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Issues: Tariff Sheets
Witness: Michelle A. Bocklage
Sponsoring Party: MO PSC Staff
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File No.: EO-2012-0142
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MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION

REBUTTAL TESTIMONY

OF

MICHELLE A. BOCKLAGE

UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

FILE NO. EO-2012-0142

*Jefferson City, Missouri
April 2012*

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

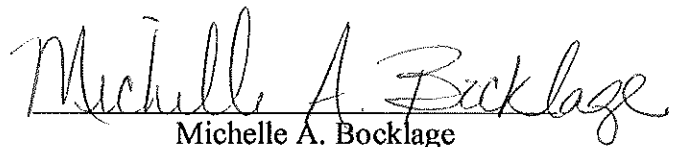
In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Filing to)
Implement Regulatory Changes)
Furtherance of Energy Efficiency as)
allowed by MEEIA)

Case No. EO-2012-0142

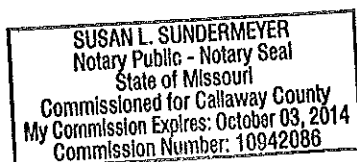
AFFIDAVIT OF MICHELLE A. BOCKLAGE

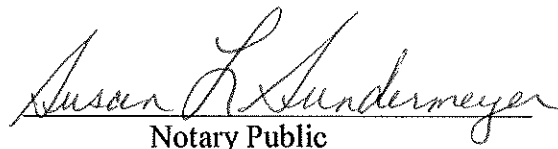
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Michelle A. Bocklage, of lawful age, on her oath states: that she has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 13 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true to the best of her knowledge and belief.


Michelle A. Bocklage

Subscribed and sworn to before me this 13th day of April, 2012.




Notary Public

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Michelle A. Bocklage

1 Commission's rules and regulations. I filed rebuttal testimony in the KCP&L Greater
2 Missouri Operations MEEIA case, File No. EO-2012-0009.

3 Q. Would you please summarize the purpose of your rebuttal testimony?

4 A. The purpose of my rebuttal testimony is to identify and discuss Staff's
5 concerns regarding Union Electric Company d/b/a Ameren Missouri's ("Ameren Missouri" or
6 "Company") proposed DSM programs tariff sheets filed as Appendix D to its *2013 – 2015*
7 *Energy Efficiency Plan*.¹ I also make recommendations concerning the tariff sheets for
8 Ameren Missouri's Commission-approved DSM programs and Ameren Missouri's
9 Commission-approved demand-side programs investment mechanism ("DSIM").

10 Staff makes the following recommendations concerning Ameren Missouri's tariff
11 sheets for its proposed DSM programs and for its Commission-approved DSM programs:

- 12 1. The Commission reject the tariff sheets Ameren Missouri filed with its
13 application; and
- 14 2. The Commission order Ameren Missouri to make a tariff compliance filing² as
15 a result of this case, and, prior to implementation of its Commission-approved
16 DSM programs, to include in its tariff compliance filing tariff sheets for each
17 of its Commission-approved DSM programs containing:
 - 18 • Additional language relating to Rule 4 CSR 240-20.094(6)(J) and Rule
19 4 CSR 240-20.094(7);³
 - 20 • The amount of the incentive and/or rebate associated with each
21 demand-side measure for each DSM program;

¹ Filed January 20, 2012, in File No. EO-2012-0142.

² 4 CSR 240-20.094(3)(D): "Utilities shall file and receive approval of associated tariff sheets prior to implementation of approved demand-side programs."

³ The tariff needs specific language to comply with 1) Rule 4 CSR 240-20.094(6)(J): "A customer electing not to participate in an electric utility's demand-side programs under this section shall still be allowed to participate in interruptible or curtailable rate schedules or tariffs offered by the electric utility;" and 2) 4 CSR 240-20.094(7), which contains language excluding participation in DSM programs providing monetary incentive by customers that receive tax credits "under sections 135.350 through 135.362, RSMo, or under sections 253.545 through 253.561, RSMo."

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- 1 • Information regarding the marketing strategy that identifies the
- 2 methods Ameren Missouri intends to utilize to market each DSM
- 3 program to customers;
- 4 • Description of the relationship of each DSM program to other DSM
- 5 programs, indicating whether or not DSM programs can be combined
- 6 to maximize the incentives and/or rebates;
- 7 • Annual energy and demand savings targets for each DSM program; and
- 8 • Meet the requirements of 4 CSR 240-14.030

9 Staff makes the following recommendation concerning tariff sheets for Ameren
10 Missouri's Commission-approved DSIM:

- 11 • The Commission order Ameren Missouri to file, in this case, tariff sheets
- 12 for its Commission-approved DSIM.⁴

13 Q. Ameren Missouri filed exemplar general Business Energy Efficiency Program
14 and Residential Energy Efficiency Program tariff sheets as part of the MEEIA filing. Does
15 Staff have any concerns with these tariff sheets?

16 A. Yes. The proposed general tariff sheets do not meet all filing requirements
17 identified in the Commission's Filing and Reporting Requirements (Rule 4 CSR 240-
18 3.150(2)), Utility Promotional Practices (Rule 4 CSR 240-14.030) and Demand-Side
19 Programs (Rule 4 CSR 240-20-094(3)(D)).

20 Q. What are Staff's concerns with Ameren Missouri's proposed general Business
21 Energy Efficiency Program and Residential Energy Efficiency Program tariff sheets with
22 respect to Rule 4 CSR 240-3.150(2)?

⁴ 4 CSR 240-20.093(2)(C): "The commission shall approve the establishment, continuation, or modification of a DSIM and associated tariff sheets"

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1 A. The Company's proposed general Business Energy Efficiency Program and
2 Residential Energy Efficiency Program tariff sheets do not meet all of the filing requirements
3 in Rule 4 CSR 240-3.150(2). More specifically:

- 4 1. The name, number or letter designation of the promotional practice;
- 5 2. The class of persons to which the promotional practice is being offered or
6 granted;
- 7 3. Whether the promotional practice is being uniformly offered to all persons
8 within that class;
- 9 4. A description of the promotional practice and a statement of its purpose or
10 objective;
- 11 5. A statement of the terms and conditions governing the promotional practice;
- 12 6. If the promotional practice is offered or granted, in whole or in part, by an
13 affiliate or other person, the identity of the affiliate or person and the nature of
14 their participation; and
- 15 7. Other information relevant to a complete understanding of the promotional
16 practice.

17 Rule 4 CSR 240-14.010(L) defines promotional practices as:

18 any consideration offered or granted by a public utility or its affiliate to any
19 person for the purpose, express or implied, of inducing the person to select
20 and use the service or use additional service of the utility or to select or install
21 any appliance or equipment designed to use the utility service, or for the
22 purpose of influencing the person's choice or specification of the efficiency
23 characteristics of appliances, equipment, buildings, utilization patterns or
24 operating procedures.

25 Since the filed MEEIA program descriptions include references to rebates and
26 incentives, which is a consideration in the definition of a promotional practice, Ameren
27 Missouri is subject to the filing requirements of Rule 4 CSR 240-3.150(2). Ameren Missouri
28 is proposing general Business Energy Efficiency Program and Residential Energy Efficiency
29 Program tariff sheets; however, general tariff sheets would not include individual program

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1 details and would simply refer interested parties to the www.ActOnEnergy.com website⁵ for
2 DSM program details, such as rebate amount, measures and participant eligibility. Therefore,
3 the proposed Business Energy Efficiency Program and Residential Energy Efficiency
4 Program tariff sheets do not meet the required filing requirements of Utility Promotional
5 Practices.

6 Q. What are Staff's concerns regarding Ameren Missouri's proposed general
7 Business Energy Efficiency Program and Residential Energy Efficiency Program tariff sheets
8 with respect to Rule 4 CSR 240-14.030?

9 A. The Company's proposed general Business Energy Efficiency Program and
10 Residential Energy Efficiency Program tariff sheets do not meet the filing requirements in
11 Rule 4 CSR 240-14.030(3):

12 ...No new promotional practice which has not been previously filed with the
13 commission shall be made or offered unless first filed on a tariff with the
14 commission.

15 However, on page 60, lines 31 - 34, of the Company's *2013 – 2015 Energy Efficiency*
16 *Plan*, Ameren Missouri states that "...time delays to re-file tariffs and receive Commission
17 approval may preclude Ameren Missouri's ability to respond to the markets in a timely
18 manner." Therefore, Ameren Missouri's request for general tariff sheets, rather than the
19 standard program specific tariff sheets, when combined with the requested level of flexibility
20 could result in inherently different programs than what the Commission would potentially
21 approve.

⁵ Appendix D, Business Energy Efficiency tariff Sheet Nos. 225 – 227 and Residential Energy Efficiency Tariff Sheet Nos. 236 – 238.

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1 In addition, the Commission and Staff can process tariff sheets quickly enough to
2 allow Ameren Missouri to timely respond to markets. Section 393.140(11) RSMo 2000
3 allows tariff sheets to go into effect on less than 30 days notice for good cause shown.

4 Q. What are Staff's concerns regarding Ameren Missouri's proposed general
5 Business Energy Efficiency Program and Residential Energy Efficiency Program tariff sheets
6 with respect to Rule 4 CSR 240-20.094(3)(D)?

7 A. Rule 4 CSR 240-20.094(3)(D) states: "Utilities shall file and receive approval
8 of associated tariff sheets prior to implementation of approved demand-side programs."

9 Staff does not consider the general Business Energy Efficiency Program and
10 Residential Energy Efficiency Program tariff sheets proposed by Ameren Missouri to
11 represent the Commission-approved demand-side programs because they do not contain
12 detailed program specific information to meet the filing requirements of Rule 4 CSR 240-
13 3.150(2) and Rule 4 CSR 240-14.030.

14 In addition, Ameren Missouri states on page 62 of its *2013 – 2015 Energy Efficiency*
15 *Plan*, lines 28 through 32:

16 While the program templates in Appendix B provide a good description of
17 proposed programs, implementation contractors will have significant
18 influence in final program design. Hiring of these contractors will not occur
19 until MEEIA approval and, therefore, the Company cannot provide final
20 program details with this filing. Broad flexibility with regard to
21 implementation but strict adherence to energy savings commitments and
22 benefit sharing methodology will allow the Company to implement with less
23 risk of regulatory delay over tariffs while still being held accountable for
24 aggressive MWh acquisition.

25 Based on this information, Staff is unable to determine what the final program details
26 for each program will be until after the final program design is completed. Therefore, the
27 Commission should reject the exemplar tariff sheets submitted and issue an order requiring
28 Ameren Missouri to file detailed specific tariff sheets for each of the proposed eleven (11)

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1 DSM programs and, if the Company chooses to, the general Business Energy Efficiency
2 Program and general Residential Energy Efficiency Program as part of a tariff compliance
3 filing following conclusion of this case and at least thirty (30) days prior to implementation of
4 its Commission-approved DSM programs. After review of the final program design and these
5 tariff sheets, Staff will make a recommendation regarding Commission approval of the DSM
6 programs.

7 Q. Does Staff have concerns regarding Ameren Missouri's proposed flexibility for
8 all of its DSM programs?

9 A. Yes. Ameren Missouri proposes to bypass Commission approval of
10 modifications to its DSM programs and tariff sheets;⁶ however, Rule 4 CSR 240-20.094(4)
11 states:

12 ... an electric utility shall file an application with the commission for
13 modification of demand-side programs by filing information and
14 documentation required by 4 CSR 240-3.164(4) when there is a variance of
15 twenty percent (20%) or more in the approved demand-side plan three (3)-
16 year budget and/or any program design modification which is no longer
17 covered by the approved tariff sheets for the program.

18 In addition, Commission rule 4 CSR 240-20.094(4)(A) states that "the utility shall file
19 for and receive approval of associated tariff sheets prior to implementation of approved
20 modifications."

21 In order to obtain additional information regarding which tariff provisions that
22 Ameren Missouri would potentially modify without Commission approval, Staff submitted
23 Data Request No.: MPSC 0022 (DR 22). That request follows:

24 On page 60, line 29 – 31, of the 2013 – 2015 Energy Efficiency Plan, Ameren
25 states, "This flexibility requires the ability to write tariff provisions that give
26 utilities the flexibility to change program elements that do not require
27 Commission approval." Please identify each and every such "program

⁶ 2013 – 2015 Energy Efficiency Plan, pages 60 – 62.

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1 element” Ameren Missouri believes do not require Commission approval.
2 Also, please identify each and every “program element” that Ameren believes
3 requires Commission approval to revise or modify.
4

5 Ameren Missouri’s response to DR 22 is:

6 4 CSR 20.094(4) requires the utility to file an application with the commission
7 for modification of demand-side programs when there is a variance of twenty
8 percent (20%) or more in the approved demand-side plan three (3)-year
9 budget and/or any program design modification which is no longer covered by
10 the approved tariff sheets for the program. Other than that, there is no
11 restriction in the Commission’s MEEIA rules regarding the flexibility a utility
12 may have to change a program element without Commission approval.

13 Based on this response from the Company and the information contained in the *2013 –*
14 *2015 Energy Efficiency Plan*, it is Staff’s understanding that Ameren Missouri is requesting
15 Commission approval to modify its DSM programs without final program design, without
16 making a tariff compliance filing and without receiving Commission approval of revised tariff
17 sheets.

18 Q. Did Ameren Missouri request a variance from Rule 4 CSR 20.094(4) which
19 requires it to file tariff sheets for its DSM programs?

20 A. No, it did not. Therefore, the Commission should reject the exemplar tariff
21 sheets submitted and issue an order requiring Ameren Missouri to file tariff sheets as part of a
22 tariff compliance filing following conclusion of this case and at least thirty (30) days prior to
23 implementation of its Commission-approved DSM programs.

24 Q. Is Ameren Missouri’s concern regarding time delays to re-file tariffs and
25 receive Commission approval hampering Ameren Missouri’s ability to respond to the markets
26 in a timely manner valid?

27 A. No, it is not. Staff has consistently committed to work with Ameren Missouri
28 on any tariff change that Ameren Missouri files with a request for expedited treatment to file
29 its recommendation as quickly as possible. I am not aware of any cases where Ameren

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1 Missouri has requested expedited treatment on the change of a demand-side program tariff
2 sheet where Staff and the Commission did not meet the requested effective date.

3 Q. Do you have examples of tariff cases that you can give where Staff responded
4 quickly to tariff filings where expedited treatment was requested?

5 A. Yes, I do. In Case No. ET-2010-0226,⁷ on January 27, 2010, the Company
6 filed a request to approve changes to tariff sheets by February 10, 2010. The changes were
7 substantial: The requested tariff sheet language revisions were to allow Ameren Missouri to
8 “make incentive payments directly to the installer of the energy efficiency qualifying lighting
9 and appliances in multi-family properties consisting of three (3) or more dwelling units that
10 are targeted for occupation by tenants who benefit from federal subsidies for housing. It also
11 will require the owner or manager of the property to commit to ‘implementing Standard
12 Lighting Incentives in common areas as applicable through the Company’s Business or
13 Residential Energy Efficiency Program and to meet any code requirements for occupancy.’”⁸
14 Staff filed its recommendation to approve the tariff sheets two days later on January 29, 2010.
15 The Commission approved the tariff sheet changes on February 3, 2010.

16 Another case is Case No. ET-2010-0035,⁹ in which Ameren Missouri requested
17 expedited approval to implement a new pilot program. In this case, Ameren Missouri filed
18 proposed changes to its tariff sheets on July 23, 2009, requesting the tariff changes be
19 approved by August 6, 2009. Due to the press of other matters, including a Chapter 22 rule
20 revision workshop, Staff did not file its recommendation until August 3, 2009. The
21 Commission issued an order approving the tariff sheet changes effective August 6, 2009.

⁷ *In the Matter of Union Electric Company d/b/a AmerenUE’s Tariff Revising its Multi-Family Income Qualified Energy Efficiency Tariff.*

⁸ Staff Recommendation to Approve Tariff Sheets in Case No. ET-2010-0266.

⁹ *In the Matter of Union Electric Company d/b/a AmerenUE’s Tariff Establishing the Personal Energy Manager Rebate Pilot.*

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1 Staff was able to quickly file its recommendation on each of these tariff sheet changes
2 because Ameren Missouri sent drafts of the changes to Staff and held conference calls with
3 Staff prior to Ameren Missouri filing the proposed tariff sheets.

4 Q. Are there concerns other than Ameren Missouri's ability to respond to the
5 markets in a timely manner that need to be considered?

6 A. Yes. In order for Staff to effectively monitor the DSM programs for non-
7 discrimination, approved rebates, approved measures, and other DSM program parameters, it
8 is essential that Ameren Missouri have effective tariff sheets outlining all parameters of each
9 DSM program. If Ameren Missouri is allowed to change DSM program design parameters
10 such as approved measures, approved rebates and other DSM program design parameters on
11 the www.ActOnEnergy.com website, Ameren Missouri could revise the design parameters of
12 its DSM programs without review by the Commission, Staff and other interested parties.
13 Further, without a record of effective tariff sheets for all DSM programs in the Commission's
14 electronic filing information system ("EFIS"), there is no permanent public record of the
15 effective design parameter for each DSM program on a given date.

16 Q. Do Ameren Missouri's proposed tariff sheets comply with Rules 4 CSR 240-
17 20.094(6)(J) and 4 CSR 240-20.094(7)?

18 A. No. Additional information is needed in the tariff sheets to comply with
19 requirements of these rules.

20 Rule 4 CSR 240-20.094(6)(J) states:

21 A customer electing not to participate in an electric utility's demand-side
22 programs under this section shall still be allowed to participate in interruptible
23 or curtailable rate schedules or tariffs offered by the electric utility.

24 Therefore, all non-residential DSM program tariff sheets should clarify whether or not
25 the program is considered an interruptible or curtailable rate schedule so that customers who

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1 | opt out of participation in DSM programs know which programs they may and may not
2 | participate in.

3 | Rule 4 CSR 240-20.094(7) contains language excluding participation in DSM
4 | programs providing monetary incentives to customers that receive tax credits “under sections
5 | 135.350 through 135.362, RSMo, or under sections 253.545 through 253.561, RSMo.” DSM
6 | program tariff sheets should include language that explicitly explains this exclusion and a
7 | description of the method Ameren Missouri intends to use to obtain an attestation from
8 | customers that they have not received the referenced tax credits prior to receiving any
9 | monetary incentives from the program.

10 | Staff is also concerned that the DSM programs tariff sheets Ameren Missouri has
11 | proposed do not contain important information needed to provide scope, clarity and definition
12 | of each program; information such as marketing strategy, relationship of a DSM program to
13 | any other DSM program regarding whether or not programs can be combined to maximize the
14 | incentives and/or rebates offered, measures and rebates, and annual energy and demand
15 | savings targets.

16 | Q. Is the Commission required to approve DSIM tariff sheets in this case?

17 | A. Yes, if it approves its DSM programs. Commission Rule 4 CSR 240-
18 | 20.093(2)(C) states:

19 | The commission shall approve the establishment, continuation, or
20 | modification of a DSIM and associated tariff sheets if it finds the electric
21 | utility’s approved demand-side programs are expected to result in energy and
22 | demand savings and are beneficial to all customers in the customer class in
23 | which the programs are proposed, regardless of whether the programs are
24 | utilized by all customers.

25 |

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1 Q. Why has Ameren Missouri not proposed any tariff sheets for its DSIM?

2 A. Ameren Missouri is proposing to use a tracker for its DSIM which it describes
3 as follows:¹⁰

- 4 1. A forecasted expense tracker for direct program costs. The amount to be
5 included in base rates (approximately \$48.4 million) is equal to a three
6 year average of direct program costs.
7
8 2. A performance based tracker for a portion of net benefits to remove
9 economic disincentives and provide timely earnings opportunities. To
10 limit the initial rate impact, only the portion associated with removing the
11 economic disincentives will initially be included in rates (\$32.5 million)
12 during the three-year program. The remaining sharing will be collected
13 through rates in the future based on performance against the three-year
14 savings goals.

15 Ameren Missouri did not file DSIM tariff sheets in this case and has not requested a
16 variance from Rule 4 CSR 240-20.093(2)(C), which indicates that tariff sheets are necessary
17 for a DSIM. Therefore, Staff recommends the Commission order Ameren Missouri to file, in
18 this case, tariff sheets for its Commission-approved DSIM.

19 Q. What is Staff's overall recommendation regarding the tariff sheets Ameren
20 Missouri filed in this case?

21 A. Staff recommends that the Commission reject the following exemplar tariff
22 sheets Ameren Missouri filed in this case and order Ameren Missouri to make a tariff
23 compliance filing to include tariff sheets that include Staff's recommendations following the
24 conclusion of this case for each of the Company's Commission-approved DSM programs:

25 Original Sheet No. 225
26 Original Sheet No. 226
27 Original Sheet No. 227
28 Original Sheet No. 236
29 Original Sheet No. 237
30 Original Sheet No. 238

¹⁰ 2013 – 2015 Energy Efficiency Plan, p. 13, lines 7 – 15.

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1 Q. Do you have any further responses to Ameren Missouri's 2013 – 2015 Energy
2 Efficiency Plan?

3 A. No.