BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a Ameren Missouri's 2nd Filing to Implement Regulatory Changes in Furtherance of Energy Efficiency as Allowed by MEEIA.	))))	**File No. EO-2015-0055**

STAFF OBJECTION TO NON-UNANIMOUS STIPULATION AND AGREEMENT

COMES NOW Staff of the Missouri Public Service Commission, by and through counsel, pursuant to Commission Rule 4 CSR 240-2.115(2)(B) and files its objection to the Non-Unanimous Stipulation and Agreement ("Non-Unanimous Stipulation") filed on June 30, 2015 by Ameren Missouri, Missouri Department of Economic Development – Division of Energy ("DE"), Natural Resources Defense Council ("NRDC"), Kansas City Power and Light Company ("KCP&L"), KCP&L Greater Missouri Operations Company ("GMO"), and United For Missouri, Inc. ("UFM"). In support of its objection, Staff states:

1. Commission Rule 4 CSR 240-2.115(2)(D) requires that "A non-unanimous stipulation and agreement to which a timely objection has been filed shall be considered to be merely a position of the signatory parties to the stipulated position, except that no party shall be bound by it. All issues shall remain for determination after hearing."

2. Ameren Missouri's MEEIA[1] Plan for 2016 – 2018 ("Cycle 2") filed in its application on December 22, 2014 and revised by its Non-Unanimous Stipulation fails to meet the statutory directives of Section 393.1075.

3. Ameren Missouri's Cycle 2 plan requires ratepayers to pay hard dollars up front to Ameren Missouri in return for an expensive portfolio of energy efficiency

[1] MEEIA is the Missouri Energy Efficiency Act, Sect. 393.1075, RSMo, as supplemented.

programs and requires ratepayers to accept all risk that a small and uncertain amount of net benefits will be realized by ratepayers over a 20 to 25 year period.

4. Under the terms of Cycle 2, Ameren Missouri is guaranteed an income certainty to collect MEEIA revenue from customers through its contemporaneous recovery of program costs, an accelerated recovery of its throughput disincentive (lost revenue) and has an accelerated earnings opportunity through a performance incentive award mechanism.

5. The proposed throughput disincentive is based on “deemed” values and provides significant earnings opportunity for shareholder because there is no evaluation, measurement, and verification (“EM&V”) to protect customers as is required under the MEEIA statute.

6. Ameren Missouri customers would have no such guarantee that savings benefits will be returned to them. All risk that the anticipated benefits fail to materialize over the next 20 to 25 years falls squarely on Ameren’s customers.

7. This asymmetric shift of risk to customers via guaranteed up-front payment to Ameren Missouri fails to conform to the MEEIA statute that values demand-side investments equal to traditional supply-side investments. Cycle 2 offers no balance of risk and reward between Ameren Missouri and its customers.

8. Under Ameren Missouri’s Cycle 2 throughput disincentive approach of “deeming” savings – rather than verifying savings after the fact – Ameren Missouri has the perverse incentive to offer program measures with high deemed energy savings and low realized energy savings.

9. Also, the proposed Cycle 2 performance incentive award would be paid for achieving a low level of only energy savings as measured through EM&V[2]. The proposed performance incentive totally disregards achievement of demand savings in determining the amount of performance incentive to be paid and this omission would not only contribute to an accelerated earnings opportunity, it is inconsistent with the MEEIA statute.

10. Finally, Ameren Missouri's Non-Unanimous Stipulation does not make meaningful movement of its demand-side programs toward the goal of achieving all cost-effective demand-side savings in a way that is beneficial to all customers in the customer class in which the programs are proposed, regardless of whether the programs are used by all customers.[3]

11. The Staff will provide further detailed explanation of its concerns with Ameren's Cycle 2 plan in its responsive testimony.

WHEREFORE, Staff respectfully files its objection to Ameren Missouri's Non-unanimous Stipulation as provided by Commission rule.

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
Phone (573) 526-7779
Facsimile (573) 751-9285
bob.berlin@psc.mo.gov

[2] The proposed Cycle 2 does not include EM&V for the throughput disincentive but does include EM&V for the performance incentive award.
[3] Section 393.1075.4.

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been electronically mailed this 2nd day of July, 2015 to all counsel of record in this proceeding.

/s/ Robert S. Berlin