

Exhibit No.:
Issues: Rider EEIC – Energy Efficiency
Investment Charge
Witness: William R. Davis
Sponsoring Party: Union Electric Co.
Type of Exhibit: Direct Testimony
Case No.: ER-2017-
Date Testimony Prepared: November 22, 2016

MISSOURI PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

WILLIAM R. DAVIS

**November 22, 2016
St. Louis, Missouri**

DIRECT TESTIMONY

OF

WILLIAM R. DAVIS

Case No. ER-2017-

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 Efficiency and Renewables Union Electric Company d/b/a
6 Ameren Missouri ("Ameren Missouri" or "Company").

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

8 A. My testimony supports revisions to Rider EEIC – Energy Efficiency Investment
9 Charge of Ameren Missouri’s Schedule No. 6 – Schedule of Rates for Electric Service, 2nd
10 Revised Sheet No. 91.11, 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. The tariff sheet
12 is also attached to this testimony as Schedule WRD-1.

13 **Q. Please explain why Ameren Missouri is filing a revision to its Energy**
14 **Efficiency Investment Charge Rider ("Rider EEIC") at this time.**

15 A. The terms of Rider EEIC require a filing at least once per calendar year to be
16 effective with the subsequent calendar year’s February billing month. The Missouri Public
17 Service Commission’s (“Commission”) rules also require this filing to be made at least sixty (60)
18 days in advance of when rates would become effective.

1 **Q. Please describe the impact of the change in the Energy Efficiency Investment**
2 **Rate (“EEIR”) on the Company’s customers.**

3 A. Overall, this Rider EEIC filing seeks an increase of \$44.1 million over the current
4 level of such costs reflected in the Company’s rates. As provided for by the terms of Rider EEIC,
5 this increase consists of forecasted costs for February 2017 through January 2018, as well as a
6 reconciliation of historical costs, as depicted in the table below.

Service Class	Reconciled Costs*	Forecasted Costs†	Total
1(M)-Residential Service	\$9,769,135	\$38,896,413	\$48,665,548
2(M)-Small General Service	(\$927,457)	\$7,103,652	\$6,176,195
3(M)-Large General Service	(\$2,720,294)	\$18,900,629	\$16,180,335
4(M)-Small Primary Service	\$870,568	\$7,869,652	\$8,740,220
11(M)-Large Primary Service	\$927,773	\$4,432,978	\$5,360,751
12(M)-Large Transmission Service	\$0	\$0	\$0

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

8 †Forecasted Costs = Projected Program Costs + Projected Throughput Disincentive + Performance Incentive Award as defined in
9 Rider EEIC

10 Allocating the Rider EEIC revenue requirement (\$85.1 million) to the respective rate
11 classes and using the forecasted kilowatt-hour (“kWh”) sales for February 2017 through January
12 2018 results in the following EEIR amounts for the Company’s customers for the remainder of
13 the Effective Period, beginning with the February 2017 billing month:

Service Class	MEEIA 1 Subtotal (\$/kWh)	MEEIA 2 Subtotal (\$/kWh)	Total EEIR (\$/kWh)
1(M)-Residential Service	\$0.000631	\$0.003261	\$0.003892
2(M)-Small General Service	\$0.000241	\$0.001587	\$0.001828
3(M)-Large General Service	\$0.000439	\$0.001625	\$0.002064
4(M)-Small Primary Service	\$0.000462	\$0.002174	\$0.002636
11(M)-Large Primary Service	\$0.000601	\$0.002458	\$0.003059
12(M)-Large Transmission Service	\$0.000000	\$0.000000	\$0.000000

1 Filed concurrently with my direct testimony is the tariff sheet that contains the EEIR,
2 along with the relevant subcomponents. The new EEIR will result in charges of approximately
3 \$3.95 per month for an average residential customer, which is an increase from \$1.10 per month
4 (an increase of \$2.85 per month).

5 **Q. What are the main drivers for the change in the EEIR?**

6 A. There are three primary drivers to the change in the EEIR. First, is an overall
7 increase in projected energy efficiency program costs as compared to the period covered by the
8 current EEIR, plus the completion in 2016 of the refund of an over-collection from a prior period
9 which together raise the EEIR. Second, is an increase in projected throughput disincentive plus a
10 large under-collection due to the large spike in program participation in the fourth quarter of
11 2015. Third, is the inclusion of \$14.7 million of performance incentive earned by the Company
12 for its 2013-2015 energy efficiency programs, as authorized by the Commission's order
13 approving the *Revised Non-Unanimous Stipulation and Agreement Addressing Ameren*
14 *Missouri's Performance Award* in File No. EO-2012-0142. The remainder of the performance
15 incentive award approved by the Commission's order approving that stipulation will be reflected
16 in the Company's next Rider EEIC adjustment filing.

17 **Q. What action is Ameren Missouri requesting from the Commission with**
18 **respect to the revised Rider EEIC rate schedule?**

19 A. The Company requests approval of the revised Rider EEIC rate schedule to
20 become effective on the first day of the February, 2017 billing month, which is January 26, 2017.

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

22 A. The rules require that Ameren Missouri provide the Annual Report required by 4
23 CSR 240-93(8). That report was filed on February 29, 2016, in File No. EO-2016-0217. There is
24 a 60-day comment period following that report's submission, and no party filed comments. In

1 addition, I have attached documentation supporting the revised EEIR as Schedules WRD-2,
2 WRD-3, WRD-4, WRD-5, and WRD-6.

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

4 A. Yes, it does.

