

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 14th
day of March, 2011.

In the Matter of the Consideration and Implementation)
of Section 393.1075, the Missouri Energy Efficiency) **File No. EX-2010-0368**
Investment Act)

ORDER REGARDING APPLICATIONS FOR REHEARING

Issue Date: March 14, 2011

Effective Date: March 14, 2011

The Commission promulgated rules to implement Section 393.1075, RSMo, Supp. 2009, the Missouri Energy Efficiency Investment Act ("MEEIA"). The Commission submitted final orders of rulemaking for 4 CSR 240-3.163, 4 CSR 240-3.164, 4 CSR 240-20.093 and 4 CSR 240-20.094 (collectively "MEEIA Rules") to the Joint Committee on Administrative Rules on February 9, 2011.

On March 10, 2011, a number of entities filed applications for rehearing. Several of the entities also requested that the Commission stay the effectiveness of its orders until such time as the issues they have raised can be reheard.

AARP, the Consumer Council of Missouri, the Missouri Industrial Energy Consumers and the Office of the Public Counsel ("OPC") filed applications for rehearing claiming the Commission acted unlawfully in two respects. The allegations are that: (1) the rules authorize single-issue ratemaking and (2) the rules unlawfully allow for recovery of lost revenues. OPC further opines that the Commission erred in concluding that the language of Section 393.1075.3 precludes the use of penalties as a tool for

aligning a utility's financial incentive with promoting energy efficiency, and claims the Commission failed to give a full response to Comment 7 in Rule 4 CSR 240-20.094.

Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company (collectively "KCP&L") believe that the definition used in the rules for "lost revenue" does not provide for the full and timely recovery of revenues lost due to the impact of its energy efficiency programs, and thus is not in compliance with MEEIA. They also believe that the language, which sets forth the requirements for semi-annual adjustments of a Demand-Side Investment Mechanism ("DSIM"), should have been modified to apply not only to the cost recovery component of DSIM, but to all components of DSIM.

Union Electric Company d/b/a Ameren Missouri concurs with KCP&L's position on the definition of lost revenue. Second, they ask the Commission to remove the requirement that costs, lost revenues and/or incentives be recovered on a retrospective basis.

Having fully reviewed and considered the arguments advanced by all of the applicants, the Commission finds it has already responded to these issues in the final orders of rulemaking. The Commission will deny their applications for rehearing, and the requests for a stay, finding them to be without merit.

THE COMMISSION ORDERS THAT:

1. AARP's application for rehearing is denied.
2. The Consumer Council of Missouri's application for rehearing is denied.
3. The Missouri Industrial Energy Consumers' application for rehearing and request for a stay is denied.

4. The Office of the Public Counsel's motion for rehearing and request for a stay is denied.

5. Kansas City Power & Light Company's and KCP&L Greater Missouri Operations Company's motion for rehearing and request for a stay is denied.

6. Union Electric Company d/b/a Ameren Missouri's application for rehearing is denied.

7. This order shall become effective immediately upon issuance.

BY THE COMMISSION

(S E A L)



Steven C. Reed
Secretary

Gunn, Chm., Clayton, Davis, and Jarrett, CC., concur.
Kenney, C., dissents.

Stearley, Senior Regulatory Law Judge