

Exhibit No.:
Issues: Demand-Side Investment
Mechanism
Witness: William R. Davis
Sponsoring Party: Union Electric Company
Type of Exhibit: Direct Testimony
Case No.: ER-2019-
Date Testimony Prepared: March 25, 2019

MISSOURI PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

WILLIAM R. DAVIS

March, 2019
St. Louis, Missouri

DIRECT TESTIMONY

OF

WILLIAM R. DAVIS

File No. ER-2019-

1 **Q. Please state your name and business address.**

2 A. My name is William (Bill) R. Davis. My business address is One Ameren Plaza,
3 1901 Chouteau Ave., St. Louis, Missouri.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am Director, Energy Solutions for Union Electric Company d/b/a Ameren
6 Missouri ("Ameren Missouri" or "Company").

7 **Q. What is the purpose of your testimony?**

8 A. My testimony supports the revisions to Rider EEIC – Energy Efficiency
9 Investment Charge of Ameren Missouri’s Schedule No. 6 – Schedule of Rates for Electric
10 Service Sheet No. 91.22,¹ which is being filed by Ameren Missouri to adjust customer rates to
11 reflect the costs of the Company’s recently approved energy efficiency programs (MEEIA 2019-
12 21). The revised tariff sheets are attached hereto as Schedule WRD 1.

13 **Q. Please explain why Ameren Missouri is filing a revision to its Rider EEIC at**
14 **this time.**

15 A. Ameren Missouri is filing a revision to its Rider EEIC for the sole purpose of
16 adjusting customer rates to reflect the costs of the Company’s recently approved energy
17 efficiency programs (MEEIA 2019-21). In November 2018, the Company filed its annual

¹ Sheet 91.22 is an Original sheet with all vintages of MEEIA rates and is replacing the 4th Revised Sheet 91.11; therefore rates associated with MEEIA cycles 1 & 2 are being relocated to Sheet No. 91.22 and a 5th Revised Sheet 91.11 is also included as a blank sheet to transition to Sheet 91.22 as the sheet with rates.

1 revision to Rider EEIC; and since the Company's MEEIA 2019-21 Plan had not been formally
 2 approved at that time, that Rider EEIC filing did not contain costs for MEEIA 2019-21.
 3 Subsequently, on December 5, 2018, the Missouri Public Service Commission ("Commission")
 4 approved an uncontested Stipulation and Agreement ("Stipulation") regarding the Company's
 5 MEEIA 2019-21 Plan (File No. EO-2018-0211). Under the terms of Rider EEIC, the Company is
 6 allowed, or may be ordered by the Commission, to make one other Rider EEIC filing in each
 7 calendar year, with such subsequent filing to be effective beginning with either the June or
 8 October billing month (to coincide with rate changes in the Company's Fuel Adjustment Clause
 9 rate). Therefore, this filing is the earliest in which the Company could include MEEIA 2019-21
 10 costs in Rider EEIC.

11 **Q. Please describe the impact of the change in the Energy Efficiency Investment**
 12 **Rate ("EEIR") on the Company's customers.**

13 A. Overall, this Rider EEIC filing seeks an increase of \$62.2 million over the current
 14 level of such costs in the Company's rates. This increase consists of forecasted costs for March
 15 2019 through January 2020, which are depicted in Table 1 below.²

TABLE 1

Service Class	Reconciled Costs*	Forecasted Costs†	Total
1(M)-Residential Service	\$0	\$35,236,013	\$35,236,013
2(M)-Small General Service	\$0	\$5,652,380	\$5,652,380
3(M)-Large General Service	\$0	\$12,849,553	\$12,849,553
4(M)-Small Primary Service	\$0	\$5,710,262	\$5,710,262
11(M)-Large Primary Service	\$0	\$2,754,142	\$2,754,142
12(M)-Large Transmission Service	\$0	\$0	\$0

*Total Reconciled Costs = Program Cost Reconciliation + Throughput Disincentive Reconciliation as defined in Rider EEIC
 †Forecasted Costs = Projected Program Costs + Projected Throughput Disincentive as defined in Rider EEIC

² The costs in the table are in addition to the costs approved in File No. ER-2019-0151.

1 Allocating the MEEIA 2019-21 Rider EEIC revenue requirement (\$62.2 million) to the
 2 respective rate classes³ and using the forecasted kilowatt-hour ("kWh") sales for June 2019 to
 3 January 2020 results in the following EEIR amounts for the Company's customers for the
 4 remainder of the Effective Period, beginning with the June 2019 billing month:

TABLE 2

Service Class	MEEIA 1 Subtotal⁴ (\$/kWh)	MEEIA 2 Subtotal⁴ (\$/kWh)	MEEIA 3 Subtotal (\$/kWh)	Total EEIR (\$/kWh)
1(M)-Residential Service	\$0.000039	\$0.000500	\$0.004164	\$0.004703
2(M)-Small General Service	\$0.000055	\$0.002879	\$0.002494	\$0.005428
3(M)-Large General Service	\$0.000112	\$0.002384	\$0.002435	\$0.004931
4(M)-Small Primary Service	\$0.000094	\$0.002088	\$0.002433	\$0.004615
11(M)-Large Primary Service	\$0.000185	\$0.001333	\$0.002319	\$0.003837
12(M)-Large Transmission Service	\$0.000000	\$0.000000	\$0.000000	\$0.000000

5 Filed concurrently with my direct testimony is the tariff sheet that contains the EEIR,
 6 along with the relevant subcomponents. The new EEIR will result in charges of approximately
 7 \$4.77 per month for an average residential customer which is an increase from \$0.55 per month
 8 (a total increase of \$4.22 per month).

9 **Q. What action is Ameren Missouri requesting from the Commission with**
 10 **respect to the revised Rider EEIC rate schedule that the Company has filed?**

11 A. The Company requests approval of the revised Rider EEIC rate schedule to
 12 become effective on the first day of the June 2019 billing month, which is May 30, 2019.

³ The allocation methodology is consistent with Ameren Missouri's stipulation approved in File No. EO-2018-0211.

⁴ MEEIA 1 and MEEIA 2 costs remain unchanged from File No. ER-2019-0151.

1 **Q. Are there other filing requirements which need to be provided?**

2 A. The rules require that Ameren Missouri provide the Annual Report required by 4
3 CSR 240-93(9). That report was filed on April 30, 2018, in File No. EO-2018-0311. There was a
4 60-day comment period following that report's submission, no party filed comments, and the
5 Commission subsequently closed the File on May 31, 2018. In addition, I have attached the
6 supporting documentation as Schedules WRD 2, WRD 3, WRD 4, WRD 5, WRD 6, WRD 7,
7 and WRD 8.

8 **Q. Does this conclude your direct testimony?**

9 A. Yes, it does.

