

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

In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Tariffs to Increase) File No. ER-2012-0166
Its Annual Revenues for Electric Service.)

**MISSOURI DEPARTMENT OF NATURAL RESOURCES'
CORRECTED STATEMENT OF POSITION¹**

COMES NOW the Missouri Department of Natural Resources ("MDNR"), and provides the following Statement of Position, with issues numbered according to the Joint List of Issues filed on October 27, 2012. MDNR takes a position on Issues 14. C. and D. in this case, and reserves the right to modify its positions or to assert additional positions as this case proceeds.

14. Low Income Weatherization, including MDNR Program Administration Costs

C. Can the Commission order Ameren Missouri to direct ratepayer funds to MDNR to cover costs of administering the Low Income Weatherization Program?

D. If so, should Ameren Missouri's low-income weatherization funding level be increased by \$120,000, with that amount to be authorized for reimbursement of MDNR's costs of providing weatherization program administration?

MDNR POSITION:

14.C. Regarding whether the Commission has the authority to direct ratepayer funds to pay MDNR's costs for administering Ameren's weatherization program; MDNR's position supports the Commission's authority. The current weatherization Cooperative Funding Agreement is a product of Commission order and an agreement between Ameren, MDNR, the Commission and EIERA. We see the collection of additional funds to cover MDNR's costs as an extension of the terms of this agreement. Because MDNR requests that administrative costs be added to the current level of weatherization funding, our request has implications for Ameren's revenue requirement in this case. Consequently, the matter was brought up in this case.

¹ The original filing of MDNR's Statement of Position identified the Low Income Weatherization issue, Issue 14, as Issue 22. MDNR regrets the error. The statement of position has not changed.

14.D. MDNR maintains that these payments from Ameren ratepayers are appropriate because the services MDNR is providing are in the ratepayers' best interest. Having the weatherization program administered in a professional manner, consistent with U.S. DOE weatherization program guidelines, insures that ratepayer funds are utilized properly. This request is also consistent with the principle of cost causation, since the funds requested will be used to pay the costs incurred in administering a program that provides direct and indirect benefits to Ameren's ratepayers. These administrative funds are necessary to continue the high level of service that MDNR has provided to both Ameren and the subgrantee groups that provide weatherization services. MDNR has used federal funds to pay administrative costs of the weatherization program since its inception. The current fiscal appropriations for the weatherization program are such that federal funds to cover MDNR's administrative costs may not be available after the current fiscal year and most likely will not be available in the future.

The \$120,000 requested MDNR's proposal is 10% of the 1.2 million that Ameren Missouri deposits with EIERA each year under the existing Cooperative Funding Agreement. MDNR estimates that this amount will cover the annual administrative expenses for the program in PY2013 and going forward. If funding is authorized, MDNR is willing to work with the Ameren DSM advisory group and the signatories of the Cooperative Funding Agreement to establish appropriate procedures for use of this funding.

Respectfully submitted,

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Attorney General

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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 24th day of September, 2012.

/s/ Jennifer S. Frazier

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Deputy Chief Counsel

Agriculture & Environment Division