

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

In the Matter of KCP&L Greater Missouri Operations)
Company's Application for Approval of Demand-)
Side Programs and for Authority to Establish a) File No. EO-2012-0009
Demand-Side Programs Investment Mechanism)

**POSITION STATEMENT OF
THE MISSOURI INDUSTRIAL ENERGY CONSUMERS**

Comes now the Missouri Industrial Energy Consumers ("MIEC") and provides its Position Statement. The MIEC's positions are set forth in the *Issues List, Witness List, Order of Witnesses, and Order of Opening Statements*, as follows:

1. Should the Commission approve GMO's application for approval of demand-side program plan, approve it with modification acceptable to GMO, or reject it, as provided in Rule 4 CSR 240-20.094(3)?
 - A. Is GMO's demand-side program plan achievable, realistic and specific? If not, should the Commission order GMO to file an achievable, realistic and specific demand-side program plan?
 - B. What annual energy and demand savings targets should the Commission approve for each demand-side program? Should the annual energy and demand savings targets be based on assumed net-to-gross (NTG) ratios equal to 1.0 or should they be based on NTG from EM&V from Program Year 2 from GMO's prior cycle of programs (i.e., October 2009 to September 2010)? Should savings targets be "net savings" or "gross savings"? If the former, will it be necessary for GMO to increase its planned level of spending to achieve the annual energy savings levels on a net savings basis?
 - i. Should the EM&V analysis and report be used to determine deemed energy and demand savings that will be applied on a prospective basis?
 - C. Should the Commission approve the form of GMO's DSM programs' tariff sheets (frozen and original) as filed?

- i. Should the Commission order GMO to file compliance tariff sheets that would provide additional detail in its DSM programs' tariff sheets? If so, what detail?
- D. Should the Commission condition the approval of GMO's application upon GMO filing in this case a total resource cost test for its Appliance Turn-In program consistent with the definition in Rule 4 CSR 240-3.164(1)(X)?
- E. Should the Commission condition the approval of GMO's application upon GMO's commitment to conduct a careful and thorough review and analysis of demand response programs as part of its next DSM market potential study and subsequent Chapter 22 compliance filing and/or annual update filings?
 - i. Should the Commission condition the approval of GMO's application upon GMO making a supplemental filing in this case that includes the program descriptions for the proposed MPower and Energy Optimizer programs the Company provided in their response to Staff's data requests 0028 and 0029?
- F. Should the Commission grant the variances requested by GMO that are necessary to approve GMO's demand-side program plan, as filed?
- G. Can the Commission order GMO to complete a new DSM Market Potential Study? If so, should it do so?
- H. Can the Commission order GMO to include in all future MEEIA filings the
- I. Realistic achievable potential portfolio of the Company's Demand-side management Market Potential Study? If so, should it do so?
- J. GMO's proposed Low Income Weatherization program has a TRC of less than one. Have the requirements in Rule 4 CSR 240-20.094(3)(B) been satisfied for this program?
 - i. Have all of the filing requirements contained in Rule 4 CSR 240-3.164(2)(C) been satisfied for all of GMO's proposed DSM programs which are also current programs of GMO?

The MIEC does not assert a position on this issue at this time.

- 2. Should the Commission approve the establishment of GMO's proposed Demand-Side Programs Investment Mechanism (DSIM) as per Rule 4 CSR 240-20.093(2)(B)?
 - A. How should program costs be collected?
 - i. Should program costs be trued up for over- and under- collection?

- ii. Should carrying costs be applied to true-up program costs? If so, at what rate?
- B. Should the Commission allow GMO to include in its revenue requirement in Case No. ER-2012-0175 a percentage of expected net shared benefits?
 - i. Should GMO's percentage of expected net shared benefits be calculated as a percentage of annual net shared benefits (i.e., the utility's avoided costs less program costs) as per Rule 4 CSR 240-3.163(1)(J) or a percentage of gross benefits (i.e., the utility's avoided costs only) as proposed by GMO?
 - ii. Should the annual percentage of shared benefits be based on net energy and demand savings taking into account net-to-gross factors such as free ridership and spillover as proposed by OPC and Staff or gross energy and demand savings as proposed by GMO?
 - iii. Should the utility incentive component be based on net shared benefits (i.e. net of program costs) as proposed by OPC and Staff or gross shared benefits as proposed by GMO?
- C. Should the Commission allow GMO to collect a fixed dollar amount as an incentive after the three-year program plan is concluded, with that dollar amount dependent upon GMO meeting various savings (kWh/kW) thresholds? If so, are the thresholds and dollar amounts proposed by GMO appropriate?
- D. Should the Commission approve both the lost revenue component of a DSIM and GMO's proposed annual shared benefits incentive component of a DSIM?
- E. With regard to items B and C:
 - i. Should the true-up of the shared benefits be based on the number of program participants or measures as proposed by GMO?
 - ii. Should the Commission allow GMO to calculate net benefits as the net benefits from energy and demand saving measures estimated to accrue within 15 years of the first DSIM program year (i.e., use 15-year measure lives for measures installed in Year 1, 14-year measure lives in Year 2, 13-year measure lives in Year 3, etc.) or should another method be used?
- F. Should the Commission order interest/carrying cost to be paid on over- and under-recoveries? If so, should GMO's AFUDC rate or its short term interest rate apply?
- G. Should the Commission grant the variances requested by GMO necessary to approve GMO's DSIM, as filed?

The MIEC does not assert a position on this issue at this time.

3. Should the Commission approve any of the modifications to, or alternatives to, GMO's DSIM that have been proposed by other parties? If yes, then what specific modifications to, or alternatives to, the DSIM proposed by other parties should the Commission approve?

The MIEC does not assert a position on this issue at this time.

4. Should the Commission approve a separate line item to appear on bills relating to charges for the DSM programs approved under MEEIA? If so, should the acronym "DSIM" as proposed by GMO, or the phrase "Energy Efficiency Pgm Charge" or "Demand-Side Investment Charge" as suggested by Staff be used?
 - A. Should the Commission approve GMO's proposed language to disclose the change to customers' bills for the DSIM?

The MIEC does not assert a position on this issue at this time.

5. Is it appropriate for the Commission to determine what, if any, impact this case has upon GMO's requested allowed return on equity in Case No. ER-2012-0175, or should any such determination be reserved for the rate case?

The MIEC does not assert a position on this issue at this time.

6. Should the Commission approve GMO's Evaluation, Measurement and Verification plans?

The MIEC does not assert a position on this issue at this time.

7. How should the costs for GMO's proposed Low Income Weatherization program be allocated among the different rate classes?

The costs associated with the residential low income weatherization program should be retained within the residential class. If any amounts are collected outside of the residential class, the allocation of these amounts to other rate schedules should be on the basis of the number of customers in each rate schedule.

8. Should the Commission grant the variances requested by GMO that are necessary to approve the Company's DSIM as filed, and any other variances necessary if the Commission approves and the Company accepts a DSIM proposal made by the Staff or other parties in this case?

The MIEC does not assert a position on this issue at this time.

9. To implement the decision in this case, should separate rates be established for residential customers and for commercial/industrial customers?

Yes.

10. Should GMO track program expenditures and load reductions arising from GMO's DSM programs separately by L&P and MPS, and by cost of service classes, i.e., residential, SGS, LGS and LP?

Yes.

11. Should the Commission order the establishment of a statewide and/or GMO collaborative(s) that would provide input regarding the possible expansion of GMO programs, program design (possibly including co-delivery of programs with gas/water utilities), EM&V, and a state Technical Reference Manual?

The MIEC does not assert a position on this issue at this time.

12. Does the Commission have the authority to waive or grant a variance from the statutory requirements in Section 393.1075.10 RSMo?

A. If yes, should the Commission grant GMO a variance from Section 393.1075.10?

It is MIEC's position that customers who have opted-out of participating in GMO's DSM programs are entitled to participate in interruptible or curtailable rate schedules or tariffs offered by GMO, including GMO's energy optimizer and MP programs. The Commission does not have the ability to waive this statutory provision.

13. In the alternative to issue 12, does Section 393.1075 RSMO require that customers who have opted-out of participating in GMO's DSM programs be allowed to participate in interruptible or curtailable rate schedules or tariffs offered by GMO, including GMO's Energy Optimizer and MPower programs?

A. If yes, should the Commission grant GMO a variance from Section 393.1075.10?

It is MIEC's position that customers who have opted-out of participating in GMO's DSM programs are entitled to participate in interruptible or curtailable rate schedules or tariffs offered by GMO, including GMO's energy optimizer and MP programs. The Commission does not have the ability to waive this statutory provision.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 13th day of June, 2012, to all parties on the Commission's service list in this case.

/s/ Diana Vuylsteke