

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

In the Matter of Union Electric Company d/b/a)
Ameren Missouri’s Filing to Implement Regulatory)
Changes in Furtherance of Energy Efficiency as)
Allowed by MEEIA.)
Case No. EO-2012-0142

**NON-UNANIMOUS STIPULATION AND AGREEMENT
SETTLING THE PROGRAM YEAR 2013 CHANGE REQUESTS**

COMES NOW Staff of the Missouri Public Service Commission, by and through counsel, and Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”) (collectively the “Signatories”), and submit to the Missouri Public Service Commission (“Commission”) for its approval the following Non-Unanimous Stipulation and Agreement (“Stipulation”) resolving the matter of the competing change requests filed by Ameren and the Staff related to the evaluation, measurement and verification (“EM&V”) of the Company’s energy efficiency measures. In support thereof, the Signatories respectfully state as follows:

Background

1. On July 5, 2012, Ameren Missouri and other interested parties to this case submitted to the Commission for its approval a Unanimous Stipulation and Agreement (“2012 Stipulation”) related to the Company’s implementation of its Missouri Energy Efficiency Investment Act (“MEEIA”) programs. The Commission issued orders approving the 2012 Stipulation on August 1, 2012 and as amended on December 19, 2012. The 2012 Stipulation contained provisions related to the EM&V of energy

efficiency measures undertaken by the Company and included procedures whereby a party may request changes to the Final EM&V Report for each year.¹

2. On June 12, 2014, Cadmus and ADM, the EM&V evaluators of Ameren Missouri's MEEIA programs, filed their updated third final revised EM&V reports with the Commission.

3. On July 2, 2014, Johnson Consulting Group, the Commission's independent auditor in this case filed its *EM&V Auditor Final Report and Appendix A: Auditor Market Effects Sales Analysis*. Johnson Consulting Group later filed its updated third *Final EM&V Auditor Report and Supporting Documentation* on August 27, 2014.

4. On July 3, 2014, the Staff filed *Staff's Change Request For Adjustment To Ameren Missouri's Report of 2013 Annual Energy Savings And Net Benefits From MEEIA Programs* ("Change Request").²

¹ In pertinent part, the 2012 Stipulation provided as follows: "Any stakeholder group participant who wants a change to the impact evaluation portion of a Final EM&V Report will have 21 days from the issuance of the Final EM&V Report to file a request with the Commission to make such a change ("Change Request"). Any stakeholder group participant filing a Change Request will set forth all reasons and provide support for the requested change in its initial Change Request filing. Responses to a Change Request may be filed by any stakeholder group participant and are due 21 days after the Change Request is filed. The response should set forth all reasons and provide support for opposing or agreeing with the Change Request. Within two business days after the deadline for filing a Change Request (if a Change Request is filed) the Signatories agree that the stakeholder group participants will hold a conference call/meeting to agree upon a proposed procedural schedule that results in any evidentiary hearing that is necessary to resolve the Change Request to be completed within 60 days of the filing of the Change Request, and which will recommend to the Commission that the Commission issue its Report and Order resolving the Change Request within 30 days after the conclusion of such a hearing."

² Staff's Change Request, para. 7, states "Staff recommends the Commission accept Johnson Consulting's final EM&V Report with one exception. To investigate Cadmus' value of market effects on NTG [net to gross ratio], the Commission's Auditor [Johnson Consulting Group] conducted its own study with lighting sales data from Missouri retailers for the period 2009 through 2013. By doing so, the Commission's Auditor was able to determine a NTG including market effects for comparison to Cadmus' NTG, along with a NTG that excludes market effects. For the LightSavers program, Staff recommends the Commission accept Johnson Consulting' NTG for the LightSavers program that excludes market effects, and order an adjustment to any performance incentive award under the Stipulation to exclude any recovery by Ameren Missouri for market effects, not only for 2013, but also the years 2014 and 2015 covered by the Stipulation."

5. Ameren Missouri filed an *Application For Approval of Change Request* (“Application”) on July 3rd seeking to make certain changes to the EM&V reports that were filed by the Company’s third party evaluators, Cadmus and ADM.³

6. On July 17, 2014, the Commission issued its *Order Establishing Procedural Schedule to Consider Change Requests* to set the matter of the program year 2013 change requests (“PY2013 Change Requests”) for Commission determination. On August 20, 2014, the Commission issued its *Order Staying Procedural Schedule* on motion of the Company and Staff to allow the parties additional time to conduct settlement discussions.

Issues Settled

7. This Stipulation is being entered into solely for the purpose of settling the issues resulting from differences in the EM&V report change requests proposed by Ameren Missouri and the Staff in their July 3, 2014 filings. This Stipulation is the result of extensive review and analysis of the various findings contained in the final reports of the EM&V auditor and evaluators. As a result of numerous discussions to reach a settlement, the Signatories agree to the following terms to settle the PY2013 Change Requests issues.

8. For purpose of determining the Ameren Missouri 2013 – 2015 performance incentive award amount in 2016, the PY2013 EM&V annual energy savings is 369,500 MWh and the PY2013 net benefits amount is \$129,925,000.

³The Company’s Application, para. 3, states “...Ameren Missouri hereby makes a formal Change Request with respect to the EM&V Reports. Specifically, Ameren Missouri seeks that the Reports be changed to correct the inaccurate measure (overstatement) of free ridership through the use of general survey questions, and also request that the Report acknowledge the importance of market effects. The changes result in an increase of kWh savings by 4,649,977 for residential customers and 826,629 kWh for business customers. In aggregate, Ameren Missouri’s Change Request would increase overall portfolio savings by 5,512,606 kWh, increasing the total portfolio savings to 395,996,803 kWh.”

9. The parties will work together to address revisions to the MEEIA rules such that any proposed revisions to the MEEIA rules are provided to the Missouri Public Service Commission no later than July 1, 2015. Further, the parties agree that the components of net-to-gross (“NTG”) ratios for purposes of calculating EM&V results, including for the performance incentive component of Ameren Missouri’s MEEIA programs, are free ridership, participant spillover, nonparticipant spillover and market effects, and also agree that the formula for determining NTG ratios is as follows: $NTG = 1.0 - \text{Free Ridership} + \text{Participant Spillover} + \text{Nonparticipant Spillover} + \text{Market Effects}$. The agreement in the preceding sentence does not bind any party to how any component of NTG ratios should be calculated, but the parties agree to make a best effort to determine how such components should be calculated through EM&V for the EM&V to be conducted for PY2014 and PY2015, and also agree to make a best effort to address the calculation of the NTG ratio components as part of the process of developing proposed revised MEEIA rules. In addition, the parties will make a best effort to agree by April 1, 2015 on how the EM&V contractors and the Commission’s Auditor should participate in any future Change Request dockets.

10. Except as otherwise agreed as part of the best efforts to be undertaken by the parties as provided for in paragraph 9, the parties agree that acceptance of the above terms will not establish a precedent for the EM&V process beyond PY2013 and will not constitute a waiver of the rights of the parties to take a different position regarding the EM&V process in future proceedings.

General Provisions

11. This Stipulation is being entered into for the purpose of disposing of the issues that are specifically addressed herein. In presenting this Stipulation, none of the Signatories shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking principle or procedural principle, including, without limitation, any method of cost or revenue determination or cost allocation or revenue related methodology, and none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation (whether it is approved or not) in this or any other proceeding, other than a proceeding limited to enforce the terms of this Stipulation, except as otherwise expressly specified herein.

12. This Stipulation has resulted from extensive negotiations and the terms hereof are interdependent. If the Commission does not approve this Stipulation, or approves it with modifications or conditions to which a party objects, then this Stipulation shall be void and no signatory shall be bound by any of its provisions.

13. If the Commission does not unconditionally approve this Stipulation without modification, and notwithstanding its provision that it shall become void, neither this Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content

of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

14. If the Commission unconditionally accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2000; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo 2000; (3) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000 and (4) their respective rights to judicial review pursuant to Section 386.510, RSMo Supp. 2011. These waivers apply only to a Commission order respecting this Stipulation issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation.

15. This Stipulation contains the entire agreement of the signatories concerning the change request issues addressed herein.

16. This Stipulation does not constitute a contract with the Commission. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

17. Staff inquired of all parties not signatories to this Stipulation and is not aware of any party opposing it.

WHEREFORE, the undersigned Signatories respectfully request the Commission issue its order approving this Stipulation and Agreement subject to the specific terms and conditions contained herein.

Respectfully submitted,

/s/ Robert S. Berlin

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been electronically mailed this 19th day of September, 2014 to all counsel of record in this proceeding.

/s/ Robert S. Berlin