

**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           )     **File No. ET-2012-0011**  
Changes to Its Electric Energy Efficiency Programs )

**STAFF RECOMMENDATION ON RESIDENTIAL BRIDGE TARIFFS**

**COMES NOW** the Staff of the Missouri Public Service Commission (Staff), by and through the undersigned counsel, and submits this *Staff Recommendation On Residential Bridge Tariffs (Recommendation)* to the Commission respectfully stating the following:

1. On October 25,<sup>1</sup> 2011, Union Electric Company d/b/a Ameren Missouri (Ameren Missouri or Company) filed tariff sheets to implement changes to its residential energy efficiency programs.

2. As both Ameren Missouri's filing letter, and the Commission's October 26 *Notice of Tariff Filing And Order Establishing Time To File Recommendations (Notice)* indicated, the proposed tariffs are designed to bridge the gap between the September 30 expiration of the Company's former energy efficiency programs, and the Commission's issuance of an order regarding the Company's anticipated Missouri Energy Efficiency Investment Act (MEEIA) filing.

3. The Commission's *Notice* also directed the Staff to file a recommendation on the tariff filing no later than November 14.

4. The Company's bridge tariffs include the proposed Residential Program including a Lighting Program, Multifamily Program, and Recycling Program. The Staff has reviewed the bridge tariffs and submits its *Memorandum* attached hereto.

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<sup>1</sup> All dates refer to calendar year 2011 unless otherwise specified.

5. While the Staff recommends approval of the bridge tariffs, it does not do so without great concerns: the lapse of time between the expiration date of the programs and the Commission's order in a MEEIA filing; the Company's elimination of two additional energy efficiency programs with favorable Total Resource Cost Test (TRC) results; and the significant reduction in funding levels for the remaining programs.

6. In regard to the anticipated MEEIA filing, Ameren Missouri has indicated that it intends to make such a filing in the first quarter of 2012.<sup>2</sup> However, the amount of time between Ameren's proposed expiration date for the bridge tariffs of June 30, 2012, and the Company's planned date for the MEEIA filing, may not allow sufficient time to prevent a lapse in the energy efficiency programs proposed in this bridge tariff filing. In order to allow time for review of the MEEIA filing and for the Commission's issuance of its order by the June 30, 2012, expiration date, the Staff recommends that the Company make its MEEIA filing on or before January 31, 2012.

7. Also, as indicated more fully in Staff's *Memorandum*, Ameren Missouri has eliminated the HVAC CheckMe! Program and Social Marketing Distribution Program, both programs having a TRC greater than one (1). A TRC greater than one (1) indicates that the Company has chosen to eliminate prior programs which are expected to be cost effective. In the case of the Social Marketing Distribution Program, the *pro forma* TRC for this program is 14.15.<sup>3</sup>

8. Perhaps of greatest concern to the Staff is the Company's drastic reduction in program investment. The Company has decreased demand-side investment from \$42.7 million to a proposed annualized budget of \$5.1 million. The proposed programs are also constrained by

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<sup>2</sup> *Notice of Change in Preferred Plan*, File No. EO-2012-0127.

<sup>3</sup> *See AmerenUE Energy Efficiency Tariff Filing Supporting Information* in Tariff File No. JE-2010-0695.

limited goals in energy savings, reduced from 193,554 MWh to 10,000 MWh. The Staff's concern is that such limited funding of programs will result in a much-reduced availability of certain demand-side resources than the demand expressed by the Company's customers for such services.

9. It is with these concerns that the Staff recommends the Commission approve the bridge tariffs proposed by Ameren Missouri. While the Company's bridge tariffs are inadequate, the Company has allowed its demand-side programs to lapse and currently offers no such programs. Thus, while the Company's programs are inadequate, the public interest is better served by inadequate programs than by no programs at all. The Commission should order the Company to file new tariff sheets compliant with the public interest as part of a MEEIA filing by a date certain.

10. The Staff encourages the Company to develop a thorough MEEIA filing and to file it by January 31, 2012, so that the proposed bridge tariffs can provide uninterrupted service until the Company implements demand-side programs approved in its anticipated MEEIA filing. Such action will also assist the Company in developing a robust demand-side management portfolio in line with the legislative intent of MEEIA, Section 393.1075.4, that electric corporations implement Commission approved demand-side programs "with a goal of achieving all cost-effective demand-side savings."

11. The Company is current on the filing of annual reports and payment of annual assessments.

**WHEREFORE**, the Staff recommends that the Commission approve the tariff sheets as indicated in the Staff's *Memorandum* and recommends that the Commission order the Company

to file new tariff sheets compliant with the public interest as part of a MEEIA filing by a date certain.

Respectfully submitted,

**/s/ Jennifer Hernandez**

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### **CERTIFICATE OF SERVICE**

I hereby certify that true and accurate copies of the foregoing have been mailed by United States Postal Mail postage prepaid, hand-delivered, or transmitted by facsimile or by electronic mail to all parties of record on this 14<sup>th</sup> day of November, 2011.

**/s/ Jennifer Hernandez**