

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 1st day of August, 2012.

In the Matter of Union Electric Company d/b/a)
Ameren Missouri's Filing to Implement Regulatory) **File No. EO-2012-0142**
Changes in Furtherance of Energy Efficiency)
as Allowed by MEEIA)

**ORDER APPROVING UNANIMOUS STIPULATION AND AGREEMENT
RESOLVING AMEREN MISSOURI'S MEEIA FILING AND APPROVING
STIPULATION AND AGREEMENT BETWEEN AMEREN MISSOURI AND
LACLEDE GAS COMPANY**

Issue Date: August 1, 2012

Effective Date: August 11, 2012

This order approves a stipulation and agreement among the parties regarding Union Electric Company, d/b/a Ameren Missouri's application filed under the Missouri Energy Efficiency Investment Act (MEEIA). The order also approves a separate stipulation and agreement between Ameren Missouri and Laclede Gas Company regarding cooperation between the utilities on energy efficiency programs.

MEEIA is designed to encourage Missouri's investor-owned electric utilities to wholeheartedly offer energy efficiency programs and projects designed to reduce the amount of electricity used by the utility's customers. The law recognizes that under traditional regulation, a utility has a strong financial incentive to sell as much electricity to its customers as possible because more sales result in greater profits. MEEIA creates an opportunity to change that financial incentive to better align the utility's financial interest with the public interest in encouraging the efficient use of energy.

On January 20, 2012, as it was allowed to do under MEEIA, Ameren Missouri filed an application asking the Commission to approve certain energy efficiency and other demand-side programs described in a MEEIA Report attached to the application. Ameren Missouri also asked the Commission to approve a Technical Resource Manual (TRM) and a Demand-Side Investment Mechanism (DSIM), both intended to allow the company to more efficiently recover the costs of those programs and to mitigate the throughput disincentive that would otherwise discourage the company's investment in energy efficiency.

Ameren Missouri's MEEIA application was of great interest to various stakeholders, and the Commission allowed the following parties to intervene: Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company (KCPL/GMO); Laclede Gas Company; Missouri Department of Natural Resources; Sierra Club, Earth Island Institute d/b/a Renew Missouri, and the Natural Resources Defense Council; Barnes-Jewish Hospital; and the Missouri Industrial Energy Consumers. After the parties prefiled testimony regarding Ameren Missouri's application, the Commission convened an evidentiary hearing on May 23 and 24. At that time, the parties announced their agreement in principle to resolve their disagreements regarding Ameren Missouri's MEEIA application. The evidentiary hearing was canceled.

On July 5, Ameren Missouri; the Commission's Staff; the Office of the Public Counsel; the Missouri Department of Natural Resources; the Natural Resources Defense Council, Sierra Club, and Earth Island Institute d/b/a Renew Missouri; the Missouri Industrial Energy Consumers; and Barnes-Jewish Hospital filed what they described as a Unanimous Stipulation and Agreement Resolving Ameren Missouri's MEEIA Filing.

KCPL/GMO and Laclede did not sign the stipulation and agreement, but they did not object within seven days of its filing. Therefore, pursuant to Commission rule 4 CSR 240-2.115, the Commission will treat the stipulation and agreement as unanimous.

The stipulation and agreement asks the Commission to approve Ameren Missouri's three-year demand-side program plan. That plan consists of the eleven demand-side programs described in Ameren Missouri's January 20, 2012 MEEIA Report; the demand-side programs investment mechanism (DSIM) described in the MEEIA Report, as modified by the stipulation and agreement; and a Technical Resource Manual (TRM) proposed by Ameren Missouri.

Wishing to question the parties about the stipulation and agreement, the Commission convened an on-the-record presentation on July 16. At that proceeding, the parties further explained the provisions of the stipulation and agreement. In particular, the parties indicated that the stipulation and agreement's provision that asks the Commission to include a specified amount of energy efficiency program costs in Ameren Missouri's revenue requirement for the company's pending rate case, ER-2012-0166, and in subsequent rate cases, does not bind the Commission to make a particular determination in those rate cases. The stipulation and agreement binds the signatory parties to support the inclusion of those costs in the company's revenue requirement in the future cases, but approval of the stipulation and agreement does not attempt to bind the Commission to approve those costs. Instead, the Commission remains free to fully consider and accept or reject any evidence and argument offered by any party regarding those costs.

Having considered Ameren Missouri's January 20, 2012 MEEIA Application and Report and the stipulation and agreement filed on July 5, 2012, the Commission determines that the stipulation and agreement should be approved.

Apart from the July 5, 2012 stipulation and agreement, Ameren Missouri and Laclede filed a distinct stipulation and agreement on May 11, 2012. Only Ameren Missouri and Laclede signed that stipulation and agreement, but no other party objected to it and pursuant to Commission rule 4 CSR 240-2.115, the Commission will treat the stipulation and agreement as unanimous.

The Ameren Missouri – Laclede Stipulation and Agreement commits those two companies to explore joint gas-electric energy efficiency and conservation programs, provided that those programs will promote energy efficiency in a manner not designed to induce a customer to choose one fuel (electric or natural gas) over the other. The Commission finds the Ameren Missouri – Laclede Stipulation and Agreement to be reasonable and determines that it should be approved.

Because there is no remaining controversy among the parties and because this order needs to take effect promptly, the Commission will make this order effective in ten days.

THE COMMISSION ORDERS THAT:

1. The Unanimous Stipulation and Agreement Resolving Ameren Missouri's MEEIA Filing, filed on July 5, 2012, is approved.
2. The Ameren Missouri – Laclede Stipulation and Agreement, filed on May 11, 2012, is approved.

3. The signatories to the stipulations and agreements shall comply with the terms of the stipulations and agreements.

4. Both stipulations and agreements are incorporated into this order. The Unanimous Stipulation and Agreement Resolving Ameren Missouri's MEEIA Filing is attached to this order as Attachment A. The Ameren Missouri – Laclede Stipulation and Agreement is attached to this order as Attachment B.

5. As the terms and conditions of the Unanimous Stipulation and Agreement Resolving Ameren Missouri's MEEIA Filing may be inconsistent with certain Commission rules, the Commission grants Ameren Missouri a variance from the rules listed in paragraph 23 of the Unanimous Stipulation and Agreement Resolving Ameren Missouri's MEEIA Filing.

6. The testimony of all witnesses whose testimony was pre-filed in this case (including the MEEIA Report filed on January 20, 2012) is received into evidence.

7. This order shall become effective on August 11, 2012.

8. This file shall be closed on August 12, 2012.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Chm., Jarrett, Kenney, and
Stoll, CC., concur.

Woodruff, Chief Regulatory Law Judge