

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

In the Matter of the First Prudence Review of)
the Missouri Energy Efficiency Investment Act)
(MEEIA) Cycle 2 Energy Efficiency Programs)
of the Union Electric Company d/b/a Ameren)
Missouri)

File No. EO-2018-0155

**STAFF’S REPORT OF THE FIRST MEEIA CYCLE 2 PRUDENCE REVIEW
AND PROPOSED ADJUSTMENTS**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and presents to the Commission its report of the *First Prudence Review For Cycle 2 of Costs Related To The Demand-Side Programs Investment Mechanism for the Electric Operations of Union Electric Company d/b/a Ameren Missouri (Staff’s Report)* for the period March 1, 2016 through October 31, 2017. As a result of its review, Staff proposes a total disallowance of \$80,212 in program costs and in support thereof states as follows:

BACKGROUND

1. Ameren Missouri’s (Ameren) 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)....”¹ This tracks the language of Commission Rule 4 CSR 240-20.093(11) as authorized under § 393.1075.3 and § 393.1075.11 RSMo Supp. 2013.

¹ 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.” Prior to September 30, 2017, the applicable rule was 4 CSR 240-20.093(10) and is now 240-20.093(11).

2. Rule 4 CSR 240-20.093(11), 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 review. The Staff filed its *Notice of Start of First MEEIA Prudence Review of Cycle 2 Energy Efficiency Programs (Notice)* on December 1, 2017. Therefore, guided by the timeline set out in the rule when certain events are to take place, Staff’s *Notice* included the following dates and deadlines:

April 30, 2018 ²	Due date for filing Staff’s Report of Prudence Review
May 10, 2018	Deadline for Request for Hearing
June 29, 2018	Deadline for Commission Order

3. On December 1, 2017, Staff initiated its first prudence review of the costs associated with Ameren’s Demand-Side Programs Investment Mechanisms (DSIM) for its MEEIA Cycle 2 energy efficiency programs.

RESULTS OF PRUDENCE REVIEW AND PROPOSED ADJUSTMENTS

4. In accordance with 4 CSR 240-20.093(11), *Staff’s Report* explains the results of its examination and analyses in this case. The Staff’s Energy Resources Department was responsible for conducting the prudence review and developing its recommendation for \$80,212 of proposed cost adjustments. *Staff’s Report* is attached as Appendix A, in both Confidential “C” and public formats.

5. Staff reviewed and examined a variety of items including Ameren’s incurred DSIM program costs, its Throughput Disincentive (TD) and interest costs

² On March 27, 2018, the Commission issued its *Order Granting Application To Intervene* to the Missouri Department of Economic Development, Division of Energy.

associated with the *2016-2018 Energy Efficiency Plan (Plan)*³ for the review period of March 1, 2016 through October 31, 2017. (*Review Period*).

6. As a result of its review, the Staff identifies and proposes a total disallowance amount of \$80,212 plus interest from November 1, 2017 through the date of Ameren's next EEIR (Energy Efficiency Investment Rate) filing. The proposed disallowance of \$80,211 is made up of the following adjustments as shown in Table 2 of Staff's Report:

Costs	Explanation of Costs	Disallowed Cost	Interest	Total Disallowance
Travel, Conferences, and Entertainment	Page 14	\$22,353	\$187	\$22,539
Advertising	Page 16	\$3,556	\$39	\$3,595
Membership and Trade Dues	Page 18	\$30,750	\$380	\$31,130
Amend 2014 Avoided Costs Report	Page 19	\$19,956	\$270	\$20,226
Purchasing Rate	Page 20	\$2,698	\$24	\$2,722
Total Proposed Disallowed Costs		\$79,313	\$900	<u>\$80,212</u>

Therefore, Staff recommends the total proposed \$80,212 disallowance be approved as an Ordered Adjustment to Ameren Missouri's next EEIR adjustment filing⁴.

WHEREFORE, pursuant to Staff's *Notice*, the Staff prays the Commission accept its *First Prudence Review For Cycle 2 of Costs Related To The Demand-Side Programs Investment Mechanism for the Electric Operations of Union Electric Company d/b/a Ameren Missouri* regarding the first prudence review of Ameren Missouri's MEEIA

³ The *Plan* was modified by various Commission orders in Case No. EO-2015-0055 that were effective on the following dates: April 23, 2017; June 17, 2017; July 20, 2017; October 7, 2017; and December 16, 2017.

⁴ Union Electric Company MO.P.S.C. SCHEDULE NO. 6 Original Sheet No. 91.3.

Cycle 2 energy efficiency programs for the Review Period and issue an order directing Ameren Missouri to make a total Ordered Adjustment in the amount of \$80,212 plus interest from November 1, 2017 through the date of Ameren's next EEIR filing to be returned to Ameren's customers in accordance with the adjustments and supporting rationale from Table 2 of Staff's Report.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin
Deputy Staff 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 (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 30th day of April, 2018.

/s/ Robert S. Berlin