

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 17<sup>th</sup> day of October, 2018.

In the Matter of Union Electric Company d/b/a )  
Ameren Missouri's 2<sup>nd</sup> Filing to Implement )  
Regulatory Changes in Furtherance of Energy )  
Efficiency as Allowed by MEEIA )

**File No. EO-2015-0055**

**ORDER APPROVING NON-UNANIMOUS STIPULATION AND AGREEMENT**

Issue Date: October 17, 2018

Effective Date: November 16, 2018

**Background**

On February 10, 2016, the Commission issued an order approving Union Electric Company, d/b/a Ameren Missouri's ("Ameren Missouri") Cycle 2 MEEIA Plan ("Cycle 2 Order"). The Cycle 2 Order requires Ameren Missouri to complete annual Evaluation, Measurement, and Verification Reports ("EM&V Report").

Ameren Missouri hired The Cadmus Group, Inc. ("Cadmus") to evaluate residential energy efficiency programs, and it hired ADM Associates, Inc. ("ADM") to evaluate the business energy efficiency programs. On July 14, 2017, as required by the Cycle 2 Order, Cadmus and ADM filed their PY2016 EM&V final reports in this case. On July 25, 2017, Cadmus filed a revised PY2016 EM&V final report to correct minor mathematical errors.

After the auditor's report is filed, any party wishing to make a change to the impact evaluation of the final EM&V report may file a "Change Request". The Staff of the Commission ("Staff") and the Office of the Public Counsel ("OPC") filed Change Requests on August 14, 2017. On September 13, 2017, Ameren Missouri, Staff, and OPC filed a

Non-Unanimous Stipulation and Agreement. On September 27, 2017, the Commission approved that Non-Unanimous Stipulation and Agreement.

On August 15, 2018, Ameren Missouri filed its Change Request for Adjustment to the Final EM&V Report. On that same date, Staff filed its Staff's Change Request for Adjustment to the Cadmus Report of Program Year 2017 Annual Net Energy and Demand Savings from MEEIA Programs. The Commission ordered that the changes be filed no later than September 5, 2018. On August 21, 2018, Ameren Missouri, Staff, and OPC filed their Joint Motion to Adopt Procedural Schedule, requesting a procedural schedule and evidentiary hearing be set. The Commission granted that motion on August 28, 2018, and an evidentiary Hearing was set to commence November 5, 2018.

On October 2, 2018, Ameren Missouri and Staff filed their Non-Unanimous Stipulation and Agreement Settling Final EM&V for the 2017, Cycle 2 Program Year. The signatories state that this PY2017 Stipulation is being filed solely to settle the issues resulting from differences in the Cadmus PY2017 EM&V final report and the change requests filed by Ameren Missouri and Staff on August 15, 2018. No responses or objections were filed regarding the October 2, 2018, Non-Unanimous Stipulation and Agreement Settling Final EM&V for the 2017, Cycle 2 Program Year.

### **The Stipulation**

The Signatories agree to the following terms to settle the PY2016 EM&V issues:

- a. For PY2017, the Signatories agree to reduce evaluated 2023 demand savings associated with Residential HVAC Early Replacement measures by 50% of the difference between evaluated 2023 demand savings and 2023 demand savings determined by modeling the Residential HVAC Early Replacement measures using a "mid-life adjustment" of the baseline measure. The change for PY2017 "mid-life adjustment" modeling was performed by using the existing equipment as the

base measure for the first 1/3 of the Effective Useful Life (EUL) of the measure and a base measure consistent with "replace on failure" for modeling the remaining 2/3 of the EUL of the measure. For PY2017 this does not affect the first year net kWh, but reduces the 2023 net kW by 6,669. For PY2018, the modeling of all HVAC Early Replacement measures will be performed using the "mid-life adjustment" approach, as specified in the PY2017 Auditor's Report;

- b. For PY2018, the Signatories agree the Evaluators will perform cost effectiveness analyses using DSMore modeling tools;
- c. For PY2018, the Signatories agree the Residential Evaluator will analyze and report pretreatment participation for the Home Energy Report (HER) control group and treatment group and identify statistical differences, if any, between those groups;
- d. For PY2018, the Signatories agree the Residential Evaluator will update the Residential lighting price/demand elasticity model for the Residential Lighting program;
- e. For PY2017, the Signatories agree to reduce the Residential like spillover, based on retailer surveys, by a 50.9% decrement, which represents the weighted average of the total application of free ridership to each of the individual bulb types, which vary from 37% to 68%. This reduces the first year net kWh by 5,221,070 and the 2023 net kW by 786;
- f. For PY2017, the Signatories agree the Residential pipe wrap evaluation results will be updated to incorporate a correction to a calculation error in the identified pipe wrap thickness, as specified in the change request filed by Ameren Missouri. This increases the first year net kWh by 46,570, but does not impact the 2023 net kW;
- g. For PY2017, the Signatories agree the Residential ECM evaluation results will be adjusted to reflect ECM usage in continuous mode for 10% of the time, as specified in the change request filed by Ameren Missouri. This increases the first year net kWh by 2,749,900 and the 2023 net kW by 1,282;

- h. As soon as reasonably possible, the Company will convene a series of meetings with Staff, OPC, the other Cycle 2 regulatory stakeholders, Cadmus, and the Auditor with the goal of the meetings being to reach agreement on the following: (i) the design of the retailer survey, how it is delivered, and how it is used when calculating lighting spillover; (ii) revisions to participant survey to significantly reduce the number of "don't know" responses and how "don't know" responses will be treated; and (iii) specifications used in the lighting price/demand elasticity model. The Signatories agree that time is of the essence given the remaining time for PY2018;
- i. Nothing in the PY2017 Stipulation and Agreement modifies the terms of previous Stipulation and Agreements; and
- j. For PY2017, the Signatories agree the tables shown on Appendix A, which is attached to this Stipulation and incorporated for all purposes, identify the final EM&V results agreed to by the Signatories.

Commission Rule 4 CSR 240-2.115(2) allows parties to file non-unanimous stipulations and agreements. That same rule allows parties seven days to object, and allows the Commission to treat the non-unanimous stipulation as unanimous if no party timely objects. Seven days have elapsed since the Signatories filed the Stipulation, and no party has objected. Thus, the Commission will treat the Stipulation as unanimous.

The Commission has independently reviewed the Stipulation. The Commission finds the Stipulation to be reasonable, and will approve it.

**THE COMMISSION ORDERS THAT:**

1. The Non-Unanimous Stipulation and Agreement Settling Final EM&V for the 2017, Cycle 2 Program Year is approved, and its Signatories are ordered to abide by its terms.

2. This order shall become effective on November 16, 2017.

**BY THE COMMISSION**



*Morris L Woodruff*

Morris L. Woodruff  
Secretary

Silvey, Chm., Kenney, Hall, Rupp, and  
Coleman, CC., concur.

Clark, Regulatory Law Judge

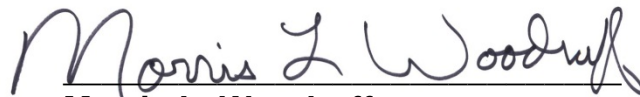
**STATE OF MISSOURI**

**OFFICE OF THE PUBLIC SERVICE COMMISSION**

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 17<sup>th</sup> day of October 2018.



  
Morris L. Woodruff  
Secretary

**MISSOURI PUBLIC SERVICE COMMISSION**

**October 17, 2018**

**File/Case No. EO-2015-0055**

**Missouri Public Service Commission**

Staff Counsel Department  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
staffcounsel@psc.mo.gov

**Office of the Public Counsel**

Marc Poston  
200 Madison Street, Suite 650  
P.O. Box 2230  
Jefferson City, MO 65102  
opcservice@ded.mo.gov

**Kansas City Power & Light Company**

Robert Hack  
1200 Main, 19th Floor  
P.O. Box 418679  
Kansas City, MO 64141-9679  
rob.hack@kcpl.com

**Kansas City Power & Light Company**

Roger W Steiner  
1200 Main Street, 16th Floor  
P.O. Box 418679  
Kansas City, MO 64105-9679  
roger.steiner@kcpl.com

**KCP&L Greater Missouri Operations Company**

Robert Hack  
1200 Main, 19th Floor  
P.O. Box 418679  
Kansas City, MO 64141-9679  
rob.hack@kcpl.com

**KCP&L Greater Missouri Operations Company**

Roger W Steiner  
1200 Main Street, 16th Floor  
P.O. Box 418679  
Kansas City, MO 64105-9679  
roger.steiner@kcpl.com

**Midwest Energy Consumers Group**

David Woodsmall  
308 E. High Street, Suite 204  
Jefferson City, MO 65101  
david.woodsmall@woodsmalllaw.com

**Missouri Division of Energy**

Brian T Bear  
301 W. High St., Room 680  
P.O. Box 1766  
Jefferson City, MO 65102  
bbear.deenergycases@ded.mo.gov

**Missouri Industrial Energy Consumers (MIEC)**

Lewis Mills  
221 Bolivar Street, Suite 101  
Jefferson City, MO 65101-1574  
lewis.mills@bclplaw.com

**Missouri Industrial Energy Consumers (MIEC)**

Diana M Vuylsteke  
211 N. Broadway, Suite 3600  
St. Louis, MO 63102  
dmvuylsteke@bclplaw.com

**National Housing Trust**

Andrew J Linhares  
3115 S. Grand Ave  
Suite 600  
St. Louis, MO 63118  
Andrew@renewmo.org

**Natural Resources Defense Council**

Henry B Robertson  
319 N. Fourth St., Suite 800  
St. Louis, MO 63102  
hrobertson@greatriverslaw.org

**Renew Missouri**

Andrew J Linhares  
3115 S. Grand Ave  
Suite 600  
St. Louis, MO 63118  
Andrew@renewmo.org

**Sierra Club**

Maxine Lipeles  
1 Brookings Dr - CB 1120  
St. Louis, MO 63130-4899  
milipele@wustl.edu

**Sierra Club**

Chinyere Osuala  
1625 Massachusetts Ave. NW, Ste. 702  
Washington, DC 20036  
cosuala@earthjustice.org

**Sierra Club**

Jill M Tauber  
1625 Massachusetts Ave., NW Ste. 702  
Washington, DC 20036  
jtauber@earthjustice.org

**Tower Grove Neighborhood Community Development Corporation**

Andrew J Linhares  
3115 S. Grand Ave  
Suite 600  
St. Louis, MO 63118  
Andrew@renewmo.org

**Union Electric Company**

Paula Johnson  
1901 Chouteau Ave  
St Louis, MO 63103  
AmerenMOService@ameren.com

**Union Electric Company**  
James B Lowery  
111 South Ninth St., Suite 200  
P.O. Box 918  
Columbia, MO 65205-0918  
lowery@smithlewis.com

**Union Electric Company**  
Russ Mitten  
312 E. Capitol Ave  
P.O. Box 456  
Jefferson City, MO 65102  
rmitten@brydonlaw.com

**Union Electric Company**  
Wendy Tatro  
1901 Chouteau Avenue  
St. Louis, MO 63103-6149  
AmerenMOService@ameren.com

**Union Electric Company**  
Matthew R Tomc  
1901 Chouteau  
St. Louis, MO 63166  
AmerenMOService@ameren.com

**United for Missouri**  
David C Linton  
314 Romaine Spring View  
Fenton, MO 63026  
Jdlinton@reagan.com

***Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).***

***Sincerely,***

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive style with a large, prominent "M" and "W".

**Morris L. Woodruff**  
**Secretary**

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Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.