

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

CENTRAL ILLINOIS LIGHT COMPANY)	
d/b/a AmerenCILCO)	
)	
CENTRAL ILLINOIS PUBLIC SERVICE)	
COMPANY)	07-0539
d/b/a AmerenCIPS)	
)	
ILLINOIS POWER COMPANY)	
d/b/a AmerenIP)	
)	
Approval of the Energy Efficiency and)	
Demand-Response Plan.)	

INITIAL BRIEF OF THE CITIZENS UTILITY BOARD

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Anne McKibbin
Attorney
208 S. LaSalle, Suite 1760
Chicago, Illinois 60604
312-263-4282
312-263-4329 fax
amckibbin@citizensutilityboard.org

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The Commission initiated this proceeding to review the Energy Efficiency and Demand-Response Plan submitted by Central Illinois Light Company d/b/a AmerenCILCO, Central Illinois Public Service Company d/b/a AmerenCIPS, Illinois Power Company d/b/a AmerenIP (Collectively “Ameren” or “the Companies”) pursuant to 220 ILCS 5/12-103 on November 15, 2007. The Citizens Utility Board (“CUB”) respectfully submits this initial brief to recommend that the Commission adopt Ameren’s plan with the modifications discussed below.

CUB Exhibit 1.0, the direct testimony of Christopher C. Thomas, detailed two problems with Ameren’s plan. First, “Ameren’s cost estimates are only assumptions, which are not based on the Company’s own experience,” and are inconsistent with Ameren’s proposed budget. CUB Ex. 1.0 at 2, 4, 6. Instead, the Commission should ensure that Rider EDR only recovers actual costs. *Id.* Second, “Ameren must maximize the value of the direct load control program and return any financial benefits to customers by modifying Rider EDR.” *Id.* at 2. To that end, Mr. Thomas’ testimony suggested tariff language that would account for any future financial benefits

from the use of demand response programs. *Id.* at 8. Ameren's rebuttal testimony resolved both problems.

I. AMEREN'S PROPOSED COST ESTIMATES

In rebuttal testimony, Ameren witness Leonard M. Jones addressed CUB's recommendation that the Commission ensure that Ameren only recover actual costs. Ameren Ex. 8.0 at 4-5. Specifically, Mr. Jones stated Ameren's intent that Rider EDR should only recover Ameren's actual costs to implement energy efficiency and demand response measures. Further, Mr. Jones noted that the Automatic and Ordered Reconciliation Adjustments will ensure that customers only pay for actual costs, resolving CUB's concern. Ameren Ex. 8.0 at 5.

Mr. Jones expressed concern, however, that CUB witness Thomas' testimony might imply that Rider EDR should not recover DCEO's actual costs. *Id.* That was not the intent of Mr. Thomas' testimony. Instead, CUB only wants to ensure that the Rider in Ameren's testimony recover actual, as opposed to estimated, costs for the programs, whether implemented by Ameren or DCEO.

Further, Ameren witness Val R. Jensen's rebuttal testimony resolved the inconsistency, noted in Mr. Thomas' direct testimony, between Ameren's cost estimate assumptions and its proposed budget. Mr. Jensen's testimony included attached exhibits that correct the error that caused the inconsistency and show the correction's effect on Ameren's proposed plan. Ameren Ex. 9.0 at 17-18.

II. THE COMMISSION MUST DIRECT THE COMPANY TO MAXIMIZE THE DIRECT LOAD CONTROL PROGRAM'S VALUE AND RETURN ANY FINANCIAL BENEFITS TO CUSTOMERS

Mr. Jones' rebuttal testimony also resolved CUB's concern that Ameren must maximize the value of its direct load control program and return any financial benefits to customers via

Rider EDR. Ameren Ex. 8.0 at 5-6. CUB's direct testimony suggested the following tariff language to ensure that Ameren pass any future revenues from a MISO program to encourage demand response along to customers:

Factor RIC – Reimbursement of Incremental Costs, in [dollars], that are equal to funds from any source other than the application of EDRC that the Company expects to receive that are associated with the applicable twelve (12) month period of an ICC approved energy efficiency and demand response plan, if any, directly related to the implementation of programs and not otherwise credited.

CUB Ex. 1.0 at 8 (proposed tariff language). In addition, CUB recommended that the formula for Ameren's EDR Charge be changed as follows:

$$\text{EDRC} = [(\text{PC} + \text{RIC} + \text{ARA} + \text{ORA}) / \text{PE}] \times \text{UF} \times [100/1]$$

CUB Ex. 1.0 at 8. Ameren does not object to the addition of this proposed tariff language.

Ameren Ex. 8.0 at 6. Consequently, it should be incorporated into Rider EDR.

III. THE COMMISSION SHOULD AUTHORIZE AN ONGOING COLLABORATIVE PROCESS

CUB supports the Attorney General's recommendation that the Commission authorize an ongoing collaborative process to develop evaluation methods, review program performance data, and recommend timely adjustments to the proposed programs. Doing so will help ensure that these programs meet the statutorily-mandated annual energy efficiency and demand response goals at a cost that is reasonable and prudently incurred, as required by statute. 220 ILCS 12-103(e).

CONCLUSION

CUB respectfully recommends that the Commission approve Ameren's Energy Efficiency and Demand-Response Plan, with the addition of the tariff language stated above.

Respectfully submitted,

THE CITIZENS UTILITY BOARD



Anne McKibbin
Attorney
CITIZENS UTILITY BOARD
208 S. LaSalle, Suite 1760
Chicago, IL 60604
(312) 263-4282 x111
(312) 263-4329 fax
amckibbin@citizensutilityboard.org

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