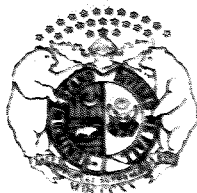


JOHN ASHCROFT
Governor



RON KUCERA
Acting Director

STATE OF MISSOURI
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF THE DIRECTOR
P.O. Box 176 Jefferson City, MO 65102 314-751-4422

August 31, 1992

Mr. C. Brent Stewart
Executive Secretary
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: IRP Rulemaking (Electric Utility Resource Planning)
Case No. EX-92-299

Dear Mr. Stewart:

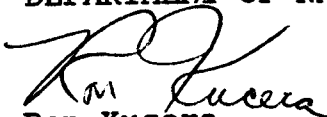
Enclosed for filing in the above-styled case is the original and fourteen (14) copies of Comments of the Missouri Department of Natural Resources.

Thank you for this opportunity to comment on this important issue and for bringing this filing to the attention of the Commission.

We look forward to working with the Commission and its staff to help ensure the wisest use of Missouri's energy resources.

Sincerely,

DEPARTMENT OF NATURAL RESOURCES


Ron Kucera
Acting Director

RK:khj

Enclosures

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AUG 31 1992

PUBLIC SERVICE COMMISSION



BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the proposed)
Commission Rules Chapter 22)
Electric Utility Resource Planning)

Case No EX-92-299

COMMENTS OF THE DEPARTMENT OF NATURAL RESOURCES

In response to the Commission's Notice of Public Hearing published in the Missouri Register Volume 17, Number 13, July 1, 1992, the Department of Natural Resources (DNR) offers these comments in support of the proposed Commission Rules 4 CSR 240-22.010 through 22.080.

The Commission staff should be applauded for their efforts to work with the various parties involved to produce these proposed rules. This effort accommodates a myriad of requests, suggestions, and time constraints and is a reflection of the Public Service Commission's interest in wise energy resource management.

The mission of the Department of Natural Resources is to foster the wise use and protection of the natural, cultural, and energy resources of Missouri. The department's Environmental Improvement and Energy Resources Authority (EIERA) recently studied Missouri's energy profile and released a comprehensive set of initiatives that, if implemented, will create the foundation for Missouri's energy future. The study cited a \$9.6 billion energy bill paid by Missourians in 1990; 85 percent of this money goes to energy producers outside of Missouri. Clearly, any step taken to conserve the use of energy is a direct economic and environmental benefit to Missourians.

A major initiative of the energy study calls for integrated resource planning processes to be undertaken by energy providers in the state (Vol. VII, pp. 67-72). The study recommends adoption of integrated resource planning for all investor-owned and municipally-owned utilities, and primary energy suppliers. Included in this is the recommendation for adoption of a statewide integrated resource plan.

The department considers the Integrated Resources Planning Rule as a good first step toward a more energy-efficient Missouri. The rule provides a basic guideline for regulated electric utilities to follow and to ensure that Missourians receive the best service possible at the best possible rates. The department supports in general Chapter 22's efforts to designate Supply Side (SSM) and Demand Side (DSM) Measures to benefit the affected utilities' customers. The department supports the efficient use of electric energy to maintain competitive rates, a healthy economy, and cleaner environment.

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PUBLIC SERVICE COMMISSION

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The SSMS and DSMS will provide an educational opportunity to teach citizens better ways to use Missouri's energy. Union Electric has already contacted the department's Division of Energy concerning a proposed pilot project similar to the division's Industrial/Commercial Loan Program designed to target commercial establishments and their potential for energy saving projects.

Chapter 22 is a broad and general attempt to have regulated utilities initiate efficiency projects that have proven to be successful in other parts of the country. The department supports the theory behind this attempt to provide conservation guidelines and hopes that in the future the Commission will be more specific as to the direction utilities could go in this area. The department encourages continued and expanded cooperation with utilities, both gas and electric, to provide a cleaner and more energy independent Missouri. The department looks forward to answering any questions the Commission may have of its support for the Staff's proposed rule.