BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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	)	Tariff No. YE-2012-0231
Efficiency Programs	)	

MISSOURI DEPARTMENT OF NATURAL RESOURCES' STATEMENT REGARDING TARIFF RECOMMENDATIONS

COMES NOW Missouri Department of Natural Resources (MDNR), by and through counsel, and for its *Recommendation Regarding Tariffs,* respectfully states the following:

1. On November 18, 2011, Union Electric Company, d/b/a Ameren Missouri, filed tariffs designed to implement changes to its business energy efficiency programs with the Missouri Public Service Commission (PSC). All sheets bear an issue date of November 18, 2011 and an effective date of December 18, 2011.

2. On November 23, 2011, the PSC issued an *Order Establishing Time to File Recommendations.* The order set a December 8, 2012 deadline for interested parties to file a recommendation.

3. Ameren's *Request for Approval of Business Electric Energy Efficiency Bridge Tariffs* stated that the tariffs "are designed to bridge the gap between the expiration of the Company's former energy efficiency programs (which expired on September 30, 2011) and when the Commission issues an order on the Company's Missouri Energy Efficiency Investment Act (MEEIA) filing." The tariffs would be effective through June 30, 2012.

4. Under the new MEEIA law, 4 CSR 240-20.094(3) provides that: "The commission shall approve, approve with modification acceptable to the electric utility, or reject such

applications for approval of demand-side program plans within one hundred twenty (120) days of filing of an application under this section only after providing the opportunity for a hearing."

5. The tariffs propose a "bridge" that reaches neither the near end of the gap (due to Ameren allowing its energy efficiency tariffs to expire September 30) nor the far end of the gap (depending on the date Ameren chooses to submit its MEEIA filing). If Ameren makes its MEEIA filing after March 2, 2012, and the Commission requires the entire 120 days deciding the case (which is very likely), the tariffs will expire prior to the MEEIA decision, and another disruptive, unproductive gap in energy efficiency programs will occur. The proposed June 30, 2012 expiration date on the proposed programs is inappropriate. If Ameren were to make its MEEIA filing before March 2, 2012 then a Commission decision in the MEEIA case would be due before the June 30, 2012 expiration of these bridge programs. However, if Ameren makes its filing after March 2, 2012, or if the Commission were to reject Ameren's MEEIA filing or to approve a MEEIA plan with modification/s not "acceptable to the electric utility" then Ameren's tariffs would expire before the end of the "bridge" period. Thus, the tariffs, as submitted, would leave Ameren's business customers without a way to control their energy use through energy efficiency programs. Such a series of events would leave Ameren's customers stranded on the edge of an unfinished bridge. In addition, the terms of the tariff constrict the availability of the program further by placing conditions under which approved incentives could be cancelled if Ameren deems progress to be insufficient.

6. The tariffs also propose woefully inadequate energy efficiency savings and support a limited portfolio of programs. In fiscal year 2011, Ameren spent $31 Million on Business Energy Efficiency programs which saved more than 272,000 MWh. In contrast, the proposed tariffs are only seeking to reduce energy use by 20,000 MWh during the bridge period (between 11/24/2011 and 6/30/2012) with a budget of $5.1 Million. Even if the timing issue addressed above were to

work out so that the bridge programs actually stretched across the divide, they would be wholly inadequate in scope and breadth.

7. Because programs included in the "bridge" tariffs are preferable to not having energy efficiency programs at all, MDNR cannot recommend the suspension of the bridge tariffs. However, in light of the inappropriate expiration date and inadequate scope of the proposed energy efficiency program, neither can MDNR recommend that the Commission approve the tariffs.

8.On November 22, 2011, the PSC issued a *Notice Regarding Tariff Filing* in response to Ameren's residential energy efficiency programs in case ET-2012-0011. Those residential tariffs had the same June 30, 2011 expiration date, stated purpose and interplay with MEEIA as the business tariffs being addressed in this filing. In that notice, the PSC stated "an inadequate energy efficiency tariff is better than no tariff at all" and took no action to preventthat tariff from going into effect. The Office of Public Counsel (OPC) had filed a motion to reject those tariffs as "wholly inadequate to offer energy efficiency programs for the benefits of its ratepayers." The PSC declined to order "Ameren Missouri to spend additional money on energy efficiency programs." However, the PSC did point out that it will one day examine the prudency of Ameren decisions to "obtain additional energy supplies that might not be needed if energy efficiency programs were appropriately implemented."

9. MDNR supports the Commission's decision in the ET-2012-0011 case to allow the residential tariffs to become effective without approving of them. Further, MDNR appreciates the Commissions reminder that the prudency of Ameren's decisions to forgo greater energy efficiency will be examined should it later attempt to obtain additional energy supplies that might not otherwise be needed. MDNR encourages the Commission to treat these business tariffs in a manner consistent with the treatment that the residential tariffs received.

WHEREFORE, the Missouri Department of Natural Resources respectfully submits this Statement Regarding Tariff Recommendations,

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 8th day of December, 2011.

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