

**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 Provisions for Rebates)	<u>File No. GT-2011-0410</u>
From its Missouri Energy Efficient Natural Gas)	Tariff No. JG-2012-0620
And Building Shell Measure Rebate)	
Program)	

MISSOURI DEPARTMENT OF NATURAL RESOURCES' STATEMENT OF POSITION

COMES NOW Missouri Department of Natural Resources (MDNR), and provides the following Statement of Positions, with issues numbered according to the Initial List of Issues filed on September 23, 2011. MDNR reserves the right to modify its positions or to assert additional positions as this case proceeds.

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

MDNR: No, see 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?

MDNR: No. There was no "change of circumstances" to warrant an amendment to the tariff sheets, including the removal of the measures. Even if there was a "change of circumstances," it was not the kind that would warrant the removal of measures prior to the post implementation evaluation per the Unanimous Stipulation and Agreement. Ameren Missouri created the change of circumstance by deciding to do a TRC post implementation test on natural gas energy efficiency measures before they were fully implemented. Clearly, a "change of circumstances clause" loses its meaning when a party can initiate such circumstances.

- 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?

MDNR: No. Pursuant to the Unanimous Stipulation and Agreement, Ameren Missouri agreed to hire a third party to perform a post-implementation evaluation with usage data taken from program participants through the end of April 2012 to get an accurate cost effectiveness evaluation.

- 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?

MDNR: Yes, Ameren agreed to offer these 20 measures until December 31, 2012 on an uninterrupted basis. If the proposed removal of these 20 measures were effected, Ameren will have violated the Unanimous Stipulation and Agreement without a change in circumstances that would warrant their removal.

- 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?

MDNR: Ameren Missouri circulated the proposed tariff changes to the EEAG to see if the members supported them in order to be included on the cover page. MDNR did not receive the versions of the tariffs as filed or revised to review or comment on.

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

MDNR: As used in the stipulation and agreement, “cost effective” means measures with an Energy Star label and those that other wise would fit within the parameters of the promotional practice rule.

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

MDNR: TRC is the most preferred and primary test; however the definition is provided in the Commission’s promotional practices rule and does not belong Ameren Missouri’s Tariff.

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

MDNR: No, Ameren Missouri agreed to employ an outside firm to conduct a post implementation evaluation of all the programs or measures with data from the program participants through April 2012. Ameren Missouri is free to perform tests on its own. However, for the purposes of the stipulation and agreement, Ameren Missouri’s implementation of TRC for purposes of compliance with the Unanimous Stipulation and Agreement was done prematurely without either a third party or data from actual participants through April 2012.

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

MDNR: The test defined in Chapter 14, also known as the promotional practices rule, is much more relevant than the one prematurely employed by Ameren.

- 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?

MDNR: No, this tariff case is an inappropriate place to create a definition applying to all Missouri utilities.

- 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?

MDNR: MDNR does not oppose such a rulemaking.

- 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?

MDNR: Yes, the Commission should take the program level measures into account as Home Auditors begin with such “whole house” program level analyses before continuing on to the measure level to fine tune their work.

- V.** Is this new tariff in the public interest?

MDNR: No. This tariff would not only eliminate various valuable energy efficiency measures before truly determining their cost effectiveness but also hinder the public’s support of energy efficiency in general. This would frustrate consumers who have sought to participate in successful programs only to learn that they have been removed. Further, the acceptance of this tariff would eviscerate the concept of a stakeholder process or an “advisory group” by allowing Ameren Missouri to undermine the Unanimous Stipulation and Agreement without the required review and comment from the EEAG. This would rob the public of a valuable tool in assuring its interests are weighed against the companies.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed, electronically, this 26th day of September, 2011, to counsel for the parties to this case.

/s/ Sarah Mangelsdorf
Assistant Attorney General