

Exhibit No.:  
Issues: Demand-Side Investment  
Mechanism  
Witness: William R. Davis  
Sponsoring Party: Union Electric Co.  
Type of Exhibit: Direct Testimony  
Case No.: ER-2016-  
Date Testimony Prepared: November 25, 2015

**MISSOURI PUBLIC SERVICE COMMISSION**

**DIRECT TESTIMONY**

**OF**

**WILLIAM R. DAVIS**

**November 25, 2015**  
**St. Louis, Missouri**

**DIRECT TESTIMONY**

**OF**

**WILLIAM R. DAVIS**

**Case No. ER-2016-**

1           **Q:     Please state your name and business address.**

2           A:     My name is William (“Bill”) R. Davis. My business address is One  
3 Ameren Plaza, 1901 Chouteau Ave., St. Louis, Missouri.

4           **Q:     By whom and in what capacity are you employed?**

5           A:     I am an Economic Analysis and Pricing Manager for Union Electric  
6 Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”).

7           **Q:     What is the purpose of your testimony?**

8           A:     My testimony supports the third Revised Sheet No. 90.5 of Ameren  
9 Missouri’s Schedule No. 6 – Schedule of Rates for Electric Service being filed by  
10 Ameren Missouri to adjust customer rates for changes in Ameren Missouri’s energy  
11 efficiency costs, attached hereto as Schedule WRD-1.

12           **Q:     Please explain why Ameren Missouri is filing a revision to its Energy**  
13 **Efficiency Investment Charge Rider (“Rider EEIC”) at this time.**

14           A:     The terms of Rider EEIC require a filing at least once per calendar year to  
15 be effective with the subsequent calendar year’s February billing month. In addition, the  
16 Missouri Public Service Commission’s (“Commission”) rules require this filing to be  
17 made at least sixty (60) days in advance of when rates would become effective.

1           **Q:     Please describe the billing impact of the change in the Energy**  
2 **Efficiency Investment Rate (“EEIR”) on the Company’s customers.**

3           A:     Overall this Rider EEIC filing seeks an annual decrease of nearly \$123  
4 million compared to the current level of such costs in the Company’s rates. This decrease  
5 consists of historical reconciliation amounts and forecasted costs for 2016, as shown in  
6 the table below.

<b>Service Classification</b>	<b>Reconciled Costs*</b>	<b>Forecasted Costs†</b>	<b>Total</b>
1(M)-Residential Service	(\$13,428,789)	\$56,768	(\$13,372,020)
2(M)-Small General Service	\$1,736,157	\$129,166	\$1,865,323
3(M)-Large General Service	\$7,111,492	\$300,741	\$7,412,233
4(M)-Small Primary Service	\$4,743,715	\$127,823	\$4,871,538
11(M)-Large Primary Service	\$2,696,671	\$74,501	\$2,771,173
12(M)-Large Transmission Service	\$0	\$0	\$0

7           \*Total Reconciled Costs = Program Cost Reconciliation + Throughput Disincentive Reconciliation as defined in Rider  
8 EEIC  
9           †Forecasted Costs = Projected Program Costs + Projected Throughput Disincentive as defined in Rider EEIC  
10 Note: A negative number indicates a credit to customers

11           Allocating the total Rider EEIC annual revenue requirement (\$3.55 million) to the  
12 respective rate classes<sup>1</sup> and using the forecasted kilowatt-hour (“kWh”) sales for the  
13 February 2016 to January 2017 Effective Period, as also provided for in Rider EEIC,  
14 results in the following EEIR amounts for the Company’s customers during that Effective  
15 Period, beginning with the February 2016 billing month:

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<sup>1</sup> The allocation methodology is consistent with Ameren Missouri’s approved stipulation from EO-2012-0142.

1

<b>Service Classification</b>	<b>Total EEIR (\$/kWh)</b>
1(M)-Residential Service	<b>(\$0.001055)</b>
2(M)-Small General Service	<b>\$0.000549</b>
3(M)-Large General Service	<b>\$0.000938</b>
4(M)-Small Primary Service	<b>\$0.001449</b>
11(M)-Large Primary Service	<b>\$0.001415</b>
12(M)-Large Transmission Service	<b>\$0.000000</b>

2 Filed concurrently with my direct testimony is the tariff sheet that contains the  
3 EEIR along with the relevant subcomponents. The new EEIR will result in a credit of  
4 approximately \$1.10 per month for a typical residential customer. This is a decrease  
5 from the current EEIR charge of \$6 per month for a total reduction of just over \$7 per  
6 month.

7 **Q: What is the main driver for the decrease in the EEIR?**

8 A: The current Rider was specifically designed to recover the costs associated  
9 with Ameren Missouri's Cycle 1 Plan. The Cycle 1 energy efficiency programs are set to  
10 expire on December 31, 2015. Ameren Missouri does not currently have a Commission  
11 approved Cycle 2 Plan. As a result, there are nearly zero forecasted costs for 2016 which  
12 means the rates are primarily true-up amounts from the 2015 effective period.

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

15 A: As provided by 4 CSR 240-20.093(4), the Commission Staff ("Staff") has  
16 thirty (30) days from the date that the revised Rider EEIC rate schedule is filed to conduct  
17 a review and make a recommendation to the Commission as to whether the rate revision

1 complies with the Commission's rules, the requirements of Section 393.1075, RSMo, and  
2 Ameren Missouri's approved Rider EEIC. If the Commission finds the revised Rider  
3 EEIC rate schedule does comply, the EEIR will take effect either pursuant to a  
4 Commission order approving it or by operation of law. In either case, within sixty (60)  
5 days after the EEIR is filed. Ameren Missouri believes its filing satisfies all of the  
6 requirements of applicable statutes, the Commission's rules and the Company's approved  
7 Rider EEIC. Therefore, Ameren Missouri requests that after Staff's review, the  
8 Commission approve the EEIR to be effective with the Company's February 2016 billing  
9 month.

10 **Q: Are there other filing requirements which need to be provided?**

11 A: The rules require that Ameren Missouri provide the Annual Report  
12 required by 4 CSR 240-93(8). That report was filed on February 27, 2015, in File No.  
13 EO-2015-0210. No party commented during the sixty (60) day comment period and the  
14 Commission closed the case shortly thereafter. I have attached the supporting  
15 documentation as Schedules WRD-2, WRD-3, and WRD-4.

16 **Q: Does this conclude your direct testimony?**

17 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-2016-  
To MEEIA EEIC Rider.    )

**AFFIDAVIT OF WILLIAM R. DAVIS**

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

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

1. My name is William R. Davis. I am employed by Union Electric Company, d/b/a Ameren Missouri, as Economic Analysis and Pricing Manager.
  
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, WRD-2, WRD-3 & 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 20<sup>th</sup> day of November, 2015.

  
\_\_\_\_\_  
Notary Public

My commission expires: 2-21-18

