



# Ameren Missouri Electric Rate Review Filing

Aug. 1, 2022



# 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, projections, strategies, targets, estimates, 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, 2021, 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 that 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.

# Aug. 2022 Missouri Electric Rate Review Filing



- **\$316 million annual revenue increase request filed Aug. 1 with MoPSC**
  - ROE: 10.2% and equity ratio: 51.9%
  - Rate base: \$11.6 billion (Dec. 31, 2022 estimate)
  - Test year ended Mar. 31, 2022, with certain pro-forma adjustments through Dec. 31, 2022
  - Continuation of existing FAC, RESRAM, and other regulatory mechanisms
  - Request recovery under new property tax tracker in line with SB 745
  - Annual revenue increase drivers
    - Increased investments made under the Smart Energy Plan, including increased cost of capital and depreciation expense<sup>1</sup>
    - Increased net fuel expense due to reduced off system sales, primarily driven by reduced operations at Rush Island Energy Center
- **Expect MoPSC decision by June 2023; new rates effective by July 1, 2023**



Warren County - Installation of a "Viper Switch" which will rapidly detect and isolate damage, rerouting power where possible to reduce outages and speed power restoration sometimes from hours to seconds.

<sup>1</sup> Depreciation rates include the extension of Sioux Energy Center retirement to 2030, consistent with the 2022 Change to the 2020 IRP. No change to Rush Island Energy Center depreciation rates as Ameren Missouri expects to securitize remaining balances when retired.

# Working to Keep Missouri Customer Rates Low



- **Ameren Missouri has kept rates stable and affordable for customers, with residential rates more than 20% below national and Midwest averages<sup>1</sup>**
  - Expect to remain well below the Midwest average after the completion of this electric rate review
- **Current electric base rates well below customer rate cap**
  - ~6% reduction in 2018 and ~1.5% reduction in 2020
  - As of June 30, 2022, average residential electric rates have increased at ~0.5% CAGR under electric rate cap beginning Apr. 1, 2017; could have increased 2.85% CAGR under rate cap<sup>2</sup>
- **New electric rate request, if approved, would reflect a CAGR of ~2.3% over an approximate six-year period**



<sup>1</sup> According to Edison Electric Institute, "Typical Bills and Average Rates Report". <sup>2</sup> To determine the rate cap, 2.85% CAGR is applied to the total rate for all classes as of Apr. 1, 2017, excluding the MEEIA rider, less ~3%, representing half the income tax rate reduction in 2018. <sup>3</sup> Average annual residential rates, excluding MEEIA rider, effective Apr. 1, 2017 and June 30, 2022.

# Key Customer Benefits Reflected in Missouri Rate Request



- **Strengthening the grid** through Ameren Missouri's Smart Energy Plan, including infrastructure upgrades bolstering reliability and resiliency, installation of smart meters, and addition of programs to stimulate economic growth for communities across the state
  - Significant job creation and retention
  - Up to 40% improvement in reliability<sup>1</sup> on circuits with new smart technology upgrades
  - 56% of suppliers in 2021 were Missouri-based
  - 46% of sourceable capital spend in 2021 was with diverse suppliers
- **Evolving generation plan** for cleaner energy and to ensure the energy system remains reliable and resilient for all customers
- **Offering rate options** that fit a range of customer lifestyles, thanks to how smart meters communicate with the updated grid. Customer benefits include the opportunity to reduce costs by using information from their smart meter to help shift the timing of their energy usage. Smart meters also enable quicker restoration in the event of an outage and faster connection when moving or starting service.



<sup>1</sup> As measured by the System Average Interruption Duration Index (SAIDI) including major event days.



# Glossary of Terms and Docket Numbers

*CAGR* – Compound Annual Growth Rate

*FAC* – Fuel adjustment clause

*MEEIA* – Missouri Energy Efficiency Investment Act

*MoPSC* – Missouri Public Service Commission

*ROE* – Return on equity

*SB* – Senate Bill

*SEC* – Securities and Exchange Commission

*Docket Number:*

Electric rate review filing: ER-2022-0337

Website: <https://www.efis.psc.mo.gov/mpsc/DocketSheet.html>