

**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 Natural Gas Service                        )       File No. GR-2019-0077

**MOTION FOR APPROVAL OF INTERIM RATE REDUCTION  
AND FOR EXPEDITED TREATMENT**

Under authority of and in accordance with Section 393.140(11), RSMo, and 4 CSR 240-2.080, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “the Company”) moves the Commission for an order approving tariff sheets implementing interim for natural gas service that reflect the effects of the *Tax Cuts and Jobs Act of 2017* (“TCJA”). Ameren Missouri further moves for expedited consideration of its motion to allow the interim rates to take effect January 2, 2019, or as soon thereafter as possible.

In support of its motion, the Company states:

1.       The TCJA, which took effect January 1, 2018, reduced from 35% to 21% the federal income tax rate applicable to corporations. As a result, Ameren Missouri’s future federal income tax expense will be less than the Commission assumed for ratemaking purposes in the Company’s last general rate case (File No. GR-2010-0363).

2.       Ameren Missouri believes cost savings from the TCJA’s tax rate reductions should be passed on to customers as quickly as possible through an appropriate reduction in gas service rates. However, the Company also believes such action lawfully can be taken only where all relevant factors affecting rates are fully considered. *See State ex rel. Util. Consumers Council of Missouri v. Pub. Serv. Comm’n*, 585 S.W.2d 41, 49 (Mo. 1979).

3. Concurrently herewith, Ameren Missouri filed a request for an increase in general rates supported by testimony, schedules, and revised tariff sheets. Such request for establishment of new general rates reflects the reduced federal income tax rate in the annual revenue requirement calculated by Company witness Laura Moore, but such request is subject to litigation for up to eleven months. The Company desires to flow back the benefits of the TCJA tax rate reductions as soon as practical and during the interim period while the new general rates are litigated.

4. Along with its request for an increase in general rates but under a separate cover letter, the Company has provided tariff sheets to implement the Interim Rate Reduction to pass on to customers tax savings resulting from the TCJA. Copies of the Interim Rate Reduction tariff sheets are attached to this motion as Attachment A. The revenue requirement used to determine the proposed interim rates annualized the effects of TCJA tax rate reductions, including the flow-back of excess accumulated deferred income taxes (“Excess ADIT”), and all other relevant factors affecting rates for the twelve months ending March 31, 2018. This methodology for calculating the tax impact is consistent with the methodology the Commission approved for Ameren Missouri’s electric operations in File No. ER-2018-0362.

5. The net effect of all relevant factors considered in the revenue requirement ending March 31, 2018, would be to reduce rates by approximately \$1.05 million (on an annualized basis) for the period commencing with the date interim rates are approved through the date the Commission issues its final order setting new general rates for the Company’s gas operations.

6. Because of the complex nature of Excess ADIT and uncertainties regarding the amount of Excess ADIT the TCJA ultimately will require the Company to return to customers, the proposed Interim Rate Reduction tariff sheets also establish a tracker to true-up in a future

general rate case amounts of Excess ADIT included in interim rates and amounts actually flowed-back to customers under the TCJA. The proposed tracker also is consistent with a similar mechanism approved in File No. ER-2018-0362.

7. As part of the general rate case filing, Company witnesses Warren Wood, Laura Moore, and Michael Harding provide direct testimony explaining the purpose of the proposed interim rates and describing the methodology used to calculate those rates. Excerpts from the testimony of each of those witnesses that relates to the proposed interim rates are incorporated into this motion by reference.

8. Although the Commission traditionally denies utilities the authority to implement interim rates absent a financial “emergency,” the Commission has the legal authority required to grant nonemergency interim rates on a case-by-case basis. *See, e.g., Order Approving Stipulation and Agreement*, In Re: Citizens Electric, 2001 WL 18404788 (Mo.P.S.C.) (Dec. 26, 2001); *Report and Order*, In Re: The Empire District Electric Co., 1997 WL 280093 (Mo.P.S.C.) (Feb. 13, 1997). Applying the case-by-case standard, the interim rate relief Ameren Missouri seeks in this case is both lawful and justified and should be granted.

9. In its February 21, 2018 *Order Opening Rate Case, Directing Notice, Establishing Time to Intervene, and Requiring Company to Show Cause Why Its Rates Should Not Be Adjusted*, File No. GR-2018-0227, the Commission expressed its belief Ameren Missouri’s gas service rates should be reduced to reflect the effects of the TCJA. Because Ameren Missouri believes single-issue ratemaking based solely on reduced federal income tax rates is unlawful, the Company objected to the Commission’s order. However, Ameren Missouri conceded a tax rate-based reduction would be appropriate if based on a revenue requirement that fully considers all relevant factors affecting rates. The Company’s request for the Interim Rate

Reduction is based on such a revenue requirement. Consequently, the requested Interim Rate Reduction, which reflects the effects of the TCJA, is appropriate pending a final order in this case setting new general rates for Ameren Missouri's gas operations.

10. Ameren Missouri also requests the Commission expedite consideration of the proposed interim rates. More specifically, the Company requests the Commission issue an order allowing the proposed interim rates to take effect January 2, 2019, which is the effective date of the interim rate tariff sheets, or, alternatively, take no action and allow those tariff sheets to take effect by operation of law.

11. The benefits of granting Ameren Missouri's request for expedited consideration are obvious and there are no potential harms. During the winter space heating season, the Interim Rate Reduction would decrease rates by approximately 1.43%, which would mitigate the effect of higher energy bills for many customers during the pendency of this general rate case. And because this request comes at the beginning of the space heating season, expedited consideration and approval of this interim rate proposal would maximize potential customer benefits.

WHEREFORE, for the reasons previously stated in this motion, the Company requests the Commission:

(a) Issue an order approving the interim rate tariff sheets by the effective date shown on those sheets or, in the alternative, take no action with respect to those tariff sheets and allow them to take effect by operation of law; and

(b) Take such other action and grant such other relief as is necessary to implement the Company's request for interim rate relief or as the interests of justice require.

Respectfully submitted,

/s/ Jermaine Grubbs

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**ATTORNEYS FOR  
UNION ELECTRIC COMPANY  
d/b/a AMEREN MISSOURI**

**CERTIFICATE OF SERVICE**

I hereby certify that on this 3rd day of December 2018, a copy of the foregoing filing was served, via e-mail, on counsel for the Missouri Public Service Commission Staff and the Office of the Public Counsel.

*/s/ Jermaine Grubbs* \_\_\_\_\_

# UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

## RESIDENTIAL SERVICE RATE

### INTERIM RATE REDUCTION

This bill line is temporarily being added to allow the Company to pass the benefits of service cost reductions on to customers from the federal Tax Cuts and Jobs Act of 2017 and will remain effective until new general rates are ordered by the Missouri Public Service Commission as part of the general rate proceeding Case No. GR-2019-0077.

The below flat rate will be applied as a credit to all metered Ccf of gas to all Residential Customer Bills.

Residential Interim Rate Reduction \$(0.0086)

DATE OF ISSUE December 3, 2018 DATE EFFECTIVE January 2, 2019

ISSUED BY Michael Moehn President St. Louis, Missouri  
Name of Officer Title Address

# UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

## GENERAL SERVICE RATE

### INTERIM RATE REDUCTION

This bill line is temporarily being added to allow the Company to pass the benefits of service cost reductions on to customers from the federal Tax Cuts and Jobs Act of 2017 and will remain effective until new general rates are ordered by the Missouri Public Service Commission as part of the general rate proceeding Case No. GR-2019-0077.

The below flat rate will be applied as a credit to all metered Ccf of gas to all General Service Customer Bills.

General Service Interim Rate Reduction \$(0.0061)

DATE OF ISSUE December 3, 2018 DATE EFFECTIVE January 2, 2019

ISSUED BY Michael Moehn President St. Louis, Missouri  
Name of Officer Title Address



# UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

INTERRUPTIBLE SERVICE RATE WITH AN ASSURANCE OPTION

INTERIM RATE REDUCTION

This bill line is temporarily being added to allow the Company to pass the benefits of service cost reductions on to customers from the federal Tax Cuts and Jobs Act of 2017 and will remain effective until new general rates are ordered by the Missouri Public Service Commission as part of the general rate proceeding Case No. GR-2019-0077.

The below flat rate will be applied as a credit to all metered Ccf of gas to all Interruptible Customer Bills.

Interruptible Service Interim Rate Reduction \$(0.0028)

DATE OF ISSUE December 3, 2018 DATE EFFECTIVE January 2, 2019

ISSUED BY Michael Moehn President St. Louis, Missouri  
Name of Officer Title Address

# UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

## NATURAL GAS TRANSPORTATION SERVICE

### INTERIM RATE REDUCTION

This bill line is temporarily being added to allow the Company to pass the benefits of service cost reductions on to customers from the federal Tax Cuts and Jobs Act of 2017 and will remain effective until new general rates are ordered by the Missouri Public Service Commission as part of the general rate proceeding Case No. GR-2019-0077.

The below flat rate will be applied as a credit to all metered Ccf of gas to all Transportation Customer Bills.

Standard Transportation Interim Rate Reduction	\$(0.0035)
Large Volume Transportation Interim Rate Reduction	\$(0.0024)

DATE OF ISSUE December 3, 2018 DATE EFFECTIVE January 2, 2019

ISSUED BY Michael Moehn President St. Louis, Missouri  
Name of Officer Title Address