

Exhibit No.:
Issues: Demand-Side Investment
Mechanism
Witness: William R. Davis
Sponsoring Party: Union Electric Co.
Type of Exhibit: Direct Testimony
Case No.: ER-2015-
Date Testimony Prepared: March 27, 2015

MISSOURI PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY

OF

WILLIAM R. DAVIS

March 27, 2015
St. Louis, Missouri

DIRECT TESTIMONY

OF

WILLIAM R. DAVIS

Case No. ER-2015-

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 tariff revisions to Ameren Missouri's Schedule No. 6 –
9 Schedule of Rates for Electric Service, which is being filed by Ameren Missouri to adjust
10 residential customer rates for changes in the applicability of Ameren Missouri's Energy
11 Efficiency Investment Charge Rider ("Rider EEIC"). The following tariff sheets to implement
12 the changes are attached as Schedule WRD-1:

- 13 - 2nd Revised Sheet No. 90
- 14 - 1st Revised Sheet No. 90.1
- 15 - 1st Revised Sheet No. 90.4
- 16 - 2nd Revised Sheet No. 90.5

17 **Q. Please explain why Ameren Missouri is filing a revision to its Rider EEIC at**
18 **this time.**

19 A. Ameren Missouri is filing a revision to its Rider EEIC with the sole purpose of
20 implementing a previously-approved exemption for qualifying low-income customers. In

1 Ameren Missouri’s active rate case¹, the Missouri Public Service Commission (“Commission”)
2 approved a Non-Unanimous Stipulation and Agreement (“Stipulation”) regarding the details of
3 the low-income exemption. For convenience, I have attached the Stipulation and the
4 Commission’s order approving the Stipulation as Schedules WRD-7 and WRD-8 respectively.
5 In addition, the Commission rules require this filing to be made at least sixty (60) days in
6 advance of when rates would become effective. Therefore, this filing is being made at least 60
7 days in advance of the June 2015 billing month, which is when the low-income exemption will
8 become effective.

9 **Q. Please describe the proposed changes to Rider EEIC to implement the low-**
10 **income exemption.**

11 A. First I will note that, consistent with the terms of the approved Stipulation, the
12 Energy Efficiency Investment Rate (“EEIR”) has been based on the same data provided in the
13 November 2014 Rider EEIC filing² adjusted only to reflect the low-income exemption for the
14 remainder of the tariff-effective period. Schedule WRD-2 includes the direct testimony from the
15 November 2014 Rider EEIC filing which contains a description and quantification of the revenue
16 requirements and other specifics related to the calculation of the EEIR. Specifically in this case,
17 the only change is a reduction in the November 2014 forecasted residential kilowatt-hour
18 (“kWh”) to reflect the fact that fewer residential customers will be charged the EEIR (because a
19 portion of customers will be exempt) and, therefore, the EEIR must be increased to all other
20 residential customers to cover the shortfall caused by the low-income exemption.

21 There are also wording changes to several Rider EEIC tariff sheets to implement the low-
22 income exemption. The first slight wording changes can be found on Sheet 90 where the

¹ ER-2014-0258
² ER-2015-0132

1 applicability has been altered to exempt “low-income” customers. Then, on Sheet 90.1, a
 2 definition of “low-income” customers was added to be consistent with the terms of the
 3 Stipulation; that is residential customers who, in any of the prior 12 billing months, have
 4 received assistance from any of the following qualifying low-income programs: Missouri Energy
 5 Assistance (a.k.a. Low-Income Home Energy Assistance Program or “LIHEAP”), Winter Energy
 6 Crisis Intervention Program (“ECIP”), Summer ECIP, Keeping Current, and Keeping Cool.
 7 Finally, there was a slight addition to Sheet 90.4 to further clarify that the EEIR is not applicable
 8 to low-income customers (as defined in the tariff).

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

11 A. First, consistent with the terms of the Stipulation, only the residential class is
 12 impacted by this change. As mentioned previously, the only change is to the residential kWh
 13 used to calculate the EEIR. The updated calculation results in the following EEIR amounts for
 14 the Company’s customers during that Effective Period, beginning with the June 2015 billing
 15 month:

Service Class	<u>Proposed</u> EEIR (\$/kWh)	<u>Existing</u> EEIR (\$/kWh)
1(M)-Residential Service	\$0.005800	\$0.005607
2(M)-Small General Service	\$0.002435	\$0.002435
3(M)-Large General Service	\$0.003563	\$0.003563
4(M)-Small Primary Service	\$0.002865	\$0.002865
11(M)-Large Primary Service	\$0.003385	\$0.003385
12(M)-Large Transmission Service	\$0.000000	\$0.000000

1 Filed concurrently with my direct testimony is the tariff sheet that contains the EEIR,
2 along with the relevant subcomponents. The new EEIR will cost residential customers an
3 additional \$0.17 per month, while the qualifying low-income customers will save over \$7 per
4 month.

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

7 A. As provided by 4 CSR 240-20.093(4), the Commission Staff (“Staff”) has thirty
8 (30) days from the date that the revised Rider EEIC rate schedule is filed to conduct a review and
9 make a recommendation to the Commission as to whether the rate revision complies with the
10 Commission’s rules (the requirements of Section 393.1075, RSMo) and, presumably, the terms
11 of the Stipulation. If the Commission finds the revised Rider EEIC rate schedule does comply,
12 the EEIR will take effect either pursuant to a Commission order approving the EEIR or by
13 operation of law, in either case within sixty (60) days after the EEIR is filed. Ameren Missouri
14 believes its filing satisfies all of the requirements of applicable statutes, the Commission’s rules
15 and the approved Stipulation. Therefore, Ameren Missouri requests that after Staff’s review, the
16 Commission approve the EEIR to become effective with the June 2015 billing month.

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

18 A. The rules require that Ameren Missouri provide the Annual Report required by 4
19 CSR 240-93(8). That report was filed on February 27, 2015, in File No. EO-2015-0210. There
20 is a 60 day comment period and no party has filed comments yet. In addition, I have attached the
21 supporting documentation as Schedules WRD-3, WRD-4, WRD-5, and WRD-6.

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

23 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-2015-
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 an 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 through WRD-8, 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
William R. Davis

Subscribed and sworn to before me this 25th day of March, 2015.

Julie Irby
Notary Public

My commission expires: 1/15/2017

