

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

In the matter of Union Electric Company)	<u>Case No. ET-2007-0459</u>
d/b/a AmerenUE's Tariff Establishing an)	<u>File No. YE-2008-0005</u>
Industrial Demand Response Program)	

STAFF RECOMMENDATION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), and respectfully states as follows:

1. On July 2, 2007, Union Electric Company d/b/a AmerenUE ("AmerenUE") filed with the Commission five (5) tariff sheets designed to implement an Industrial Demand Response ("IDR") Pilot Program pursuant to the Commission's May 22, 2007 Report And Order in Case No. ER-2007-0002. The proposed tariff sheets bear an effective date of October 1, 2007.

2. In an Order issued August 1, 2007, the Commission, among other things, directed the Staff to file its recommendation concerning the proposed tariff sheets no later than August 31, 2007.

2. Attached hereto as Appendix A is the Staff's Memorandum wherein the Staff recommends Commission approval of the following tariff sheets:

P.S.C. MO. No. 5

Sixteenth Revised Sheet No. 125, canceling Fifteenth Revised Sheet No. 125

Original Sheet No. 219

Original Sheet No. 220

Original Sheet No. 221

Original Sheet No. 222

WHEREFORE, for the reasons set forth in the attached Memorandum, the Staff recommends that the Commission issue an Order approving the tariff sheets identified herein, to become effective on October 1, 2007, as requested by AmerenUE.

Respectfully submitted,

/s/ Dennis L. Frey

Dennis L. Frey
Senior Counsel
Missouri Bar No. 44697

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Missouri Public Service Commission
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 31st day of August 2007.

/s/ Dennis L. Frey

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ET-2007-0459, Tariff No. YE-2008-0005
Union Electric Company d/b/a AmerenUE

FROM: James Watkins, Manager, Economic Analysis, Project Coordinator
Jim Busch, Regulatory Economist III
Mack McDuffey, Rate & Tariff Examiner II

/s/ James Watkins 8/31/07 /s/ Dennis L. Frey 8/31/07
Energy Department / Date General Counsel's Office / Date

SUBJECT: Staff Recommendation For **APPROVAL** of Tariff Sheet(s) Filed on July 2, 2007 To
Comply With The Commission's ORDER ESTABLISHING CASE TO CONSIDER
INDUSTRIAL DEMAND RESPONSE PROGRAM TARIFF, Issued May 31, 2007

DATE: August 31, 2007

On July 2, 2007, Union Electric Company d/b/a AmerenUE (AmerenUE or Company) of St. Louis, Missouri, filed with the Commission five (5) tariff sheets with an effective date of October 1, 2007, in response to the Commission's Order Establishing Case To Consider Industrial Demand Response Program Tariff. This case is a "spin-off" from AmerenUE's last general rate case, Case Number ER-2007-0002, as described in the Commission's Report and Order issued on May 22, 2007. In its Order Establishing Time To File Recommendation, the Commission ordered the Staff to file its recommendation regarding AmerenUE's tariff filing by August 31, 2007. This is the Staff's recommendation.

The Commission's Energy Department Staff (Staff) has reviewed the proposed tariff sheets and has participated in discussions/negotiations among the parties. As of this date, the parties have not all been able to agree to all of the elements of the Industrial Demand Response (IDR) Pilot Program. Nevertheless, the Staff believes that progress toward an agreement is being made and, given more time, an agreement is possible. Having missed the opportunity to have an IDR Pilot Program in place for the summer of 2007, there should be ample time to work out an agreement to put in place for the summer of 2008.

The Staff, however, is concerned that in the event that no agreement is reached, there will be no IDR Pilot Program. Approval of these tariff sheets would not preclude the Commission from modifying the tariff sheets at a later date, if agreement among the parties is reached, or the Commission decides to impose the revisions urged by the Missouri Energy Group (MEG) in Case No. ER-2007-0002. These tariff sheets incorporate some, but not all of MEG's suggestions. Therefore, in an effort to increase the demand response offerings in the State of Missouri, Staff recommends that the Commission approve the following tariff sheets to become effective on October 1, 2007, as proposed by the Company on July 2, 2007:

Tariff No. YE-2008-0005

Union Electric Company

Page 2 of 2

P.S.C. MO. No. 5

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The Staff has verified that this Company is not delinquent on any assessment or the filing of its annual report. The Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

My commission expires 9-21-10