BEFORE THE PUBLIC SERVICE COMMISION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a	)	
Ameren Missouri's 2nd Filing to Implement	)	File No. EO-2015-0055
Regulatory Changes in Furtherance	)	
Of Energy Efficiency as Allowed by MEEIA.	)	

OPC'S POSITION STATEMENT

COMES NOW the Missouri Office of Public Counsel ("OPC" or "Public Counsel"), by and through undersigned counsel, and for *OPC's Position Statement*, states as follows:

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

No. Deprivation of service cannot qualify as a demand-side program per the Commission's own MEEIA rules as described in 4 CSR 240-20.092(1)(M) which states:

> Demand-side program means any program conducted by the utility to modify the net consumption of electricity on the retail customer's side of the electric meter, including, but not limited to, energy efficiency measures, load management, demand response, and interruptible or curtailable load, but **not including deprivation of service** or low-income weatherization. (emphasis added)

Under traditional billing, customers can already prepay, receive text or e-mail alerts, and can review data related to their account, etc. The only added element to "flex pay" pilot program is the threat of disconnection, or rather, the threat of depriving service. Thus, this program is ineligible pursuant to the Missouri Public Service Commission's ("Commission") own rule. The Commission should reject the proposed "flex pay" pilot program.

Public Counsel's position is that the Commission need not address issues 2-4. All other position statements are subject to this position.

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

The Ameren Missouri "flex pay" pilot program is not cost effective today, and per Ameren Missouri's assumptions, would only be cost effective, fully deployed, in the future. And, the program would have to target customers with bad debt and arrearages, many of whom are "low-income." To establish cost-effectiveness on a fully deployed program requires speculation.

The Kansas Corporation Commission in Docket No. 14-WSEE-148-TAR ordered Westar to cease its pilot prepay bill collections (notably not an energy efficiency program) program stating:

> The Commission agrees with both Staff and CURB that Westar's Status Report fails to demonstrate sufficient benefits of the Prepay Program to make it permanent. Westar fails to provide an estimate of how much of the $305,604 arrears debt collected through the Prepay Program would not have been collected absent the Prepay Program. Without such an estimate, there is no way to know how much, if any, of the $305,604 collected through the Prepay Program would have been recovered by Westar through other means. . .
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> By its admitted failure to produce a traditional, program-specific cost benefit analysis, Westar cannot demonstrate the efficacy of the pilot program and certainly cannot meet its burden to prove establishing a permanent Prepay Program is justified. Westar has not presented a sufficient record to justify making the Prepay Program permanent. Accordingly, the Commission denies Westar's Motion to Convert Prepay Pilot Program into Permanent Program.

Ameren Missouri has similarly failed to provide a sufficient record to establish how much arrears debt would be collected absent the "flex pay" pilot program. Another deficiency with Ameren Missouri's proposal is that it fails to identify cost information on the payment processing fees for participants, that is, how much money participants are charged to reestablish service or to add more money onto their balance.

Ameren Missouri's program fails to consider both participant and non-participant non-energy costs ("NEC's") as a necessary input to inform appropriate, objective, valuation of this program. Public Counsel strongly recommends inclusion of NECs which consistent with prior Commission MEEIA order(s) in EX-2016-0334.

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

Ameren Missouri fails to mitigate against issues with defining low-income such as future changes in income status; however, OPC would recommend that 200% of the federal poverty line as suggested by Ameren Missouri witness Bill Davis is an appropriate parameter. This would mean all households with an annual income below $50,200 for a family of four. OPC has additional concerns with how Ameren Missouri would intend to police these requirements.

OPC would further recommend that ratepayers whose annual household income is below 200% of the federal poverty line and/or is in bad debt or arrearage not be eligible for participation in the prepay program.

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

OPC would recommend the following conditions:

- Withdraw the program as a MEEIA pilot and submit the program in a future rate case as a billing/collections pilot option where all relevant factors can be considered.
- Residential ratepayers making below 200% of the federal poverty line and/or residential ratepayers who currently have bad debt or are in arrearages with Ameren Missouri should not be eligible for participation.

- The Commission should require that Ameren Missouri obtain approval from an Institutional Review Board ("IRB") to ensure that the programs "research" conforms to proper ethical treatment of human subjects as prerequisite for approval.
- DEFG, other companies affiliated with DEFG or Dr. Jay Zarnikau, and/or any previous contractual employees of DEFG should be excluded for consideration regarding the independent, 3rd party evaluation and/or implementation of the "Flex Pay" Program Pilot to prevent perceived or realized conflicts of interest.
- Marketing of this program should be made in plain, easily understood language that explicitly states that both prepayment of a customer's electric bill and message alerts are options available to all customers irrespective of this program. Marketing should also clearly state that the "flex pay" pilot program requires customers to surrender certain codified consumer rights and allows Ameren Missouri the opportunity to shut off their power with no grace period. Because the Company's testimony states it believes immigrants should be targeted for this program, any communication with non-native speakers should be in the customer's native language so as not to confuse potential program participants.
- Any cost-benefit analysis of the program should include non-energy costs as an input in evaluation.
- The Commission should re-design the pilot program so as to not require variances from this Commission's lawfully promulgated rules.

WHEREFORE, OPC respectfully requests that this Commission consider *OPC's Position Statement*.

Respectfully submitted,

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 18th day of April, 2018.

/s/ Curtis Schube