

FILED³

APR 20 2007

Missouri Public
Service Commission

Exhibit No.:

Issues: DMS and Weatherization
Program

Witness: Lena M. Mantle

Sponsoring Party: MO PSC Staff

Type of Exhibit: Rebuttal Testimony

Case No.: ER-2007-0002

Date Testimony Prepared: January 31, 2007

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

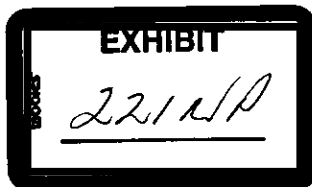
LENA M. MANTLE

**UNION ELECTRIC COMPANY d/b/a
AMERENUE**

CASE NO. ER-2007-0002

Jefferson City, Missouri
January 2007

**** Denotes highly confidential information ****



Staff exhibit no. 221NP
Date 3/12/07 Case No. ER-2007-0002
Reporter **NP**

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

In the Matter of Union Electric Company)
d/b/a AmerenUE for Authority to File)
Tariffs Increasing Rates for Electric)
Service Provided to Customers in the)
Company's Missouri Service Area.)

Case No. ER-2007-0002

AFFIDAVIT OF LENA M. MANTLE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Lena M. Mantle, of lawful age, on her oath states: that she has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 5 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true to the best of her knowledge and belief.


Lena M. Mantle

Subscribed and sworn to before me this 30th day of January, 2007



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06842085


Notary Public

My commission expires 9-21-10

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

TABLE OF CONTENTS

REBUTTAL TESTIMONY

OF

LENA M. MANTLE

UNION ELECTRIC COMPANY d/b/a
AMERENUE

CASE NO. ER-2007-0002

DSM GOALS AND REQUIREMENTS 2

WEATHERIZATION PROGRAM 4

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

REBUTTAL TESTIMONY
OF
LENA MANTLE
UNION ELECTRIC COMPANY d/b/a
AMERENUE
CASE NO. ER-2007-0002

Q. Please state your name and business address.

A. My name is Lena M. Mantle and my business address is Missouri Public Service Commission, P. O. Box 360, Jefferson City, Missouri 65102.

Q. Are you the same Lena M. Mantle who has filed prepared direct testimony in this case?

A. Yes, I am.

Q. Would you please summarize your rebuttal testimony?

A. In my testimony, I will present the position of the Staff of the Public Service Commission (Staff) regarding the demand-side management (DSM) goals and the finding of the weatherization program that were recommended in the direct testimony of Missouri Department of Natural Resources Missouri Energy Center (MEC) witness Brenda Wilbers.

I believe that DSM energy and capacity goals are important. Such goals show a commitment to the development of DSM resources. However, I do not believe that a minimum dollar amount for spending should be specified.

Staff agrees that Union Electric Company d/b/a AmerenUE's (AmerenUE) weatherization program should be continued at the annual funding level of \$1.2 million as proposed by MEC. However, I am recommending that the funding of the program should be

shared by the ratepayers and Ameren's shareholders. I am also recommending that the Commission order AmerenUE to do a process and impact analysis of its weatherization program and file a sheet to be placed in its tariff that describes the program funding and eligibility requirements for weatherization.

DSM GOALS AND REQUIREMENTS

Q. What are the DSM goals that MEC recommends the Commission set for AmerenUE?

A. In her direct testimony, Ms. Wilbers recommends that the Commission set DSM goals as a percent of growth in both peak demand and energy. Based on the peak demand and energy forecast used in AmerenUE's preferred resource plan filed in its resource planning case, I calculated the following megawatt (MW) and megawatt hour (MWh) reduction goals that correspond to these percentages.

Table 1

Year		Percent Reduction		Estimated Reduction in Growth in:			
				Peak Demand (MW)		Energy (MWh)	
**	_____	**	_____	**	_____	**	_____
**	_____	**	_____	**	_____	**	_____
**	_____	**	_____	**	_____	**	_____
**	_____	**	_____	**	_____	**	_____

Q. Do you find these goals to be unreasonable?

A. For a utility the size of AmerenUE, I do not find these goals to be unreasonably high. However, the goals may be unreasonably low since AmerenUE witness Mr. Moehn states in his direct testimony that long term goals "may be as high as 300 MW as modeled in the AmerenUE IRP filing." (Moehn direct, pg. 16, lns. 12-14) In addition, AmerenUE witness Robert J. Mill proposes in his direct testimony for this case an Industrial Demand

Rebuttal Testimony of
Lena M. Mantle

1 Response Pilot. This DSM pilot would limit participation to a total demand response
2 aggregated load of 100 MW. (Mills direct, pg. 12 lns. 3-4) Taking this into account,
3 ** __ ** MW is an unreasonably low goal.

4 Q. Would you please explain more about why the Commission should not require a
5 dollar amount funding for DSM programs?

6 A. One of the objectives of the Commission's Electric Utility Resource Planning
7 rules (Chapter 22) is that demand-side and supply-side resource should be evaluated on an
8 equivalent basis (4 CSR 240-22.010(2)(A)). To require a specified level of resources be
9 spent on DSM programs does not treat supply-side and demand-side resources on an
10 equivalent basis. More important than the amount to be spent on DSM programs is whether
11 or not DSM is cost-effective for AmerenUE's customers. It is Staff's position that DSM
12 programs should be carefully screened, all cost-effective DSM programs should be further
13 evaluated in an integrated recourse planning screening model and, if a program is shown to
14 be a cost effective resource, the risk and uncertainty of that program should be evaluated. At
15 that point in the analysis, a DSM program should be implemented. DSM programs should
16 not be implemented solely to meet a dollar spending requirement.

17 Q. What recommendations do you have for the Commission regarding DSM goals?

18 A. I recommend that the Commission require AmerenUE to adopt the DSM goals
19 that MEC proposes as shown in Table 1 and also require that peak demand and energy
20 reduction goals be revised after the Staff, Office of Public Counsel, MEC and other parties
21 that intervene in the upcoming case have had an opportunity to review the comprehensive
22 resource planning filing that AmerenUE has agreed to make on February 5, 2008 in Case No.
23 EO-2006-0240.

Rebuttal Testimony of
Lena M. Mantle

I am also recommending that the Commission not set an expenditure amount goal for DSM programs.

WEATHERIZATION PROGRAM

Q. Please explain the weatherization program.

A. The weatherization program was initiated as a result of the Stipulation and Agreement in the Staff complaint case, Case No. EC-2002-1. AmerenUE funds \$1.2 million dollars for weatherization of low income homes in AmerenUE's territory. The program is administered through local community action agencies. The funding for the program was provided by Ameren.

Q. What is MEC recommending regarding AmerenUE's weatherization program?

A. MEC recommends that AmerenUE's current weatherization program be continued "at an annual funding level of \$1.2 million annually until AmerenUE's next rate case or until the commission rescinds the program by Order." (Wilbers direct, pg. 11, ln.18-21)

Q. Do you agree with MEC's recommendations regarding the weatherization program?

A. For the most part, I do agree with Ms. Wilbers. I agree that the current program should be continued with a distribution to the affected community action agencies in October 2007. (Wilbers direct, pg. 11, ln. 23 - pg. 12, ln. 1) However, Ms. Wilbers implies that this cost should be recovered from the rate payers when she describes the cost at approximately \$0.09 per customer per month. (Wilbers direct, pg. 12, ln. 4-6) I recommend that the Ameren fund 50 percent (i.e., \$600,000) of the program costs. The other 50 percent should be recovered from AmerenUE ratepayers.

Rebuttal Testimony of
Lena M. Mantle

1 Q. Do you have anything that you would like to add to Ms. Wilbers proposal?

2 A. Yes. The weatherization program is not included in AmerenUE's electric tariffs.
3 Therefore, I recommend that the Commission require AmerenUE to include the
4 weatherization program in its electric tariff in order for AmerenUE customers to know the
5 funding and the eligibility requirements for the program.

6 I also recommend that the Commission require AmerenUE to do a process and impact
7 evaluation of the current program to determine any improvements which could be made to
8 the program and the amount of energy savings being achieved by this program. The payment
9 for this evaluation could be from the amount set aside for this program but it should not cost
10 more than \$120,000.

11 Q. Does this conclude your rebuttal testimony?

12 A. This concludes my testimony for the revenue requirement rebuttal filing of this
13 case. I will also be filing in the class cost of service and rate design rebuttal filing.