

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

In the Matter of Union Electric d/b/a Ameren)	
Missouri's Tariff to Revise its Rider EEIC to)	<u>File No. ER-2015-0235</u>
Implement an Exemption for Qualifying)	Tracking No. JE-2015-0290
Low-Income Customers)	

STAFF RECOMMENDATION

COMES NOW Staff of the Missouri Public Service Commission, by and through counsel, and submits this Staff Recommendation to the Missouri Public Service Commission ("Commission") recommending that the Commission approve four (4) tariff sheets filed by Ameren Missouri on March 27, 2015 bearing an effective date of May 27, 2015 that propose a Missouri Energy Efficiency Investment Act ("MEEIA") Rider Energy Efficiency Investment Charge ("Rider EEIC") rate change for residential customers. The effect of the new Energy Efficiency Investment Rate change will increase a typical residential customer bill by \$0.17 per month on average while the typical qualifying low-income customer will save nearly \$7.00 per month on average depending on usage. In support thereof, Staff states as follows:

1. On March 21, 2015, the Commission approved a stipulation and agreement¹ entered into by the Staff, Office of Public Counsel, and Ameren Missouri that recommended that the Commission approve an exemption from Ameren Missouri's Rider EEIC for qualifying low-income residential customers as permitted under the MEEIA statute section 393.1075(6) RSMo. On March 27, 2015, Ameren Missouri filed four (4) tariff sheets revising its EEIC Rider.

¹ Order Approving Non-unanimous Stipulation and Agreement Regarding MEEIA Low Income Exemption and LED Street Lighting Issues in Case No. ER-2014-0258, issued March 19, 2015; effective March 21, 2015. (EFIS Item No. 465)

2. On March 30, 2015, the Commission issued its *Order Establishing Time To File Recommendations Regarding Tariff* directing the Staff and any party wishing to file a recommendation to do so no later than April 27, 2015.

3. The Staff has reviewed the four (4) revised tariff sheets and has determined for reasons more fully explained in Staff's Memorandum (attached as Appendix A) that these tariff sheets comply with the stipulation and agreement approved by the Commission on March 21, 2015 and recommends their approval by the Commission. Staff's recommendation for their approval is solely based on the accuracy of Ameren Missouri's calculations.

4. Staff has verified that Ameren Missouri has filed its Annual Report, is not delinquent on any assessment, and is current on its submission of its Quarterly Surveillance Monitoring Reports as required by 4 CSR 240-20.090(10).

WHEREFORE, Staff prays the Commission accept its Recommendation and either issue an order approving the following tariff sheets as filed on March 27, 2015, to become effective on May 27, 2015, or to allow them to go into effect by operation of law that same date:

P.S.C. MO. No. 6

2nd Revised Sheet No. 90, Cancelling 1st Revised Sheet No. 90

1st Revised Sheet No. 90.1, Cancelling Original Sheet No. 90.1

1st Revised Sheet No. 90.4, Cancelling Original Sheet No. 90.4

2nd Revised Sheet No. 90.5, Cancelling 1st Revised Sheet No. 90.5

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin

Deputy Counsel

Missouri Bar No. 51709

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Missouri Public Service Commission

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served electronically on this 27th day of April, 2015 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/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2015-0235 and Tariff Tracking No. JE-2015-0290
Union Electric Company d/b/a Ameren Missouri

FROM: Michael Stahlman, Regulatory Economist III

/s/ Michael Scheperle 4/27/15
Manager, Economic Analysis / Date

/s/ Robert S. Berlin 4/27/15
Staff Counsel Division / Date

SUBJECT: Staff Recommendation to Approve Union Electric Company d/b/a Ameren Missouri's ("Ameren Missouri") Proposed Tariff Sheets for its Rider Energy Efficiency Investment Charge ("Rider EEIC") to Implement a Rate Change of the Proposed Rider EEIC effective May 27, 2015

DATE: April 27, 2015

Ameren Missouri Filing

On March 27, 2015, Ameren Missouri filed with the Commission four (4) tariff sheets bearing an issue date of March 27, 2015, and an effective date of May 27, 2015,¹ proposing a Missouri Energy Efficiency Investment Act ("MEEIA") Rider EEIC² rate change for residential customers. The new Energy Efficiency Investment Rate ("EEIR") will cost a typical residential customer an additional \$0.17 per month on average, while the typical, qualifying low-income customer will save approximately \$7.00 per month on average, depending on monthly usage.

Ameren Missouri filed four (4) revised tariff sheets to implement the change. The tariff sheet revisions do the following: (1) the revisions specify that "low-income" residential customers are exempt from the EEIR, (2) they define the qualifications of an exempt low-income customer, and (3) the tariff sheet revisions change the EEIR residential rate to implement recovery of MEEIA charges from fewer residential customers as a result of the low-income exemption.

A Commission Order directed the Staff of the Commission to file its recommendation no later than April 27, 2015, and further ordered that any party wishing to file a recommendation shall do so no later than April 27, 2015.³

Ameren Missouri's filing proposes rate changes to the existing energy efficiency investment cost recovery mechanism. This is accomplished by calculating a new Rider EEIC rate change for the

¹ The first day of Ameren Missouri's June 2015 billing month.

² Designated File No. ER-2015-0235.

³ Order Establishing Time to File Recommendations Regarding Tariff issued on March 30, 2015.

residential class that reflects a reduction in the November 2014 forecasted residential kilowatt-hours due to the exemption of low-income customers. The Rider EEIC rates and charges for the applicable commercial and industrial customers will not change.

The proposed Rider EEIC rate changes are applicable to all kilowatt-hours (“kWh”) of energy supplied to customers served by Ameren Missouri under service classification rate schedules⁴ 1(M), 2(M), 3(M), 4(M), 11(M) and 12(M), excluding kWh of energy supplied to “opt-out” customers or “low-income” customers.

Background

On March 12, 2015, Ameren Missouri, the Office of Public Counsel, and the Staff of the Missouri Public Service Commission (“Staff”) filed a non-unanimous stipulation and agreement in Ameren Missouri’s current rate case ER-2014-0258 that recommends the Commission approve an exemption from Ameren Missouri’s Rider EEIC (Energy Efficiency Investment Charge) for qualifying residential low-income customers. MEEIA statute 393.1075, RSMo, subsection 6, provides “that the Commission may reduce or exempt allocation of demand-side expenditures to low income classes, as defined in an appropriate proceeding, as a subclass of residential service.” On March 21, 2015, the Commission approved⁵ the non-unanimous stipulation and agreement. The low-income exemption will begin with the June 2015 billing month, and the resulting reduction in revenues will be recovered from the remaining residential rate class customers. As previously stated, the Rider EEIC is not changing for applicable commercial and industrial customers

Ameren Missouri submits a Rider EEIC filing each calendar year to become effective starting for the subsequent calendar year’s February billing month. Ameren Missouri is permitted under its tariff, or it may be ordered by the Commission, to make one other Rider EEIC filing in each calendar year with filings being made at least sixty (60) days prior to their effective dates for either the June or October billing months. Therefore, Ameren Missouri is implementing the low-income changes to its Rider EEIC tariff in its permissible EEIC filing for the June billing month.

⁴ Rate Schedules for Residential 1(M), Small General Service 2(M), Large General Service 3(M), Small Primary Service 4(M), Large Primary Service (11(M), and Large Transmission Service 12(M).

⁵ Order Approving Non-unanimous Stipulation and Agreement Regarding MEEIA (Missouri Energy Efficiency Investment Act) Low Income Exemption and LED Street Lighting issues in Case No. ER-2014-0258

Change in 2015 MEEIA Rates

The current MEEIA mechanism rate per class of customer is collected through a line item on current bills and is based on each year’s projected costs and incentives⁶ with reconciliations from actual prior periods and any ordered adjustments with interest. Listed below are the current MEEIA rates⁷ and the new MEEIA rates⁸ for the proposed Rider EEIC mechanism.

Rate Class	Current MEEIA Rate/kWh	Proposed MEEIA Rate/kWh
Residential	\$0.005607	\$0.005800
Small General Service	\$0.002435	\$0.002435
Large General Service	\$0.003563	\$0.003563
Small Primary Service	\$0.002865	\$0.002865
Large Primary Service	\$0.003385	\$0.003385

Staff Recommendation

The Commission Staff’s Economic Analysis Department (“Staff”) has reviewed the filed tariff sheets and has determined that they comply with the stipulation and agreement approved by the Commission on March 21, 2015, and recommends the Commission issue an order approving the following tariff sheets, as filed on March 27, 2015, for service on and after May 27, 2015.

P.S.C. MO. No. 6

- 2nd Revised Sheet No. 90, Cancelling 1st Revised Sheet No. 90
- 1st Revised Sheet No. 90.1, Cancelling Original Sheet No. 90.1
- 1st Revised Sheet No. 90.4, Cancelling Original Sheet No. 90.4
- 2nd Revised Sheet No. 90.5, Cancelling 1st Revised Sheet No. 90.5

The Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its Annual Report. Ameren Missouri is current on its submission of its Quarterly Surveillance Monitoring reports as required in 4 CSR 240-20.090(10). The Staff is not aware of any other matter

⁶ Proposed Rider EEIC which contemplates projected costs and incentives with reconciliations from prior periods.

⁷ MEEIA rates effective January 27, 2014 through January 26, 2015.

⁸ Proposed MEEIA rates effective May 27, 2015. Rider EEIC rates would vary for each effective period based on projected costs, incentives, and customer opt-outs.

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OFFICIAL CASE FILE MEMORANDUM

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before the Commission that affects or is affected by this filing. Staff's recommendation for approval of the EEIC rate change in this case is solely based on the accuracy of Ameren Missouri's calculations.

BEFORE THE PUBLIC SERVICE COMMISSION


OF THE STATE OF MISSOURI

In the Matter of Union Electric)
Company d/b/a Ameren Missouri's)
Electric Service Tariffs Adjustment)
Relating to MEEIA EEIC Rider) Case No. ER-2015-0235

AFFIDAVIT OF MICHAEL L. STAHLMAN

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Michael Stahlman, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Michael L. Stahlman

Subscribed and sworn to before me this 27th day of April, 2015.

SUSAN L. SUNDERMEYER
Notary Public - Notary Seal
State of Missouri
Commissioned for Callaway County
My Commission Expires: October 28, 2018
Commission Number: 14942086



Notary Public