW-2018-0394) that preceded this formal rulemaking docket, the Company has worked closely with the Staff over the past several years on developing terms, conditions, and processes to support and enhance the Company’s ability to comply with both the letter and the spirit of the existing Affiliate Transactions Rules (20 CSR 4240-20.015, -40.015).¹ The Company believes that those efforts, which culminated, to-date, in the filing of a stipulation and agreement among the Staff and the Company respecting the Company’s CAM and Affiliate Transactions Rules compliance (File No. EO-2017-0176), have aided both the Company and the Staff in gaining a better understanding of the practical implications of operating under rules that govern transactions with affiliates. More specifically, those efforts have aided both the Company and the Staff in understanding the application of such rules to utilities like Ameren Missouri that obtain services from an affiliated centralized service company. The Company appreciated the Staff’s thoughtful proposed changes to the current

¹ A copy of those filings are attached hereto and incorporated herein by this reference as Exhibits A and B.

Affiliate Transactions Rules as reflected in the SW-2018-0394 docket, which seek to both preserve the intention of the Rules while allowing and enabling utilities to operate in an efficient and sensible manner, including dealings with their affiliates. The Company similarly appreciates the Commission's proposed revisions to the current Affiliate Transaction Rules in this docket, which in most respects closely mirror the Staff's proposed changes in the workshop docket.

2. As the below comments indicate, from the Company's perspective the proposed changes to the existing Rules reflect appropriate updates and improvements, and the Company will comment on only one topic in the proposed rules.

Specific Comments on the Proposed Rules

3. The Definition and Use of the Defined Term "Information." The Company believes that what the Commission is attempting to do via the proposed definition of "information," and the use of that definition in the proposed rule, is to ensure regulated utilities do not give away to the detriment of customers valuable information developed via the utility's regulated operations since costs reflected in retail revenue requirements may have given rise to the existence of the information in the first place. The Company has no issue with the Commission's goals in this regard. However, the proposed definition and its use are at times unclear and as written and could impede information sharing beneficial to utility customers that the Commission should in fact encourage.

4. For example, Ameren Missouri and Ameren Illinois Company ("AIC") employees routinely "compare notes" on a variety of practices, such as approaches to customer service, how to become more efficient in responding to calls for service, the efficacy of various equipment used in providing service, etc. Similar collaboration occurs between Ameren Missouri and Ameren Services Company ("AMS"), a service company within the meaning of the proposed rules. In summary, an advantage to being part of a holding company is the ability of the affiliates to share "lessons learned" from each other.

5. To promote the Commission’s goal without giving away information to customers’ detriment, the Company recommends a tweak to 20 CSR 10.015(2)(F)2, as follows:

The provision, at FDC, of goods, information, or services of any kind between or among a covered utility and an affiliate regulated by the commission or other state utility commission, provided that a covered utility may share information with such an affiliate as part of its day-to-day communications with such an affiliate for the purposes of improving service, operations, or efficiency.

Without this change, the proposed rule, literally applied, suggest that if engineers at Ameren Missouri and AIC simply discuss a process that Ameren Missouri uses that may be more efficient than one used for the same operation by AIC, and in the same conversation discuss a process that AIC uses that may be more efficient than the same one used by Ameren Missouri, Ameren Missouri would need to “charge” AIC a fully distributed cost for the knowledge (information) being shared, even though Ameren Missouri is also benefitting from being able to obtain knowledge from AIC without creating an accounting “transaction” that must somehow be priced. The reason a literal application could lead to such a result is the use of the word “provision.” “Provision” means “to supply or make something available.”² Sharing information in contexts like the example above would appear to constitute making that information available.

6. The Company acknowledges that some might be concerned that its proposed “fix” for the problem could create an exception that might result in valuable information being shared with an affiliate in excess of the value Ameren Missouri obtains from its affiliates when collaborations such as those described above occur. Ameren Missouri had suggested, in the workshop docket, a solution to that problem via a modification of the definition of the term “information,”³ as follows: (additions *italicized*; deletions ~~stricken~~):

Information means any *commercially marketable* data ~~with competitive value~~ possessed ~~obtained~~ by a covered utility that is not obtainable by nonaffiliates or can only be obtained *by nonaffiliates* at a competitively prohibitive cost in either time

² *Merriam Webster’s Online Dictionary.*

³ Proposed rule 20 CSR 4240-10.015(1)(L).

or resources. *As used in this definition, such data is “commercially marketable” only if it is expected to generate annual profits in excess of a sum equal to one tenth of one percent (.001) of the covered utility’s Missouri jurisdictional operating revenues, as reported by the covered utility in its most recent annual report submitted to the commission.*⁴

Such a change to the definition of “information” would provide an objective safe harbor that would permit day-to-day information sharing without Missouri utilities losing material value that if sold, could ultimately result in material revenue requirement reductions. Such a change would also be in lieu of the recommended change to 20 CSR 10.015(2)(F)2.

WHEREFORE, Ameren Missouri submits the foregoing comments and recommends the Commission adopt proposed rules 20 CSR 4240-10.015 as published, except that it should adopt one of the modifications proposed respecting the use of the definition of “information” as outlined herein.

Respectfully submitted,

/s/ James B. Lowery

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Dated: December 6, 2024

⁴ For Ameren Missouri, this would create a threshold of under \$2,000,000 or, in theory, slightly more than a dime per month on average if theoretically “passed on” to each of the Company’s 1.2 million customers equally.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to the parties of record on this 6th day of December, 2024.

/s/ James B. Lowery
James B. Lowery

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

In the Matter of the Establishment of a Working)
Case for the Review and Consideration of a)
Rewriting and Writing of Existing and) File No. AW-2018-0394
New Affiliate Transaction Rules)
and HVAC Affiliate Transaction Rules.)

COMMENTS OF UNION ELECTRIC COMPANY
d/b/a AMEREN MISSOURI

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Company” or “Ameren Missouri”), and submits the following comments:

A. Introduction

1. These comments are submitted in this workshop docket in response to the Commission’s July 11 order indicating that if a party wished to file written comments on the draft rule included with the Staff’s June 27 motion to open this docket, it should do so no later than August 10.

2. In general, the Staff draft reflects an update to the existing Affiliate Transactions Rule and the Company does not have major concerns about the Staff draft.¹

B. Specific Comments on the Staff’s Draft

3. 4 CSR 240-10.XXX(1)(L) – Definition of “Information”. It is clear the intention of this definition is to ensure that a regulated utility does not give commercially valuable information to its affiliates without being fairly compensated, and that it not pay its affiliate for commercially valuable information at an unfair price. The Company takes no issue with this intent. However, the

¹ The Company’s lack of major concerns is related to the progress it believes is being made through discussions with the Staff and the Office of the Public Counsel in File No. EO-2017-0176 to develop a revised Cost Allocation Manual for the Company’s electric operations. If a formal rulemaking proceeds regarding the Affiliate Transactions Rule based upon the Staff draft, the Company may have additional concerns or comments not expressed here.

definition is far too broad and would prevent beneficial information sharing between affiliates that the Commission should encourage. For example, Ameren Missouri and Ameren Illinois Company (“AIC”) employees routinely “compare notes” on a variety of practices, such as approaches to customer service, how to become more efficient when “truck rolls” for a service call are needed, whether a particular piece of equipment that one of the companies may be using is better than another, and so on. The point is that one of the advantages of being part of a utility holding company is that the affiliates in the holding company family can share “lessons learned.” AIC may encounter a situation with a customer, with a distribution circuit issue, with maintaining equipment, or with a host of other potential issues and it can then share what it learned with Ameren Missouri, or vice-versa.

To address the undue breadth of the definition without undermining its true intention, Ameren Missouri recommends that “Information” be defined to completely exclude best practices shared among affiliates. In addition, “Information” that is covered by the rule should have material commercial value. In the Company's opinion, the rule should specify that it must have a commercial value of more than \$1 million if it were marketed to third parties.

4. 4 CSR 240-10.XXX(1)(O) – Definition of “Nonregulated operations”. The Company suggests that this phrase be changed to “Non-jurisdictional operations” to avoid possible confusion since most affiliates are regulated by other agencies, e.g., AIC is regulated by the Illinois Commerce Commission and is also a public utility within the meaning of the Federal Power Act enforced by the Federal Energy Regulatory Commission (“FERC”); Ameren Transmission Company of Illinois is also a FERC-regulated transmission company, etc.

5. 4 CSR 240-10.XXX(2)(F) – Marketing Materials. The Company fully understands why the Commission would not want Missouri customers to hear or see advertisements by an affiliate of a Commission-regulated entity (e.g., AIC) and be confused into thinking it is an Ameren Missouri

ad and that the Commission has oversight over the ad. However, as literally written, AIC would have to put a disclaimer on its marketing materials even if the marketing is entirely directed to Illinois customers (albeit, it is not clear how the Commission could enforce this on AIC). Consequently, this provision should be modified to read as follows (addition is underlined):

Marketing materials, information or advertisements by an affiliate entity if the affiliate entity is marketing to Missouri residents that shares and exact or similar name, logo or trademark of the covered utility shall...

6. 4 CSR 240-10.XXX(4)(E) – Employee Transfers. The Company has no substantive objection to providing notice if a transfer of this level of its employees was to be made to an affiliate. However, the Company has two concerns. First, the rule should make clear that the notice shall be confidential – to the point of how it is labeled in EFIS – and that any filings made by any party in response to or based on the notice shall also be confidential. This is out of respect for the affected employees who may not be aware of the impending transfer at the time a notice is filed. Second, and related to the first concern, it could very well be the case that such a transfer would need to occur less than 90 days after the decision to make the transfer is made. It is highly likely that a 30-day notice would not present such concerns, so we recommend that the notice period be reduced to 30 days.

7. 4 CSR 240-10.XXX(11)1 – Variances. Given the addition from the current rule made to this provision indicating that a transaction cannot be engaged in at all prior to obtaining a variance, this provision should be clarified to recognize that under 10.XXX(11)2, a transaction can be engaged in before the variance is obtained. To address this drafting issue, the 10.XXX(11)1 should read (addition underlined) as follows:

A covered utility may request a variance . . . but, except as provided for in subsection 2 of this section, it may not engage in such an affiliate transaction . . . unless . . . for good cause shown; or

WHEREFORE, the undersigned respectfully requests that the Commission take these comments under advisement.

Respectfully submitted,

/s/ James B. Lowery _____

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COMPANY d/b/a AMEREN MISSOURI

Dated: August 10, 2018

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been e-mailed to the parties of record on this 10th day of August, 2018.

/s/ James B. Lowery _____

James B. Lowery

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

In the Matter of the Establishment of a Working)
Case for the Review and Consideration of a)
Rewriting and Writing of Existing and) File No. AW-2018-0394
New Affiliate Transaction Rules)
and HVAC Affiliate Transaction Rules.)

**AMEREN MISSOURI’S RESPONSE TO ORDER
REQUESTING ADDITIONAL RESPONSES**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Company” or “Ameren Missouri”), and as requested by the Commission’s November 7, 2019 *Order Requesting Additional Responses*, provides the following comments on the draft rule submitted in this workshop docket by the Staff on September 9, 2019:

Introduction

1. As outlined in filings made in the Company’s pending Cost Allocation Manual (“CAM”) docket, the Company has been working closely with the Staff over the past two-plus years on developing terms, conditions, and processes to support and enhance the Company’s ability to comply with both the letter and the spirit of the existing Affiliate Transactions Rules (20 CSR 4240-20.015, -40.015). The Company believes that those efforts, which culminated, to-date, in the filing of a stipulation and agreement among the Staff and the Company respecting the Company’s CAM and Affiliate Transactions Rules compliance, have aided both the Company and the Staff in gaining a better understanding of the practical implications of operating under rules that govern transactions with affiliates. More specifically, those efforts have aided both the Company and the Staff in understanding the application of such rules to utilities like Ameren Missouri that obtain services from an affiliated centralized service company. The Company appreciates the Staff’s thoughtful proposed changes to the current Affiliate Transactions Rules, which seek to both preserve the intention of the rules while allowing and enabling utilities to operate in an efficient and sensible manner, including in dealings with their affiliates.

2. As the below comments indicate, from the Company's perspective the Staff's draft reflects appropriate updates and improvements to the existing Affiliate Transactions Rules and the Company has only a couple of suggestions for improvements. The Company acknowledges that the Staff took account of many of the comments provided by the Company (submitted on August 10, 2018) on the initial Staff draft that Staff submitted in this docket on June 27, 2018.

Specific Comments on the Staff's Draft

3. 20 CSR 4240-10.XXX(a)(E) – Definition of “Corporate Support”. While it is clear that the Staff recognized that it is not possible or wise to list and describe every possible area of corporate support – and the Company believes that the Staff's non-exclusive list does a good job of capturing the most common major areas – the Company suggests adding two other common major areas, facilities management and security, to the non-exclusive list.

4. 20 CSR 4240-10.XXX(a)(E) – Definition of “Information”. The Company acknowledges the Staff's recognition of ensuring that this definition should not prohibit information sharing unless the information has value, which the Company reads to mean material commercial value. The Company also acknowledges that using a one-size-fits-all dollar threshold as it suggested in its August, 2018 comments may present practical problems. As indicated in those earlier comments, it is clear the intention of the definition to ensure that a regulated utility does not give commercially valuable information to its affiliates without being fairly compensated, and that it not pay its affiliate for commercially valuable information at an unfair price. While that intention is a valid one, it should not prevent beneficial information sharing between affiliates and indeed the Commission should encourage such sharing because in the long run, it will create benefits for customers of the utilities it regulates. The Company's August, 2018 comments provided concrete examples of instances where those benefits exist because of such information sharing.

To address the problems with using a single dollar threshold, the Company suggests that the definition of “Information” be modified to read as follows (additions *italicized*; deletions ~~stricken~~):

Information means any *commercially marketable* data ~~with competitive value~~ possessed ~~obtained~~ by a covered utility that is not obtainable by nonaffiliates or can only be obtained *by nonaffiliates* at a competitively prohibitive cost in either time or resources. *As used in this definition, such data is “commercially marketable” only if it is expected to generate annual profits in excess of a sum equal to ___% of the covered utility’s Missouri jurisdictional operating revenues, as reported by the covered utility in its most recent annual report submitted to the commission.*

5. 20 CSR 4240-10.XXX(7)(A)(7). The Company suggests that the phrase “other than corporate support” be inserted between “access to” and “services” to be consistent with the draft rule’s treatment of corporate support.

Respectfully submitted,

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Dated: December 9, 2019

EXHIBIT B