

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

In the Matter of a Determination of Special)
Contemporary Resource Planning Issues to be)
Addressed by Ameren Missouri in its Next)
Triennial Compliance Filing or Next Annual)
Update Report.)

File No. EO-2012-0039

**STAFF'S COMMENTS ON FILED SPECIAL
CONTEMPORARY RESOURCE PLANNING ISSUES**

COMES NOW the Staff of the Missouri Public Service Commission and comments on the special contemporary issues The Natural Resources Defense Council, Sierra Club, Renew Missouri, Mid-Missouri Peaceworks, and Great Rivers Environmental Law Center filed on September 15, 2011, as follows:

1. The Natural Resources Defense Council, Sierra Club, Renew Missouri, Mid-Missouri Peaceworks, and Great Rivers Environmental Law Center included the following issues in their list of special contemporary issues they wish the Commission to order Union Electric Company d/b/a Ameren Missouri to analyze and document in its April 1, 2012 annual update report:

10. Study of a future test year, and other ways to deal with “regulatory lag,”

...

12. Surveying programs, practices and mechanisms for DSM cost recovery and incentives from around the nation, with a view to identifying best practices, including:

- Performance incentives;
- Use of balancing accounts for cost-recovery;
- Ways of accurately estimating or imputing energy savings due to DSM programs before EM&V;
- Decoupling and other ways to remove the throughput disincentive.

2. Rule 4 CSR 240-22.080(4)(B) provides: “Not later than October 1, the utilities, Staff, Public Counsel, and parties to the last triennial compliance filings may file comments regarding the special contemporary issues filed on September 15.”

3. In part, 4 CSR 240-22.080(4) provides:

The purpose of the special contemporary issues lists is to ensure that evolving regulatory, economic, financial, environmental, energy, technical, or customer issues are adequately addressed by each utility in its electric resource planning. Each special contemporary issues list will identify new and evolving issues but may also include other issues such as unresolved deficiencies or concerns from the preceding triennial compliance filing.

4. In Missouri the use of a future test year for setting the rates of electric utilities is unlawful. Section 393.135, RSMo. 2000²; *State ex rel. Missouri Public Service Co. v. Fraas*, 627 S.W.2d 882, 887-888 (Mo. App. 1981). There is no indication that proscription is about to change; therefore, Ameren Missouri should not be required to study a future test year for purposes of resource planning compliance with Chapter 22 rules. The Natural Resources Defense Council, Sierra Club, Renew Missouri, Mid-Missouri Peaceworks, and Great Rivers Environmental Law Center make no other specific proposal for other ways to “deal with ‘regulatory lag’”; therefore, the Commission should reject that suggested contemporary issue.

5. The suggestion of The Natural Resources Defense Council, Sierra Club, Renew Missouri, Mid-Missouri Peaceworks, and Great Rivers Environmental Law Center that Ameren Missouri be required to “[s]urvey... programs, practices and mechanisms for DSM cost recovery and incentives from around the nation, with a view to identifying best practices,” is appropriate for filings made under The Missouri Energy Efficiency Investment

² “Any charge made or demanded by an electrical corporation for service, or in connection therewith, which is based on the costs of construction in progress upon any existing or new facility of the electrical corporation, or any other cost associated with owning, operating, maintaining, or financing any property before it is fully operational and used

Act (Section 393.1075, RSMo. Supp. 2011) and implementing Commission rules (4 CSR 240-3.163, 4 CSR 240-3.164, 4 CSR 240-20.093 and 4 CSR 240-20.094), not as a special contemporary issue in a Chapter 22 resource plan filing. As required by the Act, these rules are designed to comply with the policy and directive stated in the Act as follows:

It shall be the policy of the state to value demand- side investments equal to traditional investments in supply and delivery infrastructure and allow recovery of all reasonable and prudent costs of delivering cost-effective demand-side programs. In support of this policy, the commission shall:

- (1) Provide timely cost recovery for utilities;
- (2) Ensure that utility financial incentives are aligned with helping customers use energy more efficiently and in a manner that sustains or enhances utility customers' incentives to use energy more efficiently; and
- (3) Provide timely earnings opportunities associated with cost-effective measurable and verifiable efficiency savings.

Section 393.1075.3, RSMo. Supp. 2011.

Because surveying programs, practices and mechanisms for DSM cost recovery and incentives from around the nation is inappropriate at this time for Ameren Missouri's resource planning, the Commission should reject this suggestion as well.

WHEREFORE, Staff comments on the special contemporary issues filed on September 15, 2011, as set forth above.

for service, is unjust and unreasonable, and is prohibited.” (Adopted by Initiative, Proposition No. 1, November 2, 1976).

Respectfully submitted,

/s/ Nathan Williams

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 30th day of September, 2011.

/s/ Nathan Williams