



# *2019 Missouri Electric Rate Review Filing*

July 5, 2019



# Cautionary Statements



## Forward-looking Statements

Statements in this presentation not based on historical facts are considered "forward-looking" and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward-looking statements have been made in good faith and are based on reasonable assumptions, there is no assurance that the expected results will be achieved. These statements include (without limitation) statements as to future expectations, beliefs, plans, strategies, objectives, events, conditions, and financial performance. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, Ameren is providing this cautionary statement to identify important factors that could cause actual results to differ materially from those anticipated. In addition to factors discussed in this presentation, Ameren's Annual Report on Form 10-K for the year ended December 31, 2018, and its other reports filed with the SEC under the Securities Exchange Act of 1934 contain a list of factors and a discussion of risks which could cause actual results to differ materially from management expectations suggested in such "forward-looking" statements. All "forward-looking" statements included in this presentation are based upon information presently available, and Ameren, except to the extent required by the federal securities laws, undertakes no obligation to update or revise publicly any "forward-looking" statements to reflect new information or current events.

# July 2019 Missouri Electric Rate Review Filing



- **\$1 million annual revenue decrease request filed July 3 with MoPSC**
  - Request allows for continued use of fuel adjustment clause, which requires rates to be reset every four years, and provides flexibility to time next rate review filing to include wind generation investments
  - ROE: 9.95% and equity ratio: 51.9%
  - Rate base: \$8.0 billion (Dec. 31, 2019 estimate)
  - Test year ended Dec. 31, 2018, with certain pro-forma adjustments through Dec. 31, 2019<sup>1</sup>
- **Continuation of previously authorized fuel adjustment clause and regulatory recovery mechanisms**
- **Initiation of new Smart Saver and EV Saver customer rate programs**
  - Allows residential customers more control over energy usage by utilizing new smart meters
    - Smart Saver rate: Customers can save if they use energy during non-peak times
    - EV Saver rate: Electric vehicle owners can save by charging vehicles overnight



<sup>1</sup> Through Jan. 1, 2020 for fuel, transportation, MISO multi-value transmission project expenses and payroll costs.

# July 2019 Missouri Electric Rate Review Filing, cont'd



- **Key drivers of requested \$1 million annual revenue decrease**
  - Decreased net energy costs<sup>1</sup> otherwise subject to FAC recovery: ~\$(100) million
  - Cost recovery through higher weather-normalized customer sales volumes: ~\$(55) million
  - Decreased expenses, other than net energy costs: ~\$(20) million
    - Subject to regulatory recovery mechanisms: ~\$(80) million
  - New electric infrastructure investments
    - Depreciation and amortization expense: ~+\$115 million
      - Higher depreciation rates: ~+\$35 million
      - Otherwise deferred under PISA: ~+\$35 million
    - Pre-tax return on rate base<sup>2</sup>: ~+\$60 million
      - Otherwise deferred under PISA: ~+\$30 million
- **Expect MoPSC decision by late April 2020, with new rates effective in late May 2020**



<sup>1</sup> Net energy costs, as defined in the FAC, include fuel and purchased power costs, including fuel transportation, net of off-system sales and capacity revenues.

<sup>2</sup> Includes both debt and equity components.

# Glossary of Terms and Abbreviations



*FAC* – Fuel adjustment clause

*MoPSC* – Missouri Public Service Commission

*PISA* – Plant-in-service accounting

*ROE* – Return on equity

*SEC* – Securities and Exchange Commission