

Exhibit No.:
Issues: Demand-Side Investment
Mechanism
Witness: William ("Bill") R. Davis
Sponsoring Party: Union Electric Company
Type of Exhibit: Direct Testimony
Case No.: ER-2021-____
Date Testimony Prepared: December 3, 2020

MISSOURI PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

WILLIAM ("Bill") R. DAVIS

December, 2020
St. Louis, Missouri

DIRECT TESTIMONY

OF

WILLIAM R. DAVIS

File No. ER-2021--_____

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 Investment
9 Charge of Ameren Missouri’s Schedule No. 6 – Schedule of Rates for Electric Service, specifically
10 1st Revised Sheet 91.23. The proposed revisions represent an adjustment of customer rates to
11 reflect the actual and forecasted costs of the Company’s approved energy efficiency programs.

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

14 A. The terms of Rider EEIC require a filing at least once per calendar year to be
15 effective on February 1st the subsequent calendar year. The Missouri Public Service Commission’s
16 (“Commission”) rules also require this filing to be made at least sixty (60) days in advance of when
17 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 \$38.9 million over the current
4 level of such costs in the Company's rates. This increase consists of forecasted costs¹ for February
5 2021 through January 2022 as well as a reconciliation of historical costs, which are depicted in
6 Table 1 below.

TABLE 1

Service Class	Reconciled Costs*	Forecasted Costs†	Total
1(M)-Residential Service	\$4,980,691	\$65,063,736	\$70,044,427
2(M)-Small General Service	(\$127,395)	\$16,645,509	\$16,518,114
3(M)-Large General Service	\$46,478	\$36,308,309	\$36,354,787
4(M)-Small Primary Service	\$42,080	\$15,598,095	\$15,640,176
11(M)-Large Primary Service	\$387,512	\$6,362,921	\$6,750,433
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 + Earnings Opportunity as defined in Rider EEIC

7 Allocating the MEEIA Rider EEIC revenue requirement (\$145.3 million) to the respective
8 rate classes² and using the forecasted kilowatt-hour ("kWh") sales for February 2021 to January
9 2022 results in the following EEIR amounts for the Company's customers for the remainder of the
10 Effective Period, beginning February 1, 2021:

¹ Forecasted costs include the Earnings Opportunity.

² The allocation methodology is consistent with Ameren Missouri's stipulation approved in File No. EO-2018-0211.

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TABLE 2

Service Class	MEEIA 2 Subtotal (\$/kWh)	MEEIA 3 Subtotal (\$/kWh)	Total EEIR (\$/kWh)
1(M)-Residential Service	\$0.000565	\$0.004968	\$0.005533
2(M)-Small General Service	\$0.000460	\$0.005158	\$0.005618
3(M)-Large General Service	\$0.000645	\$0.004756	\$0.005401
4(M)-Small Primary Service	\$0.000753	\$0.004558	\$0.005311
11(M)-Large Primary Service	\$0.001089	\$0.004260	\$0.005349
12(M)-Large Transmission Service	\$0.000000	\$0.000000	\$0.000000

2 Filed concurrently with my direct testimony is the tariff sheet that contains the EEIR, along
3 with the relevant subcomponents. The new EEIR will result in charges of approximately \$5.65 per
4 month for an average residential customer which is an increase from \$4.03 per month (a total
5 increase of \$1.62 per month).

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

7 A. Overall the revenue requirement request reflects an increase of \$38.9 million.
8 Nearly 90% of the overall revenue requirement request is associated with MEEIA 2019-21 costs,
9 with the other approximately 10% primarily associated with the remaining recovery of the MEEIA
10 2016-18 earnings opportunity.

11 About 75% of the revenue requirement increase is associated with an increase in forecasted
12 program costs and throughput disincentive. Program costs are expected to increase in 2021,
13 consistent with the Commission approved plan. The increase in throughput disincentive is driven
14 both by the forecasted increase in energy savings and the increasing accumulation of energy

1 savings since the last rebasing adjustment. The remaining 25% of the revenue requirement increase
2 is associated with reconciliations of historical costs to billed revenues.

3 **Q. Is there additional information about this filing to highlight?**

4 A. Yes. While not significant drivers of the overall request, this filing includes the
5 throughput disincentive true-up for MEEIA 2016-18³ and the net earnings opportunity for Program
6 Year 2019,⁴ which reflects the 2019 throughput disincentive true-up.

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

9 A. The Company requests approval of the revised tariff pages and Rider EEIC rate
10 schedule to become effective on and after February 1, 2021.

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

12 A. The Commission's rules, specifically 20 CSR 4240-20.094(4)(D), requires that
13 Ameren Missouri be current with its provision of the Annual Report required by 20 CSR 4240-
14 20.093(9). That report was filed on March 30, 2020, in File No. EO-2020-0304. There was a 30-
15 day comment period following that report's submission, and no party filed comments.
16 Subsequently, the Commission subsequently closed that File on August 19, 2020. In addition, I
17 have attached the supporting documentation as Schedules WRD-D2, WRD-D3, WRD-D3A,
18 WRD-D4, WRD-D5, WRD-D6, WRD-D6b, WRD-D6c, WRD-D6d, and WRD-D7.

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

20 A. Yes, it does.

³ See Paragraph 4 of the *Second Settlement Agreement* in File No. ER-2020-0147 filed on July 21, 2020, and approved by the Commission on August 12, 2020.

⁴ See Paragraph 8 of the *Agreement in Lieu of Change Requests* in File No. EO-2018-0211, filed on July 9, 2020, and approved by the Commission on August 5, 2020, which stated, "The Company will rely on the final and filed *PY 2019 EM&V Report* for the purposes of calculating its throughput disincentive as part of the Energy Efficiency Investment Charge rider."

