

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

In the Matter of the First Prudence Review)
of the Missouri Energy Efficiency)
Investment Act (MEEIA) Cycle 2 Energy) Case No. EO-2015-0055
Efficiency Programs of Union Electric)
Company d/b/a Ameren Missouri)

MISSOURI DIVISION OF ENERGY’S POSITION STATEMENT

COMES NOW the Missouri Department of Economic Development – Division of Energy (“DE”) and respectfully offers this statement of DE’s position on the issues in this case:

A. Is the Company's Flex Pay Pilot Program ("Pilot") an energy efficiency program pilot under the Commission's rules, and should the Commission approve or reject the Pilot?

No, Union Electric Company d/b/a Ameren Missouri’s (“Ameren” or “Company”) pilot prepay program is not an energy efficiency program. Commission rule 4 CSR 240-20.092(1)(M) specifically prohibits “deprivation of service” programs from inclusion in utility programs under the Missouri Energy Efficiency Investment Act (“MEEIA”). While “deprivation of service” is not defined in the Commission’s rules, prepay programs identical to the program being proposed by Ameren were the *only* type of programs contemplated by the term “deprivation of service” when the Commission adopted the MEEIA rules.¹ Witnesses in this proceeding from the Commission’s Staff, the Office of the Public Counsel, and DE all agree that the proposal is not a MEEIA program under 4 CSR 240-20.092(1)(M).²

¹ Case No. EX-2016-0334, Hearing Transcript, pp. 95-97, and The Office of the Public Counsel’s Comments, Appendix A, p. 1, Appendix B, p. 2, EFIS No. 11, April 27, 2017.

² Brad Fortson Rebuttal, EFIS No. 477, pp. 5-6; Dr. Geoff Marke Rebuttal, EFIS No. 480, pp. 3-11; Martin R. Hyman Rebuttal, EFIS No. 481, pp. 4-5.

DE also urges the Commission to reject the pilot proposal because conservation by way of an imminent threat of disconnection should not be a MEEIA program, regardless of whether it is or is not permitted under the MEEIA rules. DE also urges the Commission to reject the pilot proposal in order to maintain appropriate consumer safeguards which protect health and ensure adequate advanced notice of disconnection. Ameren's prepay proposal is a billing and collections program that will help the Company recover revenues faster through prepaid bills. The proposal should not be mischaracterized as an efficiency program, and should not be used as a reason to tap into a fund set aside for true efficiency programs.

In addition to threatening deprivation of service, nothing indicates that customers do not already have a voluntary ability to submit prepayment for Ameren's service while also maintaining existing consumer protections related to notices and disconnections. DE cautions the Commission against approving a pilot, whether a MEEIA or non-MEEIA program, that would waive those protections without a compelling reason to do so.

B. How should a cost effectiveness test for this MEEIA pilot program be calculated and applied?

DE has not taken a position on this issue, but reserves the right to take a position on this issue in its post-hearing briefs.

C. How should the Commission define a low-income customer for purposes of the Company's proposed pilot?

DE has not taken a position on this issue, but reserves the right to take a position on this issue in its post-hearing briefs.

D. Are there any alterations or conditions that should be applied to the Flex Pay Program Pilot if it is approved?

DE urges the Commission to deny the request to include the pilot program as a MEEIA program. DE also believes the pre-pay pilot program should not involve the removal of customer notice and disconnection protections that are included in Ameren's proposed rule waivers.

If, despite DE's recommendation to reject the proposal, the Commission approves a pilot prepay program as part of MEEIA, then DE recommends the following conditions at a minimum:

1. The Commission should deny the requested waivers related to contacting customers prior to disconnection.
2. The Company should be required to follow all provisions of the Hot and Cold Weather Rules.
3. Customers should be informed that they will be required to reestablish a deposit when they leave the program or the pilot ends. If some customers are required to provide a deposit for resuming traditional service, then the Company should be required to follow all pertinent repayment limitation and flexibility provisions in 4 CSR 240-13.030 (Deposits and Guarantees of Payment).
4. The Commission should determine how the monthly customer charge would be applied to the balances of participants. Ameren Missouri's application and testimony do not specify how the customer charge would be incurred by participants.
5. The Commission should require the Company to screen prospective participants to ensure that they do not need electricity to survive, up to and including individually contacting all customers that express interest. Examples of customers that should not be included in the program include customers that have a medical need dependent on electric service (even if such need is not already known or registered) and customers with household members that would be adversely impacted by a loss of service.

6. The Company should not be allowed to charge any payment processing fees for participating customers for four (rather than two) payments per month.
7. Customer participation in the pre-pay program should not affect customer eligibility for participation in any billing assistance, energy efficiency, or weatherization program in the event that a customer leaves or is removed from the pre-pay program.
8. Low-income customers should not be pressured into joining the program, e.g., through encouragement to do so when communicating with the Company or Community Action Agencies regarding billing assistance and weatherization.

DE reserves the right to recommend additional alterations and conditions in its post-hearing brief.

WHEREFORE, the Division of Energy respectfully offers this position statement.

Respectfully submitted,

Marc Poston

Marc Poston, MBN #45722

Senior Counsel

Department of Economic Development

P.O. Box 1157

Jefferson City, MO 65102

(573) 751-5558

marc.poston@ded.mo.gov

**Attorney for Missouri Department of Economic
Development – Division of Energy**

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 18th day of April 2018.

Marc Poston

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