

**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 Annual Revenues for)
Electric Service)
File No. ER-2022-0337

JOINT STATEMENT OF UNDISPUTED FACTS

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and on behalf of all the parties, tenders this *Joint Statement of Undisputed Facts*, in satisfaction of the Commission's *Order Setting Procedural Schedule and Adopting Test Year* issued herein on December 31, 2022, as extended on March 29, 2023:

1. Union Electric Company, which does business as Ameren Missouri and which shall be so referred to herein, is a Missouri general business corporation in good standing, headquartered at 1901 Choteau Avenue, St. Louis, Missouri 63103. Its registered agent is CT Corporation System, 120 South Central Avenue, No. 400, Clayton, Missouri 63105.

2. Ameren Missouri is a wholly-owned subsidiary of Ameren Corporation, a Missouri general business corporation in good standing, headquartered at 1901 Choteau Avenue, St. Louis, Missouri 63103. Its registered agent is CT Corporation System, 120 South Central Avenue, No. 400, Clayton, Missouri 63105. Ameren Corporation is a publicly-traded, public utility holding company. In addition to Ameren Missouri, its principal operating subsidiaries are Ameren Illinois Company and Ameren Transmission Company of Illinois (“ATXI”).

3. Ameren Missouri is in the business of owning, managing, controlling, and operating generation, transmission, distribution, and other electrical facilities and plant for

the purpose of selling electricity to the public for light, heat and power. Ameren Missouri's rate base is valued at over \$10.2 billion. Ameren Missouri has over 4,000 employees.

4. Ameren Missouri provides electric service to more than 1.2 million electric customers in 64 counties in central and eastern Missouri, including the greater St. Louis area. Ameren Missouri has generating facilities with a capacity of 10,800 megawatts ("MW"), including the Labadie, Rush Island, Meramec, and Sioux coal-fired facilities, the Callaway nuclear facility, the Keokuk, Osage, and Taum Sauk hydroelectric facilities, the High Prairie and Atchison wind turbine facilities, the Audrain, Goose Creek, Kinmundy, Meramec, Peno Creek, Pinckneyville, Racoon Creek, Venice, and other natural gas or oil-fired combustion turbine facilities ("CTGs"), and the BJC, Lambert, Maryland Heights, O'Fallon, Montgomery, Cape Girardeau, and South St. Louis Renewable Energy Centers.

5. Ameren Missouri is an electrical corporation and a public utility pursuant to Section 386.020, RSMo., and its activities are subject to regulation by this Commission.

6. The Commission sets Ameren Missouri's rates, upon consideration of all relevant factors, including: the annual cost of providing service to its customers and maintaining and operating its system; its revenues from service provided; the investment made by its shareholders as reflected in the original value of its facilities and equipment; the annual loss of value due to wear and tear of those facilities and equipment; the accumulated value of the depreciation of those facilities and equipment; and the appropriate return to the shareholders on their investment. The Commission considers these factors with respect to data reflecting a year of operations referred to as a "test year," as trued-up in this case. The amount of additional money necessary for the

Company to operate for a year, over and above its revenues from service provided, is referred to as “the revenue requirement.”

7. The rate of return allowed to the shareholders is equal to the weighted average cost of capital and the actual return is calculated by applying the rate of return to the net rate base, which is the original cost value of the Company’s assets used to provide service less accumulated depreciation.

8. In the process of setting rates, the Commission must also determine how the necessary revenue is to be collected from the Company’s customers in an equitable manner. The Company’s rates cannot be unduly discriminatory. The classes are residential, small general service, large general service, small primary service, large primary service, and lighting. The cost profile of each customer class is referred to as its “class cost of service” and the share of the total revenue to be collected from each class is its “class revenue responsibility.”

9. Following an obligatory notice of intended case filing on June 1, 2022, Ameren Missouri on August 1, 2022, filed tariffs seeking a general rate increase of approximately \$315.6 million, exclusive of applicable gross receipts, sales, franchise or occupational fees or taxes. The proposed tariff sheets bear a date of issue of August 1, 2022, and an effective date of September 3, 2022. Its cover letter stated that several factors drove the rate increase request, including investments in its Smart Energy Plan (“SEP”), increases in the cost of capital since the Company’s last rate review, higher depreciation costs, and other changes in the cost of providing service to customers. The Company has since reduced its requested rate increase request to

approximately \$239 million, exclusive of applicable gross receipts, sales, franchise or occupational fees or taxes.

10. On August 10, 2022, the Commission suspended the proposed tariff sheets for 120 days, from September 3, 2022, to January 1, 2023, plus an additional six months, until July 1, 2023.

11. In addition to the automatic parties the Commission Staff and the Office of the Public Counsel (“OPC”), the Commission allowed the following parties to intervene: the Consumers Council of Missouri, Metropolitan Congregations United, Midwest Energy Consumers Group (“MECG”), Missouri Industrial Energy Consumers (“MIEC”), National Association for the Advancement of Colored People (“NAACP”), Renew Missouri, and the Sierra Club.

12. On September 28, 2022, the Commission adopted a test year ending March 31, 2022, as updated through June 30, 2022, and trued-up through December 31, 2022; and adopted a detailed procedural schedule culminating in evidentiary hearings beginning on April 3, 2023, and continuing through April 14, 2023, all designed to permit the Commission to determine new rates by the end of the tariff suspension date. In addition to hearing dates, the procedural schedule included dates for the filing of direct, rebuttal, surrebuttal/true-up direct, and true-up rebuttal testimony, a list of issues, and statements by the parties of their positions on the issues. The Commission also established procedures governing discovery and set dates for conferences where discovery disputes would be resolved.

13. On November 17, 2022, the Commission established dates, times and locations for a number of local public hearings on the Company’s proposed rate increase.

14. Upon the commencement of the case, Staff initiated an audit of the Company's books and records to determine its opinion of an appropriate revenue requirement for the Company in consideration of all relevant factors. Staff makes annualizing and normalizing adjustments to the Company's costs and expenses so that they better reflect the costs the Company will incur going forward. An annualizing adjustment projects the yearly ongoing level of a cost incurred during only part of the test year, but that Staff expects to apply for the whole of the year going forward. A normalizing adjustment removes outlying values from a data set.

15. The Company's tariffs provide for a number of regulatory and ratemaking mechanisms and programs, including the Fuel Adjustment Clause ("FAC"), the Renewable Energy Standard Rate Adjustment Mechanism ("RESRAM"), the components of the Missouri Energy Efficiency Investment Act ("MEEIA"), and the Low Income Home Energy Assistance Program ("LIHEAP"). These programs are reset or re-authorized as part of each general rate case.

16. As a result of Ameren Missouri's election to use the Plant in Service Accounting ("PISA"), Ameren Missouri's electric service rates are subject to a rate cap through 2023. Effective 2024, Ameren Missouri's electric service business is subject to a limitation on increasing the annual revenue requirement due to the inclusion of incremental PISA deferrals in the revenue requirement. Ameren Missouri's rate cap limits electric service rate increases to a 2.85% compound annual growth rate in the average overall customer rate per kilowatt hour, based on the electric rates that became effective in April 2017, less half of the annual savings from the TCJA that was passed on to customers as approved in a July 2018 order.

WHEREFORE, the Staff of the Missouri Public Service Commission on behalf of all the parties tenders this *Joint Statement of Undisputed Facts*, in satisfaction of the Commission's *Order Setting Procedural Schedule and Adopting Test Year* issued herein on September 28, 2022, as extended on March 29, 2023.

Respectfully submitted,

/s/ Kevin A. Thompson

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this **29th day of March, 2023**, to the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

/s/ Kevin A. Thompson