

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

In the Matter of the First Prudence Review of )  
Union Electric Company d/b/a Ameren )  
Missouri's Implementation of Energy )  
Efficiency Programs in Furtherance of the )  
Missouri Energy Efficiency Investment Act )  
(MEEIA).

**File No. EO-2015-0029**

**STAFF'S REPORT OF FIRST MEEIA PRUDENCE AUDIT**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Report of First MEEIA Prudence Audit* ("Report"), respectfully states to the Missouri Public Service Commission ("Commission"):

**Background**

1. Ameren Missouri's tariff provides that "[a] prudence review shall be conducted no less frequently than at twenty-four (24) month intervals in accordance with 4 CSR 240-20.093(10)...."<sup>1</sup> This tracks the language of Commission Rule 4 CSR 240-20.093(10) as authorized under § 393.1075.3 and § 393.1075.11 RSMo Supp. 2013.

2. The Staff's prudence audit also complies with the *Unanimous Stipulation And Agreement Resolving Ameren Missouri's MEEIA Filing* approved by the Commission in File No. EO-2012-0142, which states in part (paragraph) "22. Prudence Review. A prudence review in accordance with 4 CSR 240-20.093(10) shall be conducted..."<sup>2</sup>

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<sup>1</sup> Union Electric Company, MO.P.S.C Schedule No. 6, Original Sheet No. 90.4, "Rider EEIC, Energy Efficiency Investment Charge (Cont'd.), For MEEIA Cycle 1 Plan, Prudence Reviews."

<sup>2</sup> "The stipulation and agreement ...approve[s] Ameren Missouri's three-year demand-side program plan. That plan consists of the eleven demand-side programs described in Ameren Missouri's January 20, 2012 MEEIA Report; the demand-side programs investment mechanism (DSIM) described in the MEEIA Report, as modified by the stipulation and agreement; and a Technical Resource Manual (TRM) proposed by Ameren Missouri." p. 3, *Order Approving Unanimous Stipulation And Agreement Resolving Ameren Missouri's MEEIA Filing And Approving Stipulation And Agreement Between Ameren Missouri And Laclede Gas Company*, effective August 11, 2012.

3. Rule 4 CSR 240-20.093(10), in part, requires: “The Staff shall file notice within ten (10) days of starting its prudence audit.” It also establishes a schedule by which certain events are to take place based on the date the Staff starts its prudence audit. The Staff filed its *Notice of Start of First MEEIA Prudence Audit* on July 28, 2014. On July 30, 2014, the Commission issued its *Order Directing Notice, Establishing an Intervention Deadline, and Setting a Deadline for Requesting a Hearing* (“Order”). The Order set the following dates:

August 20, 2014	Intervention Deadline
December 26, 2014	Due date for Staff’s Report of Prudence Audit
January 5, 2015	Deadline for Requesting a Hearing

4. Staff initiated its first prudence audit of the costs associated with Ameren Missouri’s Demand-Side Programs Investment Mechanisms (“DSIM”) on July 28, 2014. On September 8, 2014, the Commission granted intervention to the Missouri Division of Energy.

#### Results of Prudence Audit

5. In accordance with the above rule, Staff files its Report to the Commission regarding the results of its examination and analyses in this case. The Staff’s Energy Resource Analysis Section was primarily responsible for conducting the prudence audit. Staff’s Report is attached as *Appendix A*, in both Highly Confidential “HC” and public formats.

6. Staff reviewed and examined a variety of items including Ameren Missouri's DSIM program costs, the Company TD-NSB Share<sup>3</sup> and interest associated with the *2013-2015 Energy Efficiency Plan*. As a result of the audit performed for the review period of January 2, 2013 through June 30, 2013, the Staff found no incidents of imprudence as explained in detail in Staff's Report.

**WHEREFORE**, in accordance with the Commission's Order, the Staff prays the Commission accept its Report of First MEEIA Prudence Audit.

Respectfully submitted,

**/s/ Robert S. Berlin**

Robert S. Berlin  
Deputy Counsel  
Missouri Bar No. 51709  
Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 526-7779 (Telephone)  
(573) 751-9285 (Fax)  
[bob.berlin@psc.mo.gov](mailto:bob.berlin@psc.mo.gov) (e-mail)

### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 23<sup>rd</sup> day of December, 2014.

**/s/ Robert S. Berlin**

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<sup>3</sup> "TD-NSB" is Ameren Missouri's "throughput disincentive-net shared benefits" and represents the 2013 present values of the lifetime avoided costs (i.e., avoided energy, capacity, transmission and distribution, and probable environmental compliance costs for the 2013-2015 Energy Efficiency Plan using the deemed values in the Technical Resource Manual ("TRM"), less the 2013 present value of program costs as further described in paragraphs 5.b.i. and 6.b. of the *Unanimous Stipulation And Agreement Resolving Ameren Missouri's MEEIA Filing*.