

Exhibit No.:
Issues: Low-Income Weatherization Assistance
and Energy Efficiency Services
Witness: John Buchanan
Sponsoring Party: Missouri Department of Natural
Resources - Missouri Energy Center
Type of Exhibit: Direct Testimony
Case No.: GR-2009-0355

MISSOURI PUBLIC SERVICE COMMISSION

MISSOURI GAS ENERGY

CASE NO. GR-2009-0355

FILED²

NOV 09 2009

DIRECT TESTIMONY

**Missouri Public
Service Commission**

OF

JOHN BUCHANAN

ON

BEHALF OF

MISSOURI DEPARTMENT OF NATURAL RESOURCES

ENERGY CENTER

Jefferson City, Missouri
August 21, 2009 (Revenue Requirement)

DUR Exhibit No. 87
Case No(s) GR-2009-0355
Date 10-26-09 Rptr KF

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. John Buchanan, Missouri Department of Natural Resources, Missouri Energy Center, 1101
4 Riverside Drive, Jefferson City, Missouri.

5 **Q. What is the Missouri Energy Center?**

6 A. The Missouri Energy Center (EC) is a division within the Missouri Department of Natural
7 Resources (DNR) and is the designated state energy office in Missouri responsible for the
8 administration of the federal Low Income Weatherization Assistance Program (LIWAP) and
9 the federal State Energy Program (SEP) established by the United States Congress in 1978,
10 which is managed nationally by the United States Department of Energy (USDOE). The SEP
11 consists of several statewide energy efficiency programs administered by the EC and funded
12 by the USDOE.

13 The DNR is vested with the powers and duties set forth in Chapter 640.150, RSMo.

14 **Q. What is your position with the Missouri Energy Center?**

15 A. I am a Senior Planner in the EC's Energy Policy and Planning Program at the Missouri
16 Department of Natural Resources.

17 **Q. On whose behalf are you testifying?**

18 A. I am testifying on behalf of the Missouri Department of Natural Resources, an intervenor in
19 these proceedings.

20 **Q. Please describe your educational background and business experience.**

21 A. I joined the Missouri Department of Natural Resources, Division of Energy, now the Energy
22 Center, in July of 1980 as director of the Missouri Residential Conservation Service
23 Program. In 1986, I was promoted to serve as the Senior Energy Planner within the

1 Director's Office at the Division of Energy. In this capacity, I was involved in a variety of
2 programs and projects addressing energy, environmental, and natural resource issues. In
3 October 1995, I was appointed as a Senior Energy Planner within the Policy and Planning
4 Unit at the Division of Energy where my responsibilities include preparation of testimony
5 filed in general rate or other cases by the DNR before the Missouri Public Service
6 Commission (Commission), energy efficiency program design and development, energy
7 emergency planning, energy supply and price monitoring and energy-related policy
8 development. Prior to my employment with the Department of Natural Resources, I served
9 as Special Assistant to the Mayor, City of Columbia, Missouri for two years. I have a
10 Bachelor of Arts degree in Political Science from Columbia College. I am a former Fellow
11 of the University of Missouri, where I received a Master of Science in Public Administration.

12 **Q. Are you currently working with Missouri gas utilities to implement energy efficiency**
13 **initiatives?**

14 A. Yes. Since 1980 I have worked directly with investor-owned regulated gas utilities on
15 several natural gas energy efficiency initiatives including the federal Residential
16 Conservation Service Program. Currently, I serve as the designated EC representative on
17 the efficiency collaborative for AmerenUE (natural gas) established by GR-2003-0517;
18 Atmos Energy Corporation established by GR-2006-0387; and MGE established by GR-
19 2006-0422 and GT-2008-0005. I also prepared testimony and participated in settlement
20 discussions which led to the establishment of the collaborative for Laclede Gas Company
21 established by GR-2007-0208.

22 **II. PURPOSE AND SUMMARY OF TESTIMONY**

23 **Q. What is the purpose of your direct testimony in these proceedings?**

1 A. The purpose of my testimony is to address natural gas related energy efficiency issues with
2 respect to Missouri Gas Energy (MGE). I will specifically offer testimony regarding:

3 (1) Continuing the formal working collaborative group to assist and expand MGE's energy
4 efficiency initiatives to help meet the goal of reducing natural gas consumption that could
5 lead to a reduction in natural gas costs;

6 (2) Addressing conservation and energy incentive programs that were approved by the
7 Commission in MGE's last rate case, GR-2006-0422 as well as GT-2008-0005 as
8 described in the Direct Testimony filed by MGE witness Mr. David Hendershot;

9 (3) Addressing the proposed energy efficiency initiative for small commercial customers and
10 funding levels as described in the Direct Testimony filed by MGE witness Mr. David
11 Hendershot; and,

12 (4) Recommending additional investments by MGE to design, implement and evaluate
13 successful energy efficiency programs for residential and commercial customers.

14 **III. ENERGY EFFICIENCY PROGRAM DEVELOPMENT AND IMPLEMENTATION**

15 **Q. What recommendations do you have regarding energy efficiency programs for MGE?**

16 A. To assist MGE in its efforts to fully facilitate the identification, design and implementation of
17 appropriate energy efficiency programs designed to reduce natural gas consumption by its
18 customers and potentially lead to reductions in natural gas wholesale costs, the EC
19 recommends that the Commission:

20 (1) Approve the continuation of the Energy Efficiency Collaborative (EEC) created by GT-
21 2008-0005 consisting of representatives from MGE, Staff, OPC, the EC and other
22 interested parties that have intervened in this rate case to facilitate energy-efficiency
23 activities undertaken by MGE. The collaborative should serve in an advisory capacity to

1 help guide MGE's energy efficiency planning and implementation process. MGE should
2 determine and implement the most appropriate and cost-effective slate of energy
3 efficiency programs to meet the needs of its customers and share-holders;

4 (2) Require MGE to commit to adequate funding to implement the energy efficiency
5 programs identified by MGE which are determined to be cost effective. Annual funding
6 levels should begin at 0.5 percent of MGE's annual operating revenues (which would be a
7 funding level of approximately \$4 million) beginning in calendar year 2010 and increase
8 to 1.0 percent of its annual operating revenues (or a funding level of approximately \$7
9 million) by calendar year 2012.

10 (3) Require MGE to continue to report progress to the Commission and the EEC regarding
11 its energy efficiency program design and implementation on a regularly scheduled basis
12 to be recommended by MGE in consultation with the EEC until such time as MGE
13 formally recommends to the Commission a specific end date for such reports. MGE
14 should continue to provide program details, data and updates on a regularly scheduled
15 basis to the EEC.

16 (4) Continue the energy efficiency initiatives with the assistance and coordination of the EEC
17 until such time MGE files new proposed tariff sheets intended to implement a general
18 rate increase for natural gas service, using the outstanding balance of funds collected for
19 these programs.

20 (5) Require MGE to place any outstanding funds collected for energy efficiency initiatives as
21 well as future energy efficiency funds into an interest bearing account and to use any
22 proceeds from earned interest to support any energy efficiency initiatives undertaken by
23 MGE.

1 The EC is proposing that funding for the energy efficiency initiatives and LIWAP continue to
2 be recovered in rates.

3 **Q. Does MGE propose energy efficiency programs in this case?**

4 A. Yes. MGE is recommending the continuation of programs established in its last rate case,
5 GR-2006-0422 and GT-2008-0005. MGE proposes to expand the current program to include
6 Small General Service customers under certain conditions (Direct Testimony, David
7 Hendershot, page 2, lines 8-22 and page 3, lines 1-2)

8 **Q. Do you agree that reductions in natural gas consumption could result in downward
9 pressure on the wholesale market and help to lower natural gas prices?**

10 A. Yes. According to a recent study completed by the American Council for an Energy-
11 Efficient Economy (ACEEE), reductions in natural gas consumption could result in
12 wholesale natural gas price reductions. Because of the very tight and volatile U.S. natural
13 gas market, the study estimated that a reduction of about 1 percent per year in total U.S. gas
14 demand could potentially result in wholesale natural gas price reductions of 10 to 20 percent.
15 The study identifies new energy policies and additional funding for energy efficiency
16 programs necessary to achieve savings significant enough to reduce the wholesale price of
17 natural gas as well as to generate direct cost savings to natural gas consumers. The study
18 estimated an annual energy efficiency investment by each of the 8 Midwest states, including
19 Missouri, based on each state's proportional allocation of total projected regional natural gas
20 savings in 2010. From a regional perspective, in order to reduce natural gas demand
21 sufficiently to pressure wholesale prices downward, the study roughly estimated that
22 Missouri would be required to expend approximately \$12 million per year for natural gas
23 related energy efficiency programs through the year 2020. The study estimates that the

1 dollar savings impact of the associated natural gas price reductions from this level of
2 investment would be approximately \$921 million for Missouri by 2015 and an additional
3 \$847 million by the year 2020.¹

4 **Q. Will MGE's current investment in energy efficiency programs send sufficient price**
5 **signals to pressure wholesale prices lower?**

6 A. No. MGE should be commended for addressing and responding to the energy efficiency
7 needs of their residential and Small General Service natural gas customers. However, I do
8 not believe that MGE's current energy efficiency funding levels will result in sufficient
9 savings to contribute to lower wholesale natural gas prices. As I noted earlier in my
10 testimony, a more significant level of investment in energy efficiency is required to
11 potentially pressure natural gas wholesale prices lower. I am not suggesting that MGE alone
12 can have a significant impact on wholesale prices through its energy efficiency programs, but
13 MGE can and should contribute in a more meaningful way toward a regional reduction in
14 natural gas consumption.

15 **Q. Is there data to support the level of energy efficiency investments that would result in**
16 **direct benefits to natural gas customers, the utility, shareholders and potentially**
17 **pressure wholesale prices lower?**

18 A. Yes. In addition to the American Council on an Energy-Efficient Economy study, the
19 National Action Plan for Energy Efficiency sponsored by the USDOE and the United States
20 Environmental Protection Agency and prepared by 50 leading organizations, including a
21 variety of natural gas companies, noted the most effective energy efficiency projects were

¹ Examining the Potential for Energy Efficiency To Help Address the Natural Gas Crisis in the Midwest, January 2005, Report Number U051, American Council for an Energy-Efficient Economy

1 funded at a level equal to a minimum range of 0.5 to 1.5 percent of a natural gas utility's
2 annual operating revenue.² Based on the 2008 annual operating revenues reported by MGE,
3 the minimum level of annual energy efficiency program investments should be
4 approximately \$4 to \$7 million using MGE 2008 annual gross operating revenue of
5 \$738,601,373 (Response to Data Request, DNR-008, Michael Noack, MGE Gas Company,
6 August 3, 2009).

7 **Q. Were recommendations presented by the National Action Plan for Energy Efficiency**
8 **used by MGE in designing and implementing energy efficiency initiatives?**

9 A. Yes. The current MGE energy efficiency initiatives were based on information gathered from
10 the National Action Plan for Energy Efficiency (Direct Testimony, David Hendershot, pg. 3,
11 lines 10-19).

12 **Q. Did the Missouri General Assembly recently address energy efficiency issues?**

13 A. Yes. During the 95th General Assembly, 1st Regular Session, the Missouri General Assembly
14 addressed over 100 proposed bills that addressed energy investments including energy
15 efficiency. Senate Bill 376, the "Missouri Energy Investment Act", directs the Commission
16 to allow electric companies to implement and recover costs related to Commission-approved
17 energy efficiency programs with a goal of achieving all cost-effective demand-side savings.
18 Cost recovery shall only occur when the program has been approved by the Commission, the
19 program results in energy savings, and the program is beneficial to all customers in the class
20 for which the program is proposed. In determining recovery of costs, the Commission shall
21 use a cost-effectiveness test as described. The act allows the electric companies to implement
22 certain programs that are paid for through alternate measures even if the programs do not

² National Action Plan for Energy Efficiency, July 2006

1 meet the cost-effectiveness test. The Commission may develop cost recovery methods to
2 encourage further investments in energy efficiency programs, which may include
3 capitalization of investments, rate design modifications, accelerated depreciation, and
4 allowing the company to retain a portion of the net benefits for its shareholders. The
5 Commission is directed to fairly apportion the costs and benefits of energy efficiency
6 programs to each customer class except that it may reduce or exempt costs to low-income
7 classes. Senate Bill 376 was signed into law by Governor Nixon on July 13, 2009. The
8 statute provides the Commission with an essential tool to address utility energy efficiency
9 programs and recovery of expenses related to such programs. Although electric utilities are
10 the focus of the statute, the originally proposed bill included investor-owned natural gas
11 utilities.

12 **Q. What level of energy efficiency funding should the Commission consider for MGE?**

13 A. The EC recommends an annual amount beginning in 2010 at 0.5 percent of MGE's operating
14 revenue (approximately \$4 million) and increasing to 1.0 percent (approximately \$7 million)
15 by 2012 to implement cost-effective energy efficiency programs for its customers. These
16 recommended funding levels are minimum levels of investment to support energy efficiency
17 initiatives. This would result in a customer charge (all customers served by MGE) of
18 approximately \$0.67 per month in 2010 and increasing to \$1.17 per month by 2012.

19 **Q. Why is the EC recommending an incremental increase in energy efficiency funding by**
20 **MGE?**

21 A. In February 2009, President Obama signed into law the American Recovery and
22 Reinvestment Act of 2009 providing approximately \$200 million to Missouri to initiate or
23 expand existing energy efficiency programs. These federal stimulus funds, although

1 significant, are required to be expended no later than 2012. Further, based on guidance by
2 the Secretary of Energy, these funds may not be used to supplant existing energy efficiency
3 programs currently administered by the State of Missouri or by others, including utility
4 sponsored energy efficiency programs. The State of Missouri continues to plan for specific
5 use of these funds, however, the significant balance of these funds are intended to be used in
6 a wide scope of future energy efficiency and alternative/renewable programs statewide, that
7 are yet to be planned and implemented. To ensure that energy efficiency programs currently
8 administered by MGE are sustainable and result in uninterrupted energy savings and other
9 benefits to MGE natural gas customers, further investments by MGE in energy efficiency are
10 necessary.

11 **Q. Has the Commission used energy efficiency program funding based on utility operating**
12 **revenue?**

13 A. Yes. The Commission used utility operating revenue as a basis to fund energy efficiency
14 initiatives in Atmos Energy Corporation's last rate case, GR-2006-0387. Specifically, the
15 Commission, in its Report and Order stated, "Thus, the Commission finds that it would be
16 just and reasonable and in the public interest to implement a fixed delivery charge rate design
17 as proposed by Staff on the condition that Atmos contribute annually, one percent (1%) of its
18 annual gross revenues (currently, approximately \$165,000) to be used for an energy
19 efficiency and conservation program." (Report and Order, Missouri Public Service
20 Commission, GR-2006-0387, February 22, 2007, page 21).

21 **Q. Were Atmos Energy Corporation energy efficiency investments funded by shareholders**
22 **or by utility rates?**

1 A. Atmos Energy Corporation contributes funds to support their energy efficiency investments.
2 Atmos does not recover such expenses through rates. The Commission used the 1% of gross
3 revenues standard in Atmos' last rate case as the minimum level that the utility, not the
4 ratepayers, should expend in order to receive a Straight Fixed Variable rate design.

5 **Q. How should the Commission treat these energy investment funds?**

6 A. The EC recommends all energy efficiency funds expended by MGE be treated as a cost of
7 providing service by MGE and allow the recovery of such costs through rates as authorized
8 in MGE's last rate case GR-2006-0422.

9 **Q. Are there alternative means by which to fund energy efficiency investments by investor-**
10 **owned utilities in Missouri?**

11 Yes. An alternative means to fund energy efficiency investments by investor-owned utilities
12 in Missouri is to allow such expenditures to be reported to a regulatory asset account.
13 Utilities that use this funding process are allowed to amortize these costs over a ten (10)- year
14 period. Utilities are authorized to include such costs in their application to recover these and
15 similar expenditures in a future rate case at which time the Commission would evaluate
16 whether the costs were incurred in a prudent, just and reasonable manner.

17 **Q. Has the staff of the Commission recommended this method of cost recovery?**

18 A. Yes. Staff witness, Lena Mantle, Manager of the Energy Department, Utility Operations
19 Division, Missouri Public Service Commission, proposed this cost recovery process in
20 AmerenUE's last natural gas rate case, GR-2007-0003, as well as AmerenUE's electric rate
21 case, ER-2007-0002 (Direct Testimony, Lena Mantle, GR-2007-0003, page 2, lines 13-23;
22 page 3, lines 1-21; page 4, lines 1-23 and page 5, lines 1-4). In addition, the Commission has

1 approved this method of cost recovery in recent rate cases for Kansas City Power & Light
2 Company, Empire District Electric Company and Laclede Gas Company.

3 **IV. NATURAL GAS ENERGY EFFICIENCY INITIATIVES**

4 **Q. Does MGE witness Mr. Hendershot address MGE's natural gas energy efficiency**
5 **initiatives?**

6 A. Yes. Mr. Hendershot provides very general details related to the natural gas energy
7 efficiency initiatives approved by the Commission, GR-2006-0422 (Direct Testimony, David
8 Hendershot, page 3, lines 10-19).

9 **Q. Does MGE propose to continue the energy efficiency initiatives?**

10 A. Yes. MGE proposes to continue the energy efficiency initiatives, but is recommending
11 certain changes to the program (Direct Testimony, David Hendershot, page 2, lines 8-22; and
12 page 3, lines 1-2).

13 **Q. Please briefly summarize MGE's current energy efficiency initiatives.**

14 A. In MGE's last rate case, GR-2006-0244, MGE proposes and the Commission approved a
15 Residential Natural Gas Conservation Initiatives promotional program annually funded at
16 \$750,000. These initiatives included: A) Public Education Program component; and, B)
17 High -Efficiency Gas Water Heater Replacement Incentive Pilot Program. The Commission
18 approved the Public Education Program with an annual funding commitment by MGE at
19 \$45,000. Funds were to be used to promote MGE an institutional ENERGY STAR® partner
20 and provide energy efficiency information to MGE customers. The Commission approved
21 the High-Efficiency Gas Water Heater Replacement Incentive Pilot Program with an annual
22 funding commitment by MGE at \$705,000. Funds were to be used to implement an incentive

1 program designed to assist customers with natural gas conservation efforts through the
2 replacement of water heaters with high efficiency gas water heaters.

3 Funds were divided into three categories:

4 (1) \$533,800 for rebates in the form of utility billing credits for qualifying efficiency
5 measures;

6 (2) \$100,000 for promotion and advertising expense; and

7 (3) \$71,000 for administrative expenses associated with the program.

8 **Q. Please describe participants eligible to participate in these energy efficiency initiatives.**

9 A. As described in MGE tariffs, program participants included an existing (MGE) customer
10 with an active account who is being served under either the Company's Residential or Small
11 General Service (domestic use customers only in the SGS rate class) rate class who purchases
12 and installs a qualifying efficient natural gas water heater.

13 **Q. Please summarize MGE's proposed changes to the Residential Natural Gas**
14 **Conservation Initiative.**

15 A. MGE is proposing to expand the program to include Small General Service customers
16 (beyond domestic use customers within the SGS rate class) (Direct Testimony, David
17 Hendershot, page 2, line 14).

18 **Q. Please briefly summarize MGE's rationale for the proposed changes.**

19 A. According to MGE, the proposed changes to the program include:

20 (1) Adoption of a Small General Service rate design that leaves MGE financially indifferent
21 to volumes consumed by small general service customers; and

22 (2) Inclusion of the costs of these initiatives in the calculation of rates (Direct Testimony,
23 David Hendershot, pg. 2, lines 16-22 and; page 3, lines 1-2);

1 **Q. Do you agree with the proposed changes presented by MGE?**

2 A. Yes. The EC agrees that the energy efficiency initiatives should be expanded to include
3 Small General Service customers, however, the EC does not propose to couple the expansion
4 of the current energy efficiency initiatives to include Small General Service customers with a
5 specific rate design. The EC proposes greater investments in energy efficiency by MGE and
6 to expand the program to include Small General Service customers.

7 **Q. Please briefly summarize the status of the MGE energy efficiency initiatives.**

8 A. According to MGE, since inception August 2007 through April 2009, the High-Efficiency
9 Gas Water Heater Replacement Incentive Pilot Program has provided bill tax credits totaling
10 \$80,800 for 558 high-efficiency water heating systems purchased and installed by qualified
11 MGE customers. The program was expanded to include high-efficiency natural gas space
12 heating systems in 2009. From March through April 2009, MGE has provided utility billing
13 credits totaling \$11,575 for 55 high-efficiency space heating systems and 23 ENERGY
14 STAR® rated programmable thermostats. As of June 2009, MGE has a balance of
15 approximately \$996,479 in the program budget (Response to Data Request, DNR-0001,
16 Michael Noack, MGE, August 4, 2009). Effective August 6, 2009, MGE expanded the
17 energy efficiency initiative to include the Home Performance with ENERGY STAR® which
18 is a whole-house approach to energy efficiency that includes improvements to residential
19 building envelopes including but not limited to windows, doors, wall insulation among
20 others. Approximately \$200,000 from MGE's efficiency rebate program will be used to fund
21 this efficiency initiative.

1 **Q. Please describe similar natural gas rebate programs offered by Missouri regulated**
2 **natural gas companies approved by the Commission.**

3 A. AmerenUE initiated a similar natural gas rebate pilot program with funding at \$165,000 over
4 a 3-year period. Pursuant to the Stipulation and Agreement in GR-2003-0517, a
5 collaborative group consisting of AmerenUE, Staff, OPC and the EC was established to
6 design the components of the residential and commercial energy efficient equipment
7 program. The collaborative has met regularly since the inception of the program.
8 AmerenUE provided funding of \$55,000 in 2004, \$81,550 in 2005 and \$55,800 in 2006 to
9 support rebate programs for ENERGY STAR® qualified residential furnace replacement and
10 residential programmable thermostats; residential hot water heater wraps, hot water pipe
11 insulation and low flow showerheads; and commercial ENERGY STAR® qualified energy
12 efficient natural gas utilization equipment.

13 Since its inception, AmerenUE has successfully implemented the rebate program, including
14 the commercial rebate component. September 2007 marks the end of the third and final
15 phase of the program authorized in GR-2003-0517, and AmerenUE has expended nearly all
16 available funds.

17 Because of the success of the program, in AmerenUE's last general rate case, GR-2007-0003,
18 the Commission approved the continuation of the program with funding at \$100,000 per
19 year, nearly doubling energy efficiency investments (Stipulation and Agreement, GR-2007-
20 0003, pg. 17).

21 **Q. Please summarize the progress of the AmerenUE rebate program.**

22 A. According to AmerenUE witness, Mr. Richard Mark, the residential furnace rebate
23 program and the commercial gas utilization equipment programs were successful (GR-2007-

0003, Direct Testimony, Richard J. Mark, pg. 9, line 18-22 and pg. 10, line 1-22.) Mr. Mark noted that the rebate programs addressing programmable thermostats and low-cost measures including water heater wraps and pipe insulation were not as successful, but AmerenUE “continued these programs in an attempt to provide a benefit to those customers who are unable to participate in the alternative programs.” (GR-2007-0003, Direct Testimony, Richard J. Mark, pg. 10, line 15-22 and pg. 11, line 1-2)

The program was funded at \$55,000 in 2004. As noted by Mr. Mark, the residential furnace rebate program and the commercial natural gas equipment rebate programs were well-received. Due to the overwhelming response to the residential furnace and commercial gas utilization programs that depleted all available funds in these rebate categories, AmerenUE increased funding for the program to \$81,550 in 2005.

Funds for programmable thermostats and low-cost measures categories were reduced due to the limited response; however, the residential furnace and commercial gas utilization equipment rebate funding levels were nearly doubled, with the residential rebates raised from \$33,334 in 2004 to \$63,100 in 2005. Commercial rebates were increased from \$8,333 in 2004 to \$16,500 in 2005. During the 2005 program year, 249 residential customers replaced older less efficient natural gas furnaces with higher efficiency ENERGY STAR® qualified furnaces. In addition, 22 AmerenUE commercial gas customers participated in the program. Available funds for these rebate categories were exhausted by the end of the program period. In the 2006 program year that began October 2006, total available funds were limited to \$55,850 since the program was authorized at \$165,000 over a three-year period. Funds for programmable thermostats were maintained at \$2,250 consistent with the number of rebates issued in the 2005 program period. Residential furnace rebates were funded at \$41,600 or

1 \$21,500 below the 2005 program year level; and, commercial gas utilization equipment
2 rebates were reduced to \$4,500 from \$12,000.
3 Following the Commission's approval in GR-2007-003, as of June 22, 2009, AmerenUE has
4 paid \$72,675 or approximately 54 percent of the \$136,200 in incentive rebates. AmerenUE
5 has an uncommitted fund balance of just \$63,525 available through December 2009.

6 **Q. Does this conclude your testimony?**

7 **A.** Yes. Thank you.

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

In the Matter of MGE Gas Company's)
Tariff to Revise Natural Gas Rate Schedules)

Case No. GR-2009-0355

AFFIDAVIT OF JOHN A. BUCHANAN

STATE OF MISSOURI)
)**SS**
CITY OF JEFFERSON)

John A. Buchanan, of lawful age, being duly sworn on his oath, deposes and states:

1. My name is John A. Buchanan. I work in the City of Jefferson, Missouri, and I am employed by the Missouri Department of Natural Resources as Senior Planner, Missouri Energy Center, Office of the Director.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of the Missouri Department of Natural Resources – Missouri Energy Center consisting of 17 pages all of which have been prepared in written form for introduction into evidence in the above-referenced docket.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge.



John A. Buchanan

Subscribed and sworn to before me this 21st day of August, 2009



Notary Public

My commission expires:

KAY A. JOHANNPETER
Notary Public - Notary Seal
STATE OF MISSOURI
Moniteau County
My Commission Expires: Aug. 4, 2011
Commission # 07551967

