

# MEMORANDUM

To: Missouri Public Service Commission Official Case File  
Case No. GT-2007-0322, Tariff No. JG-2007-0608  
Union Electric Company d/b/a AmerenUE

From: Tom Imhoff, Rate & Tariff Examination Supervisor  
Henry Warren, Regulatory Economist II  
Mack McDuffey, Rate & Tariff Examiner II

/s/ Thomas Imhoff      03/21/07  
Utility Operations Division/Date

/s/ Robert V. Franson      03/21/07  
General Counsel's Office/Date

Subject: Staff Recommendation to Approve Tariff Sheets Filed in Accordance with Stipulation and Agreement to Extend the Missouri Energy Efficient Natural Gas Equipment Rebate Program

Date: March 22, 2007

On March 2, 2007, Union Electric Company d/b/a AmerenUE (UE or Company) filed a tariff sheet proposing to extend the term of its Missouri Energy Efficient Natural Gas Equipment Rebate Program (Rebate Program). UE makes this filing in compliance with the numbered paragraph "8" of the Unanimous Stipulation and Agreement in Case No. GR-2003-0517, dated December 10, 2003, and approved by the Commission on January 13, 2004.

## Purpose of Program

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® rating.

## Availability

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) or by calling Ameren.

## Historical Funding

The parties to the Stipulation and Agreement 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 collaborative consisting of representatives of the Company, Commission's Energy Department Staff (Staff), the Office of the Public Counsel (OPC), and the MoDNR (Collaborative) would develop the implementation details. The Rebate Program has previously been implemented from February 2005 –

March 2005 and October 2005 – March 2006. The present period of this Rebate Program is October 2006 – March 2007 with a request to extend.

At the end of the first time period (February 2005 – March 2005), the Collaborative agreed that it would be appropriate for the unspent funds of \$27,548 be allocated as half (\$13,774) for each of the next two rebate periods of October 2005 – March 2006 and October 2006 – March 2007.

During the October 2005 – March 2006 rebate period, UE reported that rebate requests by residential and commercial customers for furnace rebates had exceeded the allocated funds as of January 24, 2006. The performance of the 2005-2006 Rebate Program was reviewed in a collaborative meeting on January 26, 2006. The Collaborative agreed that it would be appropriate to re-allocate the February 2005 – March 2005 Rebate Program period remaining funds of \$13,774 from 2006 - 2007 Rebate Program to the 2005 - 2006 Rebate Program to meet the 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 October 2005 – March 2006 Rebate Program concluded with remaining funds of \$1,629.

#### Present Funding

The present October 2006 – March 2007 Rebate Program has an annual funding of \$55,000 along with the remaining funds of \$1,629 from the 2005 - 2006 Rebate Program for a total of \$56,629 for the 2006 - 2007 Rebate Program which will presently conclude on April 1, 2007, as of January 2, 2007, a balance of \$30,537.11 remained. The Company is requesting an extension of the program to give customers more time to participate in the rebate program and use these remaining funds (Table 1)

#### This Filing

This filing is a request to extend the term of the Rebate Program from April 1, 2007 to September 30, 2007 to exhaust the funds available to the Rebate Program. The Collaborative, including Staff, concurs with the Company on the need for program continuity.

The Rebate Program tariff sheet change is stated below:

- In the tariff under “Term of Program”
  - change “April 1, 2007” to “September 30, 2007”

#### Staff Recommendation

The Staff has reviewed the filed tariff sheet, and is of the opinion that it was filed in a timely manner and remain in compliance with the Commission’s Report And Order Approving Stipulation and Agreement to UE’s general rate Case No. GR-2003-0517. The Staff therefore recommends that the Commission issue an order approving the following proposed tariff sheet, as filed on March 2, 2007, to become effective on April 2, 2007, as requested by UE, or permit the tariff sheet to go into effect by operation-of-law:

P.S.C. Mo. No. 2

3<sup>rd</sup> Revised SHEET No. 81 Cancelling 2<sup>nd</sup> Revised SHEET No. 81

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.

**Table 1**  
**AmerenUE Energy Efficiency Natural Gas Rebate Program (Case No. GR-2003-0517)**  
**2006-07 Allocations and Expenditures and Allocations for April-September 2007**  
**Revisions per March 1, 2007 (Tariff File No. JG-2007-0608)**

<b>October 2006 - March 2007</b>									
	<b>Allocated</b>	<b>Goal</b>	<b>Adjusted Rebate Amounts</b>	<b>Paid &amp; Reserved 3/31/07</b>	<b>\$ Paid &amp; Reserved 3/31/07</b>	<b>Actual - Goal</b>	<b>Average Rebate Amounts</b>	<b>Funds Remaining</b>	
Carry forward residual funds to 2006-07									
Carry forward remainder funds to 2006-2007	\$753.92								
Residual Funds 05-06 Reallocated to Marketing 2006-2007	\$998.37								
Scheduled allocation for 2006-2007	\$55,000.00								
Augmented allocation for 06-07 Rebates	\$55,753.92								
Total allocation for 2006-2007 Rebates and Marketing	\$56,752.29								
Thermostats	\$2,250.00	90	\$25	22	\$537.89	68	\$24.45	\$1,712.11	
Low Cost Measures	\$0.00	0							
Water Heater Wrap		0	\$0						
Pipe Insulation		0	\$0						
Shower Heads		0	\$0						
Furnace Systems	\$41,600.00	208	\$200	93	\$21,400.00	115	\$230.11	\$20,200.00	
Boiler									
Furnace									
Comb Furnace/W-Heater									
Commercial Equipment	\$12,000.00	32	\$375	9	\$3,375.00	23	\$375.00	\$8,625.00	
Total projected Rebates and Marketing	\$56,848.37				\$25,312.89			\$30,537.11	
Residual Funds	(\$96.08)								

<b>April 2007 - September 2007</b>			
	<b>Allocated</b>	<b>Goal</b>	<b>Rebate Amounts</b>
Carry forward residual funds to April - Sept 2007			
Carry forward remainder funds to April - Sept 2007	\$30,537.11		
Residual Funds Reallocated to Marketing 2007	\$998.37		
Scheduled allocation for 2007			
Augmented allocation for 4/2007-9/2007 Rebates	\$30,537.11		
Total allocation for 2006-2007 Rebates and Marketing	\$31,535.48		
Thermostats	\$1,712.11	68	\$25
Low Cost Measures	\$0.00	0	
Water Heater Wrap		0	\$0
Pipe Insulation		0	\$0
Shower Heads		0	\$0
Furnace Systems	\$20,200.00	115	\$200
Boiler			
Furnace			
Comb Furnace/W-Heater			
Commercial Equipment	\$8,625.00	23	\$375
Total projected Rebates and Marketing	\$31,535.48		
Residual Funds	\$0.00		

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

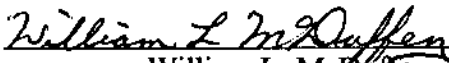
In the Matter of the Energy Efficient )  
Natural Gas Equipment Program Tariff of )  
Union Electric Company, d/b/a )  
AmerenUE )

Case No. GT-2007-0322

**AFFIDAVIT OF WILLIAM L. MCDUFFEY**

STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE     )

William L. McDuffey, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was given by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.

  
William L. McDuffey

Subscribed and sworn to before me this 21<sup>st</sup> day of March, 2007.



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06942086

  
Notary Public

My commission expires 9-21-10