

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

In the Matter of the Union Electric Company d/b/a)
Ameren Missouri's Tariffs to Decrease Its) File No. ER-2019-0335
Revenues for Electric Service.)

**RESPONSE OF AMEREN MISSOURI TO THE COMMISSION'S ORDER DIRECTING
RESPONSES ON WILLINGNESS TO PROVIDE AN
ALTERNATE STIPULATION AND AGREEMENT**

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri"), and responds to the Commission's March 5, 2020 Order Directing Responses as follows:

Background

1. All parties to this case engaged in good faith settlement discussions, and on February 28, 2020, filed a Non-Unanimous Stipulation and Agreement resolving all but two issues raised by the Office of Public Counsel. On March 3, 2020, the parties submitted a Corrected Non-Unanimous Stipulation and Agreement (hereinafter "Stipulation") to correct two small items in the February 28, 2020 Stipulation and Agreement. The only party that did not sign the Stipulation indicated that it did not object to the Stipulation, so the Commission's rules allow it to be treated as a unanimous stipulation.¹

2. On March 4, 2020, the Parties appeared for an on-the-record presentation of the March 3, 2020 Stipulation and Agreement during which many questions were posed by Commissioners regarding the residential rate design provisions in paragraph 27 of the Stipulation.

3. On March 5, 2020, the Commission issued an Order Directing Responses, which directed each party to respond stating if the Party is "willing to provide an alternate stipulation and agreement that includes any or all of the following" three points:

¹ 20 CSR 4240-2.115(2)(C).

1. Allowing residential net-metering customers to select any rate options offered to other residential customers.
2. Enhancing the default time of use (TOU) rate so that the peak period is significantly shorter and has a much greater pricing differential relative to the off-peak period than the currently proposed default TOU rate.
3. Submitting to the Commission timely status reports after the monthly customer engagement meetings identified in Paragraph 27 of the Corrected Non-Unanimous Stipulation and Agreement. The status reports would detail the agreed to educational/communication programs. In addition, Ameren Missouri would present at Agenda in either June or July 2020, details of the customer outreach plans prior to their initiation.

Response to Point #1

4. While Ameren Missouri is not willing to provide an alternate stipulation and agreement, Ameren Missouri will be submitting a compliance tariff for the new Default Day/Night Rate to address residential net-metering customers' use of that rate as a default rate in conformance with the Stipulation.

5. In addition, Ameren Missouri is willing to develop and file amended tariff sheets to allow residential net-metering customers to participate in any other rate options offered to residential customers in its next electric general rate case, but cannot practically do so in this pending case.

6. The IT programming to implement any new netting process that differentiates between TOU periods would likely take months to complete, and a costly manual billing process for net metering customers could potentially be required on an interim basis.

7. Furthermore, the bill impacts to net-metering customers and revenue impacts to the Company of providing the other TOU options have not been evaluated. These issues can and should be fully vetted in Ameren Missouri's next electric rate case.

Response to Point #2

8. Ameren Missouri is not willing to provide an alternate stipulation and agreement

that defaults residential customers to a TOU rate with a significantly shorter peak period and much greater pricing differential between on-peak and off-peak periods than the currently proposed Day/Night Rate due to the significant impact to customers.

9. Ameren Missouri wants residential customers to have a positive introduction to TOU rates, and believes that defaulting customers onto such an aggressive TOU rate, especially with only six months of historical interval data for comparison, would not provide that to customers.

10. As described by Company witness Steven Wills at the March 4, 2020 on-the-record presentation, the bill impacts for customers, particularly low-income and fixed-income customers as well as other vulnerable customers, could be significant on the Smart Savers Rate, which features a short peak period and 5 to 1 pricing differential. Residential customers that rely on electricity as their primary energy source for space heating could be especially impacted if placed on a winter TOU rate in place of the current declining block rate. Making aggressive TOU rates available as an option for customers is a substantial step in giving customers choices about their rates and the ability to control their bills. But, defaulting all customers onto a rate that could significantly increase their bills would create a negative experience for many customers.

Response to Point #3

11. While Ameren Missouri is not willing to provide an alternate stipulation and agreement, Ameren Missouri does not believe that the Stipulation would need to be changed to accomplish point three. Instead, Ameren Missouri commits to submit status reports and present at Agenda in either June or July 2020 as described in point three of the Commission's March 5, 2020 Order.

WHEREFORE, Union Electric Company d/b/a Ameren Missouri responds to the Commission's Order Directing Responses.

Respectfully submitted,

UNION ELECTRIC COMPANY
D/B/A AMEREN MISSOURI

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served via electronic mail (e-mail) to all parties of record on this 9th day of March, 2020.

/s/Wendy Tatro

Wendy K. Tatro