

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

In the Matter of an Investigation of the Effects of)
Rate Design Modifications Associated with) File No. EW-2011-0372
Demand-Side Cost Recovery.)

AMEREN MISSOURI'S RESPONSE TO COMMISSION ORDER

COMES NOW Union Electric Company d/b/a Ameren Missouri (Ameren Missouri) and hereby responds to the Missouri Public Service Commission's (Commission) Order which was issued on January 30, 2013. For its *Response*, Ameren Missouri states as follows:

On January 30, 2012, the Commission issued its *Order Directing Filings and Scheduling a Conference* in which the Commission gave interested utilities an opportunity to submit "specific proposed regulatory language" to assist the Commission in meeting the requirements of the Missouri Energy Efficiency Investment Act (MEEIA).

It is apparent from the workshop process to-date that there are still questions outstanding and that there may not be simple, broadly applicable answers to those questions. This difficulty is compounded because there are no specific rate design modification proposals to comment upon. Therefore the parties to this docket can only speculate about what proposals could be made and such speculation would not likely yield important details. It does not seem practicable or productive to proceed down that path. Instead, Ameren Missouri sees this as an opportunity for the Commission to rely on existing processes and rules to accommodate the requirements of the MEEIA statute and allow it the flexibility to deal with any one of the myriad of rate design modifications which could be proposed by a utility.

Currently, the Commission has wide discretion in relation to rate design matters. It is also clear that MEEIA expresses no intention to limit that discretion; instead, the new law simply points out that rate design modification is another "tool in the toolbox" for dealing with demand-

side resources. Any "rate design modification" whether directly, indirectly, or not related at all to demand-side resources will require an appropriate "study" to support approval. Therefore, the hurdle for approval of a rate design modification associated with demand-side resources should be no different than exists today. Avenues for approval of a "rate design modification" already exist and could include a one-off rate design-specific workshop process, a general rate case, or could occur as part of a MEEIA filing. All rate design modification paths ultimately lead to tariff approval which is, by itself, already an adequate process to address any of the issues raised during this docket.

Another key consideration is delineating what would constitute a "rate design modification associated with demand-side cost recovery". Would that be triggered when the "primary" reason for the proposal is related to demand-side resources? For example, a change in customer charge could be a purely cost-of-service-based proposal yet that same proposal also impacts demand-side resources. This is an important question because most, if not all, rate design modifications would have at least an indirect impact on demand side cost recovery, which would mean those rate design changes could be argued to be subject to this new rule. This unavoidable interplay between rate design and demand-side resources necessitates the "keep it simple" approach that the Company is requesting.

In order to provide the Commission with the flexibility to adequately deal with all of these considerations, Ameren Missouri proposes the following language to be adopted as an addition to the Commission's MEEIA regulations:

Utilities may propose rate design modifications associated with demand-side cost recovery and are required to provide a study that shows the effects of its proposal.

By convening this docket (EW-2011-0372), studying important questions regarding rate design modifications, and adopting the above language, the Commission will have satisfied the requirements of the statute.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via e-mail, to the following parties on the 3rd day of April, 2013.

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/s/ Wendy Tatro

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