

# Exhibit No. 7

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

In the Matter of the Establishment of a	)	
Working Case for the Writing of a New	)	
Rule on the Treatment of Customer	)	
Information by Commission Regulated	)	File No. AW-2018-0393
Electric, Gas, Steam, Heating, Water,	)	
and Sewer Utilities and their Affiliates	)	
and Non-Affiliates.	)	

**RESPONSE REGARDING COST OF COMPLIANCE**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Company” or “Ameren Missouri”), and as requested by the Commission’s August 11, 2023, *Order Requesting Estimated Cost of Compliance Responses* (the “Order”), provides the following response regarding the cost of compliance with the Staff’s third draft rule (originally submitted by Staff in this docket on February 18, 2020).

**BACKGROUND**

1. As a preliminary matter, Ameren Missouri notes that because the third Staff draft rule has not changed since its original submission in 2020, the Company’s March 20, 2020, Response to Order Requesting Cost of Compliance Responses (“2020 Response”) largely remains applicable. It is, however, possible – if not likely – that the cost estimates in the 2020 Response may be too low given the passage of time and inflation, but from an order-of-magnitude perspective, the estimate remains about as precise as it can be.

2. The Company should also note that it has not filed in this docket specific comments on Staff’s third draft rule. The Company believes there are certainly modifications to the Staff’s third draft rule that could mitigate the Company’s cost of compliance estimate and has previously communicated that belief to Staff, but to-date, Staff has not proposed any modifications to its third draft rule.

3. While the *Order* specifically asked utilities to discuss the costs of compliance with the proposed rule, Ameren Missouri also believes it is important to establish a background against which Ameren Missouri's response is provided. As indicated in the 2020 Response, many of these costs are extremely difficult to quantify. To summarize a key point from the 2020 Response, Staff's third draft rule, if adopted, would severely disrupt the significant investments Ameren<sup>1</sup> has already made in improving its data collection and management tools. In the contracting area, the rule will require the renegotiation of multiple existing contracts, and revisions to each of Ameren's existing contract templates. The contract language in the rule would also prevent Ameren from utilizing any cloud-based solutions, as our repeated experience is that cloud services providers do not accept language that the draft rules would mandate and will have an adverse effect on the timing and cost associated with Ameren's ongoing Contract Lifecycle Management Program. The absence of any sort of grace period for the effective date of the rule or carve-outs for existing contracts will also drive increased unnecessary costs and likely make compliance impossible to achieve at least for some period of time, regardless of the cost incurred in an effort to comply.<sup>2</sup>

2. It is important to know that over the past few years Ameren has undertaken multiple, large-scale projects to enhance overarching data privacy practices, standardize contracting procedures, enhance customers' online experiences, and other efforts that have required extensive resources, both in man hours and capital. Ameren has investigated industry best practices, accounted for changing legislative and political landscapes, and

---

<sup>1</sup> References to "Ameren" are, collectively, references to Ameren Missouri and Ameren Services Company.

<sup>2</sup> The third draft rule raises questions about whether compliance could ever be achieved absent simply not contracting with key vendors and service providers who would otherwise provide the most cost-effective solutions for Ameren Missouri and its customers.

implemented an enterprise-wide effort to make sure the policies, training, digital expenditures, and these initiatives generally have been both efficiently and cost-effectively expended. However, Staff's third draft rule would force Ameren to unwind, modify, or completely overhaul these implementations. Ameren has increasingly moved toward cloud-based solutions for a substantial number of digital systems and processes, which as noted above, may not be feasible to continue to utilize going forward if the proposed rule were adopted without modification. Many of these systems and processes are foundational to Company operations, and it is difficult to overstate the disruption that could occur if it were required to unwind the business processes built around these tools and systems.

3. For example, the requirements in the third draft rule covering specific data privacy policy language would require Ameren to expend a significant amount of effort to revise Ameren's Data Protection, Privacy and Security Policy, and interrupt ongoing data mapping and other exercises that Ameren has implemented and continues to pursue to manage its data management obligations. Many of those efforts are focused on customer data, as well as time sensitive regulatory requirements (e.g., CIP-013), and would be negatively impacted by a need to meet the requirements of the third draft rule. Furthermore, implementation of the third draft rule would result in a need to re-architect and identify system improvements and necessary upgrades and modifications that may be necessary to ensure compliance.

4. As indicated in the 2020 Response, the best that can be done is to provide an educated guess regarding the full cost impacts; however, Ameren Missouri believes that the cost and impact will be significant in an amount exceeding \$20,000,000, a floor that is probably too low. This amount is purely an educated guess based on internal knowledge of

revisions that would be necessary to incorporate definitional changes and contractual requirements into numerous enterprise-wide systems, create and modify ongoing processes, halt and reformulate training under Ameren's internal privacy policy, and numerous other factors. These costs do not include any associated legal costs or contractual penalties and are limited strictly to the administrative and resource costs associated with Ameren's digital employees.

4. While Ameren Missouri appreciates the underlying motivation behind the third draft rule, it continues to have severe concerns about the rule, including about the excessive cost and feasibility of compliance. To be sure: data privacy is an important issue and will only continue to grow in gravity; as the electronic transfer of information continues and the world becomes more automated, the protection of personally identifiable information will only grow in importance. However, it is imperative to take into consideration many pragmatic and logistical factors in adopting a data privacy rule, and to acknowledge that such rules cannot occur in a vacuum. The Company's March 20, 2020, Response addresses these issues in greater detail, and the Company will not repeat those details here.<sup>3</sup>

Respectfully submitted,

/s/ James B. Lowery

**James B. Lowery, Mo. Bar #40503**

JBL LAW, LLC

9020 S. Barry Road, Columbia, MO 65201

(T) 573-476-0050

lowery@jblawllc.com

---

<sup>3</sup> It should be noted that some of the concerns expressed in the 2020 Response are heightened now, including since Ameren has already substantially implemented and contracted for various cloud-based solutions and has fully implemented its Contract Lifecycle Management Program.

**Jermaine Grubbs**, MO Bar #68970

Corporate Counsel

Ameren Missouri

P.O. Box 66149, MC 1310

St. Louis, MO 63166-6149

(314) 435-1942 Phone

(314) 554-4014 Facsimile

[AmerenMOService@ameren.com](mailto:AmerenMOService@ameren.com)

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

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been emailed to the parties of record on this 11<sup>th</sup> day of September, 2023.

*/s/ James B. Lowery*  
**James B. Lowery**