

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-2019-
Date Testimony Prepared: November 20, 2018

MISSOURI PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

WILLIAM R. DAVIS

November 20, 2018
St. Louis, Missouri

DIRECT TESTIMONY

OF

WILLIAM R. DAVIS

Case No. ER-2019-

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 for Union Electric Company
6 d/b/a 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, 4th Revised
10 Sheet No. 91.11, which is being filed by Ameren Missouri to adjust customer rates to reflect the
11 actual and forecasted costs of the Company’s approved energy efficiency programs. The tariff
12 sheet is also is 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 Service
17 Commission’s (“Commission”) rules also require this filing to be made at least sixty (60) days in
18 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 a decrease of \$70.8 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 decrease consists of forecasted costs for February 2019 through January 2020, 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 | (\$14,518,526) | \$21,252,718 | \$6,734,192 |
| 2(M)-Small General Service | (\$444,664) | \$10,190,922 | \$9,746,257 |
| 3(M)-Large General Service | (\$1,602,780) | \$20,806,426 | \$19,203,646 |
| 4(M)-Small Primary Service | (\$1,582,314) | \$9,056,406 | \$7,474,092 |
| 11(M)-Large Primary Service | (\$298,664) | \$2,908,057 | \$2,609,392 |

*Total Reconciled Costs = Program Cost Reconciliation + Throughput Disincentive Reconciliation + Performance Incentive Award Reconciliation + Ordered Adjustment Reconciliation as defined in Rider EEIC

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

7 Allocating the Rider EEIC revenue requirement (\$45.8 million) to the respective rate
8 classes and using the forecasted kilowatt-hour (“kWh”) sales for February 2019 through January
9 2020 results in the following EEIR amounts for the Company’s customers for the remainder of the
10 Effective Period, beginning with the February 2019 billing month:

| Service Class | MEEIA 1 Subtotal (\$/kWh) | MEEIA 2 Subtotal (\$/kWh) | Total EEIR (\$/kWh) |
|-----------------------------|----------------------------------|----------------------------------|----------------------------|
| 1(M)-Residential Service | \$0.000039 | \$0.000500 | \$0.000539 |
| 2(M)-Small General Service | \$0.000055 | \$0.002879 | \$0.002934 |
| 3(M)-Large General Service | \$0.000112 | \$0.002384 | \$0.002496 |
| 4(M)-Small Primary Service | \$0.000094 | \$0.002088 | \$0.002182 |
| 11(M)-Large Primary Service | \$0.000185 | \$0.001333 | \$0.001518 |

1 Filed concurrently with my direct testimony is the tariff sheet that contains the EEIR, along
2 with the relevant subcomponents. The new EEIR will result in charges of approximately \$0.55 per
3 month for an average residential customer, which is a decrease from \$3.74 per month (a decrease
4 of \$3.19 per month).

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

6 A. There are two primary drivers to the change in the EEIR. First, forecasted costs
7 above do not include projected programs costs or projected throughput disincentive for February
8 2019 – January 2020 for MEEIA 2019-21, since it has not been approved as of the date of this
9 filing. Pending MEEIA 2019-21 approval, we expect to submit a revision to the Rider EEIC filing
10 in March 2019 for rates to be effective June 2019, which will include the MEEIA 2019-21 actual
11 and forecasted costs. Second, is a decrease in actual program costs during 2018 compared to
12 forecast, which has resulted in a refund for customers.

13 Although not a primary driver in the EEIR change compared to other items, the new EEIR
14 also includes an additional \$9 million in the MEEIA 2013-15 Performance Incentive as a result of
15 the court decision on Ameren Missouri's appeal of the Commission decision in File EC-2015-
16 0315.

17 **Q. Are there any Ordered Adjustments included in this EEIR revision?**

18 A. There is one Ordered Adjustment (OA) included in this rate filing. It is from the
19 *Stipulation and Agreement Regarding Adjustments to Ameren Missouri's EEIR* in File No. EO-
20 2018-0155 (MEEIA 2 Prudence Review) in the amount of \$46,000.

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

23 A. The Company requests approval of the revised Rider EEIC rate schedule to become
24 effective on the first day of the February 2019 billing month, which is January 25, 2019.

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

2 A. The rules require that Ameren Missouri provide the Annual Report required by 4
3 CSR 240-20.093(9). That report was filed on April 30, 2018, in File No. EO-2018-0311. There
4 was a 60-day comment period following that report's submission, no party filed comments, and
5 the Commission subsequently closed the File on May 31, 2018. In addition, I have attached
6 documentation supporting the revised EEIR as Schedules WRD-2, WRD-3, and WRD-4.

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

8 A. Yes, it does.

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

In the Matter of Union Electric Company d/b/a Ameren)
Missouri's Electric Service Tariffs Adjustment Relating) File No. ER-2019-
To MEEIA EEIC Rider.)

AFFIDAVIT OF WILLIAM R. DAVIS

STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

William R. Davis, being first duly sworn on his oath, states:

1. My name is William R. Davis. I am employed by Ameren Missouri as Director, Energy Efficiency and Renewables.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Union Electric Company, d/b/a Ameren Missouri, consisting of 4 pages and Schedule(s) WRD-1 through WRD-4, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.



William R. Davis

Subscribed and sworn to before me this 16th day of November, 2018.



Notary Public

My commission expires: 2/15/22

