

**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) File No. EO-2012-0142
Furtherance of Energy Efficiency as Allowed by MEEIA.)

**POSITION STATEMENT OF
UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI**

In accordance with the Commission’s November 21, 2014, *Order Modifying Procedural Schedule*, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “the Company”), hereby submits the following position statement.

1. What is the PY2013 annual energy savings attributable to Ameren Missouri’s energy efficiency programs?

As signatories to the *Non-Unanimous Stipulation and Agreement Settling the Program Year 2013 Change Requests* (“2014 Stipulation”), Ameren Missouri and Staff have adopted the settlements in the stipulation as their Joint Position of this issue. The Company and Staff agree PY2013 EM&V energy savings are 369,500 MWh, which falls near the middle of the range of potential EM&V outcomes established by final reports issued by Ameren Missouri’s program evaluators (Cadmus and ADM) and the Commission’s program Auditor (Johnson Consulting Group, LLC). As is the case with any settlement, the Joint Position differs from positions each party initially took in Change Requests filed in July 2014. But through extensive review and analysis of the final reports of both the EM&V evaluators and the Commission’s Auditor, the Company and Staff reached agreement on an annual energy savings amount both parties believe represents a fair and reasonable settlement of that issue.

For PY2013, the parties’ Joint Position includes allowances or adjustments for free ridership, participant and nonparticipant spillover, and market effects that are consistent with the program evaluators’ final recommendations. Ameren Missouri and Staff each recognize further work is required to

determine how those and other issues should be addressed in final EM&V reports for PY2014 and PY2015, so in addition to resolving annual energy savings for PY2013 the parties' Joint Position also establishes a framework to deal with those issues for PY2014 and PY2015. The Company and Staff believe those issues can best be addressed through a collaborative process, so the 2014 Stipulation commits the parties to work with other interested stakeholders to address, and attempt to resolve, questions regarding which components – such as free ridership, market effects, and rebound effects – should be part of the net-to-gross (“NTG”) ratio for purposes of calculating EM&V results, including annual energy savings, for PY2014 and PY2015.

Although the Joint Position represents an agreement on annual energy savings for PY2013, neither Ameren Missouri nor Staff is bound by the terms of the 2014 Stipulation for any component of the NTG ratio for PY2014 or PY2015. Once those components and the NTG ratio are determined, by stipulation or otherwise, the achieved results for PY2014 and PY2015 would be combined with the parties' Joint Position on annual energy savings for PY2013 to determine whether, based on achieved results for the entire three-year program period, Ameren Missouri is entitled to a Performance Incentive Award and what the amount of that award should be.

2. What is the PY2013 annual net benefits amount for Ameren Missouri's energy efficiency programs?

In accordance with the terms of the 2014 Stipulation, Ameren Missouri and Staff agree PY2013 annual net benefits of the Company's energy efficiency programs are \$129,925,000. Like the parties' Joint Position on annual energy savings, the Joint Position on annual net benefits falls near the middle of the range of potential EM&V outcomes established by final reports issued by Ameren Missouri's program evaluators and the Commission's program Auditor. And although the Joint Position on this issue also differs from positions each party initially took in Change Requests filed in July 2014, after extensive review and analysis of the final reports of both the EM&V evaluators and the Commission's Auditor the Company and Staff reached agreement on an annual net benefits amount both parties believe represents a fair and reasonable settlement of that issue.

For PY2013, the Joint Position on annual net benefits includes allowances or adjustments for free ridership, participant and nonparticipant spillover, and market effects that are consistent with the program evaluators' final recommendations. Ameren Missouri and Staff each recognize further work is required to determine how those and other issues should be addressed in final EM&V reports for PY2014 and PY2015, so in addition to resolving annual net benefits for PY2013 the parties' Joint Position also establishes a framework to deal with issues that bear on the determination of annual net benefits for those program years. The Company and Staff believe those issues can best be addressed through a collaborative process, so the 2014 Stipulation commits the parties to work with other interested stakeholders to address, and attempt to resolve, questions regarding which components – such as free ridership, market effects, and rebound effects – should be part of the net-to-gross (“NTG”) ratio for purposes of calculating EM&V results, including annual net benefits, for PY2014 and PY2015.

Although the Joint Position represents an agreement on annual net benefits for PY2013, neither Ameren Missouri nor Staff is bound by the terms of the 2014 Stipulation for any component of the NTG ratio for PY2014 or PY2015. Once those components and the NTG ratio are determined, by stipulation or otherwise, the achieved results for PY2014 and PY2015 will be combined with the parties' Joint Position on annual energy savings for PY2013 to determine whether, based on achieved results for the entire three-year program period, Ameren Missouri is entitled to a Performance Incentive Award and what the amount of that award should be.

3. Sub-issues proposed by the Office of the Public Counsel.

Ameren Missouri does not support or agree with the numerous sub-issues included in the issues list filed December 15, 2014, by the Office of the Public Counsel (“OPC”). The only issues the Commission needs to decide in this case are the two issues previously identified in this pleading: annual energy savings and annual net benefits for PY2013. Each of the numerous sub-issues listed by the OPC constitutes an unnecessary diversion of the Commission's attention and resources, so Ameren Missouri will not express a position on any of those sub-issues.

Respectfully submitted,

/s/ L. Russell Mitten

Wendy K. Tatro, #60261
Director - Assistant General Counsel
Matt Tomc, #66571
Corporate Counsel
1901 Chouteau Avenue,
P.O. Box 66149, MC-1310
St. Louis, Missouri 63101-6149
(314) 554-2514 (Telephone)
(314) 554-4014 (Facsimile)
amerenmoservice@ameren.com

L. Russell Mitten #27881
Brydon, Swearengen & England, PC
312 East Capitol Avenue
P.O. Box 456
Jefferson City, Missouri 65102
(573) 635-7166 (Telephone)
(573) 634-7431 (Facsimile)
rmitten@brydonlaw.com

**ATTORNEYS FOR UNION ELECTRIC COMPANY
d/b/a AMEREN MISSOURI**

CERTIFICATE OF SERVICE

I hereby certify that on December 30, 2014, a copy of the foregoing was served via e-mail on all parties of record in File No. EO-2012-0142.

/s/L. Russell Mitten

L. Russell Mitten