

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

In the Matter of Union Electric Company d/b/a)
Ameren Missouri's 2nd Filing to Implement) File No. EO-2015-0055
Regulatory Changes in Furtherance of Energy)
Efficiency as Allowed by MEEIA.)

**MOTION FOR LEAVE TO FILE TESTIMONY
IN SUPPORT OF NON-UNANIMOUS STIPULATION AND AGREEMENT**

COMES NOW, Union Electric Company d/b/a Ameren Missouri (Ameren Missouri or Company), and hereby requests leave to file testimony in support of the Non-Unanimous Stipulation and Agreement (Stipulation) filed earlier today, and, in support of its motion, states as follows:

1. On December 22, 2014, the Company filed its second demand-side management plan pursuant to the Missouri Energy Efficiency Investment Act (MEEIA) (MEEIA 2 plan). Utilities may, but are not required to, file such plans.

2. MEEIA reflects the state's policy to value demand-side investments equal to traditional investments in supply and delivery infrastructure. When a utility files a MEEIA plan, MEEIA directs the Commission to do three things in support of that policy¹:

- a. Provide timely cost recovery for utilities (i.e., for program costs and the impact of the throughput disincentive inherent in demand-side programs);
- b. Ensure that the utility's financial incentives are aligned with helping its customers use energy more efficiently; and
- c. Provide timely earnings opportunities associated with cost-effective measurable and verifiable efficiency savings.

¹ Section 393.1075.3, RSMo. (Cum. Supp. 2013).

3. Since filing its MEEIA 2 plan, the Company has held eight technical conferences with parties to this case. In addition, there have been numerous meetings and discussions with all parties, and other meetings/discussions with some but not all of the parties, in an attempt to gain a better understanding of their perspectives, to provide a better understanding of the Company's perspectives and to, if possible, resolve this MEEIA 2 plan case via settlement.

4. In the course of these conferences and discussions, the Company carefully considered the other parties' testimony and determined that it could make some changes to the MEEIA 2 plan it originally filed without misaligning its incentives or otherwise running afoul of the principles reflected in MEEIA. Consequently, the Stipulation reflects modifications to Ameren Missouri's original plan that are acceptable to the Company² and that resolve all concerns for the signatory parties to the Stipulation.

5. The changes that are being made may not (at least in the non-signatory parties' view) completely address all of the other proposals made or concerns expressed by others in this case, but they are all changes that are "movement toward" other parties' positions. The bottom line is that the Company is willing to make the changes set forth in the Stipulation. There are proposals that have been made in this case that are simply unacceptable to the Company because they do not properly align the Company's incentives or are otherwise inconsistent with allowing the Company to value investments in demand-side programs and supply-side/delivery infrastructure equally.

6. The Company filed its MEEIA 2 plan in order to pursue successful demand-side management programs. It has done so through its MEEIA 1 programs, and it did so even before

² Under the Commission's MEEIA rules, the Commission can approve the MEEIA plan, or can approve it with modifications acceptable to the filing utility. 4 CSR 240-94(3)(E).

then when it ran very successful demand-side programs from 2008 - 2011.³ It cannot, however, put itself in the position of acting against its own interests by inducing its customers to buy less of its product and otherwise undermining its ability to obtain fair earnings for its shareholder by agreeing to modifications to its MEEIA 2 plan that do not reflect timely cost recovery, a proper alignment of incentives and a proper earnings opportunity. The modified plan, as reflected in the Stipulation's terms, is consistent with those Company interests and thus allows the continuation of MEEIA programs operated by the Company, and the benefits those programs bring for customers.

7. The changes reflected in the Stipulation are as follows:
 - a. As explained in the supplemental testimony of Lynn M. Barnes and William R. Davis, the Stipulation changes the TD-NSB component of the Company's proposed DSIM to account for changes in rate case parameters (most notably, the timing of future rate cases), which have a significant impact on the throughput disincentive that occurs from the operation of the programs;
 - b. As explained in the supplemental testimony of Dan Laurent, the Stipulation increases the targeted savings by approximately 37%, with an increase in its program budget of approximately 47%, which is necessary in order to pursue and achieve the higher targeted savings; and.
 - c. As also explained in Mr. Davis' supplemental testimony (and as briefly addressed in Ms. Barnes testimony), the Stipulation reflects the Company's willingness to follow the same process to determine the performance incentive associated with its MEEIA 2 plan as is currently used for the determination of

³ The Company was forced to very substantially scale-back on its 2008 - 2011 demand-side program efforts after it was unable to obtain the necessary rate making and regulatory treatment of the costs and impacts of those programs on its finances. That changed with the approval of the MEEIA 1 programs, which enabled the Company to operate its successful MEEIA 1 programs starting in 2013 and continuing today.

the performance incentive for its MEEIA 1 programs. This process includes retrospective EM&V and NTG estimates for the performance incentive component of the DSIM, using the approach agreed-upon and approved by the Commission in the *Second Non-Unanimous Stipulation and Agreement Settling the Program Year 2013 Change Requests* in our MEEIA 1 docket, File No. EO-2012-0142. The Stipulation also increases the potential performance incentive amounts by 20%, in recognition of the even higher (37% increase) in the targeted savings now being proposed.

8. The Company recognizes that it is only fair that the non-signatory parties have an opportunity to respond to the modified MEEIA 2 plan, as reflected in the Stipulation and explained in the supplemental testimony. To that end, the Company proposes that other parties be given until July 13 to file testimony responsive to the Company's supplemental testimony. We would note that all of the changes reflected in the Stipulation have been discussed with parties (including the non-signatories) to this case over the past several weeks, and the workpapers relating to the Company's supplemental testimony have been provided to the parties concurrently with this filing.

9. The Company also recommends that parties be afforded the opportunity to update their position statements, if they so desire, by filing amended position statements by July 15, and that the parties also be required to file (by July 16) an updated order of witnesses so that the schedule for the hearings that are scheduled to occur on July 20, 21 and 22 can be set. The Company suggests that it is advisable to file an updated order of witness to account for any witness conflicts that may exist during those three days.

WHEREFORE, Ameren Missouri requests leave to file the supplemental testimonies of Lynn M. Barnes, William R. Davis and Dan Laurent, submitted currently herewith and that the Commission approves the Company's MEEIA 2 plan, as modified by the terms of the Non-Unanimous Stipulation and Agreement filed earlier today.

Respectfully submitted,

/s/ James B. Lowery
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**ATTORNEYS FOR UNION ELECTRIC
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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic transmission, facsimile or email to counsel for parties in this case on this 30th day of June, 2015.

/s/ James B. Lowery