

**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 Rates for Gas Service)	Case No. GR-2003-0517
Provided to Customers in the Company's)	
Missouri Service Area.)	

RESPONSE OF THE STAFF TO ORDER DIRECTING FILING

COMES NOW the Staff of the Missouri Public Service Commission and for its Response to the Commission's January 31, 2006 Order Directing Filing states:

1. On January 30, 2006, Union Electric Company d/b/a AmerenUE (UE or Company) filed tariff sheets designed to increase the funding level for its Energy Efficiency Natural Gas Rebate Program.

2. At the same time the Company requested expedited treatment to allow the tariff changes to become effective on February 13, 2006.

3. Staff recommends that the Commission approve the tariff. Please see the attached Staff Recommendation.

4. Staff also recommends that the Commission grant Ameren's request for expedited treatment and permit the tariff to become effective no later than February 13, 2006.

WHEREFORE, Staff respectfully suggests that the Commission approve the tariff and grant the request for expedited treatment.

Respectfully submitted,

/s/ Lera L. Shemwell

Lera L. Shemwell
Senior Counsel
Missouri Bar No. 43792

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Certificate of Service

I hereby certify that copies of the foregoing have been emailed, mailed, hand-delivered, or transmitted by facsimile to all counsel of record this 6th day of February, 2006.

/s/ Lera L. Shemwell

MEMORANDUM

To: Missouri Public Service Commission Official Case File, Case No. GR-2003-0517,
Tariff File No. YG-2006-0591, Union Electric Company d/b/a AmerenUE

HW

From: Henry Warren, Energy Department – Tariffs/Rate Design

/s/Lena Mantle 02-06-06
Utility Operations Division/Date

Lera Shemwell 02-06-06
General Counsel's Office/Date

Subject: Staff Recommendation to Approve Tariff Sheets Filed in Accordance with Stipulation and Agreement to Revise the Energy Efficient Natural Gas Equipment Rebate Program and Motion for Expedited Treatment

Date: 02/06/2006

On January 30, 2006, Union Electric Company d/b/a AmerenUE (UE or Company) filed tariff sheets proposing to revise and continue its Energy Efficient Natural Gas Rebate Program (the Rebate Program). UE makes this filing in compliance with the numbered paragraph "8" of the Unanimous Stipulation and Agreement (S&A) in Case No. GR-2003-0517, dated December 10, 2003, and approved on January 13, 2004. The purpose of the Rebate Program is to encourage more effective utilization of natural gas by encouraging energy efficiency improvements with economic incentives for choosing high-efficiency natural gas equipment with the Energy Star (ES) rating.

The parties to the S&A agreed that UE "would provide funding in the amount of \$55,000 per year, payable on February 15 of 2004, 2005, and 2006, for an energy-efficient-equipment program in accordance with the general terms of the program recommended in the direct testimony of MoDNR [Missouri Department of Natural Resources] witness Ms. Anita Randolph," and that a collaboration consisting of representatives of the Company, Staff, the Office of the Public Counsel (OPC), and the MoDNR would develop the implementation details. The tariff sheets proposed on January 30, 2006, contain the results of that ongoing collaboration.

The results of the Rebate Program for 2005-2006 were reviewed in a collaborative meeting January 26, 2006, which included Staff, UE, MoDNR, and OPC. UE reported that rebate requests by residential and commercial customers for furnace rebates had exceeded the allocated funds as of January 24, 2006. The collaborative agreed that it would be appropriate to re-allocate 2005 residual funds from 2006-07 to the current program to meet the current and anticipated rebate requests. Also, current excess funds in the Thermostat and Low Cost Measures were also re-allocated to the Residential and Commercial furnace rebate categories. The changes in funding allocations are contained in the tariff sheets and in Table 1 (attached).

Additional funding changes are the result of additional carryover from the remaining unused 2005 Rebate Program, \$13,650.00. In addition, the annual funding of \$55,000 along with the initial supplement of \$13,774.18 provides for a total of \$82,424.18 for the Rebate Program. The collaborative allocated \$875.18 for marketing the Rebate Program to heating contractors. The proposed tariff sheets allocate \$81,550 for the 2005-06 program as follows: \$1,900 for ES setback thermostats -- a decrease of \$8,933 from the initial allocation; \$50 for low-cost energy measures (low-flow shower heads/aerators, water heater wrap, and hot water pipe insulation) -- a decrease of \$1,450 from the

initial allocation; \$63,100 for residential ES rated natural gas furnace installations – an increase of \$19,534 from the initial allocation; and \$16,500 for commercial ES rated natural gas utilization equipment installation – an increase of \$4,500 from the initial allocation. The remaining \$124.19 of the 2005 carryover is allocated to the 2006-07 Program (Table 1).

The individual rebate amounts are the same. The gas utilization equipment rebate is available only to General Service customers, while the other rebates are available only to residential customers. The Rebate Program is voluntary and available to any participant once. The participant should receive the rebate within eight to ten weeks after a properly completed application form is submitted. Rebate forms will be available on the Company's website (www.ameren.com).

The proposed tariff sheets have an effective date of March 1, 2006, and the Rebate Program will conclude April 1, 2006, or when the applications for rebates exhaust the funds allocated. Concurrent with the tariff filing, the Company has filed a Motion for Expedited Treatment so the tariff sheets can take effect on February 13, 2006. The expedited authorization of the tariff sheets will allow the additional funding to be available as soon as possible for continuity of the rebate program. The Collaborative and Staff concur with the Company on the need for program continuity.

The Staff has reviewed this filing and has determined that the proposed tariff sheets comport with the S&A approved in Case No. GR-2003-0517. The Staff has verified that the Company has filed its annual report and is not delinquent on any assessment. Staff has reviewed this filing and is not aware of any issue currently pending before the Commission that affects, or is affected by, this filing.

Staff therefore recommends approval of the following tariff sheets, as filed on January 30, 2006 with an effective date of March 1, 2006 and that UE's Motion for Expedited Treatment be granted so that the tariffs may become effective on February 13, 2006:

P.S.C. Mo. No. 2 3rd Revised SHEET No. 78 Cancelling 2nd Revised SHEET No. 78
P.S.C. Mo. No. 2 2nd Revised SHEET No. 79 Cancelling 1st Revised SHEET No. 79

Copies: Director - Utility Operations Division
 Director - Utility Services Division
 Public Information Administrator
 General Counsel
 Manager - Procurement Analysis Department
 Manager - Energy Department
 Steven R. Sullivan - Vice President and General Counsel (AmerenUE)
 Office of the Public Counsel
 Shelley Woods - Missouri Department of Natural Resources

Table 1
AmerenUE Energy Efficiency Natural Gas Rebate Program (Case No. GR-2003-0517)
2005 Allocations and Expenditures and Allocations for 2005-06 and 2006-07
Revisions per January 30, 2006 (Tariff File No. YG-2006-0591)

February 2005 - March 2005

Description	Allocated	Rebated	Quantity	Goal	Funds Remaining
Thermostats	\$8,333	\$909	39	134	\$7,423.85
Low Cost Measures	\$5,000	\$42	10	500	\$4,957.52
Water Heater Wrap		\$12.30	2		
Pipe Insulation		\$10.18	6		
Shower Heads		\$20.00	2		
Furnace Systems	\$33,334	\$20,500	82	150	\$12,834.00
Boiler		\$0	0		
Furnace		\$20,500	82		
Comb Furnace/W-Heater		\$0	0		
Commercial Equipment	\$8,333	\$6,000	6	8	\$2,333.00
Totals	\$55,000	\$27,451.63	137		\$27,548.37

October 2005 - March 2006

	8/31/2005	1/30/2006	Change in Allocation	Goal 8/31/05	Goal 1/30/05	Change in Goal
Funds from 2005	\$13,774.18	\$27,424.18	\$13,650.00			
Reallocated to Marketing 2005-2006	\$875.18	\$875.18	\$0.00			
Reallocated to Rebates 2005-2006	\$12,899.00	\$26,549.00	\$13,650.00			
Scheduled allocation for 2005-2006	\$55,000.00	\$55,000.00	\$0.00			
Total tariff allocation for 2005-2006 Rebates	\$67,899.00	\$81,549.00	\$13,650.00			
Total allocation for 2005-2006 Rebates and Marketing	\$68,774.18	\$82,424.18	\$13,650.00			
Thermostats	\$10,833.00	\$1,900.00	(\$8,933.00)	433	76	(357)
Low Cost Measures	\$1,500.00	\$50.00	(\$1,450.00)	150	5	(145)
Water Heater Wrap						
Pipe Insulation						
Shower Heads						
Furnace Systems	\$43,566.00	\$63,100.00	\$19,534.00	174	252	78
Boiler						
Furnace						
Comb Furnace/W-Heater						
Commercial Equipment	\$12,000.00	\$16,500.00	\$4,500.00	16	22	6
Total projected Rebates and Marketing	\$68,774.18	\$82,425.18	\$13,651.00			

+\$1 rounding

October 2006 - March 2007

Carry forward none of the 2005 remaining funds to 2006-07	\$124.19
Carry forward any remaining funds to 2006-2007	???
Scheduled allocation for 2006-2007	\$55,000.00
Augmented allocation for 06-07 Rebates and Marketing	\$55,124.19
Total allocation for 2006-2007 Rebates and Marketing	???
Thermostats	
Low Cost Measures	
Water Heater Wrap	
Pipe Insulation	
Shower Heads	
Furnace Systems	
Boiler	
Furnace	
Comb Furnace/W-Heater	
Commercial Equipment	

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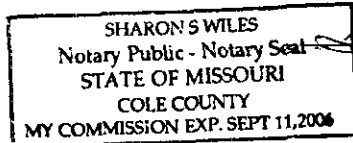
AFFIDAVIT OF HENRY E. WARREN


STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Henry E. Warren, of lawful age, on oath states: that has participated in the preparation of the foregoing written report, consisting of 3 pages to be presented in the above case, that the information in the attached written report were given by; that has knowledge of the matters set forth in such report; and that such matters are true to the best of knowledge and belief.



Subscribed and sworn to before me this 3rd day of February 2006.




Notary Public

My commission expires _____