

In the Matter of Union Electric Company d/b/a)
Ameren Missouri's Tariff Filing to Implement) **File No. ET-2012-0156**
Changes to Its Business Electric Energy Efficiency)
Programs)

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through the undersigned counsel, and submits this *Staff Recommendation On Business Bridge Tariff Sheets (Recommendation)* to the Commission respectfully stating the following:

1. On November 18, 2011,¹ Union Electric Company d/b/a Ameren Missouri (Ameren Missouri or Company) filed tariff sheets to implement changes to its business energy efficiency programs.

2. Ameren Missouri’s filing letter indicated the proposed tariff sheets “are designed to bridge the gap between the [September 30] expiration of the Company’s former energy efficiency programs...and when the Commission issues an order on the Company’s Missouri Energy Efficiency Investment Act (MEEIA) filing.”

3. The Commission's November 23 *Order Establishing Time To File Recommendations* directed the Staff to file a recommendation on the bridge tariffs by December 8.

4. The Company's Business Energy Efficiency Program bridge tariff sheets include a proposed Standard Incentive Program and a Business Custom Incentive Program. The Staff

¹ All dates refer to calendar year 2011 unless otherwise specified.

has reviewed the bridge tariff sheets and submits its *Memorandum* marked Appendix A and attached hereto.

Recommendation

5. The Staff recommends that the Commission approve the Company's tariff sheets to go into effect on the requested effective date of December 18, or allow the tariff sheets to go into effect by operation of law on December 18. While the Company's bridge tariff sheets are inadequate, the Company has allowed its demand-side programs to lapse and currently offers no such programs. Thus, while the Company's programs are inadequate, the public interest is better served by inadequate programs than by no programs at all.

6. While the Staff recommends approval of the bridge tariff sheets, it does not do so without great concern: the significant reduction in funding levels for the remaining programs, the lapse of time between the expiration date of the programs and the Commission's order in a MEEIA filing, and the Company's elimination of two energy efficiency programs with favorable Total Resource Cost Test (TRC) results.

7. Of greatest concern to the Staff is the Company's drastic reduction in program investment. The Company has decreased demand-side investment from \$42.4 million per year to a proposed annualized budget of \$5.1 million. The Staff's concern is that such limited funding of programs will result in a much-reduced availability of certain demand-side resources than the demand expressed by the Company's customers for such services. The proposed programs are also constrained by limited goals in energy savings of 10,000 MWh.

8. In regard to the anticipated MEEIA filing, Ameren Missouri has indicated that it intends to make such a filing in the first quarter of 2012.² However, the amount of time between Ameren Missouri's proposed expiration date for the bridge tariff sheets of June 30, 2012, and the

² *Notification of Change in Ameren Missouri's Preferred Resource Plan*, File No. EO-2012-0127.

Company's planned date for the MEEIA filing, may not allow sufficient time to prevent a lapse in the energy efficiency programs proposed in this bridge tariff sheets filing.

9. In order to allow time for review of the MEEIA filing and for the Commission's issuance of its order by the June 30, 2012, expiration date, the Staff recommends that the Commission encourage the Company to make its MEEIA filing on or before January 31, 2012. Such action will assist the Company in developing a robust demand-side management portfolio in line with the legislative intent of MEEIA, Section 393.1075.4, RSMo, that electric corporations implement Commission approved demand-side programs "with a goal of achieving all cost-effective demand-side savings." Such action will also assist the Company in making prudent decisions regarding the procurement of energy supplies at the least cost to ratepayers over the Company's integrated resource planning horizon.

10. Finally, Ameren Missouri has eliminated the New Construction Program and Retro-Commissioning Program. Both programs have a TRC greater than one (1), which means the Company has chosen to eliminate programs that are expected to be cost effective.

Filing Requirements and Other Matters

11. Rule 4 CSR 240-22.080(18) requires:

In all future cases before the commission which involve a requested action that is affected by electric utility resources, preferred resource plan, or resource acquisition strategy, the utility must certify that the requested action is substantially consistent with the preferred resource plan specified in the most recent triennial compliance filing or annual update report. If the requested action is not substantially consistent with the preferred resource plan, the utility shall provide a detailed explanation.

Ameren Missouri did not provide a certification or detailed explanation regarding the proposed business energy efficiency programs. The Staff notes in its *Memorandum* that the proposed programs are consistent with the reduced level of demand-side programs within the Company's

preferred plan filed in File No. EO-2012-0127.³ Since this is a recent addition to the Commission's filing requirements, the Staff does not recommend rejection of the tariff sheets because Ameren Missouri did not supply the certification, but reminds the Company of the new requirement for future filings.

12. The Company is current on the filing of annual reports and payment of annual assessments.

13. The Staff is not aware of any other matter before the Commission affected by this file, or that a decision by the Commission will affect.

WHEREFORE, the Staff recommends that the Commission approve the tariff sheets or allow them to go into effect by operation of law as indicated in the Staff's *Memorandum*, and encourage the Company to make its MEEIA filing on or before January 31, 2012.

Respectfully submitted,

/s/ Jennifer Hernandez

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CERTIFICATE OF SERVICE

I hereby certify that true and accurate copies of the foregoing have been mailed by United States Postal Mail postage prepaid or by electronic mail to all parties of record on this 8th day of December 2011.

/s/ Jennifer Hernandez

³ Notice of Change Preferred Plan, File No. EO-2012-0127.