

**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)	<u>Case No. ER-2016-0131</u>
Tariffs Adjustment Relating to)	Tracking No. YE-2016-0130
MEEIA EEIC Rider)	

STAFF'S RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Recommendation* in this matter hereby states:

1. Ameren Missouri (AMMO) on November 25, 2015, filed one (1) tariff sheet¹ proposing an adjustment to its Demand-Side Investment Mechanism (DSIM) rates in the form of a Missouri Energy Efficiency Investment Act (MEEIA) Rider Energy Efficiency Investment Charge (EEIC) rate change bearing an effective date of January 27, 2016. The Commission issued an order in accordance with the applicable rule² requiring Staff to file its recommendation no later than December 25, 2015.

2. The Stipulation and Agreement approved by the Commission in AMMO's MEEIA Cycle 1 application, Case No. EO-2012-0142, included a provision to permit a DSIM rider should it be held lawful. It further permitted the associated regulatory asset or regulatory liability balance and Performance Incentive Award to be recovered from or returned to customers via the rider. AMMO filed for a rider in Case No. EO-2014-0075, which the Commission approved January 3, 2014. Each year AMMO files an update to its Rider EEIC to become effective in February of the next calendar year. The utility is

¹ Pursuant to 4 CSR 240 20.093(4).

² 4 CSR 240 20.093(4).

permitted to make an additional filing each year, either voluntarily or by order of the Commission.

3. Staff calculated that the rate change proposed in the filing would reduce rates by approximately \$123 million or 4.1%. This equates to approximately a \$7.27 or 6.6% decrease for residential customers depending on usage and a varying decrease for business customers. The decrease is a result of the completion of the MEEIA Cycle 1 program term and the lack to date of a performance incentive award for that term.

4. As the result of its investigation Staff has determined that the tariff sheet should be approved to go into effect January 27, 2016. Staff has verified that AMMO has filed its Annual Report, is not delinquent on any assessments and is current on its Quarterly Surveillance Monitoring reports as required by 4 CSR 240-20.090(10). Staff is unaware of any other matter before the Commission that affects or is affected by this filing.

WHEREFORE, Staff prays the Commission accept its recommendation and either issue an order approving the following tariff sheet as filed on November 25, 2015, to become effective January 27, 2016, or to allow it to go into effect by operation of law that same date; and grant such other and further relief as the Commission considers just in the circumstances.

P.S.C. MO. No. 6

3rd Revised Sheet No. 90.5, Cancelling 2nd Revised Sheet No. 90.5

/s/ Whitney Payne

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 18th day of December, 2015, to all counsel of record.

/s/ Whitney Payne

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2016-0131 and Tariff Tracking No. YE-2016-0130
Union Electric Company d/b/a Ameren Missouri

FROM: Michael Stahlman, Regulatory Economist III

/s/ Michael S. Scheperle 12/18/15 /s/ Whitney Payne 12/18/15
Tariff / Rate Design Manager / Date Staff Counsel Division / Date

SUBJECT: Staff Recommendation to Approve Union Electric Company d/b/a Ameren Missouri's ("Ameren Missouri") Proposed Tariff Sheet for its Rider Energy Efficiency Investment Charge ("Rider EEIC") to Implement the Terms, Conditions, and Rates of the Proposed Rider EEIC effective January 27, 2016

DATE: December 24, 2015

Ameren Missouri Filing

On November 25, 2015, Ameren Missouri filed with the Commission one (1) tariff sheet bearing an issue date of November 25, 2015, and an effective date of January 27, 2016,¹ proposing a Missouri Energy Efficiency Investment Act ("MEEIA") Rider EEIC² rate change. The overall Rider EEIC rate change decreases rates by approximately \$123.0 million, or 4.1%. Ameren Missouri's filing included the proposed tariff sheet and work papers consisting of electronic worksheets showing its calculation of projected costs for the February 2016 billing month through January 2017 billing month. The proposed Rider EEIC includes projected reconciliations with interest by true-up and/or prudence reviews.

The Commission ordered the Staff of the Commission to file its recommendation no later than December 25, 2015.³

Even though the MEEIA Cycle 1 programs end on December 31, 2015⁴, the recovery of costs and incentives will continue until all costs and incentives are properly reconciled and recovered. The customer charge for the Rider EEIC is reflected in one line item labeled "Energy Efficiency Invest. Chg." on customers' bills. Ameren Missouri's filing proposes rate changes to the existing energy efficiency investment cost recovery mechanism. This is accomplished by calculating new Rider EEIC rate changes for each applicable service classification⁵ effective January 27, 2016.

¹ The first day of Ameren Missouri's February 2016 billing month.

² Designated File No. ER-2016-0131.

³ Order Directing Notice and Establishing Intervention Date issued on November 24, 2014 in File No. ER-2016-0131.

⁴ The MEEIA program period is January 2, 2013 through December 31, 2015.

⁵ MO.P.S.C. Schedule MO. No. 6, Sheet No. 90.5

The proposed Rider EEIC rate changes are applicable to all kilowatt-hours (“kWh”) of energy supplied to customers served by Ameren Missouri under service classification rate schedules⁶ 1(M), 2(M), 3(M), 4(M), 11(M) and 12(M), excluding kWh of energy supplied to “opt-out” customers.

Ameren Missouri makes a Rider EEIC filing each calendar year with an effective date beginning in the subsequent calendar year’s February billing month. Ameren Missouri is permitted to make one additional Rider EEIC filing in each calendar year, or may be directly ordered to do so by the Commission, with filings being made at least sixty (60) days prior to their effective dates for either the June or October billing months.

Background

On January 20, 2012, Ameren Missouri filed an application for approval – under the MEEIA statute and the Commission’s MEEIA Rules – of its 2013-2015 Energy Efficiency Plan (“MEEIA Report”), its Technical Resource Manual (“TRM”), and its request for variances from specific MEEIA rules.

On August 1, 2012, the Commission approved a Nonunanimous Stipulation and Agreement (“Stipulation”) in File No. EO-2012-0142. The Stipulation was later amended by order effective December 29, 2012.

The Stipulation outlines the terms, conditions, and rates by customer class for 1) estimated and actual MEEIA Programs’ costs; 2) estimated and actual TD-NSB Share amounts; and 3) a Performance Incentive Award for January 2, 2013 through December 31, 2015. The Stipulation allows Ameren Missouri cost recovery through base rates and a tracker. The Stipulation also allows for True-up, Prudence Reviews, and Variances from certain Commission Rules. The Stipulation requires Ameren Missouri to include a separate line item on customer bills entitled “Energy Efficiency Invest. Chg.”

However, the Stipulation provides that if the lawfulness of a DSIM rider is ultimately resolved in favor of it being lawful prior to any final true-up of the MEEIA Programs’ costs or Ameren Missouri’s TD-NSB Share, then the respective associated regulatory asset or regulatory liability balance and Performance Incentive Award shall (except as otherwise provided for in paragraph 7) be recovered from/returned to customers via such a rider.⁷ The Missouri Western District Court of Appeals held in Case No. WD 74676 that a rider mechanism by its nature is lawful. Hence, Ameren Missouri filed its proposed Rider EEIC to incorporate a rider mechanism for its costs and incentives in Case No. EO-2014-0075. The Commission approved the rider mechanism and requested variances for Ameren Missouri on January 3, 2014, effective January 27, 2014.

Change in 2016 MEEIA Rates

The current MEEIA mechanism rate per class of customer is collected through a line item on current bills and is based on each year’s projected costs and incentives⁸, with reconciliations from actual prior periods and any ordered adjustments plus interest. Listed below are the current MEEIA rates⁹ and the

⁶ Rate Schedules for Residential 1(M), Small General Service 2(M), Large General Service 3(M), Small Primary Service 4(M), Large Primary Service (11(M), and Large Transmission Service 12(M).

⁷ Page 5, paragraph 6 of Stipulation.

⁸ Proposed Rider EEIC which contemplates projected costs and incentives with reconciliations from prior periods.

⁹ MEEIA rates effective January 27, 2014 through January 26, 2015.

new MEEIA rates¹⁰ for the proposed Rider EEIC mechanism. The average residential bill¹¹ will decrease seven dollars and twenty-seven cents (\$7.27) per month or approximately 6.6%. Rider EEIC business¹² rates per class vary due to projected costs, incentives, and customer opt outs per class of customer.

Rate Class	Current MEEIA Rate/kWh	Proposed MEEIA Rate/kWh
Residential	\$0.005800	(\$0.001055)
Small General Service	\$0.002435	\$0.000549
Large General Service	\$0.003563	\$0.000938
Small Primary Service	\$0.002865	\$0.001449
Large Primary Service	\$0.003385	\$0.001415

The large reduction in the MEEIA rates is due to the completion of the MEEIA Cycle 1 program term on December 31, 2015, and the fact that the Performance Incentive for this cycle, if one is applicable, has yet to be awarded. As a result, there are nearly zero forecasted costs for 2016, which means the rates are primarily true-up amounts from the 2015 effective period.

Staff Recommendation

The Commission Staff's Tariff/Rate Design ("Staff") has reviewed the filed tariff sheet and recommends the Commission issue an order approving the following tariff sheet, as filed on November 25, 2015, for service on and after January 27, 2016.

P.S.C. MO. No. 6

3rd Revised Sheet No. 90.5, Cancelling 2nd Revised Sheet No. 90.5

The Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its Annual Report. Ameren Missouri is current on its submission of its Quarterly Surveillance Monitoring reports as required in 4 CSR 240-20.090(10). The Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

¹⁰ Proposed MEEIA rates effective January 27, 2016. Rider EEIC rates would vary for each effective period based on projected costs, incentives, and customer opt-outs.

¹¹ Based on a residential customer averaging 1,060 kWh per month of usage.

¹² Business Rider EEIC rates are small general service, large general service, small primary service, and large primary service.

**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 to MEEIA EEIC Rider)

Case No. ER-2016-0131

AFFIDAVIT OF MICHAEL L. STAHLMAN

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW, Michael L. Stahlman and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Memorandum; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



Michael L. Stahlman

Subscribed and sworn to before me this 18th day of December, 2015.

SUSAN L. SUNDERMEYER Notary Public - Notary Seal State of Missouri Commissioned for Callaway County My Commission Expires: October 28, 2018 Commission Number: 14942086
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Notary Public