ICC STAFF EXHIBIT 2.0R

REVISED

DIRECT TESTIMONY

OF

JENNIFER L. HINMAN

ECONOMIC ANALYST

POLICY DIVISION

ILLINOIS COMMERCE COMMISSION

RECONCILIATION OF REVENUES COLLECTED UNDER RIDER EDR WITH THE ACTUAL COSTS ASSOCIATED WITH ENERGY EFFICIENCY AND DEMAND-RESPONSE PLANS.

RECONCILIATION OF REVENUES COLLECTED UNDER RIDER GER WITH THE ACTUAL COSTS ASSOCIATED WITH NATURAL GAS ENERGY EFFICIENCY PLANS.

AMEREN ILLINOIS COMPANY

DOCKET NO. 11-0341

MARCH 12, 2013

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I. INTRODUCTION

A. WITNESS QUALIFICATIONS

Q. Please state your name, business address, and job title.

A. Jennifer L. Hinman, Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, Illinois 62701. I am employed as an Economic Analyst in the Policy Division under the Bureau of Public Utilities at the Illinois Commerce Commission ("ICC" or "Commission").

Q. Describe your educational background.

A. In May of 2010, I graduated from Illinois State University with a Master of Science degree in Applied Economics with a specialization in the Electricity, Natural Gas, and Telecommunications Economics Regulatory sequence. In May of 2008, I earned a Bachelor of Arts degree in Economics with a Financial Certificate and graduated summa cum laude from the University Honors Program at Armstrong Atlantic State University in Savannah, Georgia.

Q. Describe your professional experience.

A. Prior to joining the Commission Staff ("Staff") in April of 2010, I worked as a Graduate Assistant in the Applied Economics Department at Illinois State University. I was an intern in the Regulatory Department at AT&T Illinois in Chicago during the summer of 2009. During my time at AT&T, I analyzed, compiled, graphed, and provided detailed recommendations on AT&T Illinois' Alternative Regulation Plan on individual service margins. In addition, I reviewed the tariffing process and assisted in the filing of wholesale tariffs.

B. SUBJECT MATTER

Q. What is the subject matter of this proceeding?

A. This case, initiated on April 12, 2011 by the Commission, concerns the reconciliation of the revenues collected under Rider EDR – Energy Efficiency and Demand-Response Cost Recovery ("Rider EDR") – and Rider GER – Gas Energy Efficiency Cost Recovery ("Rider GER") – with the actual incremental costs prudently and reasonably incurred in connection with approved electric Energy Efficiency and Demand-Response ("EDR") Measures[1] and Gas Energy Efficiency ("GEE") Measures[2] (collectively, "EE" measures) implemented by Ameren Illinois Company ("Ameren" or "Company").

This proceeding is the second annual review of Ameren's Riders EDR and GER, and is for the reconciliation period that began with the June 2009 monthly billing period and that extended through the May 2010 monthly billing period, Plan Year 2 or Program Year 2 ("PY2") reconciliation period.

The Commission-approved EDR Measures are set forth in Ameren's EDR Plan[3] that was filed in Docket No. 07-0539 ("EDR Plan Docket") pursuant to the

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[1] "EDR Measures (Measures) mean activities and programs that are developed, implemented, or administered by or for the Company, or the Illinois Department of Commerce and Economic Opportunity (DCEO), related to energy efficiency and demand-response plans approved by the Illinois Commerce Commission (ICC) pursuant to Section 8-103 of the Act." (Ameren Illinois, Rider EDR, Ill. C. C. No. 1, Original Sheet No. 42).

[2] "GEE Measures (Measures) mean activities and programs that are developed, implemented, or administered by or for the Company, or the DCEO, related to gas energy efficiency plans approved by the Illinois Commerce Commission (ICC) pursuant to a Commission Order." (Ameren Illinois, Rider GER, Ill. C. C. No. 2, 1st Revised Sheet No. 41).

[3] Ameren CILCO, et al., Docket No. 07-0539, Ameren Ex. 1.1, *Ameren Illinois Utilities Energy Efficiency and Demand Response Plan*, Nov. 15, 2007 ("EDR Plan")

provisions now found at Section 8-103[4] of the Illinois Public Utilities Act ("PUA" or "Act"). On February 6, 2008, Ameren's EDR Plan was approved by the Commission subject to the conditions, modifications, and requirements stated in the EDR Plan Order.[5] The Commission-approved GEE Measures are set forth in Ameren's GEE Plan[6] that was filed in Docket No. 08-0104 ("GEE Plan Docket"). On October 15, 2008, Ameren's GEE Plan was approved by the Commission subject to the conditions, modifications, and requirements stated in the GEE Plan Order.[7]

C. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to provide recommendations to the Commission based on my review of the Company's filing.

D. ATTACHMENTS

Q. Are you attaching any exhibits to your direct testimony?

A. Yes. Staff Ex. 2.1 contains Ameren's Data Request Response ("Ameren's DRR") to the Citizens Utility Board ("CUB") Data Request ("DR") 2.01 including CUB 2.01 Attach, and Ameren's response to Staff DR JLH 1.05 including JLH 1.05 Attach.

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[4] Section 12-103 of the Act was amended and renumbered as Section 8-103 by Public Act 95-0876, effective as of August 21, 2008.

[5] Ameren CILCO, et al., Docket No. 07-0539, Final Order, Feb. 6, 2008 ("EDR Plan Order")

[6] Ameren CILCO, et al., Docket No. 08-0104, Ameren Ex. 1.1, *Ameren Illinois Utilities Natural Gas Energy Efficiency Plan*, Feb. 11, 2008 ("GEE Plan")

[7] Ameren CILCO, et al., Docket No. 08-0104, Final Order, Oct. 15, 2008 ("GEE Plan Order")

II. FINDINGS AND RECOMMENDATIONS – SMALL BUSINESS HVAC PROGRAM

Q. Please explain Staff Ex. 1.0, Schedule 1.2.

A. Schedule 1.2 presents my adjustment to Rider GER recoverable costs to disallow all Small Business ("SB") HVAC Program costs recovered through Rider GER for PY2.

Q. Why are you proposing to disallow the Small Business HVAC Program costs?

A. The costs associated with the Company's expenditures on the Small Business HVAC Program do not appear to be reasonably and prudently incurred. Ameren acted imprudently and unreasonably by continuing to spend ratepayer funds on the SB HVAC Program despite clear evidence that the projected benefits of the program did not exceed the projected costs.

I recommend that the Commission approve my adjustment to Rider GER recoverable costs to disallow all SB HVAC Program costs recovered through Rider GER for PY2, $131,771.[8]

Q. Has the Commission previously defined prudence?

A. Yes, the Commission has defined prudence as:

> […] that standard of care which a reasonable person would be expected to exercise under the circumstances encountered by utility management at the time decisions had to be made. In determining whether or not a judgment was prudently made, only those facts available at the time the judgment was exercised can be considered. Hindsight review is impermissible. Imprudence cannot

[8] $131,771 [=(SAIC $130,801.68 + Simantel $969.53)]. (Ameren's DRR-Staff ST 1.01G Attach).

> be sustained by substituting one's judgment for that of another. The prudence standard recognizes that reasonable persons can have honest differences of opinion without one or the other necessarily being "imprudent".

(Docket No. 84-0395, Final Order at 17, Oct. 7, 1987).

Q. Please describe the basis for your proposed disallowance, including your understanding of the circumstances encountered by utility management at the time decisions had to be made regarding the Small Business HVAC Program.

A. Ameren was provided evidence early in PY2 that the PY1 results for the SB HVAC Program were extremely poor and the program was not providing net benefits to Illinois ratepayers (Total Resource Cost test[9] ("TRC")=0.22).[10] At that time, the current (TRC=0.08) and forecasted (TRC=0.34) cost effectiveness estimates for the PY2 SB HVAC Program were resoundingly insufficient to continue this program. (Ameren's DRR-Staff JLH 4.01R Attach 2 at 3,5; Ameren's DRR-Staff JLH 4.01R Attach 1 at 4-5). At Ameren's request, the Commission had granted Ameren flexibility to modify its GEE programs should market forces warrant such modification. (GEE Plan Order at 18). Within the filed GEE Plan the Commission approved, Ameren stated that the SB HVAC Program could be dropped or modified

[9] The TRC benefit-cost ratio gives an indication of the rate of return of this program to the utility and its ratepayers. A benefit-cost ratio above one indicates that the program is beneficial to the utility and its ratepayers on a total resource cost basis. The TRC results may also be presented as a net present value which is the discounted value of the net benefits to this test over a specified period of time. It is a measure of the change in the total resource costs due to the program. A net present value above zero indicates that the program is a less expensive resource than the supply option upon which the marginal costs are based. (California Standard Practice Manual at 18-19).

[10] Acknowledgement of the TRC test values listed in Ameren's documents should not be construed as an endorsement of the inputs used in the TRC calculations. In other words, I have not received nor verified the inputs, underlying assumptions, and model calculations that form the basis of the TRC results presented here.

quickly and easily if it proved ineffective. (GEE Plan at 53). Since Ameren was provided clear evidence that the SB HVAC Program was not providing net benefits to Illinois ratepayers nor was it forecasted to provide net benefits to Illinois ratepayers and Ameren could have quickly and easily discontinued the program, Ameren's decision to continue spending ratepayer funds on the program was imprudent and the Commission should disallow recovery of expenses associated with the SB HVAC Program.

The GEE Plan Order makes it clear that Ameren has the responsibility to modify ineffective programs and measures:

> Once the programs have been rolled out, AIU says it will retain flexibility to modify them as circumstances warrant. AIU believes this is consistent with the Commission's Order in Docket No. 07-0539, which recognized that flexibility is key to the success of energy efficiency programs. For example, AIU states that the delivery mechanisms, incentive levels and/or types and overall projected load reductions could change as a result of bid proposals from prospective third-party implementers… In AIU's view, flexibility is also necessary to address market risk - the risk that, either because of a poor economic climate or the availability of better investments, customers choose not to participate in energy efficiency programs.
>
> The Commission agrees that this approach and recommended language are appropriate.

(GEE Plan Order at 18). While Ameren did use its flexibility when it significantly increased spending on its Residential New HVAC Program from \$1.3 million[11] to

[11] \$1,315,491 [=(\$565,491+\$750,000)]. (Staff Ex. 2.1 at 3,5; Ameren's DRR-CUB 2.01 Attach).

approximately $4.67 million,[12] Ameren failed to use its flexibility to discontinue the SB HVAC Program in PY2, despite projections that the program would provide negative net benefits to Illinois ratepayers. (Ameren's DRR-Staff JLH 4.01R Attach 2 at 5; Staff Ex. 2.1 at 3-6). Within the filed GEE Plan the Commission approved, under "Exit Strategy" for the SB HVAC Program, it states: "The program will not significantly impact stocking practices or vendor-customer relationships. As such, exit from this program can occur quickly if it proves to be ineffective." (GEE Plan at 53). This shows the Company recognized that it would be able to easily drop the program should circumstances warrant such decision (i.e., there are no barriers to exit). Given the flexibility the Commission granted Ameren in implementing its programs, it was unreasonable for Ameren to continue operating the SB HVAC Program in PY2 given its own forecast that continuing the program in PY2 would provide negative net benefits to Illinois ratepayers. (Ameren's DRR-Staff JLH 4.01R Attach 2 at 5).

Q. Did the Commission offer Ameren any guidance on how to use cost-effectiveness analysis in its implementation of GEE measures and programs?

A. Yes. The Commission made clear its concerns regarding the cost effectiveness of GEE programs and its desire that Ameren monitor the cost effectiveness of these programs and react appropriately to changes in various market or other program-related factors. For example, the Commission explicitly ordered Ameren to monitor

[12] $4,667,652.74 [=($1,410,396+$3,257,256.74)]. (Staff Ex. 2.1 at 4,6; Ameren's DRR-CUB 2.01 Attach).

the cost effectiveness of some gas measures in light of evidence that demonstrated the program was forecasted to be cost ineffective. In the GEE Plan Order, the Commission concluded that Ameren should monitor the "projected" benefits and costs of some proposed gas efficiency measures and Ameren should only market the efficiency measures if and when projected benefits exceed projected costs. (GEE Plan Order at 10-11). The GEE Plan Order states:

> The Commission agrees with Staff's proposal to <u>monitor projected benefits and costs</u> of the proposed gas griddles and spray valve measures and to <u>only market these efficiency measures if and when projected benefits exceed projected costs</u>. The Commission further agrees that allowing AIU flexibility to take into account both projected natural gas prices and other cost factors will benefit the programs (and ultimately, customers) and is not inconsistent with Staff's position and recommendations.

(GEE Plan Order at 11). (Emphases added). The Commission's concerns regarding cost effectiveness are clear and the dismal projected benefit-cost ratio in early PY2 for the SB HVAC Program is evidence of Ameren's lack of prudent management and oversight of the program. (Ameren's DRR-Staff JLH 4.01R Attach 2 at 5). Ratepayers are entitled to the cost-effectiveness associated with reasonable and prudent decision-making. Ameren's decision to continue spending ratepayer funds on the program was imprudent and the Commission should hold Ameren responsible by disallowing recovery of expenses associated with the SB HVAC Program.

The Commission approved a reasonably developed GEE Plan that sought to screen out measures and programs that would not provide net benefits to Illinois ratepayers. The GEE Plan Order states:

> According to AIU, it determined which energy efficiency measures should be included within its energy efficiency plan by first screening measures for cost-effectiveness, and then including all applicable and cost-effective measures in one or more programs.

(GEE Plan Order at 8). (Emphases added).

> AIU states that drawing from those programs that passed the TRC test, ICF worked with AIU to build a portfolio that was designed to achieve its gas savings and spending objectives, taking into account other important considerations, such as how fast certain programs can be ramped up.

(GEE Plan Order at 16). (Emphasis added).

> AIU's preference for a single EM&V contractor is aligned with its intent to integrate both its natural gas and electric energy efficiency programs in a seamless manner for customers, and to maximize overall cost-effectiveness.

(GEE Plan Order at 18). (Emphases added). However, after GEE Plan approval, Ameren has permitted a large number of HVAC tune-ups to occur as part of its SB HVAC Program. These tune-ups are extremely labor intensive, costly, provide a small amount of energy savings, and ultimately contribute to the program's cost-ineffectiveness. (Ameren's DRR-Staff JLH 4.01R Attach 2 at 3). Ameren received guidance from its implementer that given the limited budgets, the focus should be on cost-effective programs. (Ameren's DRR-Staff JLH 4.01R Attach 1 at 6). It is unreasonable to require Ameren ratepayers, and in this case in particular, the GDS-2 rate class, to fund energy efficiency investments for which they are projected to receive negative net benefits due to Ameren failing to act on information that it had readily available and failing to exercise its ability to modify or drop programs, a flexibility that the Commission had granted at Ameren's request.

Q. Are ratepayers receiving net benefits as a result of Ameren's GEE Plan expenditures?

A. I don't know. The Company has declined to provide a cost-effectiveness analysis for its gas energy efficiency programs. (Staff Ex. 2.1 at 10; Ameren's DRR-Staff JLH 1.05 Attach 63). Ameren states:

> The requirement in Docket 08-0104 was for an independent evaluation after the full three years. However, Ameren Illinois asked for interim memos for PY2.
> As a result of the lack of full evaluation results, TRC, 1st Year Costs, Levelized Life Cycle Costs, and Utility Cost Test are not available.

(Staff Ex. 2.1 at 10; Ameren's DRR-Staff JLH 1.05 Attach 63).

Q. Is the Company's response a reasonable explanation for not providing the TRC results showing whether or not ratepayers received net benefits?

A. No. I am unable to confirm that there was a requirement in the GEE Plan Order for an independent evaluation after the full three years. In fact, the GEE Plan Order explicitly states:

> AIU's preference for a single EM&V contractor is aligned with its intent to integrate both its natural gas and electric energy efficiency programs in a seamless manner for customers, and to maximize

> overall cost-effectiveness. AIU states that since it expects to utilize a master EM&V contractor to support electric energy efficiency programs, AIU will include consideration of the evaluation of natural gas energy efficiency programs in tandem with electric EM&V development.

(GEE Plan Order at 18). (Emphasis added). Considering Ameren has evaluated the cost effectiveness of its electric energy efficiency programs for PY2, it would appear to be in line with its argument in the GEE Plan Docket to hire a single EM&V[13] contractor to have the cost effectiveness evaluated for its gas programs for PY2 and to present these findings as well in this proceeding. (Staff Ex. 2.1 at 9-10; Ameren's DRR-Staff JLH 1.05 Attach 63).

Q. What do you recommend?

A. In its rebuttal testimony in this proceeding, the Company should address whether the Company's expenditures have provided net benefits to ratepayers in the GDS-2 rate classification. It is unreasonable to require Illinois ratepayers, and in this case in particular, Ameren's customers in the GDS-2 rate class, to fund energy efficiency investments for which they are expected to receive no net benefits due to imprudent and unreasonable management decisions.

Q. Please quote and cite to source documents that support your understanding, as described above, of the circumstances encountered by utility management at the time decisions had to be made regarding the Small Business HVAC Program.

[13] Evaluation, Measurement & Verification ("EM&V")

A. The PY2 Implementation Plan[14] and the PY2 Business Implementation Plan Overview[15] that was presented to Ameren on August 17, 2009 clearly describe the circumstances encountered by Ameren management at the time decisions had to be made. The excerpts from these documents presented in this section show those facts available at the time the judgment to continue offering the Small Business HVAC Program was exercised.

The table below provides evidence that Ameren should have been well-aware that the SB HVAC Program was "projected" to be cost-ineffective for PY2 given the original PY2 budget/goal (TRC=0.34). (Ameren's DRR-Staff JLH 4.01R Attach 2 at 5). Despite the dismal forecast of cost-effectiveness for the SB HVAC Program for PY2, Ameren continued to spend ratepayer funds on this program throughout PY2. It is important to point out that Ameren faced no financial penalties if it did not meet the goals set forth in its GEE Plan nor did Ameren have any legislatively mandated therm savings goals for PY2. As such, there was no compelling reason for Ameren to chase cost-ineffective programs in order to increase therm savings at the expense of its ratepayers.

[14] Act on Energy, Business Program, Program Year Two Implementation Plan, Ameren Illinois Utilities, SAIC, Original Draft: August 28, 2009, Revised Draft: September 16, 2009, Final Draft: October 12, 2009. (Ameren's DRR-Staff JLH 4.01R Attach 2). ("Implementation Plan").
[15] Act on Energy, PY2 Business Implementation Plan Overview, Ameren Illinois Utilities, SAIC – Lance Escue, David Gibson, John Nicol, GDS – Rich Hackner, Presentation dated August 17, 2009. (Ameren's DRR-Staff JLH 4.01R Attach 1). ("Implementation Plan Overview").

Table 2 (cont.). Current Program-Year Two Data

Program Name	Total SAIC Program Implementation Costs (Labor & ODC's)	Incentive Costs	Net kw Saved	Net kwh Saved	Net Therms Saved	TRC*
GAS PROGRAMS						
Small Bus. Gas HVAC Tune-up						
Original PY2 budget/goal	$45,806	$94,415	NA	NA	42,060	0.34
Proposed PY2 budget/goal	$127,111	$94,415	NA	NA	42,060	
Small Business Food Service						
Original PY2 budget/goal	$91,313	$189,220	NA	NA	508,881	6.59
Proposed PY2 budget/goal	$345,394	$189,220	NA	NA	508,881	
Demand Control (38%)						
Original PY2 budget/goal	see Table 1	See Table 1	NA	NA	NA	NA
Proposed PY2 budget/goal	$37,582	$165,357	NA	NA	137,184	
Total Current Contract PY2 Gas Budget/Goal	**$137,119**	**$283,635**	**NA**	**NA**	**550,941**	**NA**
Proposed PY2 Gas Budget/Goal	**$510,087**	**$448,992**	**NA**	**NA**	**550,941**	**NA**

*TRC includes all SAIC labor/ODC costs but does not include any AIU administrative costs.

(Ameren's DRR-Staff JLH 4.01R Attach 2 at 5).

The table below shows that Ameren was informed that the SB HVAC Program provided no net benefits to ratepayers in PY1 (TRC<1.0).

Table 1. Program-Year One Data

Program Name	Total SAIC Program Implementation Costs (Labor & ODC's)	Incentive Costs - Paid Out & Under Review	Net kWh or therms Saved	kWh/therms savings goal	% of goal	*TRC
ELECTRIC PROGRAMS						
Std. Electric (includes SBHVAC electric & SB Online Store)	$1,306,283	$2,482,113	39,837,000 kWh	35,323,000	113%	2.21
Custom Electric	$466,559	$827,789	13,798,000 kWh	10,066,000	137%	3.23
Retro Commissioning	$60,796	$21,160.00	777,000 kWh	513,000	151%	1.36
GAS PROGRAMS						
Small Bus. HVAC Tune-up (100% PY1 Gas Labor)	$40,327	$19,459	12,433 therms	12,371	101%	0.25

*TRC includes all SAIC labor/ODC costs but does not include any AIU administrative costs.

(Ameren's DRR-Staff JLH 4.01R Attach 2 at 3).

The tables below show that in PY1, the SB HVAC Program had an extremely low TRC of 0.22, and that early in PY2, the SB HVAC Program was operating with an estimated TRC of 0.08 (extremely cost ineffective).

Program Year One Data

Program	Total SAIC Labor/ODC	Total Incentive	Net Goal	Net Achieved	Total % of program	TRC
Prescriptive	$1,306,283	$2,489,935	35,323,000 kWh	39,330,603 kWh	73%	2.19
Custom	$466,559	$825,776	10,066,000 kWh	13,797,809 kWh	26%	3.23
Retro-Cx	$60,796	$21,160	513,000 kWh	776,942 kWh	1%	1.93
Demand Control	$14,911	$0	PY1 Postponed (goal to prescpt.)	NA	NA	NA
Small Bus. HVAC (gas)	$40,327	$17,959	12,371 therms	12,433 therms	100%	0.22
Small Bus. Food (gas)	$0	$0	Program Launched in PY2	NA	NA	NA

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(Ameren's DRR-Staff JLH 4.01R Attach 1 at 4).

Current Program Year Two Data

Program	Total SAIC Labor/ODC	Total Incentive	Net Goal	Net in System	Total % of program	Est. TRC
Prescriptive	$241,637	$819,741	63,182,000 kWh	9,847,802 kWh	40%	1.66
Custom	$28,271	$764,692	19,363,000 kWh	9,721,171 kWh	39%	2.90
Retro-Cx	$27,825	$54,700	1,230,000 kWh	5,217,555 kWh	21%	3.82
Demand Control	$12,779	$0	2MW cont. load 93,000 kWh	0	0%	NA
Small Bus. HVAC (gas)	$30,026	$3,692	42,060 therms	2,306 therms	0.5%	0.08
Small Bus. Food (gas) (projected to 8/28)	$176,160	$61,875	508,881 therms	433,840 therms	99.5%	6.62

Ameren Illinois Utilities

ActOnEnergy.com

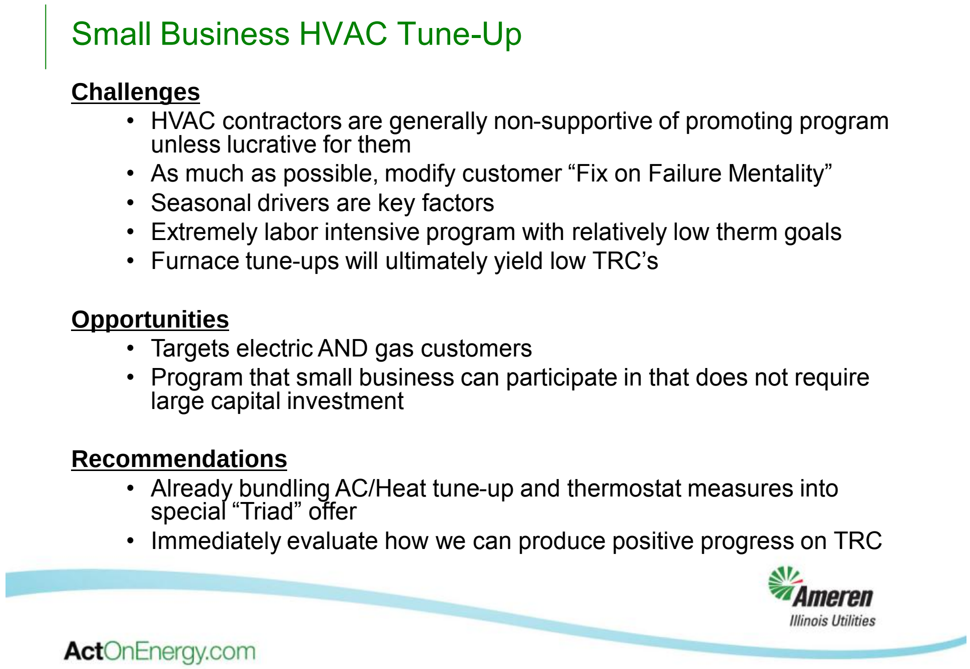
(Ameren's DRR-Staff JLH 4.01R Attach 1 at 5).

The paragraph below provides some reasons why the TRC was extremely low for the SB HVAC Program in PY1.

> It should be noted that while we met the PY1 therm goal the calculated TRC is 0.22. The low TRC was caused by two primary factors:
>
> - Our Small Business Gas HVAC Program (the only gas program offered in PY1) is small but extremely labor intensive in design and execution
> - Nearly all of the PY1 project applications were for tune-ups, which yield relatively low therm savings

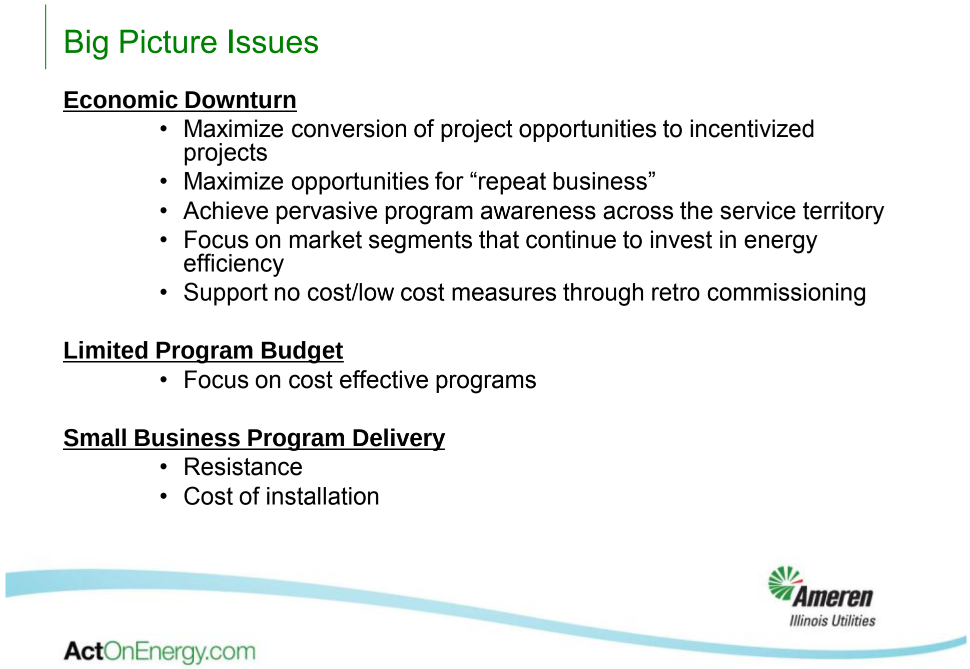
(Ameren's DRR-Staff JLH 4.01R Attach 2 at 3).

The cost-effectiveness analysis that Ameren included in its GEE Plan filing for the SB HVAC Program did not include participation and savings estimates associated with HVAC tune-ups. (Ameren's GEE Plan Docket, Ameren's DRR-Staff RZ 1.01c Attach (C&P); GEE Plan at 54-55, B-4). Ameren's GEE Plan acknowledges that there were only four small business measures screened that were found to be cost effective. (GEE Plan at 76). Ameren included two of these cost-effective measures in its SB HVAC Program in the Commission-approved GEE Plan and forecasted that savings would come from cost-effective installations of Efficient Boilers and 85% Efficient Commercial Furnaces. (GEE Plan at 54-55, B-4). Unfortunately, after the Commission approved Ameren's GEE Plan, furnace tune-ups, which Ameren is aware will ultimately yield low TRCs as shown in the slide below, became commonplace during PY1 and PY2. (Ameren's DRR-Staff JLH 4.01R Attach 1 at 21). As a result, it was forecasted that ratepayers would receive negative net benefits from the SB HVAC Program in PY2.



(Ameren's DRR-Staff JLH 4.01R Attach 1 at 21).

The slide below shows that Ameren was well-aware of the "Economic Downturn" early in PY2. A reasonable person would expect that incentives such as those for the SB HVAC Program, where the small business customer must pay out their own money now for the promise of future energy savings, which may be difficult for the customer to quantify, would be a tough sell in a poor economic environment. In addition, the slide acknowledges that given limited program budgets, the focus should be on the cost-effective programs.



(Ameren's DRR-Staff JLH 4.01R Attach 1 at 6).

III. SUMMARY AND CONCLUSION

Q. Please summarize your findings and recommendations.

A. The costs associated with the Company's expenditures on the SB HVAC Program were not reasonably and prudently incurred. I recommend that the Commission approve my adjustment to Rider GER recoverable costs to disallow all SB HVAC Program costs recovered through Rider GER for PY2, $131,771.[16] In addition, I recommend that the Commission direct that the Company monitor projected benefits and costs of the SB HVAC Program and to only continue the program if and when projected benefits exceed projected costs, consistent with the

[16] $131,771 [=(SAIC $130,801.68 + Simantel $969.53)]. (Ameren's DRR-Staff ST 1.01G Attach).

Commission's direction provided in the GEE Plan Order. (GEE Plan Order at 10-11). Most importantly, I recommend that the Commission make a policy decision in this case and direct that the Company should always monitor projected benefits and costs of all of its energy efficiency programs and to only continue to spend ratepayer funds on a program if and when projected benefits exceed projected costs.[17] This recommendation will benefit Illinois ratepayers by making it clear to the Company that the Commission believes that ratepayers are entitled to the cost-effectiveness associated with reasonable and prudent decision-making and thus ratepayers will not bear the costs, including administrative costs (which is to a certain degree fixed per program), associated with programs that are projected to provide negative net benefits to Illinois ratepayers.

I recommend that the Company demonstrate in its rebuttal testimony whether the Small Business HVAC Program, in particular, and the portfolio overall have provided net benefits to Illinois ratepayers.

Q. Does this conclude your prepared direct testimony?

A. Yes.

[17] Low-income programs may be one exception to this policy.

Ameren Illinois Company
d/b/a Ameren Illinois
Response to ICC Staff Data Requests
Docket No. 11-0341
Reconciliation of revenues collected under Rider EDR/GER with actual costs associated with energy efficiency for program year ending May 31, 2010
Data Request Response Date: 8/23/2011

CUB 2.01

For each program in Ameren's Program Year 2 portfolio: Appliance Recycling; E-smart Programmable Thermostat; C&I Prescriptive; C&I Custom; C&I Retro-Commissioning; Commercial New Construction; Small Business HVAC; Commercial Demand Control Thermostat; Appliance Lighting and Appliance; and Multifamily, and any other program at issue in this proceeding:

a) Please provide a detailed program budget and actual expense report(s).
b) For each program, please define each cost category by type of expense recorded during Program Year 2.
c) For each program, please specifically separate and provide detail on marketing expenses associated with that program incurred by either the Company or its subcontractors during Program Year 2.
d) For each program, please specifically separate and provide detail on all administrative expenses associated with that program incurred by either the Company or its subcontractors during Program Year 2. For the purposes of this specific request, "administrative expenses" are those defined as costs "associated with labor, time, materials and other direct costs necessary to manage the overall portfolio the utility."

RESPONSE

Prepared By: Kenneth C. Woolcutt
Title: Managing Supervisor, Illinois Energy Efficiency
Phone Number: 309-677-5001

Ameren Illinois objects to this data request because the terms "detail," "marketing expenses" and "associated with" are vague and ambiguous. Moreover, Ameren Illinois has yet to file its direct case and testimony in support of the reconciliation. As such, discovery of the nature requested is premature and improper. Subject to these objections, Ameren Illinois provides the following information based on its understanding of the aforementioned terms:

a) Please find attached (CUB 2.01 Attach), in a format identical to that discussed with and presented to SAG (at the February 23, 2010 meeting with Program Year 1 data), PY2 actual expenses for both Rider EDR and Rider GER as well as filed plan budgets, in the same format.

b) Contractor Costs for each program are Implementer costs for time and materials. Incentive Costs are incentive costs invoiced by the Implementers. Marketing Costs for each program, if applicable, are vendor marketing costs that are related to marketing the specific program. AIC Labor for PY2 consists of the charges for incremental employees hired specifically to help administer the EE programs.

c) Marketing expenses as defined in subpart b) above are those marketing costs specifically related to marketing the specific program including, but not limited to, newspaper, television or billboard advertisements and the specific marketing method varies by program.

d) Administrative expenses, as defined above, are contained in column B, Contractor Costs, of the attached spreadsheet.

Program Year 2 Expenses- Plan Filing Budget

	Rider EDR Expenses					
	Contractor Costs	Incentive Costs	Marketing Costs	TOTAL Non-Labor Costs	AIU Labor	TOTAL Rider EDR Expenses
	a	b	c	d	e	f
				a+b+c		d+e
RESIDENTIAL EE PROGRAM COSTS						
Home Energy Performance	$ 361,497.00	$ 270,000.00	$ -	**$ 631,497.00**	$ -	**$ 631,497.00**
HVAC Diagnostics & Tune-Up	$ 293,605.00	$ 480,000.00	$ -	**$ 773,605.00**	$ -	**$ 773,605.00**
Appliance Recycling	$ 1,647,500.00	$ 690,000.00	$ 550,000.00	**$ 2,887,500.00**	$ -	**$ 2,887,500.00**
Lighting & Appliances	$ 446,047.00	$ 1,790,000.00	$ 410,000.00	**$ 2,646,047.00**	$ -	**$ 2,646,047.00**
Multifamily	$ 142,025.00	$ 180,000.00	$ 72,000.00	**$ 394,025.00**	$ -	**$ 394,025.00**
New HVAC	$ 200,491.00	$ 280,000.00	$ 85,000.00	**$ 565,491.00**	$ -	**$ 565,491.00**
DR-Direct Load Control	$ 251,820.00	$ 600,000.00	$ -	**$ 851,820.00**	$ -	**$ 851,820.00**
Energy Star New Homes	$ -	$ -	$ -	**$ -**	$ -	**$ -**
Total Residential Programs+	**$ 3,342,985.00**	**$ 4,290,000.00**	**$ 1,117,000.00**	**$ 8,749,985.00**	**$ -**	**$ 8,749,985.00**
C&I EE PROGRAM COSTS						
Prescriptive	$ 2,187,293.00	$ 3,710,000.00	$ 370,000.00	**$ 6,267,293.00**	$ -	**$ 6,267,293.00**
Retro-commissioning	$ 148,294.00	$ 240,000.00	$ 73,000.00	**$ 461,294.00**	$ -	**$ 461,294.00**
New Construction	$ 21,600.00	$ 48,000.00	$ 2,400.00	**$ 72,000.00**	$ -	**$ 72,000.00**
Street Lighting	$ 60,000.00	$ 400,000.00	$ 60,000.00	**$ 520,000.00**	$ -	**$ 520,000.00**
Custom	$ 599,765.00	$ 810,000.00	$ 40,000.00	**$ 1,449,765.00**	$ -	**$ 1,449,765.00**
Demand Credit	$ 4,617.00	$ 98,000.00	$ -	**$ 102,617.00**	$ -	**$ 102,617.00**
Total C&I Programs	**$ 3,021,569.00**	**$ 5,306,000.00**	**$ 545,400.00**	**$ 8,872,969.00**	**$ -**	**$ 8,872,969.00**
OTHER PORTFOLIO COSTS						
Demand Response	$ -	$ -	$ -	**$ -**	$ -	**$ -**
DCEO	$ 7,044,319.00	$ -	$ -	**$ 7,044,319.00**	$ -	**$ 7,044,319.00**
R&D / Emerging Technologies	$ -	$ -	$ -	**$ -**	$ -	**$ -**
Measurement & Verification	$ 840,000.00	$ -	$ -	**$ 840,000.00**	$ -	**$ 840,000.00**
Educational Outreach	$ 800,000.00	$ -		**$ 800,000.00**	$ -	**$ 800,000.00**
EIO / Energy Star	$ -	$ -	$ -	**$ -**	$ -	**$ -**
Portfolio Administration	$ 1,400,000.00	$ -	$ -	**$ 1,400,000.00**		**$ 1,400,000.00**
Total Other	**$ 10,084,319.00**	**$ -**	**$ -**	**$ 10,084,319.00**	**$ -**	**$ 10,084,319.00**
Total Portfolio Costs	**$ 16,448,873.00**	**$ 9,596,000.00**	**$ 1,662,400.00**	**$ 27,707,273.00**	**$ -**	**$ 27,707,273.00**

Program Year 2 Expenses- Actual

	Rider EDR Expenses					
	Contractor Costs	Incentive Costs	Marketing Costs	TOTAL Non-Labor Costs	AIU Labor	TOTAL Rider EDR Expenses
	a	*b*	*c*	*d*	*e*	*f*
				a+b+c		*d+e*
RESIDENTIAL EE PROGRAM COSTS						
Home Energy Performance	$ 276,602.50	$ 96,184.77	$ -	**$ 372,787.27**	$ -	**$ 372,787.27**
HVAC Diagnostics & Tune-Up			$ -	**$ -**	$ -	**$ -**
Appliance Recycling	$ 1,115,517.74	$ 391,440.00	$ 279,176.97	**$ 1,786,134.71**	$ -	**$ 1,786,134.71**
Lighting & Appliances	$ 1,109,488.58	$ 1,244,002.00	$ 280,222.13	**$ 2,633,712.71**	$ -	**$ 2,633,712.71**
Multifamily	$ 128,484.18	$ 223,363.00	$ -	**$ 351,847.18**	$ -	**$ 351,847.18**
New HVAC	$ 339,456.74	$ 2,917,800.00	$ -	**$ 3,257,256.74**	$ -	**$ 3,257,256.74**
DR-Direct Load Control	$ 379,037.52	$ 700,690.24	$ -	**$ 1,079,727.76**	$ -	**$ 1,079,727.76**
Energy Star New Homes		$ 3,200.00	$ -	**$ 3,200.00**	$ -	**$ 3,200.00**
Total Residential Programs+	**$ 3,979,258.62**	**$ 5,576,680.01**	**$ 559,399.10**	**$ 10,115,337.73**	**$ -**	**$ 10,115,337.73**
C&I EE PROGRAM COSTS						
Prescriptive	$ 1,535,065.50	$ 3,314,557.00	$ -	**$ 4,849,622.50**	$ -	**$ 4,849,622.50**
Retro-commissioning	$ 109,302.26	$ 216,662.00	$ -	**$ 325,964.26**	$ -	**$ 325,964.26**
New Construction	$ -	$ -	$ -	**$ -**	$ -	**$ -**
Street Lighting	$ -	$ -	$ -	**$ -**	$ -	**$ -**
Custom	$ 349,245.93	$ 2,258,436.84	$ -	**$ 2,607,682.77**	$ -	**$ 2,607,682.77**
Demand Credit	$ 189,391.97	$ 140,308.70	$ -	**$ 329,700.67**	$ -	**$ 329,700.67**
Total C&I Programs	**$ 2,183,005.66**	**$ 5,929,964.54**	**$ -**	**$ 8,112,970.20**	**$ -**	**$ 8,112,970.20**
OTHER PORTFOLIO COSTS						
Demand Response	$ -	$ -	$ -	**$ -**	$ -	**$ -**
DCEO	$ 6,643,233.47	$ -	$ -	**$ 6,643,233.47**	$ -	**$ 6,643,233.47**
R&D / Emerging Technologies	$ -	$ -	$ -	**$ -**	$ -	**$ -**
Measurement & Verification	$ 817,655.03	$ -	$ -	**$ 817,655.03**	$ -	**$ 817,655.03**
Educational Outreach	$ -	$ -	$ 434,389.35	**$ 434,389.35**	$ -	**$ 434,389.35**
EIO / Energy Star	$ -	$ -	$ -	**$ -**	$ -	**$ -**
Portfolio Administration	$ 1,052,186.65	$ -	$ -	**$ 1,052,186.65**	$ 336,564.02	**$ 1,388,750.67**
Total Other	**$ 8,513,075.15**	**$ -**	**$ 434,389.35**	**$ 8,947,464.50**	**$ 336,564.02**	**$ 9,284,028.52**
Total Portfolio Costs	**$ 14,675,339.43**	**$ 11,506,644.55**	**$ 993,788.45**	**$ 27,175,772.43**	**$ 336,564.02**	**$ 27,512,336.45**

+ includes CSG Prime fee in Contractor Costs column

Program Year 2 Expenses- Plan Filing Budget

	Rider GER Expenses +					
	Contractor Costs	Incentive Costs	Marketing Costs	TOTAL Non-Labor Costs	AIU Labor	TOTAL Rider GER Expenses
	a	b	c	d	e	f
				a+b+c		d+e
RESIDENTIAL EE PROGRAM COSTS						
Home Energy Performance				$ 1,471,667.00	$ -	$ -
HVAC Diagnostics & Tune-Up				$ -	$ -	$ -
Multifamily				$ 325,000.00	$ -	$ -
Low Income				$ 241,667.00		$ -
New HVAC				$ 750,000.00	$ -	$ -
DR-Direct Load Control					$ -	$ -
Energy Star New Homes				$ 100,000.00	$ -	$ -
Total Residential Programs+	$ -	$ -	$ -	$ 2,888,334.00	$ -	$ -
C&I EE PROGRAM COSTS						
Small Business Food Service				$ 283,333.00	$ -	$ -
Small Business HVAC				$ 141,667.00	$ -	$ -
Demand Response					$ -	$ -
Total C&I Programs	$ -	$ -	$ -	$ 425,000.00	$ -	$ -
OTHER PORTFOLIO COSTS						
Demand Response					$ -	$ -
Measurement & Verification					$ -	$ -
Educational Outreach					$ -	$ -
Portfolio Administration				$ 683,333.00		$ -
Total Other	$ -	$ -	$ -	$ 683,333.00	$ -	$ -
Total Portfolio Costs	$ -	$ -	$ -	$ 3,996,667.00	$ -	$ -

+ Plan Filing Budget not broken out into level of detail that actuals were tracked by
Plan Filing Budget was converted to Program Year to correspond to Rider EDR Program Year

Program Year 2 Expenses- Actual

	Rider GER Expenses					
	Contractor Costs	**Incentive Costs**	**Marketing Costs**	**TOTAL Non-Labor Costs**	**AIU Labor**	**TOTAL Rider GER Expenses**
	a	*b*	*c*	*d*	*e*	*f*
				a+b+c		*d+e*
RESIDENTIAL EE PROGRAM COSTS						
Home Energy Performance	$ 559,390.05	$ 74,866.95	$ -	**$ 634,257.00**	$ -	**$ 634,257.00**
HVAC Diagnostics & Tune-Up	$ -	$ -	$ -	**$ -**	$ -	**$ -**
Multifamily	$ 195,210.00	$ 33,043.00	$ -	**$ 228,253.00**	$ -	**$ 228,253.00**
Low Income	$ 192,500.00			**$ 192,500.00**		**$ 192,500.00**
New HVAC	$ 219,921.00	$ 1,190,475.00	$ -	**$ 1,410,396.00**	$ -	**$ 1,410,396.00**
DR-Direct Load Control	$ 2,512.24	$ 162,917.76	$ -	**$ 165,430.00**	$ -	**$ 165,430.00**
Energy Star New Homes	$ 93,829.00	$ 3,200.00	$ -	**$ 97,029.00**	$ -	**$ 97,029.00**
Total Residential Programs+	**$ 1,349,362.93**	**$ 1,464,502.71**	**$ -**	**$ 2,813,865.64**	**$ -**	**$ 2,813,865.64**
C&I EE PROGRAM COSTS						
Small Business Food Service	$ 253,433.77	$ 75,155.23	$ -	**$ 328,589.00**	$ -	**$ 328,589.00**
Small Business HVAC	$ 118,021.00	$ 13,750.00	$ -	**$ 131,771.00**	$ -	**$ 131,771.00**
Demand Response	$ 24,762.29	$ 16,732.71	$ -	**$ 41,495.00**	$ -	**$ 41,495.00**
Total C&I Programs	**$ 396,217.06**	**$ 105,637.94**	**$ -**	**$ 501,855.00**	**$ -**	**$ 501,855.00**
OTHER PORTFOLIO COSTS						
Demand Response	$ -	$ -	$ -	**$ -**	$ -	**$ -**
Measurement & Verification	$ 155,200.00	$ -	$ -	**$ 155,200.00**	$ -	**$ 155,200.00**
Educational Outreach	$ -	$ -	$ 60,626.79	**$ 60,626.79**	$ -	**$ 60,626.79**
Portfolio Administration	$ 132,551.23	$ -	$ -	**$ 132,551.23**	$ 46,538.34	**$ 179,089.57**
Total Other	**$ 287,751.23**	**$ -**	**$ 60,626.79**	**$ 348,378.02**	**$ 46,538.34**	**$ 394,916.36**
Total Portfolio Costs	**$ 2,033,331.22**	**$ 1,570,140.65**	**$ 60,626.79**	**$ 3,664,098.66**	**$ 46,538.34**	**$ 3,710,637.00**

+ includes CSG Prime fee in Contractor Costs column

Ameren Illinois Company
d/b/a Ameren Illinois
Response to ICC Staff Data Requests
Docket No. 11-0341
Reconciliation of revenues collected under Rider EDR/GER with actual costs associated with energy efficiency for program year ending May 31, 2010
Data Request Response Date: 7/26/2011

JLH 1.05

Referring to both the Annual Energy Efficiency and Demand Response Charge Report, Rider EDR Annual Reconciliation, and the Annual Energy Efficiency and Demand Response Charge Report, Rider GER Annual Reconciliation, please provide a summary spreadsheet of all costs charged to Riders EDR and GER during PY2, June 1, 2009 – May 31, 2010. The costs should be broken down for each program and any subcategories of other portfolio costs that Ameren tracks (e.g., Portfolio Administration, market transformation). The total cost for each program should be further divided out into the following categories: Contractor/Implementer Costs, Incentive Costs, Marketing Costs (Implementer), Marketing Costs (Ameren), Other Program Costs (Program Administration Expense – Non-Labor), EM&V, Total Non-Labor Costs, Ameren Labor Costs (Program Administration Expense), Total Program Expenses, Program Cost %, Sector Cost %, Ex Post Gross Savings, Ex Post Net Savings, Program Savings %, Sector Savings %, Ex Post Savings (MW), Total Resource Cost (TRC) test ratio, Average 1st Year Costs ($/kWh and $/therm), Levelized Lifecycle Costs ($/kWh and $/therm) and Utility Cost Test (UCT) ratio. Please provide the summary in Excel format with working formulas. Program totals should be cross referenced to the Annual Reconciliation and ex post TRC analysis. Please precisely define each of the cost categories and provide at least ten invoices from each of the categories within each program with a general description of each invoice (where applicable).

RESPONSE

Prepared By: Kenneth C. Woolcutt
Title: Managing Supervisor Illinois Energy Efficiency
Phone Number: 309-677-5001

Ameren Illinois objects to this data request as the phrase “precisely define” is vague and ambiguous and to the extent this data request seeks the creation of materials not already in existence. Subject to these objections, please see the attached workbook providing the breakdown that Ameren Illinois tracks, in the categories listed above.

Ameren Illinois has tracked its costs using the following definitions for categories of costs. Ameren Illinois can revise these definitions as appropriate:

- Contractor Costs: Contractor Costs for each program are Implementer costs for time and materials.

- Incentive Costs: Incentive Costs are incentive costs invoiced by the Implementers.
- Marketing Costs: Marketing Costs for each program, if applicable, are vendor marketing costs that are related to marketing the specific program.
- AIU Labor: AIU Labor for PY2 consists of the charges for incremental employees hired specifically to help administer the EE programs, hired through Manpower Professional.

Samples of 10 invoices (when available) from each of the categories within each program have been provided as JLH 1.05 Attach 1 thru Attach 63. Invoices are designated **CONFIDENTIAL and PROPRIETARY** and are identified with "(CP)" at the end of the each respective file name. Due to the volume of files they will be provided on a CD and mailed via UPS. See also JLH 1.05 Attach 63.

Program Year 2 Expenses- Actual

	Rider EDR Expenses																
	Contractor Costs	Incentive Costs	Marketing Costs	TOTAL Non-Labor Costs	AIU Labor	TOTAL Rider EDR Expenses	Program Cost %	Sector Cost %	Savings (Gross) (MWH)	Ex Post Savings (Net) (MWH)	Program Savings %	Sector Savings %	Ex Post Savings (MW)	TRC	Average 1st Year Costs	Levelized Life Cycle Costs	Utility Cost Test (UCT)
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
				a+b+c		d+e	f/sum(f)	Sector									
RESIDENTIAL EE PROGRAM COSTS																	
Home Energy Performance	$ 276,602.50	$ 96,184.77	$ -	**$ 372,787.27**	$ -	**$ 372,787.27**	**1%**	**4%**	**1,168**	**907**	**1%**	**1%**	**0.06**	**0.80**	**$ 0.47**	**$ 0.07**	**0.94**
HVAC Diagnostics & Tune-Up			$ -	**$ -**	$ -	**$ -**	**0%**	**0%**									
Appliance Recycling	$ 1,115,517.74	$ 391,440.00	$ 279,176.97	**$ 1,786,134.71**	$ -	**$ 1,786,134.71**	**6%**	**18%**	**17,041**	**13,614**	**10%**	**21%**	**1.61**	**2.46**	**$ 0.15**	**$ 0.02**	**2.93**
Lighting & Appliances	$ 1,109,488.58	$ 1,244,002.00	$ 280,222.13	**$ 2,633,712.71**	$ -	**$ 2,633,712.71**	**10%**	**26%**	**49,613**	**38,548**	**28%**	**61%**	**3.92**	**2.26**	**$ 0.07**	**$ 0.01**	**4.47**
Multifamily	$ 128,484.18	$ 223,363.00	$ -	**$ 351,847.18**	$ -	**$ 351,847.18**	**1%**	**3%**	**2,991**	**2,924**	**2%**	**5%**	**0.26**	**2.75**	**$ 0.13**	**$ 0.02**	**3.22**
New HVAC	$ 339,456.74	$ 2,917,800.00	$ -	**$ 3,257,256.74**	$ -	**$ 3,257,256.74**	**12%**	**32%**	**11,195**	**7,053**	**5%**	**11%**	**3.33**	**1.39**	**$ 0.47**	**$ 0.05**	**2.49**
DR-Direct Load Control	$ 379,037.52	$ 700,690.24	$ -	**$ 1,079,727.76**	$ -	**$ 1,079,727.76**	**4%**	**11%**	**432**	**332**	**0%**	**1%**	**2.73**	**0.34**	**$ 3.48**	**$ 0.37**	**0.29**
Energy Star New Homes		$ 3,200.00	$ -	**$ 3,200.00**	$ -	**$ 3,200.00**	**0%**	**0%**	**9**	**8**	**0%**	**0%**		**n/a Electric**			
Total Residential Programs+	**$ 3,979,258.62**	**$ 5,576,680.01**	**$ 559,399.10**	**$ 10,115,337.73**	**$ -**	**$ 10,115,337.73**	**37%**	**94%**	**82,449**	**63,385**	**47%**	**100%**	**11.91**	**1.81**	**$ 0.16**	**$ 0.03**	**2.84**
C&I EE PROGRAM COSTS																	
Prescriptive	$ 1,535,065.50	$ 3,314,557.00	$ -	**$ 4,849,622.50**	$ -	**$ 4,849,622.50**	**18%**	**60%**	**56,739**	**41,608**	**31%**	**58%**	**8.90**	**2.12**	**$ 0.11**	**$ 0.01**	**5.14**
Retro-commissioning	$ 109,302.26	$ 216,662.00	$ -	**$ 325,964.26**	$ -	**$ 325,964.26**	**1%**	**4%**	**11,516**	**9,213**	**7%**	**13%**	**0.98**	**4.05**	**$ 0.04**	**$ 0.01**	**8.61**
New Construction	$ -	$ -	$ -	**$ -**	$ -	**$ -**	**0%**	**0%**									
Street Lighting	$ -	$ -	$ -	**$ -**	$ -	**$ -**	**0%**	**0%**									
Custom	$ 349,245.93	$ 2,258,436.84	$ -	**$ 2,607,682.77**	$ -	**$ 2,607,682.77**	**9%**	**32%**	**30,300**	**20,907**	**15%**	**29%**	**32.77**	**2.98**	**$ 0.12**	**$ 0.01**	**6.01**
Demand Credit	$ 189,391.97	$ 140,308.70	$ -	**$ 329,700.67**	$ -	**$ 329,700.67**	**1%**	**4%**	**317**	**244**	**0%**	**0%**	**0.89**	**0.43**	**$ 1.35**	**$ 0.26**	**0.39**
Total C&I Programs	**$ 2,183,005.66**	**$ 5,929,964.54**	**$ -**	**$ 8,112,970.20**	**$ -**	**$ 8,112,970.20**	**29%**	**100%**	**98,872**	**71,972**	**53%**	**100%**	**43.55**	**2.42**	**0.11**	**0.02**	**5.37**
OTHER PORTFOLIO COSTS																	
Demand Response	$ -	$ -	$ -	**$ -**	$ -	**$ -**	**0%**										
DCEO	$ 6,643,233.47	$ -	$ -	**$ 6,643,233.47**	$ -	**$ 6,643,233.47**	**24%**										
R&D / Emerging Technologies	$ -	$ -	$ -	**$ -**	$ -	**$ -**	**0%**										
Measurement & Verification	$ 817,655.03	$ -	$ -	**$ 817,655.03**	$ -	**$ 817,655.03**	**3%**										
Educational Outreach	$ -	$ -	$ 434,389.35	**$ 434,389.35**	$ -	**$ 434,389.35**	**2%**										
EIO / Energy Star	$ -	$ -	$ -	**$ -**	$ -	**$ -**	**0%**										
Portfolio Administration	$ 1,052,186.65	$ -	$ -	**$ 1,052,186.65**	$ 336,564.02	**$ 1,388,750.67**	**5%**										
Total Other	**$ 8,513,075.15**	**$ -**	**$ 434,389.35**	**$ 8,947,464.50**	**$ 336,564.02**	**$ 9,284,028.52**	**34%**										
Total Portfolio Costs	**$ 14,675,339.43**	**$ 11,506,644.55**	**$ 993,788.45**	**$ 27,175,772.43**	**$ 336,564.02**	**$ 27,512,336.45**	**100%**										

+ includes CSG Prime fee in Contractor Costs column

Program Year 2 Expenses- Actual

	Rider GER Expenses													
	Contractor Costs	Incentive Costs	Marketing Costs	TOTAL Non-Labor Costs	AIU Labor	TOTAL Rider GER Expenses	Program Cost %	Sector Cost %	Savings (Gross) (therms)	Ex Post Savings (Net) (therms) [1]	TRC[1]	Average 1st Year Costs[1]	Levelized Life Cycle Costs[1]	Utility Cost Test (UCT)[1]
	a	*b*	*c*	*d*	*e*	*f*	*g*	*h*	*i*	*j*	*k*	*l*	*m*	*n*
				a+b+c		*d+e*	*f/sum(f)*	*Sector*						
RESIDENTIAL EE PROGRAM COSTS														
Home Energy Performance	$ 559,390.05	$ 74,866.95	$ -	**$ 634,257.00**	$ -	**$ 634,257.00**	**17%**	**23%**	**64,470**	**59,195**				
HVAC Diagnostics & Tune-Up	$ -	$ -	$ -	**$ -**	$ -	**$ -**	**0%**	**0%**						
Multifamily	$ 195,210.00	$ 33,043.00	$ -	**$ 228,253.00**	$ -	**$ 228,253.00**	**6%**	**8%**	**28,039**	**28,039**				
Low Income	$ 192,500.00			**$ 192,500.00**		**$ 192,500.00**	**5%**	**7%**	**17,300**	**17,300**				
New HVAC	$ 219,921.00	$ 1,190,475.00	$ -	**$ 1,410,396.00**	$ -	**$ 1,410,396.00**	**38%**	**50%**	**1,038,401**	**511,041**				
DR-Direct Load Control	$ 2,512.24	$ 162,917.76	$ -	**$ 165,430.00**	$ -	**$ 165,430.00**	**4%**	**6%**	**62,361**	**47,970**				
Energy Star New Homes	$ 93,829.00	$ 3,200.00	$ -	**$ 97,029.00**	$ -	**$ 97,029.00**	**3%**	**3%**	**2,210**	**1,768**				
Total Residential Programs+	**$ 1,349,362.93**	**$ 1,464,502.71**	**$ -**	**$ 2,813,865.64**	**$ -**	**$ 2,813,865.64**	**76%**	**97%**	**1,212,781**	**665,313**				
C&I EE PROGRAM COSTS														
Small Business Food Service	$ 253,433.77	$ 75,155.23	$ -	**$ 328,589.00**	$ -	**$ 328,589.00**	**9%**	**65%**	**53,670**	**41,608**				
Small Business HVAC	$ 118,021.00	$ 13,750.00	$ -	**$ 131,771.00**	$ -	**$ 131,771.00**	**4%**	**26%**	**10,889**	**8,711**				
Demand Response	$ 24,762.29	$ 16,732.71	$ -	**$ 41,495.00**	$ -	**$ 41,495.00**	**1%**	**8%**	**31,781**	**23,232**				
Total C&I Programs	**$ 396,217.06**	**$ 105,637.94**	**$ -**	**$ 501,855.00**	**$ -**	**$ 501,855.00**	**14%**	**100%**	**96,340**	**73,551**				
OTHER PORTFOLIO COSTS														
Demand Response	$ -	$ -	$ -	**$ -**	$ -	**$ -**	**0%**							
Measurement & Verification	$ 155,200.00	$ -	$ -	**$ 155,200.00**	$ -	**$ 155,200.00**	**4%**							
Educational Outreach	$ -	$ -	$ 60,626.79	**$ 60,626.79**	$ -	**$ 60,626.79**	**2%**							
Portfolio Administration	$ 132,551.23	$ -	$ -	**$ 132,551.23**	$ 46,538.34	**$ 179,089.57**	**5%**							
Total Other	**$ 287,751.23**	**$ -**	**$ 60,626.79**	**$ 348,378.02**	**$ 46,538.34**	**$ 394,916.36**	**11%**							
Total Portfolio Costs	**$ 2,033,331.22**	**$ 1,570,140.65**	**$ 60,626.79**	**$ 3,664,098.66**	**$ 46,538.34**	**$ 3,710,637.00**	**100%**							

+ includes CSG Prime fee in Contractor Costs column

[1] Note that Gas EM&V memos for PY2 have only been issued for Home Energy Performance, Multifamily, HVAC, Small Business Food Service, and Small Business HVAC.
The requirement in Docket 08-0104 was for an independent evaluation after the full three years. However, Ameren Illinois asked for interim memos for PY2.
As a result of the lack of full evaluation results, TRC, 1st Year Costs, Levelized Life Cycle Costs, and Utility Cost Test are not available.