

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)	<u>File No. GR-2010-0363</u>
Rates for Natural Gas Service Provided to)	Tariff No. YG-2010-0704
Customers in the Company's Missouri Service Area)	

CONCURRING OPINION OF CHAIRMAN ROBERT M. CLAYTON III

This Commissioner concurs in the Commission's approval of the Unanimous Stipulation and Agreement addressing a rate increase request of Union Electric Company d/b/a AmerenUE.¹ Although rate increases are never welcome, increased costs borne by Ameren Missouri demand slightly higher rates. While the increase amounts to roughly \$3.30, per month for a typical residential customer, any rate increase during challenging economic times will have a negative impact on family budgets. However, for the following reasons, this Commissioner believes that the agreement presented to the Commission supporting a modest increase should be approved.

First, the Commission continues to make a strong stand on funding of Energy Efficiency (EE) programs. As part of the Commission's recent shift of policy on EE, this rate case results in another example of the Commission pressing to achieve EE funding of .5% of a company's gross operating revenues. Starting now at an annual level of \$700,000, the Agreement requires that Ameren Missouri ramp up its investment in EE programs to a target level of \$850,000 by 2014. Consumers will be subject to increased availability of education and other financial programs to encourage smart decisions on energy usage from utilizing new technologies and switching to more efficient appliances. Natural gas costs are relatively low today, but there is no question of the potential for future price spikes. Now is the time for all customers to be prepared for challenging days in the future. Additionally, stakeholders in the Ameren Missouri footprint will have the

¹ Now known as Ameren Missouri.

opportunity in formulating policy through the Ameren Missouri Energy Efficiency Advisory Group (Advisory Group), which will be responsible for evaluating the planning and the implementation of energy efficiency programs.

It is this Commissioner's hope that the Advisory Group can operate in a consensus and advisory fashion and, if any roadblocks occur, that the Commission can engage to move the programs forward. Program types, as well as feedback from the rate payers, are concerns that the Commission will have the ability to monitor and offer guidance to the dialogue. If the Advisory Group is unable to move forward due to lack of consensus, the parties are welcome to petition the Commission for relief. The goals of increased EE funding will be addressed regularly through ongoing Commission involvement should the Group fail to reach agreement or run into policy differences.

Second, as part of the enhanced EE funding program, Ameren Missouri will refresh its efforts of assisting low income customers who struggle with the costs of heating homes during the winter months with its commitment to weatherization amounting to \$263,000, annually. These funds are critical in empowering customers to more effectively take control of their energy costs. This is a substantial improvement compared to the \$150,000 currently being invested by the company in weatherization programs for low income customers. Funds will be delivered to the Environmental Improvement and Energy Resources Authority (EI ERA), which administers weatherization of homes of Ameren Missouri's low-income natural gas customers.

Finally, this Commissioner is compelled to commend the parties involved in this case who have effectively settled a vast majority of issues relating to purchased gas adjustments, rate design and other issues. While the Commission is prepared to make challenging decisions on controversial and complicated matters, the public can take solace that each of the stipulating parties have placed

their names on the line to responsibly reach a compromise on an appropriate level of rates. Though rate increases are never easy or welcome, the evidence in this case demonstrates that higher rates are both prudent and necessary. The Commission has approved this increase unanimously and will engage in future filings to ensure that the Commission's directives are realized. The Commission has a responsibility to ensure that the utility offers safe and adequate service at "just and reasonable" rates. Following Staff's audit, this settlement and transparent Commissioner deliberations, the Commission finds these rates to be "just and reasonable."

For the foregoing reasons, this Commissioner concurs.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert M. Clayton III". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert M. Clayton III
Chairman

Dated at Jefferson City, Missouri
on this 27th day of January, 2011