

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: March 24, 2016

**MISSOURI PUBLIC SERVICE COMMISSION**

**DIRECT TESTIMONY**

**OF**

**WILLIAM R. DAVIS**

**March 24, 2016**  
**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 Ameren Plaza,  
3 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 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 the 1st Revised Sheet No. 91.11 of Ameren Missouri's  
9 Schedule No. 6 – Schedule of Rates for Electric Service which is being filed by Ameren  
10 Missouri to adjust customer rates to reflect the costs of the Company's recently approved energy  
11 efficiency programs. 1st Revised Sheet No. 91.11 is also 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.     Ameren Missouri is filing a revision to its Rider EEIC for the sole purpose of  
15 adjusting customer rates to reflect the costs of the Company's recently approved energy  
16 efficiency programs. On February 10, 2016, the Missouri Public Service Commission  
17 ("Commission") approved a Non-Unanimous Stipulation and Agreement ("Stipulation")  
18 regarding the Company's new three-year energy efficiency plan. Paragraph 16 of the Stipulation  
19 specifies that: "The first Rider EEIC filing will be made at least 60 days in advance of rates

1 becoming effective with the June 2016 billing month.” Therefore, this filing complies with this  
2 provision of the Stipulation.

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

5 A: Overall, this Rider EEIC filing seeks an increase of \$37.4 million over the current  
6 level of such costs in the Company’s rates. This increase consists of forecasted costs for March  
7 2016 through January 2017, which are depicted in the table below<sup>1</sup>.

<b>Service Class</b>	<b>Reconciled Costs*</b>	<b>Forecasted Costs†</b>	<b>Total</b>
1(M)-Residential Service	\$0	\$18,287,944	\$18,287,944
2(M)-Small General Service	\$0	\$3,866,482	\$3,866,482
3(M)-Large General Service	\$0	\$9,157,987	\$9,157,987
4(M)-Small Primary Service	\$0	\$3,857,463	\$3,857,463
11(M)-Large Primary Service	\$0	\$2,255,617	\$2,255,617
12(M)-Large Transmission Service	\$0	\$0	\$0

8 \*Total Reconciled Costs = Program Cost Reconciliation + Throughput Disincentive Reconciliation as defined in Rider EEIC  
9 †Forecasted Costs = Projected Program Costs + Projected Throughput Disincentive as defined in Rider EEIC

10 Allocating the MEEIA 2016-18 Rider EEIC revenue requirement (\$37.4 million) to the  
11 respective rate classes<sup>2</sup> and using the forecasted kilowatt-hour (“kWh”) sales for June 2016 to  
12 January 2017 results in the following EEIR amounts for the Company’s customers for the  
13 remainder of the Effective Period, beginning with the June 2016 billing month:

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<sup>1</sup> The costs in the table are in addition to the costs approved in ER-2016-0131.

<sup>2</sup> The allocation methodology is consistent with Ameren Missouri’s stipulation approved in File No. EO-2015-0055.

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<b>Service Class</b>	<b>MEEIA 1 Subtotal<sup>3</sup> (\$/kWh)</b>	<b>MEEIA 2 Subtotal (\$/kWh)</b>	<b>Total EEIR (\$/kWh)</b>
1(M)-Residential Service	<b>(\$0.001055)</b>	<b>\$0.002093</b>	<b>\$0.001038</b>
2(M)-Small General Service	<b>\$0.000549</b>	<b>\$0.001663</b>	<b>\$0.002212</b>
3(M)-Large General Service	<b>\$0.000938</b>	<b>\$0.001680</b>	<b>\$0.002618</b>
4(M)-Small Primary Service	<b>\$0.001449</b>	<b>\$0.001680</b>	<b>\$0.003129</b>
11(M)-Large Primary Service	<b>\$0.001415</b>	<b>\$0.001678</b>	<b>\$0.003093</b>
12(M)-Large Transmission Service	<b>\$0.000000</b>	<b>\$0.000000</b>	<b>\$0.000000</b>

2 Filed concurrently with my direct testimony is the tariff sheet that contains the EEIR,  
3 along with the relevant subcomponents. The new EEIR will result in charges of approximately  
4 \$1.10 per month for an average residential customer which is an increase from a \$1.10 *credit* per  
5 month (a total increase of \$2.20 per month).

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

8 A. As provided by 4 CSR 240-20.093(4), the Commission Staff (“Staff”) has thirty  
9 (30) days from the date that the revised Rider EEIC rate schedule is filed to conduct a review and  
10 make a recommendation to the Commission as to whether the rate revision complies with the  
11 Commission’s rules (the requirements of Section 393.1075, RSMo) and, presumably, the terms  
12 of the Stipulation. If the Commission finds the revised Rider EEIC rate schedule does comply,  
13 the EEIR will take effect either pursuant to a Commission order approving the EEIR or by  
14 operation of law, in either case within sixty (60) days after the EEIR is filed. Ameren Missouri  
15 believes its filing satisfies all of the requirements of applicable statutes, the Commission’s rules

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<sup>3</sup> MEEIA 1 costs remain unchanged from ER-2016-0131.

1 and the approved Stipulation. Therefore, Ameren Missouri requests that after Staff's review, the  
2 Commission approve the EEIR to become effective with the June 2016 billing month.

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

4 A. The rules require that Ameren Missouri provide the Annual Report required by 4  
5 CSR 240-93(8). That report was filed on February 29, 2016, in File No. EO-2016-0217. There is  
6 a 60-day comment period and no party has filed comments yet. In addition, I have attached the  
7 supporting documentation as Schedules WRD-2, WRD-3, WRD-4, and WRD-5.

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

9 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 5 pages and Schedule(s) WARD-1 through WAD-5, 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 22 day of March, 2016.

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

My commission expires: 2-21-18

