

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

In the Matter of the Union Electric)
Company's (d/b/a Ameren Missouri) Gas)
Service Tariffs Removing Certain) **Case No. GT-2011-0410**
Provisions for Rebates from Their) **Tariff File Number JG-2011-0620**
Missouri Energy Efficient Natural Gas)
Equipment and Building Shell Measure)
Rebate Program.)

STAFF'S POSITIONS ON THE ISSUES

COMES NOW the Staff of the Missouri Public Service Commission and files its List of Positions on the Issues, in compliance with the Commission's Order. Staff opposes Ameren Missouri's tariff proposal.

LIST OF ISSUES AND STAFF'S POSITION ON THE ISSUE

I. Is Ameren Missouri's tariff filing in this case consistent with the Stipulation and Agreement in GR-2010-0363?

Staff Position: No. Please see specific comments below.

- a. Was there a change of circumstances as that phrase is used in the Stipulation and Agreement in ¶ 6G? If so, does the change warrant the removal of thirteen (13) residential and seven (7) general service measures from the energy efficiency program?**

Staff Position: No. There has been no change in circumstances between the time Ameren Missouri signed the Stipulation and Agreement and the time it filed its tariff sheets to eliminate a substantial portion of the energy efficiency measures included in the specimen tariff sheets, which were attached to the Stipulation. The reason the specimen tariff sheets, which described the program in detail, were attached was to assure continued availability of these programs to customers which was also agreed to in the Stipulation and Agreement. By agreeing to these tariff sheets the parties agreed these programs would be offered and would be available to customers until December 2012.

The Stipulation and Agreement includes an agreement by the parties that Ameren Missouri would make an effort to increase its energy efficiency

offerings. Therefore, the Stipulation and Agreement contains language that allows Ameren Missouri to change its energy efficiency programs. It is Staff's position that it was the intent of the parties signing the Stipulation that this language was to allow changes to the tariff sheets that would be necessary for Ameren Missouri to add measures to ramp up its energy efficiency program(s).

Case No. GT-2011-0130 was merged into the rate case. The objective of OPC's opposition to Ameren Missouri's suspension of its energy efficiency rebate programs in Case No. GT-2011-0130 was the lack of continuity of the Company's energy efficiency programs. The continuity of Ameren's energy efficiency programs is one of the agreements in the Stipulation and Agreement and was one of Staff's reasons for signing the Stipulation.

b. Was the evaluation performed by Ameren Missouri in this case done at an appropriate time pursuant to the Stipulation and Agreement in this case?

Staff Position: No. The parties to the Stipulation addressed and described a post-implementation evaluation/analysis, i.e., an evaluation that would use information gathered from the program after it had time to mature and develop. That type of analysis is what Staff intended when it signed the Stipulation. Mixing the terms "analysis" and "evaluation" does not help Ameren in its efforts to change its energy efficiency program.

c. Does the proposed removal of these measures conflict with the terms of the Stipulation and Agreement that requires "uninterrupted availability of these energy efficiency programs through December 31, 2012," as required by 6G of the Stipulation and Agreement?

Staff position: Yes. The parties to the Stipulation intended all measures listed in the specimen tariff sheets attached to the Stipulation would be available to customers through December 2012. The parties agreed to the Stipulation and Agreement as a whole – both the measures that were to be implemented and the uninterrupted availability of the energy efficiency program.

d. Did Ameren Missouri comply with ¶ 6G of the Stipulation and Agreement to circulate proposed tariff sheets for review and comment by the EEAG prior to filing the proposed changes with the Commission?

Staff position: There was some discussion of tariff amendments prior to Ameren's filing. However, Ameren Missouri did not circulate the tariff sheets it actually filed to the Energy Efficiency Advisory Group (EEAG) prior to filing it with the Commission as it is required to in the Stipulation and Agreement.

e. How should “cost-effectiveness” as used in ¶6B of the Stipulation and Agreement be interpreted?

Staff position: In accord with the definition of cost effectiveness in the Commission’s rules at 4 CSR 240-14.010.

i. Should the TRC be the method used to determine cost-effectiveness under this Stipulation and Agreement?

Staff’s position: No, certainly it should not be the sole method of determining cost effectiveness. Cost-effectiveness should be determined in accord with the definition of cost effectiveness in the Commission’s rules at 4 CSR 240-14.010.

ii. Was Ameren Missouri’s implementation of the TRC proper?

Staff position: No, the Stipulation requires a post-implementation evaluation to be completed in December 2012. Also, Ameren’s TRC was not conducted based on the typical premises (home or business) that will receive the measure. It was conducted instead based on an Ameren Missouri Electric customer’s typical premises. The Stipulation discusses a post-implementation evaluation which would have been based on the correct typical premises (home or business). This, among other things, invalidates Ameren’s TRC evaluation.

iii. Is the relevant cost effectiveness test defined in Commission Rule 4 CSR 240-14.010(6)(D)?

Staff position: Yes. It is the definition in the Commission’s rules that applies to gas utility companies.

II. Should the Commission adopt a definition of general applicability of “cost-effectiveness” in this case? If yes, should the test apply to all Missouri gas utilities?

Staff Position: No. If the Commission believes that the definition in 4 CSR 240-14.010(6)(D) is not the correct definition, adoption of a general definition that would apply to all Gas Utilities must be done in a rulemaking pursuant to Chapter 536, RSMo.

III. Should the Commission find that there is a need to specify how cost effectiveness will be determined for gas utilities in Missouri and state its intention to address this issue and other related energy efficiency issues associated with gas energy efficiency programs in a new Commission rulemaking?

Staff Position: Staff takes no position on this issue.

IV. Should the Commission take factors other than measure level cost effectiveness tests into account when determining what measures should be included in programs like the home energy audit program included in Ameren Missouri's tariffs?

Staff position: Yes. The Commission should consider the program as a whole including the program requirement that a home energy audit is required in this program prior to the implementation of the measures.

V. Is this new tariff in the public interest?

Staff position: No. There are many reasons changing the tariffs is not in the public interest, including the following: customers are funding this program; Ameren Missouri's "analysis" is not based on sound, Ameren Missouri specific data, customers become confused and angry when programs are implemented then changed abruptly; and increased energy efficiency is in the public interest.

WHEREFORE, Staff files its Position Statement in compliance with the Commission's

August 16, 2011 *Order Setting Proposed Procedural Schedule and Evidentiary Hearing.*

Respectfully submitted,

/s/ Lera L. Shemwell

Lera L. Shemwell
Deputy General Counsel
Missouri Bar No. 43792

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-7431(Telephone)
(573) 751-9285 (Fax)
lera.shemwell@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 26th day of September, 2011.

/s/ Lera L. Shemwell