BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

The Staff of the Missouri Public Service Commission,

Complainant,

VS.

Case No. EC-2015-0315

Union Electric Company d/b/a as Ameren Missouri,

Respondent.

RESPONSE TO AMEREN MISSOURI'S APPLICATION FOR REHEARING AND REQUEST FOR CLARIFICATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through undersigned counsel, and for its Response, states as follows:

1. Concerning the Company's request for clarification "that new avoided cost estimates are not to be used except for MWhs saved on and after October 1, 2014," Staff believes such an approach should be rejected because it is overly complicated, will increase the cost of EM&V which is recovered through the Energy Efficiency Investment Charge on customers' bills, and will have a minimal impact on the 2014 Performance Incentive amount. Because each measure installed in 2014 is expected to produce annual kWh savings and/or annual kW savings during its measure life, and because individual measure lives for MEEIA 1 range from 2 years up to 25 years, the Company's requested clarification would create unnecessary complexities in that the MEEIA 1 Application avoided costs would be used to value benefits from kWh savings and kW savings which occur during the months of January – September, 2014 and the 2014 IRP avoided costs would be used to value benefits from kWh savings and kW savings which occur during the months of October, 2014 to the end of each measure's life.

2. As sought by Ameren in its request for clarification, using the MEEIA 1 Application avoided costs to value benefits from savings for the months of January – September, 2014 and using the 2014 IRP avoided costs to value benefits from savings for October, 2014 to the end of each measure's life would add complication, EM&V process "rework" and more cost for the EM&V Evaluators and Commission Auditor when performing the Commission-ordered EM&V for measures installed in 2014. This is because all kWh savings and kW savings for 2014 would have to be segregated into January – September 2014 savings and post-September 2014 savings before applying the MEEIA 1 Application avoided costs and the 2014 IRP avoided costs, respectively. Ameren's request for clarification does not provide for any assessment of the additional EM&V costs for the EM&V process "rework" which would be necessary to implement Ameren's requested clarification "that new avoided cost estimates are not to be used except for MWhs saved on and after October 1, 2014..."

WHEREFORE, for the reasons discussed above, Staff recommends that the Commission reject Ameren's application for rehearing and request for clarification.

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Respectfully submitted,

<u>/s/ Robert S. Berlin</u>

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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 December, 2015 to all counsel of record.

/s/ Robert S. Berlin