

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Union Electric )  
Company, d/v/a Ameren Missouri's )  
filing to Implement Natural Gas Energy )  
Efficiency Program Tariffs )

**Case No. GT-2013-0108**  
Tariff No. JG-2013-0241

**STAFF RECOMMENDATION REGARDING  
NEW NATURAL GAS ENERGY EFFICIENCY PROGRAM TARIFFS**

**COMES NOW** the Staff of the Missouri Public Service Commission (Commission), and states as follows:

1. On November 26, 2012, Ameren Missouri (Ameren or Company) filed nine (9) tariff sheets implementing a new natural gas energy efficiency program for 2013. The tariff sheets bear a proposed effective date of January 1, 2013. On November 27, 2012, the Commission issued its *Order Directing Staff To File Recommendation* regarding these tariff sheets not later than December 14, 2012.

2. Ameren's current energy efficiency program tariff sheets are set to expire on December 31, 2012. The new natural gas energy efficiency tariffs include some changes to the residential and commercial programs. These changes are discussed on page 1 of Staff's Memorandum, attached hereto as Appendix A.

3. Staff has reviewed Ameren's tariff filing and is of the opinion the proposed programs are projected to be cost effective, though analysis of the cost effectiveness of these programs to date are incomplete and require additional time for thorough evaluation. Notwithstanding the concerns Staff has expressed in its Memorandum on the need for additional analysis and evaluation of energy efficiency measures, the Staff does not oppose Ameren's tariff filing.

**WHEREFORE**, for reasons discussed above and in its Memorandum, the Staff does not oppose Ameren's tariff filing JG-2013-0241 and is of the belief these tariffs should be allowed to go into effect on January 1, 2013.

Respectfully submitted,

**/s/ Robert S. Berlin**

Robert S. Berlin  
Senior Counsel  
Missouri Bar No. 51709

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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 11<sup>th</sup> day of December, 2012.

**/s/ Robert S. Berlin**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File, Case No. GT-2013-0108,  
File No. JG-2013-0241, Union Electric Company d/b/a Ameren Missouri

FROM: Michael L. Stahlman, Energy Unit - Tariffs/Rate Design

/s/ Thomas M. Imhoff 12/11/12  
Energy Unit/Date

/s/ Robert S. Berlin 12/11/12  
Staff Counsel's Office/Date

SUBJECT: Staff Recommendation on the Tariff Sheets Filed to Implement Natural Gas  
Energy Efficiency Program Tariffs

DATE: December 11, 2012

On September 13, 2012, Union Electric Company d/b/a Ameren Missouri (Ameren or Company) of St. Louis, Missouri, gave notice to the Missouri Public Service Commission (Commission) that it may file new natural gas energy efficiency program tariffs. On November 26, 2012, the Company filed nine (9) tariff sheets with a proposed effective date of January 1, 2013.

The current energy efficiency program tariff sheets are set to expire on December 31, 2012. The Company's tariff filing proposes a new natural gas energy efficiency program that replaces the previous energy efficiency program in its entirety.

Changes to the residential program include the elimination of rebates for high efficiency furnaces AFUE rated 95% and higher and an elimination of all furnace rebates after the new DOE standard takes effect, the addition of a rebate for natural gas boilers AFUE rated 85-89%, elimination of all water heater rebates, the addition of ceiling insulation rebates as a stand-alone measure, the addition of a hot water measure kit, and the modification of the building shell measure rebates that places limits on the auditor recommended measures that can receive rebates. This filing also includes a new small residential pilot program designed to increase participation of landlords by providing higher rebates on high efficiency natural gas furnaces and boilers.

Changes to the commercial program include the elimination of rebates for furnaces, modulating burners, boiler tune-ups, primary air dampers, griddles, boiler replacements, and hot water heaters EF rated .67 and higher, a reduction in rebates for steam trap replacement, the modification of rebates for food service steam cookers, food service fryers, food service ovens, non-audit and audit building shell measures programs, and the addition of pre-rinse spray valves.

The Stipulation and Agreement for GR-2010-0363 (S&A) requires that a post-implementation evaluation of all programs and measures in the current energy efficiency program be completed by December 31, 2012, and that the evaluation include usage data for program participants through the end of the month of April 2012.

Staff's understanding is that the evaluation should provide the Energy Efficiency Advisory Group (EEAG) with information to guide decisions on future programs. To comply with the S&A, Ameren hired ADM Associates, Inc. (ADM) as an independent evaluator. The ADM final report was provided to the EEAG on August 8, 2012. Staff questioned several parts of the

results and asked for the supporting data. After reviewing the data Staff believes that a number of the results of the ADM evaluation are invalid. Because the ADM evaluation yielded invalid and inconsistent results, the ADM evaluation should not be the basis for revising the energy efficiency program for the following reasons:

- ADM's final report is not consistent with Ameren's Scope of Work
  - ADM did not include 2010 program participant results.
  - Excluding 2010 results limited the ADM analysis of *temperature sensitive energy efficiency measures* to only a portion of the unseasonably warm heating season of 2010-2011.
  - Additionally, the EEAG had specifically authorized additional funding of \$35,000 for ADM to include 2010 in their analysis
- ADM's initial final report is not consistent with the S&A which states that "Post implementation evaluations of all programs or measures shall include usage data for program participants." Instead, the evaluation only used participant usage data for three measures and used non-participant based engineering analysis for all other measures.

In response to Staff's request, ADM provided the EEAG with a supplemental analysis on November 12, 2012, that included the changes Staff stipulated. Specifically, building shell measures that the initial report showed were not cost effective were later shown to be cost effective in the supplemental analysis. However, ADM has yet to provide a complete analysis that satisfies the requirements of the S&A and Scope of Work and has yet to provide an analysis of the cost effectiveness of the energy efficiency measures.

The supplemental analysis provided to the EEAG, though incomplete, does suggest that the measures in the current energy efficiency program are cost effective. However, the current energy efficiency program is set to expire on December 31, 2012. New tariff sheets must be approved if there is to be any energy efficiency program after December 31<sup>st</sup>. Ameren has included some changes to the existing program which are prompted by new DOE standards set to take effect in May of 2013. Ameren also has made changes in how it measures cost-effectiveness of its energy efficiency programs based on positions the company had taken in Case No. GT-2011-0410. These changes bring a stricter standard of measuring cost effectiveness than the Utility Promotional Practices rules (4 CSR 240-14) require.

However, per the S&A, the Company remains "...responsible for all final decisions regarding its natural gas energy efficiency programs." Currently, the proposed programs are projected to be cost effective. Additionally, the new landlord pilot program may provide valuable information on how to improve the energy efficiency of rental units where customers have no control over the type of heating equipment used.

**Staff Recommendation**

Staff has reviewed the filed tariff sheets. Notwithstanding Staff's concerns expressed above, the Staff does not oppose the following tariff sheets, as filed on November 26, 2012, to become effective on and after January 1, 2013, the requested effective date:

P.S.C. MO. No. 2

11th Revised Sheet No. 78,	Cancelling 10th Revised Sheet No. 78
8th Revised Sheet No. 79,	Cancelling 7th Revised Sheet No. 79
8th Revised Sheet No. 80,	Cancelling 7th Revised Sheet No. 80
8th Revised Sheet No. 81,	Cancelling 7th Revised Sheet No. 81
Original Sheet No. 81.1	
6th Revised Sheet No. 82,	Cancelling 5th Revised Sheet No. 82
5th Revised Sheet No. 83,	Cancelling 4th Revised Sheet No. 83
2nd Revised Sheet No. 84,	Cancelling 1st Revised Sheet No. 84
1st Revised Sheet No. 85,	Cancelling Original Sheet No. 85

Because this filing was made on thirty (30) days or greater notice, no order is necessary to indicate approval.

The Staff has verified that this Company 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.

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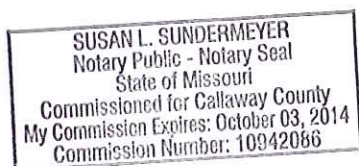
**AFFIDAVIT OF MICHAEL STAHLMAN**


STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE     )

Michael Stahlman, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.

  
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Michael Stahlman

Subscribed and sworn to before me this 11<sup>th</sup> day of December, 2012.



  
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Notary Public