

**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) **Case No. ER-2020-0147**
Adjustment Relating To MEEIA Rider EEIC) Tracking No. YE-2020-0090

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and submits the accompanying Recommendation, in memorandum form, as directed by the Commission’s *Order Directing Notice, Establishing Intervention Deadline, and Directing Filing of Staff Recommendation* (“Order”) issued on November 25, 2019. In support thereof, Staff states as follows:

1. On November 22, 2019, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”) filed twelve (12) tariff sheets with the Commission bearing an issue date of November 22, 2019, and an effective date of January 21, 2020, proposing a Missouri Energy Efficiency Investment Act (“MEEIA”) Rider Energy Efficiency Investment Charge (“EEIC”) rate change. On December 3, 2019, Ameren Missouri filed with the Commission substitute tariff sheets.
2. In the Order referenced above, the Commission ordered Staff to file a recommendation no later than December 22, 2019.
3. Listed on the following page are the current MEEIA rates, the rates proposed by the Company and the rates proposed by Staff:

Rate Class	Current MEEIA Rate/kWh	Proposed Company MEEIA Rate/kWh	Proposed Staff MEEIA Rate/kWh
1(M)-Residential Service	\$0.004575	\$0.003957	0.003928
2(M)-Small General Service	\$0.005420	\$0.003805	0.003776
3(M)-Large General Service	\$0.004924	\$0.003842	0.003811
4(M)-Small Primary Service	\$0.004608	\$0.003844	0.003815

4. The difference between Company’s and Staff’s proposed rates relate to a matter which has not arisen and therefore not been addressed before in filings or orders, namely a rebasing adjustment, as described in more detail in the Memorandum. Staff believes Ameren Missouri is interested in continuing discussions relating to a difference of interpretation regarding the rebasing adjustment discussed in Staff’s Memorandum. Staff is not opposed to such discussions, but would recommend Staff’s rate for service on or after February 1, 2020, pending resolution by subsequent filing or Commission order.

5. Based on Staff’s proposed new MEEIA rates, the average residential bill will decrease by approximately \$0.65 per month using Staff’s proposed Rider EEIC rate. A residential customer, using 1,000 kWh will have total EEIC charge of approximately \$3.93 per month or \$47.14 annually. Rider EEIC business rates per class vary due to projected costs, incentives, and customer opt outs per class of customer. The Small General Service rate will decrease approximately 30.3% or \$1.64; the Large General Service rate will decrease approximately 22.6% or \$1.11; the Small Primary Service rate

will decrease approximately 17.2% or \$0.79; the Large Primary Service rate will decrease by approximately .1% or \$0.003. All changes are based on 1,000 kWh usage per month.

6. The Staff's Tariff / Rate Design Department has reviewed Ameren Missouri's proposed tariff sheets, supporting work papers, and worksheets showing its calculation of the proposed Rider EEIC rates and the projected costs and throughput disincentive.

7. Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its annual report. Staff is not aware of any other matter before the Commission that is affected by this filing.

WHEREFORE, for the reasons stated above and in Staff's Recommendation memorandum, Staff recommends the Commission issue an order regarding the following tariff sheets filed on November 22, 2019 and substituted:

Reject

P.S.C. MO. No. 6 Original Sheet No. 91.23

Approve

P.S.C. MO. No. 6

5th Revised Sheet No. 90, Canceling 4th Revised Sheet No. 90
3rd Revised Sheet No. 90.1, Canceling 2nd Revised Sheet No. 90.1
2nd Revised Sheet No. 90.2, Canceling 1st Revised Sheet No. 90.2
2nd Revised Sheet No. 90.3, Canceling 1st Revised Sheet No. 90.3
3rd Revised Sheet No. 90.4, Canceling 2nd Revised Sheet No. 90.4
2nd Revised Sheet No. 91.1, Canceling 1st Revised Sheet No. 91.1
1st Revised Sheet No. 91.10, Canceling Original Sheet No. 91.10
6th Revised Sheet No. 91.11, Canceling 5th Revised Sheet 91.11
1st Revised Sheet No. 91.13, Canceling Original Sheet 91.13
1st Revised Sheet No. 91.21, Canceling Original Sheet 91.21
2nd Revised Sheet No. 91.22, Canceling 1st Revised Sheet No. 91.22

Respectfully submitted,

/s/ Alexandra L. Klaus

Alexandra L. Klaus
Senior Counsel
Missouri Bar No. 67196
Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
573-751-1854 (Voice)
573-751-9285 (Fax)
lexi.klaus@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record this 20thth day of December, 2019.

/s/ Alexandra L. Klaus

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2020-0147 and Tariff Tracking No. YE-2020-0090

FROM: Robin Kliethermes, Manager, Rate & Tariff Examination
Nancy Harris, Regulatory Auditor

/s/ Natelle Dietrich / December 20, 2019 /s/Alexandra Klaus / December 20, 2019
Director, Industry Analysis Division/ Date Staff Counsel's Office / Date

SUBJECT: Staff Recommendation Regarding Union Electric Company d/b/a Ameren Missouri's ("Ameren Missouri") Proposed Tariff Sheet(s) for its Rider Energy Efficiency Investment Charge ("Rider EEIC")

DATE: December 20, 2019

Ameren Missouri Filing

On November 22, 2019, Ameren Missouri filed with the Commission twelve (12) tariff sheets bearing an issue date of November 22, 2019, and an effective date of January 21, 2020. The tariff changes adjust the Missouri Energy Efficiency Investment Act ("MEEIA") Rider EEIC rates, eliminate MEEIA Cycle 1 Rider EEIC tariffs, and make tariff changes to apply Rider EEIC on a calendar month basis instead of billing month. On December 3, 2019 Ameren Missouri filed with the Commission one (1) substitute tariff sheet. On December 10, 2019, Ameren Missouri filed with the Commission three (3) substitute tariff sheets. As substituted, Ameren Missouri's overall Rider EEIC rate will collect approximately \$106.9 million, increasing rates by approximately \$90 thousand, or .08%.¹

Staff Recommendation

For reasons explained below, Staff recommends that the Commission reject Ameren Missouri's proposed Tariff Sheet No. 91.23 and approve Staff's recommended rates for adoption on Tariff Sheet No. 91.23,² attached to this filing; Staff further recommends the Commission's approve Ameren Missouri's other eleven (11) tariff sheets proposed as part of this filing, as substituted.³

Background

The total proposed Rider EEIC rates are the sum of the currently effective MEEIA 2016-18 Energy Efficiency Investment Rate ("EEIR") Components (MEEIA Cycle 2) and the MEEIA 2019-21 EEIR Components (MEEIA Cycle 3). The MEEIA Cycle 1 programs ended on December 31, 2015, and

¹ This filing proposes to increase the MEEIA revenue requirement from \$106,804,026 to \$106,894,253.

² Staff believes Ameren Missouri is interested in continuing discussions relating to a difference of interpretation regarding the rebasing adjustment discussed below. Staff is not opposed to such discussions, but would recommend Staff's rate for service on or after February 1, 2020, pending resolution by subsequent filing or Commission order.

³ Additionally, this filing proposed to eliminate tariff sheets 90 – 90.4 which are related to MEEIA Cycle 1 which is no longer in effect. Tariff sheets 91.10 and 91.21 were also updated by Ameren Missouri to reflect a change from billing month start date to a calendar month start date for Rider EEIC adjustments.

have now been fully recovered; therefore, Ameren Missouri has proposed to revise the MEEIA Cycle 1 Rider EEIC tariffs to “Reserved for Future Use”.

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

Staff Review

The MEEIA 2016-18 EEIR⁴ Components include costs for energy efficiency programs, throughput disincentive, earnings opportunity and any ordered adjustments. Per Tariff Sheet No. 91.7, the calculation of the throughput disincentive includes a rebasing adjustment. The purpose of the rebasing adjustment is to account for an annualized level of deemed energy efficiency savings in the Company’s general rate case. On the effective date of rates effectuating the rate case tariffs that reflect the energy efficiency savings, the savings are subsequently removed from the Company’s ongoing throughput disincentive calculation in order to prevent double recovery of the savings. Per the Unanimous Stipulation and Agreement filed on February 23, 2017, in ER-2016-0179, the Company rebased the throughput disincentive through December 31, 2016.⁵ This means that the level of MEEIA Cycle 2 cumulative energy savings as of December 31, 2016, were accounted for in retail rates established in ER-2016-0179. Since the effective date of rates in ER-2016-0179 was April 1, 2017, the Company began removing the rebased savings accounted for in the rate case from the total cumulative measured savings used in the calculation of its MEEIA Cycle 2 throughput disincentive.

However, in this filing the Company adjusted the level of rebased savings used in its throughput disincentive as part of the Company’s calculation of its MEEIA Cycle 2 earnings opportunity and going forward throughput disincentive. By changing the level of rebased savings in the throughput disincentive calculation without adjusting the level of savings reflected in ER-2016-0179 and currently reflected in effective retail rates, the Company has created a mismatched accounting of the amount of MEEIA Cycle 2 savings levels. This error causes Ameren Missouri’s currently proposed MEEIA revenue requirement to be approximately \$829,269 higher than what it should be. Staff has recalculated Ameren Missouri’s MEEIA rate to reflect the correct level of savings that were rebased in ER-2016-0179 and the resulting lower MEEIA revenue requirement.

The table on the following page provides the current Rider EEIC rate, the Company’s proposed rate and Staff’s proposed rate.⁶

⁴ At this time, and as substituted Staff has no changes to Ameren Missouri’s MEEIA 2019-21 EEIR components reflected on Tariff Sheet No. 91.23.

⁵ Page 2, Unanimous Stipulation and Agreement filed in ER-2016-0179.

⁶ The MEEIA rate listed in the table is the sum of MEEIA Cycle 2 and MEEIA Cycle 3 cost components.

Rate Class	Current MEEIA Rate/kWh	Proposed Company MEEIA Rate/kWh	Proposed Staff MEEIA Rate/kWh
1(M)-Residential Service	\$0.004575	\$0.003957	0.003928
2(M)-Small General Service	\$0.005420	\$0.003805	0.003776
3(M)-Large General Service	\$0.004924	\$0.003842	0.003811
4(M)-Small Primary Service	\$0.004608	\$0.003844	0.003815
11(M)-Large Primary Service	\$0.003830	\$0.003858	0.003827
12(M)-Large Transmission Service	\$0.000000	\$0.000000	0.000000

All else being equal, the average residential bill will decrease by approximately \$0.65 per month using Staff’s proposed Rider EEIC rate. A residential customer, using 1,000 kWh will have total EEIC charge of approximately \$3.93 per month or \$47.14 annually. Rider EEIC business rates per class vary due to projected costs, incentives, and customer opt outs per class of customer. The Small General Service rate will decrease approximately 30.3% or \$1.64; the Large General Service rate will decrease approximately 22.6% or \$1.11; the Small Primary Service rate will decrease approximately 17.2% or \$0.79; the Large Primary Service rate will decrease by approximately .1% or \$0.003. All changes are based on 1,000 kWh usage per month.

Recommendation

The Commission Staff’s Tariff / Rate Design Department (“Staff”) has reviewed the filed tariff sheets. Staff recommends the Commission issue an order *rejecting* the following tariff sheet, as filed on November 22, 2019 and substituted on December 10, 2019 and order Ameren Missouri to file Tariff Sheet No. 91.23 incorporating Staff’s recommended Rider EEIC rates attached to this filing:

P.S.C. MO. No. 6
Original Sheet No. 91.23

Staff further recommends the Commission issue an order *approving* the following tariff sheets, as filed on November 22, 2019:

P.S.C. MO. No. 6
5th Revised Sheet No. 90, Cancelling 4th Revised Sheet No. 90
3rd Revised Sheet No. 90.1, Cancelling 2nd Revised Sheet No. 90.1
2nd Revised Sheet No. 90.2, Cancelling 1st Revised Sheet No. 90.2
2nd Revised Sheet No. 90.3, Cancelling 1st Revised Sheet No. 90.3
3rd Revised Sheet No. 90.4, Cancelling 2nd Revised Sheet No. 90.4
2nd Revised Sheet No. 91.1, Cancelling 1st Revised Sheet No. 91.1
6th Revised Sheet No. 91.11, Cancelling 5th Revised Sheet No. 91.11
1st Revised Sheet No. 91.13, Cancelling Original Sheet No. 91.13
2nd Revised Sheet No. 91.22, Cancelling 1st Revised Sheet No. 91.22

Staff further recommends the Commission issue an order *approving* the following tariff sheets, as filed on November 22, 2019 and substituted on December 10, 2019:

P.S.C. MO. No. 6
1st Revised Sheet No. 91.10, Cancelling Original Sheet No. 91.10
1st Revised Sheet No. 91.21, Cancelling Original Sheet No. 91.21

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its Annual Report. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

UNION ELECTRIC COMPANY

ELECTRIC SERVICE

MO.P.S.C. SCHEDULE NO. 6 Original SHEET NO. 91.23

CANCELLING MO.P.S.C. SCHEDULE NO. _____ SHEET NO. _____

APPLYING TO MISSOURI SERVICE AREA

RIDER EEIC

ENERGY EFFICIENCY INVESTMENT CHARGE (Cont'd.)

(Applicable To Service Provided Beginning February 1, 2020 through January 31, 2021)

MEEIA 2016-18 EEIR Components (Applicable to MEEIA Cycle 2 Plan)

Service Class	NPC/PE (\$/kWh)	NTD/PE (\$/kWh)	NEO/PE (\$/kWh)	NOA/PE (\$/kWh)
1(M)-Residential Service	\$0.000126	\$0.000108	\$0.000804	\$0.000000
2(M)-Small General Service	\$0.000112	\$0.000373	\$0.000787	\$0.000000
3(M)-Large General Service	\$0.000043	\$0.000547	\$0.000814	\$0.000000
4(M)-Small Primary Service	(\$0.000006)	\$0.000555	\$0.000843	\$0.000000
11(M)-Large Primary Service	(\$0.000182)	\$0.000485	\$0.000973	\$0.000000
12(M)-Large Transmission Service	\$0.000000	\$0.000000	\$0.000000	\$0.000000

MEEIA 2019-21 EEIR Components (Applicable to MEEIA Cycle 3 Plan)

Service Class	NPC/PE (\$/kWh)	NTD/PE (\$/kWh)	NEO/PE (\$/kWh)	NOA/PE (\$/kWh)
1(M)-Residential Service	\$0.002501	\$0.000389	\$0.000000	\$0.000000
2(M)-Small General Service	\$0.002225	\$0.000279	\$0.000000	\$0.000000
3(M)-Large General Service	\$0.002226	\$0.000181	\$0.000000	\$0.000000
4(M)-Small Primary Service	\$0.002249	\$0.000174	\$0.000000	\$0.000000
11(M)-Large Primary Service	\$0.002314	\$0.000237	\$0.000000	\$0.000000
12(M)-Large Transmission Service	\$0.000000	\$0.000000	\$0.000000	\$0.000000

Summary EEIR Components and Total EEIR

Service Class	NPC (\$/kWh)	NTD (\$/kWh)	(NEO+NPI) (\$/kWh)	NOA (\$/kWh)	Total EEIR (\$/kWh)
1(M)-Residential Service	\$0.002627	\$0.000497	\$0.000804	\$0.000000	\$0.003928
2(M)-Small General Service	\$0.002337	\$0.000652	\$0.000787	\$0.000000	\$0.003776
3(M)-Large General Service	\$0.002269	\$0.000728	\$0.000814	\$0.000000	\$0.003811
4(M)-Small Primary Service	\$0.002243	\$0.000729	\$0.000843	\$0.000000	\$0.003815
11(M)-Large Primary Service	\$0.002132	\$0.000722	\$0.000973	\$0.000000	\$0.003827
12(M)-Large Transmission Service	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000

DATE OF ISSUE November 22, 2019 DATE EFFECTIVE January 21, 2020

ISSUED BY Michael Moehn President St. Louis, Missouri
 NAME OF OFFICER TITLE ADDRESS

