

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

In the Matter of Union Electric Company)
d/b/a AmerenUE's Tariff to Increase Its) Case No. ER-2011-0028
Annual Revenues for Electric Service)

MISSOURI DEPARTMENT OF NATURAL RESOURCES' REPLY BRIEF

COMES NOW the Missouri Department of Natural Resources (MDNR) and
for its reply brief in this matter states as follows:

DSM Programs/ Energy Efficiency

MDNR agrees with OPC's statement that "There is no question that Missouri stands at a crossroads with respect to energy efficiency." (OPC Initial Brief, p. 8.) The fact that there was sufficient demand from customers of Ameren Missouri (AmerenMO) to prompt \$33 million in expenditures during 2011 for energy efficiency incentives (Tr. Vol. 16, p. 231), and the fact that AmerenMO's integrated resource plan (IRP) filing included an "Energy Efficiency Plan" described by AmerenMO's President and Chief Executive Officer as "a model that would suggest that our future energy needs could be met through energy efficiency" (Tr. Vol. 16, p. 219) are clear indications that the crossroads for this company can lead to significant progress in energy efficiency/DSM if the right fork in the road is chosen.

AmerenMO's expressed intention to reduce energy efficiency spending (OPC Initial Brief, pp. 8-9) in the face of these facts is counter-intuitive, counter-productive and not consistent with MEEIA. The Commission has a major role to play in which fork is chosen at this crossroads. MDNR concurs in OPC's

recommendation that AmerenMO's current DSM programs and funding levels should continue, and that the approach taken by the Commission in the KCPL and GMO cases regarding DSM programs is appropriate (OPC Initial Brief, pp. 10-11), but only as a minimum. In regard to DSM cost recovery, MDNR recommends that the Commission consider moving to even more timely cost recovery for AmerenMO, as addressed in MDNR's testimony and initial brief.

MIEC stated in its initial brief that MDNR was opposed to the billing unit adjustment ("BUA") proposed by AmerenMO. (MIEC Initial Brief, pp.30, 32.) However, MDNR did not oppose the BUA. In fact, as was clear from prefiled and live testimony and MDNR's Initial Brief, MDNR's position was stated in terms of conditions under which MDNR could/would support the BUA, particularly on a pilot or experimental basis. (Ex. 802, Wolfe Surrebuttal, p. 5; Tr. Vol. 26, p. 2045, ln. 4-12 and MDNR Initial Brief, p. 4.)

CONCLUSION

WHEREFORE, MDNR requests the Commission resolve the issues addressed herein as proposed by MDNR.

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 13th day of June, 2011.

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