# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Tariff Sheets Filed by Union	)	
Electric Company d/b/a AmerenUE Designed to	)	Case No. EO-2010-
Implement Revisions to AmerenUE's Business	)	Tariff Tracking No. JE-2010-0229
Energy Efficiency Programs.	)	

## RECOMMENDATION TO APPROVE TARIFF SHEETS WITH EXPRESS STATEMENT OF NON-DETERMINATION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") and, for its Recommendation to Approve Tariff Sheets with Express Statement of Non-determination, states:

- 1. On September 25, 2009 Union Electric Company d/b/a AmerenUE ("AmerenUE") filed six (6) tariff sheets assigned Tariff Tracking No. JE-2010-0229 bearing an effective date of October 25, 2009 designed to implement revisions to its existing Standard Incentive Program and its existing New Construction Incentive Program, both found in AmerenUE's Business Energy Efficiency Portfolio<sup>1</sup> ("BEEP").
- 2. At the Staff's suggestion, AmerenUE withdrew Sheet No. 225 on Thursday, October 8, 2009,
- 3. In the attached Memorandum, which is labeled Appendix A, the Staff recommends the Commission approve the five (5) tariff sheets AmerenUE filed September 25, 2009, remaining after AmerenUE withdrew proposed Tariff Sheet no. 225. While the Staff is recommending approval of these tariff sheets, because AmerenUE has asserted its existing

<sup>&</sup>lt;sup>1</sup> In its tariff the umbrella of general provisions with specific programs enumerated thereunder is referenced as "Business Energy Efficiency Program." To minimize confusion, the Staff has consistently used the terminology "Business Energy Efficiency Portfolio" when referring to the umbrella provisions and entire suite of programs, and described each of the enumerated programs in the suite of programs as a "program."

demand-side programs including its BEEP programs are offered pursuant to the Missouri Energy Efficiency Investment Act (§ 393.1124.4 RSMo; 2009 SB376), the Staff recommends the Commission expressly and affirmatively state in its order approving those tariff sheets that the Commission is making no determination as to whether AmerenUE's Business Energy Efficiency Portfolio is offered under the Missouri Energy Efficiency Investment Act. The five (5) tariff sheets are:

P.S.C. Mo. SCHEDULE NO. 5		
2 <sup>nd</sup> Revised SHEET NO. 231	Cancelling	1 <sup>st</sup> Revised SHEET NO. 231
1 <sup>st</sup> Revised SHEET NO. 235.1	Cancelling	Original SHEET NO. 235.1
1 <sup>st</sup> Revised SHEET NO. 235.2	Cancelling	Original SHEET NO. 235.2
1 <sup>st</sup> Revised SHEET NO. 235.3	Cancelling	Original SHEET NO. 235.3
1 <sup>st</sup> Revised SHEET NO. 235.6	Cancelling	Original SHEET NO. 235.6

4. AmerenUE originated its BEEP effective February 11, 2009, and has, at various times, added programs and modified programs in it since then by means of revised and new tariff sheets. Expenses of BEEP programs are accumulated in regulatory asset accounts, as the Commission authorized in Case No. ER-2007-0002. The genesis of this pleading is AmerenUE's assertion its existing programs, such as those found in its BEEP, are "commission-approved demand-side programs<sup>2</sup> proposed pursuant to [the Missouri Energy Efficiency Investment Act]. The Staff first learned of AmerenUE's assertion through the cover letter accompanying its six tariff sheets and a paragraph it proposed to add to a tariff sheet. In that letter AmerenUE, in part, states: "On Sheet No. 225, wording has been added to the Availability section to add provisions required by the Missouri Energy Efficiency Investment Act." The proposed added wording on Sheet No. 225 is a footnote, the text of which follows: "In

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<sup>&</sup>lt;sup>2</sup> A "demand-side program" is defined in the Missouri Energy Efficiency Investment Act as "any program conducted by the utility to modify the net consumption of electricity on the retail customer's side of the electric meter, including, but not limited to energy efficiency measures, load management, demand response, and interruptible or curtailable load." § 393.1124.2(3), RSMo.

accordance with the Missouri Energy Efficiency Investment Act, any AmerenUE electricity customer who has received a state tax credit under sections 135.350 to 135.362, RSMo, or under sections 253.545 to 253.561, RSMo, shall not be eligible for participation in the Business Energy Efficiency Programs."

- 5. AmerenUE's withdrawal of Sheet No. 225 on Thursday, October 8, 2009, made at the Staff's suggestion, is not a change in AmerenUE's position that its BEEP programs are commission-approved demand-side programs proposed pursuant to the Missouri Energy Efficiency Investment Act. During a conference call with many interested parties on Friday, October 9, 2009 to begin exploring the meaning of the language of the Missouri Energy Efficiency Investment Act, counsel for AmerenUE, Wendy Tatro, stated that AmerenUE considers the programs in its tariff when the Act became effective to be commission-approved demand-side programs proposed pursuant to the Missouri Energy Efficiency Investment Act.
- 6. The Staff disagrees. The Staff believes that for a program to qualify under the Missouri Energy Efficiency Act, the utility must affirmatively propose the program under the Act and the Commission must approve the program before the utility implements it. The Staff believes AmerenUE's statement in its cover letter and its proposed paragraph in its proposed tariff sheet no. 225 are not intended as notice that AmerenUE is proposing any of the programs in its BEEP qualify under the Missouri Energy Efficiency Investment Act. Instead, they indicate AmerenUE believes its BEEP programs already meet the requirement of being commission-approved demand-side programs proposed pursuant to the Missouri Energy Efficiency Investment Act, and, further, are insufficient as such notice.
- 7. AmerenUE began offering its BEEP programs, as well as other demand-side management programs, well before the enactment of the Missouri Energy Efficiency Investment

Act. AmerenUE began offering its Standard Incentive Program when it initiated its BEEP by tariff sheets that became effective February 11, 2009. AmerenUE began offering its New Construction Incentive Program by tariff sheets that became effective May 3, 2009. AmerenUE last made any substantive changes to these programs by tariff sheets that became effective July 24, 2009 (Tariff Tracking No. JE-2009-0884). The Missouri Energy Efficiency Investment Act became law on August 28, 2009. According to the Missouri State Government website, the Legislature truly agreed to and finally passed the bill including the Missouri Energy Efficiency Investment Act on May 14, 2009, it was delivered to the Governor on May 29, 2009, and the Governor signed it on July 13, 2009.

- 8. Section 1124.4, RSMo, in part, provides, "The commission shall permit electric corporations to implement commission-approved demand-side programs *proposed pursuant to this section* with a goal of achieving all cost-effective demand-side savings." Emphasis added. Similarly, sections 1124.7, .8, .10, .13 and .14(2) provide, in part, respectively:
  - [N]one of the costs of demand-side measures of an electric corporation offered *under this section* or by any other authority, . . . .
  - Customers that have notified the electrical corporation that they do not wish to participate in demand-side programs *under this section* . . . .
  - Customers electing not to participate in an electric corporation's demand-side programs under this section . . .
  - Charges attributable to demand-side programs *under this section* . . . .
  - As a condition of participation in any demand-side program offered by an electrical corporation *under this* section . . . .

Emphases added.

- 9. From Webster's Third New International Dictionary Unabridged copyright 1976, the entries for "pursuant to" are: in the course of carrying out: in conformance to or agreement with: according to. Thus, the sentence from section 393.1124.4, RSMo would alternatively read: "The commission shall permit electric corporations to implement commission-approved demandside programs proposed in the course of carrying out this section with a goal of achieving all cost-effective demand-side savings"; "The commission shall permit electric corporations to implement commission-approved demand-side programs proposed in conformance to or agreement with this section with a goal of achieving all cost-effective demand-side savings"; and "The commission shall permit electric corporations to implement commission-approved demandside programs proposed according to this section with a goal of achieving all cost-effective demand-side savings." Given the usage of "under this section" throughout the Act, perhaps the best reading of this sentence of the Act is to substitute "pursuant to" with "according to" so the sentence would read, "The commission shall permit electric corporations to implement commission-approved demand-side programs proposed according to this section with a goal of achieving all cost-effective demand-side savings."
- 10. The significance of whether a program is a commission-approved demand-side program proposed under the Missouri Energy Efficiency Act or not, in part, hinges on rights and obligations that follow if it is under the Act. These rights and obligations include but are not limited to: 1) if a program is a demand-side program for purposes of the Missouri Energy Efficiency Investment Act, then the accounts of certain customers who elect not to participate may not be assigned costs associated with the program (section 1124.7, RSMo), 2) customers who elect not to participate cannot subsequently participate except under guidelines the Commission establishes by rule (section 1124.8), and 3) if a customer has received certain state

tax credits the customer is ineligible to participate if the program offers a monetary incentive to the customer (section 1124.14, RSMo).

- 11. The Staff's position should not be interpreted that AmerenUE's BEEP programs could not be commission-approved demand-side programs proposed under the Missouri Energy Efficiency Act. The Staff is only asserting that AmerenUE has not proposed any of its BEEP programs pursuant to the Missouri Energy Efficiency Act and, therefore, the Commission also has neither reviewed nor approved those programs under that Act.
- 12. Because this issue of whether programs pre-existing the Missouri Energy Efficiency Investment Act are commission-approved, demand-side programs proposed pursuant to that Act raised by AmerenUE is relevant not only to AmerenUE, but also programs of The Empire District Electric Company, KCP&L Greater Missouri Operations Company and possibly Kansas City Power & Light Company, the Staff will file a separate motion with the Commission requesting it to open a case to address that issue.

WHEREFORE, the Staff respectfully recommends to the Commission that the Commission issue an order approving the five (5) tariff sheets AmerenUE filed September 25, 2009, remaining after AmerenUE withdrew proposed Tariff Sheet no. 225, to become effective on the requested effective date of October 25, 2009, but expressly and affirmatively state in its order approving those tariff sheets that the Commission is making no determination as to whether AmerenUE's Business Energy Efficiency Portfolio is offered under the Missouri Energy Efficiency Investment Act. The five (5) tariff sheets are:

P.S.C. Mo. SCHEDULE NO. 5		
2 <sup>nd</sup> Revised SHEET NO. 231	Cancelling	1 <sup>st</sup> Revised SHEET NO. 231
1 <sup>st</sup> Revised SHEET NO. 235.1	Cancelling	Original SHEET NO. 235.1
1 <sup>st</sup> Revised SHEET NO. 235.2	Cancelling	Original SHEET NO. 235.2
1 <sup>st</sup> Revised SHEET NO. 235.3	Cancelling	Original SHEET NO. 235.3
1 <sup>st</sup> Revised SHEET NO. 235.6	Cancelling	Original SHEET NO. 235.6

Respectfully submitted,

/s/ Nathan Williams\_

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### **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  $20^{th}$  day of October 2009.

/s/ Nathan Williams\_\_\_\_\_

# UTILITY OPERATIONS DIVISION ROUTING FOR TARIFF REVIEW

Tariff Tracking No. JE-2010-0229

Effective Date: October 25, 2009

Company: Union Electric Company d/b/a AmerenUE

Purpose: Revise Standard Incentive Program and New Construction Incentive Program in

Business Energy Efficiency Portfolio

On September 25, 2009, AmerenUE filed with the Commission six (6) tariff sheets with a proposed effective date of October 25, 2009. After discussions with the Staff, AmerenUE withdrew tariff Sheet No. 225.

With this filing AmerenUE proposes to revise its Standard Incentive Program and New Construction Incentive Program in its Business Energy Efficiency Portfolio (BEEP). These following changes are proposed for the second year of these programs.

- Standard Incentive Program modify the table of standard lighting incentives to reflect information learned during the first year of the program.
- New Construction Incentive Program clarify the determination of the baseline design to be used for determining the amount of lighting incentives and adding a cap on the incentives of the lesser of "actual cost" or the maximum amount of the incentive.

#### **Description of BEEP Programs**

The umbrella BEEP tariff sheets were approved in Tariff Tracking No. JE-2009-0509, effective February 11, 2009. The Standard Incentive Program and the Custom Incentive Program were also approved at that time. The program expenses are accumulated in Regulatory Asset Accounts, as authorized in Case No. ER-2007-0002.

The purpose of the BEEP programs is to proactively motivate Commercial & Industrial (C&I) customers to use electricity more efficiently and/or reduce usage during peak demand periods. It is available for customers served under any non-residential rate schedule.

The purpose of the **Standard Incentive Program** is to provide pre-set incentives for energy-efficient products that are readily available in the marketplace and will target measures for which energy savings can be reliably determined. A principal objective of this program is to provide an expedited, simple solution for customers interested in purchasing efficient technologies that will produce verifiable savings and reduce AmerenUE's energy consumption and peak demand.

The purpose of the **New Construction Incentive Program** is to enable AmerenUE to acquire demand-side resources to reduce energy consumption and peak demand by providing incentives to customers building or remodeling business facilities for installing more energy efficient equipment and systems than they would otherwise install.

#### **Proposed Changes to BEEP Programs**

The requested revisions to the Standard Incentive Program and the New Construction Incentive Program are to make various changes to the programs based on AmerenUE's experience with the programs to date. The requested revisions are:

#### **Standard Incentive Program**

- 1. Add GU-24 CFL lamps and bases (pin-based) to the Standard Incentive list. This measure allows business customers such as hotels to install pin-based CFLs without worry of customer theft because the base permanently converts the lamp socket from screw-in to GU-24 pin-based.
- 2. Combine Super T-8 and T-8 into one category.

  Super T-8 is a highly efficient combination of lamp, ballast, and fixture. Present incentive for Super T-8 actually penalized some customers for installing Super T-8 because their energy use would drop low enough that they fell into a lower category of incentive.
- 3. Lighting controls have been categorized by technology type.

  Adding specific incentive for lighting controls encourages customers to incorporate sensors where they may not otherwise.
- 4. Lighting control incentives are now based on watts controlled rather than number of fixtures. This change will base the incentive on watts (rather than number of fixtures) to more directly and accurately reflect AmerenUE's goal of controlling watts.

#### **Custom Incentive Program**

High Bay lighting and Outdoor Lighting moved to Custom Program because most customers moving to these new technologies perform lighting redesign rather than simply retrofits.

#### **New Construction Incentive Program**

- 1. Revised definition of "Baseline Building Design" and added definition of "Installed Interior Lighting."
- 2. Eliminate New Building Institute (NBI) Advanced Building Design Performance guidelines.
- 3. Add a cap on the incentives of the lesser of "actual cost" or the maximum amount of the incentive.
- 4. Add clarifying language to "New Construction Lighting Incentives"
- 5. Change the maximum lighting Incentive from \$20 per installed fixture to 50% of project cost due to customer concerns over higher costs of high performance fixtures.

- 6. Add a lighting performance column for ASHRAE 90.1-2004 in addition to the ASHRAE 90.1-2001 column.
- 7. Changed the required Savings payback to eighteen (18) months instead of two (2) years.

These proposed modifications do not change the advertising, marketing, evaluation plan or program budget; however, the Total Resource Cost Test (TRC) increased with these changes:

Program	Year 1 Total Resource Cost Test (TRC)	Year 2 Total Resource Cost Test (TRC)
Standard Incentive Program	1.32	1.53
Custom Incentive Program	1.78	1.80
New Construction Incentive Program	1.14	No Change

#### **Staff Recommendation**

The Staff has reviewed the filed tariff sheets and recommends approving the following tariff sheets, as filed on September 25, 2009, to go into effect for service on and after October 25, 2009, the requested effective date:

#### MO.P.S.C. SCHEDULE No. 5

$2^{nc}$	Revised Sheet No. 231	Cancelling 1 <sup>st</sup>	Revised Sheet No. 231
$1^{st}$	Revised Sheet No. 235.1	Cancelling	Original Sheet No. 235.1
	Revised Sheet No. 235.2		Original Sheet No. 235.2
$1^{st}$	Revised Sheet No. 235.3	Cancelling	Original Sheet No. 235.3
$1^{st}$	Revised Sheet No. 235.6	Cancelling	Original Sheet No. 235.6

Because this filing was made on thirty (30) days' or greater notice, no order is necessary to indicate approval; however, the Staff recommends the Commission issue an order approving the tariff sheets and expressly stating the Commission is not determining whether AmerenUE's BEEP programs are offered pursuant to Section 393.1124 RSMo. (SB 376).

The Staff has verified that AmerenUE has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

cc: Steven R. Sullivan Lewis Mills

## MEMORANDUM

To: Mack McDuffey, Rate & Tariff

From: Adam McKinnie, Regulatory Economist III

Subject: Staff Recommendation related to Union Electric Company d/b/a AmerenUE to AmerenUE's Standard Incentive and Custom Incentive programs in its Business Energy Efficiency Portfolio made in Tariff Tracking No. JE-2010-0229

Date: October 16, 2009

#### **Summary**

AmerenUE has submitted changes to its Standard Incentive and Customer Incentive programs in its Business Energy Efficiency Portfolio. While Staff is recommending the Commission approve the five tariff sheets at issue in Tariff Tracking No. JE-2010-0229, as further explained in this Memorandum, Staff is also recommending the Commission expressly and affirmatively state in its order approving tariff sheets that the Commission is making no determination as to whether AmerenUE's Business Energy Efficiency Portfolio is offered under the Missouri Energy Efficiency Investment Act (§1124, RSMo; SB 376).

Senate Bill 376 incorporates an expectation that the Commission approve demand-side programs with a goal of achieving all cost-effective demand-side savings. To accommodate this new statutory requirement, Staff recommends that any new program introduced under SB 376 and any changes to a demand-side program under SB 376 be run through the Integration process described in Chapter 22 of the Commission's rules to (1) evaluate whether that new or altered program would still be chosen as part of a 'preferred plan'; and (2) whether there are any other changes that should be made to a preferred plan due to the demand-side program. Without this additional process, Staff will not have enough information to be able to recommend approval of a tariff filing introducing a new demand-side program or changes to an existing demand-side program.

The changes to its Standard Incentive and Custom Incentive programs in its Business Energy Efficiency Portfolio that AmerenUE proposes here have not been vetted through the integration process described in Chapter 22 of the Commission's rules to (1) evaluate whether that new or altered program would still be chosen as part of a 'preferred plan'; and (2) whether there are any other changes that should be made to a preferred plan due to the demand-side program. However, the programs are already in existence. Therefore, while the Staff recommends on a going-forward basis that all demand-side programs, and changes to them, both be vetted through the Chapter 22 integration process and analyzed for cost-effectiveness, the Staff finds the changes to these programs AmerenUE proposes here are acceptable and the Staff recommends the Commission approve the proposed tariff sheets.

Tariff Tracking No. JE-2010-0229 BEEP – Standard and New Construction Programs AmerenUE Page 5 of 7

This tariff filing raises another issue. AmerenUE asserts all of its demand-side programs, including its Standard Incentive and Custom Incentive programs in its Business Energy Efficiency Portfolio, are offered pursuant to SB 376. It is Staff's opinion that they are not. It is Staff's opinion that approving these tariff sheets will not change whether or not the programs affected by the instant tariff filing are offered pursuant to SB 376.

On a going-forward basis, Staff recommends any new demand-side program which a utility requests be under SB 376 which requires Commission approval, or any changes to an existing program which the Commission has previously approved under SB 376, need to both go through the integration process and be shown that they are cost-effective resources for the utility.

#### General Discussion:

Several recent activities have created a need for additional analysis of demand-side programs. With the passage of SB 376 in 2009, Proposition C (Renewable Energy Standard) in 2008, the American Recovery and Reinvestment Act (ARRA)in 2009 and the EPA's 2009 rulemaking actions regarding carbon emissions, the emphasis and money earmarked for demand-side programs is increasing significantly, making those programs more important to both utilities and their customers. In light of the heightened importance of demand-side programs, the Staff believes it is appropriate to increase its scrutiny of both proposed new and changes to demand-side programs. Therefore, the Staff recommends on a going-forward basis that all demand-side programs, and changes to them, both be vetted through the Chapter 22 integration process and analyzed for cost-effectiveness.

In Staff's opinion, the modifications proposed in this instant tariff filing do not affect whether the programs are under or pursuant to SB 376. It is not Staff's intention to hold up changes to energy efficiency and demand response programs, or tariff filings intended to improve existing programs, such as the instant tariff filing. However, as SB 376 became effective on August 28, 2009, the issue of whether existing demand-side programs are under SB 376 is timely.

As of the date of this recommendation, Staff is aware of no acknowledgement or order issued by the Commission regarding whether any demand-side programs, including those affected by the instant tariff filing, are under or pursuant to SB 376. In discussions regarding this tariff filing and regarding SB 376, AmerenUE representatives have asserted all of their current demand-side programs fall under SB 376.

With the passage of SB 376, and the requirement of Commission approval for cost recovery, Staff recommends the implementation of a more stringent evaluation of demand-side programs under SB 376 than previous programs for which the Commission has approved tariffs; especially programs altered or introduced outside of a filed Resource Plan. Specifically, Staff recommends the results of the Total Resource Cost (TRC) test alone not be taken as sufficient evidence that a demand-side program should be approved, or that changes to an existing a demand-side program will produce positive results for the utility.

Instead, Staff recommends that any new program introduced under SB 376 and any changes to a demand-side program under SB 376 be run through the Integration process described in Chapter 22 of the Commission's rules to (1) evaluate whether that new or altered program would still be chosen

Tariff Tracking No. JE-2010-0229 BEEP – Standard and New Construction Programs AmerenUE Page 6 of 7

as part of a 'preferred plan'; and (2) whether there are any other changes that should be made to a preferred plan due to the demand-side program.

#### TRC test vs. Integration

The TRC test, in and of itself, is useful in determining whether or not a demand-side program should be considered for the integration process. If the TRC test was sufficient in and of itself for the resource planning process, there would be no need to integrate demand-side programs – all demand-side programs would automatically be included in the utility's preferred plan.

The TRC test weighs the benefits of all end-use measures vs. costs of end use measures, including costs to administer, deliver, and evaluate the program. The test is a sum of the present value of such costs and benefits, as described in 4 CSR 240-22.050(8)(D) and (E):

- (D) Total Resource Cost Test. In each year of the planning horizon, the costs of each demand-side program shall be calculated as the sum of all incremental costs of enduse measures that are implemented due to the program (including both utility and participant contributions) plus utility costs to administer, deliver and evaluate each demand-side program. For purposes of this test, demand-side program costs shall not include lost revenues or utility incentive payments to customers;
- (E) The present value of program benefits minus the present value of program costs over the planning horizon must be positive or the ratio of annualized benefits to annualized costs must be greater than one (1) for a demand-side program to pass the utility cost test or the total resource cost test. The utility may relax this criterion for programs that are judged to have potential benefits that are not captured by the estimated load impacts or avoided costs;

When a demand-side program is passed onto the integration process in the current Chapter 22 Resource Planning rule, more is passed on than the averaged, present value of 20 years of annual benefits and costs calculated for the TRC test.

As described in 4 CSR 240-22.050(8):

(8) For each demand-side program that passes the total resource cost test, the utility shall develop *time-differentiated load impact estimates* over the planning horizon at the level of detail required by the supply system simulation model that is used in the integrated resource analysis required by 4 CSR 240- 22.060(4). (Emphasis added.)

The TRC test does not take into account these time-differentiated load impact estimates. It is based on annualized benefits and costs.

Additionally, even when a utility states the TRC of an implemented program does not change with a change to the program design, there can be changes to other aspects of the program, such as the potential amount of energy and demand savings created by the program. This can be caused by changes to the reimbursement / incentive level of a program, as that done in the Business New

Tariff Tracking No. JE-2010-0229 BEEP – Standard and New Construction Programs AmerenUE Page 7 of 7

Construction program that is the subject of this tariff filing. In summary, the TRC is an excellent screening tool to determine if a demand-side program should be passed onto integration, but is not a substitute for the integration process itself.

#### **Instant Tariff Filing:**

In discussions regarding this instant tariff filing, AmerenUE representatives have provided Staff with an updated Total Resource Cost (TRC) value for the Business Standard Incentive program and for the Business Custom Incentive program. AmerenUE representatives have also provided spreadsheets to support the newly calculated TRC values.

Furthermore, AmerenUE asserted the Business New Construction program, with incentives payback changing from a minimum 24-month payback to a minimum 18-month payback period, did not change its TRC value.

During discussions regarding the instant tariff filing, Staff inquired whether the programs affected by the instant tariff filing had been run through the integration process, which is used in identification of the preferred plan in the Ch 22 Resource Planning rule. AmerenUE representatives replied the programs had not.

While it is the Staff's opinion that going forward utilities must both vet through the Chapter 22 integration process and analyze the cost-effectiveness of demand-side programs and changes to them to provide the Staff with a sufficient basis to recommend approval, the Staff has not employed this standard in the past, these programs are already in existence, and the Staff believes the changes to the existing programs that AmerenUE proposes with this filing should improve the existing programs. Therefore, the Staff recommends the Commission approve these tariff sheets.

# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Tariff Sheets Filed by Union Electric ) Company d/b/a AmerenUE Designed to Implement ) Revisions to AmerenUE's Business Energy Efficiency ) File No. JE-2010-0229 Programs.		
AFFIDAVIT OF JAMES C. WATKINS		
STATE OF MISSOURI ) ) ss COUNTY OF COLE )		
James C. Watkins, of lawful age, on oath states: that he has participated in the preparation of the foregoing Staff Recommendation; that he has knowledge of the matters set forth in such recommendation; and that such matters are true to the best of his knowledge and belief.		
Subscribed and sworn to before me this 20 <sup>th</sup> day of October, 2009.		
Notary Public  CASSIE M. MELLOWAY  My Commission Expires October 30, 2011 Cole County Commission #07337959		