

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

In the Matter of Union Electric Company d/b/a )  
Ameren Missouri’s Filing to Implement Regulatory )  
Changes in Furtherance of Energy Efficiency as ) **Case No. EO-2012-0142**  
Allowed by MEEIA. )

**PUBLIC COUNSEL’S MOTION TO ACCEPT AMENDED CORRECTIONS TO  
OFFICE OF PUBLIC COUNSEL WITNESS DR. GEOFF MARKE’S DIRECT,  
REBUTTAL, AND SURREBUTTAL TESTIMONY**

COMES NOW the Office of the Public Counsel (“Public Counsel”) and submits amended corrections to the direct, rebuttal, and surrebuttal testimony of Dr. Geoff Marke and states as follows:

1. On December 31, 2014, Public Counsel filed its *Motion to Accept Corrections to Office of Public Counsel Witness Dr. Geoff Marke’s Direct, Rebuttal, and Surrebuttal Testimony*.<sup>1</sup> That filing was made to correct errors in the pre-filed direct, rebuttal, and surrebuttal testimony filed by Dr. Marke on behalf of the Office of Public Counsel. Public Counsel sought to correct the errors within its own testimony and calculations because it had identified certain inconsistencies in Ameren Missouri’s evaluator’s and the Commission’s auditor’s reports concerning the free ridership estimates.

2. Commission Rule 4 CSR 240-2.080(18) provides that a party may amend any pleading within ten (10) days of filing. As explained more fully below, Public Counsel files this motion to accept amended corrections to the testimony of Dr. Geoff Marke.

3. As explained in the pleading filed on December 31, 2014, the evaluator and auditor make a “final” recommendation for a free rider adjustment in three different areas. In the evaluator’s final report submitted by Cadmus, the free rider adjustment is “.24.” The auditor’s

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<sup>1</sup> Doc. No. 259.

final report contains an executive summary and a separate LightSavers section. Within the LightSavers section, the auditor's free ridership adjustment is ".24," the same as Ameren's evaluator. However, in the auditor's executive summary the free ridership adjustment is ".21."<sup>2</sup>

4. Believing that OPC and the other parties had characterized inadvertently the positions of the auditor and evaluator on the free ridership adjustment as being the same, Public Counsel set out to correct the error within its own calculations. To do so, Public Counsel recalculated the PY2013 energy savings, PY2013 annual net shared benefits, and the performance incentive using the evaluator's ".24" adjustment to free ridership for the LightSavers program rather than the auditor's ".21" adjustment. Throughout its testimony Public Counsel has recommended that the Commission adopt the evaluator's free ridership adjustments. Making the aforementioned change, then, was intended to correct the Mwh savings offered by Public Counsel to reflect recommendations explained in testimony. Using the new number, Public Counsel then filed its corrected testimony and statement of positions reflecting the changed numbers; the underlying rationale remained the same.<sup>3</sup>

5. The LightSavers program consists of two components, the upstream markdown/coupon bulbs and the social marketing distribution ("SMD") bulbs.<sup>4</sup> The apparent inconsistency between the ".24" adjustment in the evaluator's report and the ".21" adjustment in the auditor's report is explainable, in part, because the evaluator did not recommend a free ridership adjustment for the SMD portion of the LightSavers program.<sup>5</sup>

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<sup>2</sup> Public Counsel previously stated that the number was ".213." That number is used by the auditor in its work papers; within the report the number used is ".21."

<sup>3</sup> Public Counsel has filed its amended statement of positions on the date of this filing that reflects the changes shown herein.

<sup>4</sup> The social marketing distribution element provides an avenue to distribute free CFLs to income-eligible customers through partnerships with community organizations.

<sup>5</sup> Nor did the evaluator recommend any other kind of adjustment to the SMD portion of the LightSavers program.

6. In order to fully measure the adjustments made to LightSavers program in its entirety, not just the upstream markdown/coupon component, the auditor's final report included a weighted adjustment to the LightSavers program as a whole. Because this weighed adjustment included the SMD component of the program, the free ridership adjustment was changed to ".21." That weighted number was used by the Staff when making its calculations, and appears to have correctly utilized the auditor's free ridership estimates. Importantly, the auditor's report and the evaluator's report use the same ultimate energy savings numbers when calculating the Net-to-Gross ratios for the LightSavers program. Therefore, although not clear from the face of the reports, it is accurate to say that the evaluator and auditor make the same recommendation for free ridership.

7. In its initial effort to ensure that its calculated numbers reflected the recommendations within the testimony of Dr. Marke, Public Counsel recalculated its estimates using the evaluator's ".24" number for free ridership. As explained above, that number did not include any free ridership consideration for the SMD program bulbs, and thus, Public Counsel's corrections filed on December 31, 2014 are inaccurate. Rescinding the corrections alone will not sufficiently correct Public Counsel's testimony, they must be replaced. This is so because the discovery of what Public Counsel believed to be the errors in free ridership caused Public Counsel to make corrections to a variety of other calculations. These calculations are often interdependent and attempting to isolate one component will necessarily impact the calculation of another component. When amending its calculations to include consideration for the SMD component of the LightSavers program, Public Counsel's expert believed that the other components of the Net-to-Gross ratio calculation should also be weighted to account for the SMD component bulbs. After examining the Net-to-Gross ratios used by the evaluator and

auditor, Public Counsel's expert was able to confirm that the components of participant spillover and market effects were also weighted to include the SMD component by the auditor. However, the non-participant spillover ratio did not change when accounting for the SMD component; this may be because of the relatively small adjustment for non-participant spillover. Having confirmed this, Public Counsel's expert used the weighted ratios to adjust his numbers for the affected components. Therefore, Public Counsel's expert recalculated each component of the LightSavers program, resulting in new corrections to its energy savings total, the annual net shared benefit numbers, and the performance incentive amount.<sup>6</sup>

8. In addition to the energy savings amount corrections, Public Counsel's recommended number for the annual net shared benefits needs to be corrected. Although the changes in the energy savings impacted Public Counsel's net shared benefits calculation, a significant change is also caused by the using the total resource cost test calculation, including the performance incentive, rather than using the utility cost test. As with the changes to the calculation of the energy savings, the changes made to the calculation of the net shared benefits amount are consistent with the recommendations made throughout Dr. Marke's testimony.

9. Accepting these corrections will provide the Commission with accurate calculations reflecting Public Counsel's position throughout its testimony. Accordingly, Public Counsel seeks leave of the Commission to make the following corrections:

Direct Testimony

Direct page 2 lines 19, as filed, includes the number "39%." That number is corrected to be "36.44%"

Direct page 2 lines 19, as filed, includes the number "31%." That number is corrected to be "33.56%."

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<sup>6</sup> The components Public Counsel made weighted adjustments to include free ridership, participant spillover, and market effects. Public Counsel will provide its calculations to the parties as work papers.

Direct page 3 line 16, as filed, after the word “and,” the words “the Evaluator’s for” are added.

Direct page 4 line 10, as filed, includes the words “non participant spillover.” Those words are deleted and replaced with “the Evaluator’s non participant spillover estimates.”

Direct page 4 lines 14-16, as filed, reads “Additionally, the Auditor’s recommended participant and nonparticipant spillover estimates should be utilized to calculate the overall net-to-gross ratio for the portfolio.” The words “the Evaluator’s” are added. As corrected the sentence is ““Additionally, the Auditor’s recommended participant and the Evaluator’s nonparticipant spillover estimates should be utilized to calculate the overall net-to-gross ratio for the portfolio.”

Direct page 5 line 15, Table 1, as filed, includes the number “3.0%.” That number is corrected to be “6.3%.”

Direct page 5 line 12, Table 1, as filed, in the row labeled OPC includes the number “86.7%.” That number is corrected to be “83.4%.”

Direct page 5 line 12, Table 1, as filed, in the row labeled OPC includes the number “300,532.” That number is corrected to be “288,989.”

Direct page 5 line 12, Table 1, as filed, in the row labeled OPC includes the number “96,967.” That number is corrected to be “108,510.”

Direct page 5 line 12, Table 1, as filed, in the row labeled OPC includes the number “37.9%” That number is corrected to be “36.44%.”

Direct page 6 line 2, Table 2, as filed, in the column labeled Net Savings Ex Post: OPC includes the number “182,160.” That number is corrected to be “177,638.”

Direct page 6 line 2, Table 2, as filed, in the column labeled Net Savings Ex Post: OPC includes the number “150%.” That number is corrected to be “146.5%.”

Direct page 17 line 2, as filed, includes the number “303,012.” That number is corrected to be “288,989.”

Appendix page 10 line 24, as filed, includes the number “\$1,944,127.004.” That number is corrected to “4,110,991.”

Appendix pages 20 - 21 in table 2, as filed, the original free ridership by Cadmus/ADM for the LightSavers Program included the number “20%.” That number has been corrected to be “21%.”

Appendix pages 20 - 21 in table 2 a footnote has been added after “No Change” in the Difference column and the LightSavers row. The new footnote 10 reads “Mr. Voytas cites the wrong free ridership ratio in his testimony. 24% is what Cadmus and the auditor agreed to for the upstream portion of the LightSavers program. The SMD portion of the LightSavers program had a net-to-gross of 1.0. The weighted free ridership of both the upstream and SMD program was agreed on to be 21%.”

Appendix page 61 line 14, as filed, includes the numbers “6.19% of \$20,322,039 = 1,257,934.” That number should be corrected to be:

“Joint position annual net benefit = \$129,925,000  
\$129,925,000 x 3 = \$389,775,000  
6.19% of \$389,775,000 = \$24,127,073 or \$8,042,357 annual average”

Appendix page 62 lines 6 – 9, as filed, says “Under our scenario, and as initially proposed by Staff, Ameren would have achieved 39% of their target goal in the first year leaving them only 31% away from being eligible for a performance incentive with two additional years to reach that.” That sentence should be corrected to read “Under our scenario, Ameren would have achieved 33.56% of their target goal in the first year leaving them only 33.56% away from being eligible for a performance incentive with two additional years to reach that.”

Appendix page 64 lines 10 – 12, as filed, reads “Additionally, the Cadmus/ADM spillover estimates should be utilized to calculate the overall net-to-gross ratio for the portfolio.” Corrected, the sentence reads “Additionally, the Cadmus/ADM nonparticipant spillover estimates and the Auditor’s participant spillover estimates should be utilized to calculate the overall net-to-gross ratio for the portfolio.”

### Rebuttal Testimony

Rebuttal page 4 line 6, as filed, contains the number “300,532.” The corrected version contains the number “288,989.”

Rebuttal page 8 line 17, as filed, contains the number “300,532.” The corrected version contains the number “288,989.”

### Surrebuttal Testimony

Surrebuttal page 3 lines 12, Table 1, as filed, contains the number “182,160” in the Net Savings OPC column. That number is corrected to be “177,638.” In the same column row % of Target Achieved the number as filed reads “150%.” That number is corrected to be “147%.”

Surrebuttal page 3 lines 15, as filed, includes the number “150%.” That number is corrected to be “147%.”

Surrebuttal page 4 line 3, as filed, includes the number “150%.” That number is corrected to be “147%.”

Surrebuttal page 33 line 8, as filed, includes the number “9,509.” That number is corrected to be “20,097.”

Surrebuttal page 33 line 9, as filed, includes the number “68,968.” That number is corrected to be “80,511.”

Surrebuttal page 33 line 9, as filed, includes the number “106,878,000.” That number is corrected to be “\$78,151,728.”

Surrebuttal page 33 line 10, as filed, includes the number “130%.” That number is corrected to be “109%.”

Surrebuttal page 33 line 10, as filed, includes the number “6.19%.” That number is corrected to be “5.03%.”

Surrebuttal page 33 line 13, as filed, reads “6.19% of \$23,047,000 = \$1,426,609 in overearnings.” That sentence is deleted. In its place the new sentence “-\$8,042,358 - \$3,931,367 = \$4,110,991”

Surrebuttal page 33 lines 14-16, as filed, includes the sentence “The calculation of the net shared benefits has been incorrectly stated because the utility cost test has been used instead of the total resource test.” The words “joint position’s” are added. As corrected the sentence reads “The calculation of the joint position’s net shared benefits has been incorrectly stated because the utility cost test has been used instead of the total resource test.”

Surrebuttal page 33 line 18, as filed, includes the word “understates.” That word is deleted and replaced with “understated.”

Surrebuttal page 33 line 18, as filed, includes the word “ratepayers.” That word is deleted and replaced with the phrase “ratepayers which are now reflected in OPC’s testimony.”

Surrebuttal page 33 lines 18-19, as filed, the word “It” is deleted and replaced with the words “Failing to account for these steps.” As corrected the sentence now reads “Failing to account for these steps also increases the likelihood that these results are to be repeated in PY2014, PY2015 and for other utilities in future MEEIA cases.”

10. The above corrections are consistent with the recommendations made throughout Dr. Marke’s pre-filed testimony. While the MWh numbers and annual net shared benefit numbers have changed, importantly, the recommendations underlying those calculations remain the same. Attached are the second corrected versions of Dr. Marke’s testimony reflecting the corrections identified above. Finally, Public Counsel notes the cooperation of the Commission’s Staff in assisting Pubic Counsel with the changes addressed in the corrected testimony.

WHEREFORE, the Office of the Public Counsel respectfully requests that the Commission will accept the foregoing corrections to the direct, rebuttal, and surrebuttal testimony of Dr. Geoff Marke.

Respectfully,

OFFICE OF THE PUBLIC COUNSEL

/s/ Tim Opitz  
Tim Opitz  
Assistant Counsel  
Missouri Bar No. 65082  
P. O. Box 2230  
Jefferson City MO 65102  
(573) 751-5324  
(573) 751-5562 FAX  
Timothy.opitz@ded.mo.gov



CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 12th day of January 2015:

**Missouri Public Service Commission**

Bob Berlin  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
Bob.Berlin@psc.mo.gov

**Missouri Public Service Commission**

Office General Counsel  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
staffcounsel@psc.mo.gov

**Natural Resources Defense Council**

Henry B Robertson  
319 N. Fourth St., Suite 800  
St. Louis, MO 63102  
hrobertson@greatriverslaw.org

**Renew Missouri**

Henry B Robertson  
319 N. Fourth St., Suite 800  
St. Louis, MO 63102  
hrobertson@greatriverslaw.org

**Sierra Club**

Henry B Robertson  
319 N. Fourth St., Suite 800  
St. Louis, MO 63102  
hrobertson@greatriverslaw.org

**Union Electric Company**

Russ Mitten  
312 E. Capitol Ave  
P.O. Box 456  
Jefferson City, MO 65102  
rmitten@brydonlaw.com

**Union Electric Company**

James B Lowery  
111 South Ninth St., Suite 200  
P.O. Box 918  
Columbia, MO 65205-0918  
lowery@smithlewis.com

**Union Electric Company**

Matthew R Tomc  
1901 Chouteau  
St. Louis, MO 63166  
AmerenMOService@ameren.com

**Union Electric Company**

Wendy Tatro  
1901 Chouteau Avenue  
St. Louis, MO 63103-6149  
AmerenMOService@ameren.com

**Barnes-Jewish Hospital**

Lisa C Langeneckert  
P.O. Box 411793  
St. Louis, MO 63141  
llangeneckert@att.net

**Kansas City Power & Light Company**

James M Fischer  
101 Madison Street, Suite 400  
Jefferson City, MO 35101  
jfisherpc@aol.com

**Kansas City Power & Light Company**

Roger W Steiner  
1200 Main Street, 16th Floor  
P.O. Box 418679  
Kansas City, MO 64105-9679  
roger.steiner@kcpl.com

**KCP&L Greater Missouri Operations Company**

James M Fischer  
101 Madison Street, Suite 400  
Jefferson City, MO 35101  
jfisherpc@aol.com

**KCP&L Greater Missouri Operations Company**

Roger W Steiner  
1200 Main Street, 16th Floor  
P.O. Box 418679  
Kansas City, MO 64105-9679  
roger.steiner@kcpl.com

**Laclede Gas Company**

Michael C Pendergast  
720 Olive Street, Suite 1520  
St. Louis, MO 63101  
mpendergast@lacledegas.com

**Laclede Gas Company**

Rick E Zucker  
720 Olive Street  
St. Louis, MO 63101  
rick.zucker@thelacledegroup.com

**Missouri Division of Energy**

Jeremy D Knee  
301 West High Street  
P.O. Box 1157  
Jefferson City, MO 65102  
jeremy.knee@ded.mo.gov

**Missouri Industrial Energy Consumers (MIEC)**

Diana M Vuylsteke  
211 N. Broadway, Suite 3600  
St. Louis, MO 63102  
dmvuylsteke@bryancave.com

/s/ Tim Opitz

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