

**EXHIBIT A**

**Excerpts from the Report and Order**

**Decision:**

AmerenUE is given a goal of reducing peak demand and energy growth by:

10 percent in 2009/2010;

15 percent by 2011-2012;

20 percent by 2013/2014; and

25 percent by 2015/2016.

**G. Low Income Programs**

**Discussion:**

As a result of the stipulation and agreement that resolved Staff's last rate complaint against AmerenUE, the company agreed to initiate a low-income weatherization program. That program is currently funded by AmerenUE at an annual level of \$1.2 million. The Department of Natural Resources recommends the program continue to be funded at that level.<sup>258</sup> Staff recommends AmerenUE shareholders provide \$600,000 of that funding, with the other \$600,000 recovered from ratepayers.<sup>259</sup>

AmerenUE contends it is under no obligation to continue funding the low-income weatherization program. However, it is willing to pay the \$600,000 recommended by Staff as a component of its proposal for implementation of a fuel adjustment clause.<sup>260</sup>

Staff and the Department of Natural Resources also agree that AmerenUE should include the program in its tariff and use up to \$120,000 of the program funding to do a process and impact evaluation of the weatherization program. AmerenUE accepts those recommendations.

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<sup>258</sup> Wilbers Direct, Ex. 650, Page 12, Lines 4-6.

<sup>259</sup> Mantle Rebuttal, Ex. 221, Page 4, Lines 21-23.

<sup>260</sup> Mark Surrebuttal, Ex. 039, Page 3, Lines 7-11.

**Findings of Fact:**

Richard Mark, testifying for AmerenUE, agreed the weatherization program has been successful and should continue to be supported by AmerenUE.<sup>261</sup> So all the parties agree the program should be continued. However, AmerenUE appeared to make its promise of future support contingent upon the Commission approving its request for a fuel adjustment clause. The Commission denies that request in this order.

**Conclusions of Law:**

No additional conclusions of law are made for this issue.

**Decision:**

AmerenUE and its customers would benefit from continuation of the low-income weatherization program. The Commission assumes that AmerenUE really did not intend to hold those low-income customers hostage to try to force this Commission to grant it a fuel adjustment clause. Therefore, the Commission directs that the low-income weatherization program continue with funding provided \$600,000 by ratepayers and \$600,000 by AmerenUE's shareholders. In addition, AmerenUE shall include the program in its tariff and use up to \$120,000 of the program funding to do a process and impact evaluation of the weatherization program.

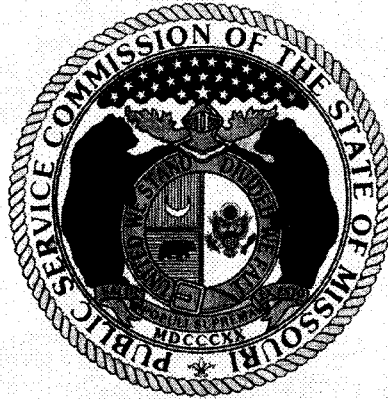
**H. Voluntary Green Power Program****Discussion:**

AmerenUE has proposed a tariff that would implement a Voluntary Green Program. This program would allow AmerenUE's customer to purchase and retire Renewable Energy Certificates (RECs). A REC is defined as the environmentally beneficial component of

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<sup>261</sup> Transcript, Page 1669, Lines 6-8.

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



In the Matter of Union Electric Company d/b/a )  
AmerenUE's Tariffs Increasing Rates for Electric )  
Service Provided to Customers in the Company's )  
Missouri Service Area )

**Case No. ER-2007-0002**  
**Tariff No. YE-2007-0007**

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**REPORT AND ORDER**

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**Issue Date: May 22, 2007**

**Effective Date: June 1, 2007**

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

In the Matter of Union Electric Company d/b/a )  
AmerenUE's Tariffs Increasing Rates for Electric ) **Case No. ER-2007-0002**  
Service Provided to Customers in the Company's ) **Tariff No. YE-2007-0007**  
Missouri Service Area )

**APPEARANCES**

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For Aquila, Inc.

**DEPUTY CHIEF REGULATORY LAW JUDGE:** Morris L. Woodruff

## **REPORT AND ORDER**

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**Summary**

This order denies AmerenUE's request for a fuel adjustment clause. It allows AmerenUE to increase the revenue it may collect from its Missouri customers by approximately \$43 million. As a result, the average residential customer's monthly bill will increase by \$2.33, or approximately 3.26 percent.

**Procedural History**

On July 7, 2006, Union Electric Company d/b/a AmerenUE filed tariff sheets designed to implement an annual general rate increase for electric service in the amount of \$360,709,000. The tariff revisions carried an effective date of August 6, 2006.

On July 11, the Commission suspended AmerenUE's tariff until June 4, 2007, the maximum amount of time allowed by the controlling statute.<sup>1</sup> In the same order, the Commission directed that notice of AmerenUE's tariff filing be provided to interested parties and the public. The Commission also established July 31 as the deadline for submission of applications to intervene.

The State of Missouri; the Missouri Energy Group (MEG);<sup>2</sup> Noranda Aluminum, Inc.; the Missouri Department of Natural Resources; Aquila, Inc.; the Missouri Industrial Energy

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<sup>1</sup> Section 393.150, RSMo 2000.

<sup>2</sup> The members of MEG are Barnes-Jewish Hospital, Buzzi Unicem USA, Inc.; Holcim US, Inc.; and SSM HealthCare.

**EXHIBIT B**

**Collaborative Committee Report**

**AmerenUE Low-Income Weatherization Fund  
Agreement of the Parties Addressing  
Purpose, Procedures and Organizational Considerations**

**November 15, 2002**

This narrative addresses portions of the Stipulation and Agreement approved by the Commissions' August 4, 2002 Report and Order in Case No. EC-2002-1, pertaining to the establishment and use of a Weatherization Fund. The Stipulation and Agreement states in section number 5 that "A weatherization fund for the benefit of UE's low-income customers in UE's service territory will be created and administered as determined under Section 11 of this Agreement." Section 11 of the Agreement directs that "The low-income weatherization fund and the residential and commercial energy efficiency fund will be utilized in accordance with plans developed by separate collaborative committees of interested signatories."

Representatives of the following interested signatories have met in a series of meetings that commenced September 9, 2002, to discuss the Agreement's weatherization components: Public Service Commission, Office of the Public Counsel, AmerenUE, and Missouri Department of Natural Resources' Energy Center . The following sets out the purposes, responsibilities and implementation agreed to by the parties involved in the low-income weatherization fund collaborative.

The Missouri Department of Natural Resources' Energy Center (DNR EC), or its predecessor, has administered a federal weatherization program in Missouri for the past 25 years. The Energy Center disburses funds to 18 local organizations and agencies that deliver energy-efficiency weatherization services to low-income citizens in every Missouri county and the city of St. Louis. The program is operated in accordance with detailed and specific laws and regulations established by Congress and the United States Department of Energy and in accordance with an annual workplan developed by the Energy Center after public hearing. Copies of the state workplan and associated federal requirements are attached to this document. In general, the collaborative members have agreed to carry out the weatherization program and use the associated funds provided for in the Stipulation and Agreement in a manner consistent with the existing laws, rules and state workplan for the federal weatherization program. The collaborative participants believe this consistency will ease implementation of the program provided for in the Agreement so funds may be used as quickly and efficiently as possible for the benefit of Missouri ratepayers and low-income citizens. These benefits include reduced energy use, reduced utility bills, improved health and safety for recipients of weatherization services and reduced arrearages for AmerenUE and its ratepayers.

**Program Guidelines and Administration:**

- AmerenUE will disburse \$2 million in an initial payment and \$500,000 in subsequent annual payments over a four (4) year period totaling \$4 million to fund a Weatherization Assistance Program for AmerenUE low-income electric customers. These monies will be disbursed to an account established by the Environmental

Improvement and Energy Resources Authority (EIARA). EIARA is a quasi-governmental financing authority established in Missouri statute and contained organizationally within the Department of Natural Resources.

- The DNR Energy Center will allocate AmerenUE weatherization funds through a grant agreement with the existing network of local weatherization agencies on an annual basis according to an allocation formula agreed to by the collaborative team cited above. The allocation formula agreed to by the collaborative for the first year is attached.
- Grant payments will be disbursed from the EIARA weatherization account according to procedures established by the DNR/EC. The AmerenUE weatherization assistance project will be administered as a separate grant.
- The administration of the AmerenUE weatherization project shall be generally consistent with the DNR/EC's Weatherization State Plan, Weatherization Operations Manual policies and procedures and the U.S. Department of Energy's Weatherization guidelines. The federal/state eligibility criteria and client selection guidelines will not be consistent because only AmerenUE electric customers are eligible for this program. The intent is that programmatic policy, financial management and technical standards of the existing DNR/EC's Weatherization Program will apply to the AmerenUE weatherization assistance project.
- The DNR/EC will provide information from Department of Social Services Low-Income Home Energy Assistance Program (LIHEAP) recipient list to local weatherization agencies participating in the AmerenUE weatherization project. [Should we state the purpose of this information sharing??]
- Ameren UE will assist local agencies in promoting the program and soliciting applications for the AmerenUE weatherization assistance project (example: AmerenUE bill inserts suggesting weatherization assistance in disconnection notices).

**Administration of Local Agency Grant:**

- AmerenUE low-income electrical customers that are at or below 150% of federal poverty guidelines are eligible to receive weatherization assistance.
- DNR/EC will prepare a Terms of Grant agreement including scope of services document between DNR/EC and local weatherization agencies. Local weatherization agencies will review budgets and production schedules and signify acceptance through signature process.

**Reporting Requirements:**

- DNR/EC provides progress reports detailing the number of homes weatherized and expenditure rates on a quarterly basis to the collaborative committee no later than thirty days past the quarterly report period.

- An annual report will be issued to the collaborative committee no later than forty-five (45) days past the twelve-month program budget period.
- A final report will be issued to the collaborative committee. The final report may include an evaluation of how well agencies dealt with (1) large inflow of utility funds, (2) program criteria of UE customers only and (3) effectiveness of utility referrals.
- The Collaborative committee will consult on providing program progress reports and a final report to the Public Service Commission.

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**EXHIBIT C**

**Disbursement Request**

Mail Direct to:	(FOR DNR/EC USE ONLY)
Department of Natural Resources Energy Center P.O. Box 176 Jefferson City, MO 65102	P.O. # _____ ER-0040 GRANT # <u>G07-16-AMUE-</u>

AMERENUE REQUEST FOR FUNDS (DE-5)

Request Date: \_\_\_\_\_ Name of Subgrantee: \_\_\_\_\_

Program Year: 2007/2008 \_\_\_\_\_

Program Title: Weatherization Address: \_\_\_\_\_

\_\_\_\_\_

I certify that to the best of my knowledge and belief the date below is correct and that all outlays were made in accordance with the agreement and the payment is due and has not been previously requested.

\_\_\_\_\_  
Signature of Authorized Official

COST CATEGORY	REQUEST FOR FUNDS
ADMINISTRATION	
INSURANCE	
PROGRAM OPERATIONS	
FINANCIAL AUDIT	
TOTAL	
DNR/EC APPROVAL:	DATE:

**EXHIBIT D**

**Agency Payment Schedule**



(1) (2) (3) (4) (5) (6) (7) (8) (9)

	Total UE Accounts by Agency	Percent of Total UE Accounts by Agency	50% Allocation Based on UE Accounts	Estimated UE Poverty Accounts by Agency	Percent of Estimated UE Poverty Accounts by Agency	50% Allocation Based on UE Poverty Accounts	Sum of Columns (5) + (7)	Sum of Column (8) \$10,000 Base Allocation
Central Missouri Community Action	21,278	2.29%	\$12,240	6,122	2.48%	\$13,244	\$25,484	\$35,483
Kansas City Neighborhood & Comm Serv Dep	5,379	0.58%	\$3,094	1,375	0.56%	\$2,975	\$6,070	\$16,070
North East Community Action Corporation	114,437	12.30%	\$65,828	21,238	8.59%	\$45,946	\$111,774	\$121,774
Green Hills Community Action Agency	6,130	0.66%	\$3,526	2,064	0.83%	\$4,465	\$7,991	\$17,991
West Central Missouri Community Action Agency	4,034	0.43%	\$2,320	1,532	0.62%	\$3,315	\$5,635	\$15,635
Urban League	144,821	15.57%	\$83,306	81,992	33.16%	\$177,380	\$260,686	\$270,686
Community Action Agency of SLC	425,349	45.73%	\$244,675	72,066	29.14%	\$155,906	\$400,581	\$410,581
Community Services, Inc.	2,941	0.32%	\$1,692	759	0.31%	\$1,643	\$3,335	\$13,335
Jefferson-Franklin Community Action Corp	103,681	11.15%	\$59,641	19,198	7.76%	\$41,532	\$101,172	\$111,172
Missouri Valley Community Action Agency	0	0.00%	\$0	0	0.00%	\$0	\$0	\$0
Missouri Ozarks Community Action	22,755	2.45%	\$13,089	7,354	2.97%	\$15,909	\$28,999	\$38,999
Northeast Mo. Community Action Agency	10,954	1.18%	\$6,301	5,146	2.08%	\$11,134	\$17,435	\$27,435
East Missouri Action Agency	41,451	4.46%	\$23,844	14,443	5.84%	\$31,245	\$55,089	\$65,089
Delta Area Economic Opportunity Corp.	26,847	2.89%	\$15,443	14,009	5.66%	\$30,307	\$45,750	\$55,750
<b>TOTAL</b>	<b>930,057</b>	<b>100.00%</b>	<b>\$535,000</b>	<b>247,300</b>	<b>100.00%</b>	<b>\$535,000</b>	<b>\$1,070,000</b>	<b>\$1,200,000</b>

Column 5 = Total UE Accounts by Agency x Agency Total % of Poverty Households to Total Poverty = Estimated UE Poverty Accounts by Agency