

**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) File No. GR-2024-0369
for Gas Service.)

UNANIMOUS STIPULATION AND AGREEMENT

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “the Company”), the Staff of the Missouri Public Service Commission (“Staff”), the Office of the Public Counsel (“OPC”), and the Missouri School Boards' Association (“MSBA”) (collectively “Signatories”), and present to the Missouri Public Service Commission (“Commission”) for approval this Stipulation and Agreement (“*Stipulation*”) commemorating an agreement between the Signatories resolving all the issues in this case. In support of this *Stipulation*, the Signatories respectfully state as follows:

BACKGROUND

1. On September 30, 2024, Ameren Missouri filed tariff sheets designed to implement a general rate increase for its gas service territory, together with supporting testimony. The Commission issued a procedural schedule in its October 30, 2024, *Order Setting Procedural Schedule*. This procedural schedule included a date for the provision of the preliminary true-up revenue requirement, including true-up accounting schedules with supporting workpapers, to all parties by December 31, 2024, and culminated in an evidentiary hearing set to begin June 9, 2025, and continue through June 20, 2025. The procedural schedule also set a Settlement Conference for May 13-14, 2025.

2. After the dissemination of the true-up information and during the Settlement Conference, the Signatories began negotiations in earnest to determine whether a resolution of issues could be mutually reached in advance of the evidentiary hearing. As a result of these discussions, the

Signatories have agreed to a series of compromises to determine mutually acceptable resolutions to all issues, as set forth in more detail below.

SPECIFIC TERMS AND CONDITIONS

A. Revenue Requirement and Billing Determinants

3. Revenue Requirement Increase. The Signatories agree that Ameren Missouri should be authorized to file tariffs designed to increase the Company's annual gas revenues by \$31.5 million, exclusive of any applicable license, occupation, franchise, gross receipts taxes, or similar fees or taxes, to become effective September 1, 2025. If a customer's billing cycle covers days both before and after the effective date of the new rates, the new and old rates will be pro-rated on the customer's bill.

4. Weighted-Average-Cost-of-Capital ("WACC"). The Signatories agree that for purposes of calculating Infrastructure System Replacement Surcharges ("ISRS"), the WACC shall be 7% post-tax.

5. Billing Determinants. The Signatories agree that the billing determinants set forth in Exhibit A, which is incorporated herein by reference, shall be used to set the rates implemented from this case.

B. Continuation of Existing Tracking Mechanisms

6. The Signatories agree that the Company's existing tracking mechanisms, on the terms approved by the Commission in the Company's prior general rate proceedings, shall continue as follows:

- a. Uncertain Tax Positions (a/k/a Fin. 48 Tracker), with its base set at \$0
- b. Property Tax, with its base level set at \$10,536,533
- c. Pension Tracker, with its base level set at (\$4,008,494)
- d. Other Post-Employment Benefits (a/k/a OPEB) Tracker, with its base level set at (\$1,779,671)

- e. Excess ADIT, with its base level set at (\$896,973)¹

C. Amortizations

7. Amortizations. The Signatories agree that the Company's regulatory assets and liabilities shall be amortized as set forth in the attached Exhibit B, effective September 1, 2025.

8. Amortization Balances in Subsequent Rate Proceeding: The Signatories agree that in the Company's next gas general rate proceeding, the balance of each amortization relating to regulatory assets or liabilities that remain, after full recovery by Ameren Missouri (regulatory asset) or full credit to Ameren Missouri's customers (regulatory liability), shall be applied as offsets to other amortizations which do not expire before Ameren Missouri's new rates from that general rate proceeding take effect. If no other amortization expires before Ameren Missouri's new rates from that general rate proceeding take effect, then the remaining unamortized balance of any regulatory asset or liability that did not expire before new rates from that general rate proceeding take effect shall be a new regulatory liability or asset that is amortized over an appropriate period. Any over- or under-recovery of a regulatory asset or regulatory liability will be treated in the same manner as the underlying regulatory asset or regulatory liability.

D. Property Tax Appeal

9. Property Tax Appeals Tracker: The Company will defer and refund 100% of incremental property tax appeal refunds in a future case with the exception of the next \$5.5 million, which the Company will retain as reimbursement for costs incurred.

¹ This amount is grossed up for the effect on revenues. Prior to application of the tax gross up, the impact on tax expense is \$(680,917).

E. Depreciation

10. Depreciation Rates. The Signatories agree that the depreciation rates set forth on Exhibit C attached hereto and incorporated herein by this reference shall be implemented effective September 1, 2025. Exhibit C adopts the Company's rates for depreciation rates.

F. Allocation and Rate Design.

11. Revenue Requirement Allocation. The Signatories agree that the revenue requirement will be allocated according to the method described in the Direct Testimony of Company witness Michael Harding.

12. Determination of Rates. The Signatories agree that the increase for all rates within each rate schedule will be by a percentage² that is equal to the revenue requirement increase for the applicable class.

G. Critical Needs and Energy Efficiency/Weatherization Programs.

13. Critical Needs Program. The Signatories agree that the Critical Needs budget shall be \$60,000 annually, with funding provided 50%/50% from customers and shareholders.

14. Energy Efficiency. The Signatories agree that the Energy Efficiency budget shall be \$700,000 annually, with \$450,000 of the budget allocated to the PAYS program and/or the Income Eligible Programs; and \$250,000 of the budget allocated to the weatherization agencies through the Income-Eligible Weatherization Assistance Program ("IEWAP").

H. Non-Revenue Requirement Issues.

15. Billed and Unbilled Revenue Determination. The Company will meet with Staff and

² The percentage increase applied to all charges receiving the rate class specific increase will be adjusted to account for any revenue impacts of the items that are subject to exceptions, such that the final class revenues will increase by the percentage resulting from the revenue allocation process.

other interested parties to evaluate the need for and any costs and benefits of implementing Staff's recommended change when the Company considers an update to its legacy billing system.³

16. Ameren Board Document Availability. Between rate cases, Staff will be afforded continuous access to Board and Board committee, ELT, ALT, and SLT documents. Company will continuously maintain the above documentation for Staff access within 2 weeks of notice given to Company for review. Once security concerns are addressed in a manner that allows the Company to provide access to Staff and OPC by the same means, access will also be afforded to the OPC.

17. Tariff Changes. The Signatories agree that tariff changes as recommended in the Direct Testimony of Company witness Michael Harding on pages 31-34 shall be updated. These include the following:

Natural Gas Transportation Service

Sheet 10: Clarified that the Company has sole discretion in designating city gate locations for gas delivery.

Sheet 12: Added a provision requiring customers to notify the Company by July 1st for transportation service to begin November 1st.

Sheet 13: Updated the requirement for a "commercial telephone line" to a "dedicated analog telephone line" and added language regarding consequences for failing to maintain this line.

Sheet 13.2: Modified the calculation method for daily negative imbalances greater than 5% to use 110% of the daily midpoint indexed commodity price.

Sheet 14: Removed outdated language referring to contracts existing before February 18, 1998.

³ Tones, Surrebuttal, page 10, lines 7-20.

Sheet 16: Removed the Missouri School Boards' Association (MSBA) Pilot Program provisions in accordance with the existing tariff language.

Sheet 16.2: Removed references to "fax" as a form of communication for Critical Day Notifications.

Riders

Sheet 28 – Purchased Gas Adjustment Clause: Removed section 10(e) which required documentation to support the impact of discontinuing the transition mechanism.

Sheet 31-31.2 – DCA: Deleted these sheets entirely as the DCA mechanism was terminated on October 31, 2022, and all remaining balances have been addressed and transferred to the WNA.

Sheet 32-32.2 – Weather Normalization Adjustment Rider: The Signatories agree that the attached Weather Normalization Adjustment Rider should be approved. Sheets 32 and 32.1 will be filed with the compliance tariffs in this proceeding and the changes reflected in Sheet 32.2 will be incorporated into the next annual WNAR rate adjustment filing.

GENERAL PROVISIONS

18. This *Stipulation* is being entered into solely for the purpose of settling the issues specifically set forth above, and unless otherwise specifically set forth herein represents a settlement on a mutually-agreeable outcome without resolution of specific issues of law or fact. This *Stipulation* is intended to relate *only* to the specific matters referred to herein; no Signatory waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein. No Signatory will be deemed to have approved, accepted, agreed, consented, or acquiesced to any substantive or procedural principle, treatment, calculation, or other determinative issue underlying the provisions of this *Stipulation* except as otherwise specifically set forth herein. Except as specifically

provided herein, no Signatory shall be prejudiced or bound in any manner by the terms of this *Stipulation* in any other proceeding, regardless of whether this *Stipulation* is approved.

19. This *Stipulation* has resulted from extensive negotiations among the Signatories and the terms hereof are interdependent. In the event the Commission does not approve this *Stipulation*, or approves it with modifications or conditions to which a Signatory objects, then this *Stipulation* shall be null and void, and no Signatory shall be bound by any of its provisions.

20. If the Commission does not approve this *Stipulation* unconditionally and without modification, and notwithstanding its provision that it shall become void, neither this *Stipulation*, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.090, RSMo 2016 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this *Stipulation* had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this *Stipulation* shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

21. If the Commission unconditionally accepts the specific terms of this *Stipulation* without modification, the Signatories waive, with respect only to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2016; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo 2016; (3) their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 2016; (4) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2016; and (5) their respective rights to judicial review pursuant

to Section 386.510, RSMo Supp. 2020. These waivers apply only to a Commission order respecting this *Stipulation* issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this *Stipulation*.

22. The Signatories shall also have the right to provide, at any agenda meeting at which this *Stipulation* is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that each Signatory shall, to the extent reasonably practicable, provide the other parties with advance notice of the agenda meeting for which the response is requested. Signatory's oral explanations shall be subject to public disclosure, except to the extent they refer to matters that are privileged or protected from disclosure pursuant to the Commission's rules on confidential information.

23. This *Stipulation* contains the entire agreement of the Signatories concerning the issues addressed herein.

24. This *Stipulation* does not constitute a contract with the Commission and is not intended to impinge upon any Commission claim, right, or argument by virtue of the *Stipulation's* approval. Acceptance of this *Stipulation* by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has or as an acquiescence of any underlying issue. Thus, nothing in this *Stipulation* is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

25. The Signatories agree that this *Stipulation*, except as specifically noted herein, resolves all issues related to these topics, and that the agreement and its exhibits should be received into the record without the necessity of any witness taking the stand for examination. Further, contingent upon

Commission approval of this *Stipulation* without modification, the Signatories hereby stipulate to the admission into the evidentiary record of the pre-filed written testimony of their witnesses except for those witnesses testifying on the remaining issues set for evidentiary hearing.

WHEREFORE, the Signatories respectfully request that the Commission approve this *Stipulation*, so that Ameren Missouri may move forward on these provisions, and grant any other and further relief as it deems just and equitable.

Respectfully submitted,

/s/ **Jennifer S. Moore**

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, this 6th day of June, 2025, to counsel for all parties on the Commission's service list in this case.

/s/ Jennifer S. Moore
Jennifer S. Moore

Billing Determinants

	<u>Billing Units</u>	<u>Current Rates</u>	<u>Present Revenue</u>
<u>Residential</u>			
Customer Bills	1,476,610	\$15.00	\$22,149,150
Ccf	72,115,078	\$0.3536	\$25,499,892
		Total	\$47,649,042
<u>General Service</u>			
Customer Bills	160,971	\$30.33	\$4,882,250
0-7,000 Ccf	35,460,131	\$0.3251	\$11,528,089
Over 7,000 Ccf	3,533,136	\$0.2129	\$752,205
		Total	\$17,162,544
<u>Interruptible Service</u>			
Customer Bills	46	281.87	\$12,966
0-7,000 Ccf	206,949	\$0.3251	\$67,279
Over 7,000 Ccf	1,806,530	\$0.1748	\$315,781
<u>Assurance Gas</u>			
First 250 per day	-	\$0.0118	\$0
Over 250 per day	-	\$0.0164	\$0
		Total	\$396,027
<u>Standard Transportation</u>			
Customer Bills	7,111	\$30.23	\$214,966
Admin. Charge	2,651	\$45.73	\$121,230
0-7,000 Ccf	12,745,051	\$0.3251	\$4,143,416
Over 7,000 Ccf	23,667,483	\$0.1815	\$4,295,648
<u>School Entities (volumes)</u>			
0-7,000 Ccf	3,826,526	\$0.0044	\$16,837
Over 7,000 Ccf	165,641	\$0.0044	\$729
		Total	\$8,792,826
	<u>Billing Units</u>	<u>Current Rates</u>	<u>Present Revenue</u>
<u>Large Transportation</u>			
Customer Bills	249	\$1,527.31	\$380,300
Admin. Charge	249	\$45.73	\$11,387
0-7,000 Ccf	1,643,903	\$0.3251	\$534,433
Over 7,000 Ccf	21,434,402	\$0.1561	\$3,345,910
		Total	\$4,272,030

File No. GR-2024-0369
Exhibit B
Summary of Amortizations

Amortization Item	Annual Amortization	12/31/2024 Balance	Amortization Period
AMI Software	306,229	1,173,878	11/2023 – 10/2028
COVID Cost Amortization	39,106	84,723	3/2022 – 2/2027
Excess Deferred Tax Tracker (2024)	32,745	98,235	9/2025 – 8/2028
Expired & Expiring Amortizations – Non-Rate Base	4,100	12,299	9/2025 – 8/2028
Expired & Expiring Amortizations – Rate Base	37,401	112,204	9/2025 – 8/2028
Excess Deferred Income Taxes – Protected	(680,917) ¹	(23,522,567)	ARAM
Excess Deferred Income Taxes – Unprotected	(271,525) ¹	(264,194)	9/2025 – 7/2029
OPEB Tracker Amortization (2022)	(60,430)	(120,859)	9/2025 – 8/2027
OPEB Tracker Amortization (2024)	(533,689)	(2,668,447)	9/2025 – 8/2030
PAYS (2024)	(68,688)	(824,188)	9/2025 – 8/2037
Pension Tracker Amortization (2022)	25,611	51,221	9/2025 – 8/2027
Pension Tracker Amortization (2024)	(1,798,016)	(8,990,082)	9/2025 – 8/2030
Property Tax Tracker Amortization	986,747	4,933,733	9/2025 – 8/2030

¹ This amount reflects the impact on tax expense and is not grossed up for the effect on revenues.

AMEREN MISSOURI
GAS DIVISION

SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, AND ANNUAL DEPRECIATION RATES

DEPRECIABLE GROUP		SURVIVOR CURVE	NET SALVAGE PERCENT	DEPRECIATION RATE
GAS PLANT				
TRANSMISSION PLANT				
366.00	STRUCTURES AND IMPROVEMENTS	65-R3	(10)	0.93
367.00	MAINS	65-R3	(10)	1.35
369.00	MEASURING AND REGULATING STATION EQUIPMENT	45-R2.5	(5)	2.24
DISTRIBUTION PLANT				
375.00	STRUCTURES AND IMPROVEMENTS	50-R1.5	(5)	1.81
376.00	MAINS	60-R2.5	(5)	1.53
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	50-R2	(5)	1.82
379.00	MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE	50-R2	(5)	1.82
380.00	SERVICES	50-S0.5	(10)	1.61
381.00	METERS	30-S0	3	3.81
381.02	METERS - AMI	15-S2.5	0	6.83
383.00	HOUSE REGULATORS	47-S2.5	(25)	2.93
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	40-R1	0	1.85
GENERAL PLANT				
390.00	STRUCTURES AND IMPROVEMENTS	38-R2	(5)	2.84
391.00	OFFICE FURNITURE AND EQUIPMENT	15-SQ	0	6.73
391.20	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5-SQ	0	19.14
392.00	TRANSPORTATION EQUIPMENT	13-S1.5	15	4.64
393.00	STORES EQUIPMENT	20-SQ	0	5.08
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	20-SQ	0	5.74
395.00	LABORATORY EQUIPMENT	20-SQ	0	7.82
396.00	POWER OPERATED EQUIPMENT	15-L3	20	5.87
397.00	COMMUNICATION EQUIPMENT	15-SQ	0	6.98
398.00	MISCELLANEOUS EQUIPMENT	15-SQ	0	7.03

WEATHER NORMALIZATION ADJUSTMENT RIDER (WNAR)

APPLICABILITY

The Weather Normalization Adjustment Rider (WNAR or Rider) is applicable to all Ccf of gas delivered to all customers served under Company's Residential Service classification. The Rider will be applied as a separate line item on the customer's bill.

FILING

The Company shall make a WNAR filing each calendar year to be effective on November 1st. The filing shall be made at least sixty (60) days prior to the effective date.

WEATHER NORMALIZATION ADJUSTMENT CALCULATION

The weather adjustment amount (WA) to be collected from the Residential class shall be calculated as:

$$WA = AWNA + AR + OA + AD$$

Where:

- AWNA = Annual WNA is the sum of the Monthly WNA for the billing months in the twelve (12) month period ended each July.
- AR = Annual reconciliation of the WA from the prior recovery period to the actual dollars collected for the sum of the last three (3) billing months of the recovery period related to the prior recovery period and the first nine (9) billing months of the recovery period related to the current recovery period.
- OA = Ordered Adjustment is the amount of any adjustment to the WNA ordered by the Commission as a result of corrections under this Rider. Such amounts shall include monthly interest at the Company's monthly short-term borrowing rate.
- AD = Amount deferred from previous period due to rate cap provision, if any, with short-term interest

The WNAR rate per Ccf (WR) to be charged to the residential class shall be calculated as:

$$WR = WA \div \text{Expected Residential Recovery Period Ccf}$$

The recovery period is the twelve (12) months of November through October.

There shall be a limit of \$0.05 per Ccf on upward adjustments for the WR, and no limit on downward adjustments. Any WR upward adjustment amounts in excess of \$0.05 per Ccf will be deferred for recovery from customers in the next WR adjustment.

Sheet No. 32.1

WEATHER NORMALIZATION ADJUSTMENT RIDER (WNAR)

(cont.)

The Weather Normalization Adjustment to usage (WNU) in Ccf will be calculated for each billing month as follows:

$$WNU_i = \sum_{j=1}^{21} ((NDD_{ij} - ADD_{ij}) * \beta) * C_{ij}$$

Where:

- i = the applicable billing month
j = billing cycle
- β = Residential Service weather response coefficient of 0.10918 Ccf per heating degree day (HDD) as established in Case No. GR-2021-0241 applicable through the day before the effective date of this tariff sheet.
or
Residential Service weather response coefficient of 0.10069 Ccf per HDD as established in Case No. GR-2024-0369 applicable beginning on the effective date of this tariff sheet.
- C_{ij} = the total number of customer charges charged in billing cycle j and billing month i.
- NDD_{ij} = the total normal HDDs as calculated by Staff in Case No. GR-2024-0369 for the days in the applicable billing month and billing cycle. Normal HDDs for the WNAR are calculated as the weighted average of 87.0% of the daily normal HDDs observed at the Midwestern Regional Climate Center Columbia, MO Airport weather station and 13.0% of the daily normal HDDs observed at the Cape Girardeau, MO Airport weather station.
- ADD_{ij} = the total actual HDDs for the days in the applicable billing month and billing cycle. Actual HDDs for the WNAR are calculated as the weighted average of 87.0% of the daily actual HDDs observed at the Columbia, MO Airport weather station and 13.0% of the daily normal HDDs observed at the Cape Girardeau, MO Airport weather station.

The dollar amount to be recovered or returned is calculated as:

$$\text{Monthly WNA}_i = WNU_i * DC$$

Where:

- DC = the Residential Delivery Charge of:
- \$0.3536 per Ccf as established in Case No. GR-2021-0241 applicable through the day before the effective date of this tariff sheet.
 - \$0.5334 per Ccf as established in Case No. GR-2024-0369 applicable on and after the effective date of this tariff sheet.

Each month, monthly interest at the Company's monthly short-term borrowing rate shall be applied to the Company's average beginning and ending monthly WNA balances. Corresponding interest income and expense amounts shall be recorded on a net cumulative basis for the WNA deferral period.

Schedule 32.2

To be implemented in compliance tariff sheets in this case

WEATHER NORMALIZATION ADJUSTMENT RIDER (WNAR)

(Applicable to services provided in the recovery period of November 2024 through October 2025)

Calculation of Current Weather Adjustment Rate (WR):

Sum of Monthly WNA for August 2023 - July 2024 (AWNA) including interest		\$4,075,881
Annual Reconciliation (AR) including interest	+	\$867,811
Amount deferred from previous recovery period (AD) including interest	+	\$0
Ordered Adjustment (OA) including any applicable interest	+	\$0
Total Amount to be collected	=	\$4,943,692
Expected Residential Usage in Recovery Period in Ccf	÷	69,474,326
Amount per Ccf	=	\$0.0712/Ccf
Weather Adjustment Rate (WR)		\$0.0712/Ccf
Amount deferred		N/A