

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

In the Matter of Union Electric)	
Company d/b/a Ameren Missouri's)	<u>Case No. ER-2016-0242</u>
Electric Service Tariffs Adjustment)	Tariff Tracking No. YE-2016-0244
Relating to MEEIA EEIC Rider)	

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Recommendation* in this matter hereby states:

1. On March 24, 2016, Union Electric Company d/b/a Ameren Missouri (Ameren Missouri) filed one tariff sheet¹ bearing an effective date of May 25, 2016 proposing a Missouri Energy Efficiency Investment Act (MEEIA) Rider EEIC (Energy Efficiency Investment Charge) rate change.

2. The purpose of this filing is to propose rate changes to the existing energy efficiency investment cost recovery mechanism to capture the program costs and throughput disincentive resulting from the implementation of the MEEIA Cycle 2 energy efficiency programs.

3. The overall Rider EEIC rate change increases rates by \$37.4 million, or 1.2%, as the result of the implementation of the Company's MEEIA Cycle 2 portfolio of energy efficiency programs which run from March 1, 2016 through February 28, 2019. The impact of the change in Ameren Missouri's 2016 MEEIA rates will increase an average residential bill by \$2.22 per month or

¹ The tariff sheet was filed pursuant to para. 16 of the *Non-Unanimous Stipulation and Agreement* approved by the Commission on February 10, 2016 in File No. EO-2015-0055.

approximately 2.2%. The Rider EEIC business rates per class will vary due to projected costs, incentives, and customer opt outs by customer class.

4. The Staff's Tariff / Rate Design Unit has reviewed Ameren Missouri's proposed tariff sheet, supporting work papers and worksheets showing its calculation of the proposed Rider EEIC rate and the projected costs and throughput disincentive of the MEEIA Cycle 2 EEIR (Energy Efficiency Investment Rate) components for the March 2016 billing month through January 2017 billing month. The total proposed Rider EEIC rates are the sum of currently effective MEEIA Cycle 1 EEIR components and the proposed MEEIA Cycle 2 EEIR components.² The results of Staff's analyses and a more detailed explanation of its recommendation are contained in Staff's Memorandum, attached as Appendix A and incorporated herein.

5. Staff has verified the Ameren Missouri is not delinquent on any assessment, is current on submission of its Quarterly Surveillance Monitoring reports, and has filed its annual report. Staff is not aware of any other matter before the Commission that is affected by this filing.

² Approved by the Commission on January 6, 2016 in File No. ER-2016-0131. Though MEEIA Cycle 1 ended on December 31, 2015, the recovery of costs and incentives will continue until all costs and incentives are properly reconciled and recovered. MEEIA Cycle 1 program period is from January 2, 2013 through December 31, 2015.

WHEREFORE, for the reasons stated above and in Staff's Memorandum, the Staff recommends the Commission approve the following tariff sheet as filed on March 24, 2016, bearing an effective date of May 25, 2016:

P.S.C. MO. No. 6

1st Revised Sheet No. 91.11, Cancelling Original Sheet No. 91.11

/s/ Robert S. Berlin

Robert S. Berlin
Deputy Staff Counsel
Missouri Bar No. 51709
Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 526-7779 (Telephone)
(573) 751-9285 (Fax)
bob.berlin@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 22nd day of April, 2016, to all counsel of record.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2016-0242 and Tariff Tracking No. YE-2016-0244
Union Electric Company d/b/a Ameren Missouri

FROM: Sarah Kliethermes, Regulatory Economist III
Michael Stahlman, Regulatory Economist III

/s/ Michael Scheperle 4/23/16
Tariff / Rate Design Manager / Date

/s/ Robert S. Berlin 4/23/16
Staff Counsel Division / Date

SUBJECT: Staff Recommendation to Approve Union Electric Company d/b/a Ameren Missouri's ("Ameren Missouri") Proposed Tariff Sheet for its Rider Energy Efficiency Investment Charge ("Rider EEIC") to Implement the Terms, Conditions, and Rates of the Proposed Rider EEIC effective May 25, 2016

DATE: April 23, 2016

Ameren Missouri Filing

On March 24, 2016, Ameren Missouri filed with the Commission one (1) tariff sheet bearing an issue date of March 24, 2016, and an effective date of May 25, 2016,¹ proposing a Missouri Energy Efficiency Investment Act ("MEEIA") Rider EEIC rate change. The overall Rider EEIC rate change increases rates by approximately \$37.4 million, or 1.2%, due to the implementation of MEEIA Cycle 2.² Ameren Missouri's filing included the proposed tariff sheet and work papers consisting of electronic worksheets showing its calculation of the proposed Rider EEIC rate and the projected costs and throughput disincentive of the MEEIA 2016-18 EEIR Components for the March 2016 billing month through January 2017 billing month. The proposed Rider EEIC includes projected reconciliations with interest by true-up and/or prudence reviews.

The Commission ordered the Staff of the Commission to file its recommendation no later than April 23, 2016.³

Background

On February 10, 2016, the Commission approved a Non-Unanimous Stipulation and Agreement ("Stipulation") in File No. EO-2015-0055 regarding the Ameren Missouri's MEEIA Cycle 2 energy efficiency plan. The purpose of this filing is to propose rate changes to the existing energy efficiency investment cost recovery mechanism to solely reflect the program costs and throughput disincentive of the MEEIA Cycle 2 energy efficiency programs (i.e. MEEIA 2016-18 EEIR Components). This filing is required by paragraph 16 of the Stipulation which requires Ameren Missouri to file a

¹ The first day of Ameren Missouri's June 2016 billing month.

² The MEEIA Cycle 2 program period is March 1, 2016 through February 28, 2019.

³ Notice Regarding Filing of Staff Recommendation issued on March 25, 2016 in File No. ER-2016-0242.

Rider EEIC filing “at least 60 days in advance of rates becoming effective with the June 2016 billing month.”

The total proposed Rider EEIC rates are the sum of the currently effective MEEIA 2013-15 (i.e. MEEIA Cycle 1⁴) EEIR Components, approved by the Commission on January 6, 2016 in File No. ER-2016-0131, and the respective proposed MEEIA 2016-18 EEIR Components. Even though the MEEIA Cycle 1 programs ended on December 31, 2015, the recovery of costs and incentives will continue until all costs and incentives are properly reconciled and recovered.

The customer charge for the Rider EEIC is reflected in one line item labeled “Energy Efficiency Invest. Chg.” on customers’ bills. The proposed Rider EEIC rate changes are applicable to all kilowatt-hours (“kWh”) of energy supplied to customers served by Ameren Missouri under service classification rate schedules⁵ 1(M), 2(M), 3(M), 4(M), 11(M) and 12(M), excluding kWh of energy supplied to “opt-out” customers.

Ameren Missouri makes a Rider EEIC filing each calendar year an effective date beginning in the subsequent calendar year’s February billing month. Ameren Missouri is permitted to make one additional Rider EEIC filing in each calendar year, or may be directly ordered to do so by the Commission, with filings being made at least sixty (60) days prior to their effective dates for either the June or October billing months.

Change in 2016 MEEIA Rates

The current MEEIA mechanism rate per class of customer is collected through a line item on current bills and is based on each year’s projected costs and incentives⁶ with reconciliations from actual prior periods and any ordered adjustments with interest. Listed below are the current MEEIA rates⁷ and the new MEEIA rates⁸ for the proposed Rider EEIC mechanism. The average residential bill⁹ will increase two dollars and twenty-two cents \$2.22 per month or approximately 2.1%. Rider EEIC business¹⁰ rates per class vary due to projected costs, incentives, and customer opt outs per class of customer.

⁴ The MEEIA Cycle 1 program period is January 2, 2013 through December 31, 2015.

⁵ Rate Schedules for Residential 1(M), Small General Service 2(M), Large General Service 3(M), Small Primary Service 4(M), Large Primary Service (11(M), and Large Transmission Service 12(M).

⁶ Proposed Rider EEIC which contemplates projected costs and incentives with reconciliations from prior periods.

⁷ MEEIA rates effective March 6, 2016.

⁸ Proposed MEEIA rates effective May 25, 2016. Rider EEIC rates would vary for each effective period based on projected costs, incentives, and customer opt-outs.

⁹ Based on a residential customer averaging 1,060 kWh per month of usage.

¹⁰ Business Rider EEIC rates are small general service, large general service, small primary service, and large primary service.

Rate Class	Current MEEIA Rate/kWh	Proposed MEEIA Rate/kWh
Residential	(\$0.001055)	\$0.001038
Small General Service	\$0.000549	\$0.002212
Large General Service	\$0.000938	\$0.002618
Small Primary Service	\$0.001449	\$0.003129
Large Primary Service	\$0.001415	\$0.003093

The increase in the MEEIA rates is due to the implementation of the MEEIA Cycle 2 programs on March 1, 2016.

Staff Recommendation

The Commission Staff's Tariff / Rate Design Unit ("Staff") has reviewed the filed tariff sheet and recommends the Commission issue an order approving the following tariff sheet, as filed on March 24, 2016, for service on and after May 25, 2016.

P.S.C. MO. No. 6

1st Revised Sheet No. 91.11, Cancelling Original Sheet No. 91.11

The Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its Annual Report. Ameren Missouri is current on its submission of its Quarterly Surveillance Monitoring reports as required in 4 CSR 240-20.090(10). The Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

