BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariff Filing to Implement Changes to Its Electric Energy Efficiency Programs.	)))	File No. ET-2012-0011

Response to The Office of the Public Counsel's Motion to Reject Tariffs

COMES NOW Union Electric Company d/b/a Ameren Missouri (Ameren Missouri or Company) and, for its Response to The Office of the Public Counsel's (OPC) Motion to Reject Tariffs (Response), states as follows.

1. On October 25, 2011, Ameren Missouri filed new residential energy efficiency program tariffs, designed to bridge the gap between the expiration of the Company's former energy efficiency programs (which expired on September 30, 2011) and when the Commission issues an order on the Company's Missouri Energy Efficiency Investment Act (MEEIA) filing. The Company anticipates making a MEEIA filing during the first quarter of 2012.

2. The bridge programs are designed to continue to offer energy efficiency benefits to customers and maintain a sufficient portion of the Company's energy efficiency infrastructure so that implementation of its programs after the MEEIA filing is not unduly delayed while addressing the very real negative impact of the throughput disincentive upon the Company, as was acknowledged by the Commission in it's Report and Order in Case No. ER-2011-0028. Prior to filing this bridge tariff, the Company had several discussions with the parties to this case. OPC was invited and attended, but provided no input or comment.

3. On November 14, 2011, OPC filed its Motion to Reject Tariffs (*Motion*).

4. OPC's *Motion* inaccurately paints the Company as unsupportive of energy efficiency. In reality, the opposite is true. Ameren Missouri has a strong track record of investment in energy efficiency efforts, spending almost $60 million over the past three years. In the Company's last rate case, it asked for specific rate treatment which would enable it to continue funding electric energy efficiency at a level consistent with its three year average expenditure – a request OPC opposed. The Company intends to make a filing under the Commission's MEEIA rules, but as Staff witness John Rogers acknowledged in the Company's last rate case, it takes a substantial amount of time and effort to make that filing. The Company's goal of filing during the first quarter of 2012 is reasonable.

5. Turning to the specific allegations contained in OPC's *Motion*, OPC refers to "chronic stopping and starting of its gas and electric energy efficiency programs." This is incorrect for both the electric and the gas energy efficiency programs. Ameren Missouri's electric energy efficiency programs expired on September 30, 2011, but prior to that, they had run continually since early 2009 (February 2009 for its business programs and May of 2009 for its residential programs.) Ameren Missouri's natural gas energy efficiency programs have run continually since 2008, with the exception of a short period last fall, when the program funding had been exhausted. Further, that event was explicitly provided for by the language of the tariff.

6. OPC's next allegation is that the proposed bridge programs will expire too soon, risking another stop to the Company's energy efficiency programs. This is not a reason to reject the bridge tariffs. The Company has the ability to file to extend the end

date during the life of the tariff. Presuming the Commission approves the Company's MEEIA filing, it is not the Company's intent to have a gap in energy efficiency program availability and it would extend the effective date of these bridge programs as necessary to ensure there is no discontinuance in availability of its residential energy efficiency programs.

7. OPC argues that the reduction in the size of the Company's energy efficiency programs harms its ability to implement successful programs in the future. Of course, this was the very reason Ameren Missouri cited in its last rate case as the justification to continue energy efficiency programs at the three year average (with the billing unit adjustment proposal); this request was opposed by OPC. The Company is very aware of the need to retain its energy efficiency infrastructure, so as to not damage its ability to successfully administer programs after the Commission approves its MEEIA filing. At the same time, the Company must balance that concern with the reality that energy efficiency programs, in the regulatory structure that exists for Ameren Missouri at this time, causes the Company financial harm. The Commission itself acknowledged this barrier in the Company's last rate case. (Case No. ER-2011-0028, Report and Order, p. 37.) For this filing, the investment level for the residential bridge tariffs was determined after discussions with and input from our implementation contractors. The Company believes the proposed bridge tariff will allow us to retain a sufficient level of energy efficiency infrastructure so that it can ramp programs back up if and when the Commission has approved its MEEIA filing. Additionally, if the Commission follows OPC's request and rejects the proposed tariffs, the Company is likely to lose the very infrastructure which OPC cites as so essential.

8. OPC further attempts to disparage Ameren Missouri's energy efficiency efforts by asserting that the bridge tariffs "patently favor shareholder returns and almost entirely ignore the duty to provide safe and adequate service in the most cost-effective manner." This statement is simply not true. There are many factors which come into play into the decision to invest or not invest in energy efficiency (or to invest in anything other than energy efficiency.) The level of investment underlying the bridge tariffs was chosen by the Company specifically to balance shareholder interests (financial harm of the programs) with customer interests (retaining the infrastructure necessary to allow it to be able to ramp up its energy efficiency programs after the Commission approves the Company's MEEIA filing). OPC, who's only charge is to advocate for customers, has no such obligation. However, the Company and this Commission must balance those needs.

9. OPC (and other parties to this case) asks the Commission to order the Company to make a MEEIA filing by a certain date. Even though the Company has already filed its 60-day notice of intent to make a MEEIA filing (File No. EO-2012-0142), and although it has stated in pleadings before the Commission that it intends to make a MEEIA filing during the first quarter of 2012 (see, the initial pleading in this case and the initial pleading in File No, EO-2012-0127), that does not mean the Commission has the authority to order the Company to make a MEEIA filing, much less to order that filing to be made by any particular date. Of course, Ameren Missouri is sensitive to the concerns voiced by the Commission Staff and others and assures the Commission it is diligently working to be able to make a MEEIA filing.

WHEREFORE, for the reasons detailed above, Ameren Missouri respectfully requests the Commission allow the Company's energy efficiency bridge tariffs to take effect on November 24, 2011.

Respectfully submitted,

UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri

/s/ Wendy K. Tatro

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CERTIFICATE OF SERVICE

The undersigned certifies that true and correct copies of the foregoing have been e-mailed or mailed, via first-class United States Mail, postage pre-paid, to the service list of record this 21st day of November, 2011.

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