BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company	)	
d/b/a Ameren Missouri's Filing to Implement	)	
Regulatory Changes in Furtherance of	)	Case No. EO-2012-0142
Energy Efficiency as allowed by MEEIA.	)	

UNANIMOUS STIPULATION AND AGREEMENT RESOLVING AMEREN MISSOURI'S MEEIA FILING

COME NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri"), the Staff of the Missouri Public Service Commission ("Staff"), the Office of the Public Counsel, the Missouri Department of Natural Resources, the Natural Resources Defense Council, Sierra Club, Earth Island Institute d/b/a Renew Missouri, the Missouri Industrial Energy Consumers, and Barnes-Jewish Hospital (together, the "Signatories") and present this Unanimous[1] Stipulation and Agreement ("Stipulation") to the Commission for the Commission's approval, and in support thereof respectfully state as follows:

BACKGROUND

1. On January 20, 2012, Ameren Missouri filed an application under the Missouri Energy Efficiency Investment Act ("MEEIA") and the Commission's MEEIA rules, along with its *2013-2015 Energy Efficiency Plan* ("MEEIA Report") submitted as direct testimony. Rebuttal testimony was filed on April 13, 2012, and surrebuttal and cross-surrebuttal testimony were filed on May 4, 2012.

2. A Partial Stipulation and Agreement ("Partial Stipulation") between Ameren Missouri and Laclede resolving certain issues raised by Laclede in its rebuttal testimony was

[1] Laclede Gas Company ("Laclede") did not participate in the settlement discussion that led to this comprehensive settlement agreement, but has indicated that it does not object and waives its right to object under the Commission's rules. Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company (collectively, "KCP&L") have indicated that they do not oppose the Stipulation. Consequently, this Stipulation may be treated as unanimous under the Commission's Rule 4 CSR 240-2.115(2)(B) and (C).

filed on May 11, 2012. No objection to the Partial Stipulation was filed within the 10-day period prescribed by the Commission's rules. Consequently, by operation of rule, the Partial Stipulation may be treated as unanimous under 4 CSR 240-2.115(2)(B) and (C).

SPECIFIC TERMS AND CONDITIONS

3. Complete Settlement of Case. As a result of extensive settlement discussions among all of the Signatories, the Signatories have agreed upon the terms and conditions set forth below in full and final resolution of all remaining issues in this case.

4. Approval of Plan. Subject to the terms and conditions contained herein, the Signatories agree that Ameren Missouri's demand-side program plan should be approved. For purposes of this Stipulation, Ameren Missouri's three-year demand-side program plan (the "Plan") consists of the 11 demand-side programs ("MEEIA Programs") described in Ameren Missouri's January 20, 2012 MEEIA Report, the demand-side programs investment mechanism ("DSIM") described in the MEEIA Report, modified to reflect the terms and conditions herein, and the Technical Resource Manual ("TRM") attached as Appendix A to the surrebuttal testimony of Ameren Missouri witness Richard A. Voytas.

5. DSIM. The Signatories agree that the Commission should approve the DSIM described in the MEEIA Report, after being modified as set forth in this paragraph, paragraph 6 and paragraph 7, including all of their subparts.

a. *Program Costs*. One third of the estimated MEEIA Programs' costs[2] ($49,108,352) shall be added to the revenue requirement determined as if the approved Plan did not exist, both in Case No. ER-2012-0166 and in each subsequent Ameren Missouri general electric rate case where new general rates ("base rates") will become

[2] MEEIA Programs' costs include expenditures on items such as program design, administration, delivery, end-use measures and incentive payments, evaluation, measurement and verification, market potential studies and work on the technical resource manual.

effective before the end of the three-year Plan period.[3] After the conclusion of the three-year Plan period, one or more true-ups will be performed to reflect actual MEEIA Programs' costs for the three-year program period, as provided for in paragraph 6.a below.

b. *Net Shared Benefits ("NSB").*

i. NSB Relating to the Throughput Disincentive ("TD"). In addition to the above-mentioned revenue requirement additions for estimated program costs, $30.45 million shall be added to the revenue requirement determined as if the approved Plan did not exist, in Case No. ER-2012-0166, and in each subsequent Ameren Missouri general rate case where new base rates will become effective before the end of the three-year Plan period. The $30.45 million (as illustrated in Appendix A) is equal to ninety percent of the estimated amount of Ameren Missouri's TD-NSB Share. "Ameren Missouri's TD-NSB Share" or "Ameren Missouri TD-NSB Share" is the annualized value of a three-year annuity of 26.34%[4] of the actual pre-tax NSB which the Signatories agree Ameren Missouri is to recover to offset the TD associated with the MEEIA Programs. NSB are the present value of the lifetime avoided costs (i.e., avoided energy, capacity, transmission and distribution, and probable environmental compliance costs) for the approved MEEIA Programs using the deemed values in the TRM less the present value of all utility costs of administering the MEEIA

[3] The three-year program period ends three years from the date the tariff sheets implementing the Plan become effective. In the event that the Home Energy Performance ("HEP") and HVAC programs start on a different date, the end date of the HEP and HVAC program will be on the same date as the end date for Ameren Missouri's other MEEIA Programs.

[4] The 26.34% is calculated using an assumed combined marginal federal/state tax rate of 38.39%. The 26.34% could change if Ameren Missouri's customer charge is changed in Case No. ER-2012-0166.

Programs. The revenue requirement addition provided for in this paragraph 5.b shall be trued-up as provided for in paragraph 6.b below.

ii. NSB Relating to the Performance Incentive. After the conclusion of the three-year Plan period, using final Evaluation, Measurement and Verification ("EM&V") results (with EM&V to be performed after each of the program years 1, 2 and 3),[5] Ameren Missouri will be allowed to recover the performance incentive, which is a percentage of NSB as described on Appendix B attached hereto and incorporated herein by this reference (the "Performance Incentive Award"). The cumulative net megawatt-hours ("MWh") determined through EM&V to have been saved as a result of the MEEIA Programs will be used to determine the amount of Ameren Missouri's Performance Incentive Award, with the cumulative net MWh performance achievement level (expressed as a percentage) being equal to cumulative net MWh savings determined through EM&V divided by Ameren Missouri's total targeted 793,100 MWh (which is the cumulative annual net MWh savings in the third year of the three-year Plan period).[6] The targeted net energy savings shall be adjusted annually for full program year impacts on targeted net energy savings caused by actual opt-out.[7] Actual net energy savings for each program year will be determined through the EM&V, including full retrospective application of net-to-gross ratios at the program level using EM&V results from each of the three program years, with the

[5] As provided for in paragraph 11.b, if there are objections or concerns with any EM&V results that the Signatories are unable to resolve, they will be submitted to the Commission for resolution according to the process outlined therein.

[6] The cumulative 793,100 MWh net (net-to-gross ratios are equal to 1.0) energy savings is based upon the 1,434,353 MWh annual energy sales for the opt-out customers specified in Table 2.11 of the MEEIA Report.

[7] This is based on a net-to-gross ratio equal to 1.0 (except for the Refrigerator Recycling Program, which has a net-to-gross ratio of 0.64). Note that all references to net-to-gross ratios in this Stipulation to the Refrigerator Recycling Program assume the net-to-gross ratio for that program is 0.64.

sum of the three years' actual net energy savings to be used to determine the amount of the Performance Incentive Award. Recovery of the Performance Incentive Award is addressed in paragraph 6.c.

6. Final Recovery/True-up. It is the Signatories' intent that Ameren Missouri shall recover as close as reasonably practicable (separately for the residential and non-residential customer classes):

- its actual MEEIA Programs' costs;
- the Ameren Missouri TD-NSB Share amounts; and
- the Performance Incentive Award determined in accordance with paragraph 5.b.ii. and Appendix B.

Initially, as detailed above, estimates of the MEEIA Programs' costs and 90% of Ameren Missouri's TD-NSB Share shall be recovered through base rates, with the difference between Ameren Missouri's estimated and actual MEEIA Programs costs and the difference between 90% of the estimated and 100% of the actual Ameren Missouri TD-NSB Share tracked for recovery by means of an amortization in a future general electric rate case. Similarly, Ameren Missouri's Performance Incentive Award shall be recovered through base rates set in a future general electric rate case by using an amortization described in subsection 6 c. However, if the pending challenge (currently before the Missouri Western District Court of Appeals in Case No. WD 74676) to the lawfulness of a DSIM rider is ultimately resolved in favor of it being lawful prior to any final true-up of the MEEIA Programs' costs or Ameren Missouri's TD-NSB Share, then the respective associated regulatory asset or regulatory liability balance, and Performance Incentive Award shall (except as otherwise provided for in paragraph 7) be recovered from/returned to customers via such a rider. Furthermore, if the pending challenge (currently before the Missouri Western District Court of Appeals in Case No. WD 74676) to the lawfulness of a DSIM rider is ultimately resolved in favor of it being lawful prior to any determination of the amount of Ameren Missouri's Performance Incentive Award, then (except as otherwise provided for in paragraph 7) the award shall be recovered from customers via such a rider. The basic terms of the riders referenced above are outlined in paragraph 7.

a. *Final Recovery/True-up of Program Costs*: Because the MEEIA Programs' costs to be included in the revenue requirement in Case No. ER-2012-0166, and in each subsequent Ameren Missouri general electric rate case where new base rates will become effective before the end of the three-year Plan period, are estimated, a true-up will be required to reflect actual MEEIA Programs' costs as compared to the billed amount. Because it is probable that there will be differences over the course of the three-year Plan period between the amount of MEEIA Programs' costs billed in rates to the residential and non-residential customer classes and the amount of MEEIA Programs' costs Ameren Missouri actually incurs for the residential and non-residential customer classes, Ameren Missouri shall track such differences and apply each month a carrying cost using Ameren Missouri's short-term borrowing rate to the cumulative amount of the under- or over-recovery. Unless Ameren Missouri's cost recovery component of a DSIM is being implemented through a rider, the true-up to reflect differences between billed and actual MEEIA Programs' costs will be effectuated through an amortization (implemented in one or more future general electric rate proceedings) of the balance in a regulatory asset or regulatory liability account. This amortization will reflect the difference between the amount of actual monthly MEEIA Programs' costs and the billed amount of monthly MEEIA Programs' costs at the end of the last period (separately for the residential and non-residential customer classes) used to update or true-up the test year used for setting new general electric rates. With respect to recovery/return of the difference between the amount of billed and the amount of actual MEEIA Programs' costs (separately for the residential and non-residential customer classes), the Signatories agree as follows:

i. Interest shall be applied monthly at Ameren Missouri's short-term borrowing rate to the cumulative differences between the billed amount of monthly MEEIA Programs' costs and the monthly MEEIA Programs' costs actually incurred.

ii. If the regulatory asset or regulatory liability balance is not being recovered from/returned to customers via a rider, then in any general electric rate proceeding occurring after the conclusion of the three-year Plan period and concluding prior to when the entire difference between actual and billed MEEIA Programs' costs (separately for the residential and non-residential customer classes) have been recovered/returned, the regulatory asset or regulatory liability balance (with interest) as of the end of the last period used to update or true-up the test year used for setting new electric rates in such a general electric rate proceeding shall be amortized over three years and the resulting annual amount included in the revenue requirement used to determine base rates in that general electric rate proceeding. The unamortized balance of any regulatory asset or regulatory liability will be included in Ameren Missouri's general electric rate base (separately for the residential and non-residential customer classes) in that rate proceeding. It is the intent of the Signatories that Ameren Missouri shall ultimately bill customers for an amount as close as reasonably practicable (separately for the residential and non-residential customer classes) to the MEEIA Programs' costs. The Signatories contemplate that unless they otherwise agree, the method to accomplish this intent will be to create a regulatory asset or regulatory liability for the overage/underage so that such difference can be billed/returned through future general electric rate proceedings.

iii. The provisions of this paragraph 6.a do not affect the Commission's ability to disallow imprudently incurred MEEIA Programs' costs through the prudence review process addressed in the Commission's MEEIA rules, and as provided for in paragraph 22 of this Stipulation.

b. *Final Recovery/True-up of Ameren Missouri's TD-NSB Share*: Throughout the three-year Plan period, Ameren Missouri shall count the actual number (by type) of energy efficiency measures installed each month (separately for the residential and non-residential customer classes) for purposes of determining Ameren Missouri's TD-NSB Share. The counts will be based on reports from the implementers hired by Ameren Missouri for each MEEIA Program. The actual number (and type) of measures installed each month almost certainly will vary from the estimated number (and type) of measures in each month used to calculate the estimated NSB used to determine the $30.45 million to be included in Ameren Missouri's revenue requirement in Case No. ER-2012-0166, as also provided for in paragraph 5.b.i. above. Moreover, $30.45 million is 90% of the estimate of Ameren Missouri's TD-NSB Share, and the amount actually billed will almost certainly vary from the $30.45 million to be reflected in Ameren Missouri's revenue requirement in Case No. ER-2012-0166. The Signatories agree there is a need to true-up (separately for the residential and non-residential customer classes) the 90% of the estimated Ameren Missouri TD-NSB Share that is billed to the amount of the Ameren Missouri TD-NSB Share. Ameren Missouri shall track the differences (separately for the residential and non-residential customer classes) between the amount billed and the dollar amount that equates to the portion of Ameren Missouri's TD-NSB Share at the same point in time (determined using the actual number of measures (by type) installed in each month). For purposes of determining the Ameren Missouri's TD-NSB Share, the only changes that will be made to the inputs[8] into the DSMore model[9] that was utilized for the MEEIA Report when the DSMore model is re-run (at any point in time) to calculate actual NSB are (i) the actual number of energy efficiency measures (by type) installed in each month up to that point, (ii) the actual program costs in each month incurred up to that point; and (iii) for Commercial and Industrial Custom measures for which the TRM does not provide a deemed value, savings determined according to the protocol provided for at pages 85 to 98 of the TRM. EM&V shall not be utilized to calculate the actual NSB for the purposes of determining Ameren Missouri's TD-NSB Share.

If any true-up relating to Ameren Missouri's TD-NSB Share is not being effectuated through a rider then that true-up shall be effectuated through an amortization (implemented in one or more future general electric rate proceedings) of the balance in a regulatory asset or regulatory liability account (separately for the residential and non-residential customer classes) that will reflect the difference between the actual amount billed and the dollar amount that equates to the portion of the Ameren Missouri TD-NSB Share based on the actual number of measures (by type) installed in each month. With respect to recovery/return of the difference

[8] E.g., Net-to-gross ration equal 1.0 (except for the Refrigerator Recycling Program, which has a net-to-gross ratio of 0.64), avoided costs, and discount rate.
[9] DSMore Model – SLX Version 5.0.14, CSG Version 5.0.23.

between the amount billed through base rates and the dollar amount of Ameren Missouri's TD-NSB Share, the Signatories agree as follows:

i. Interest shall be accrued at Ameren Missouri's Allowance for Funds Used During Construction (“AFUDC”) rate applied (separately for the residential and non-residential customer classes) to the monthly cumulative differences between the billed amount for Ameren Missouri’s TD-NSB Share (which is based upon 90% of Ameren Missouri’s estimated TD-NSB Share) and the portion of the Ameren Missouri TD-NSB Share based on actual number of measures (by type) installed in each month.

ii. If the regulatory asset or regulatory liability balance is not being recovered from/returned to customers via a rider, then in each Ameren Missouri general electric rate proceeding that occurs after new general electric rates become effective in Case No. ER-2012-0166 and concludes prior to when the entire difference between the amount billed and the portion of Ameren Missouri's actual TD-NSB Share (separately for the residential and non-residential customer classes) has been recovered/returned, the regulatory asset or regulatory liability balance (plus accrued carrying costs at Ameren Missouri’s AFUDC rates) at the end of the last period used to update or true-up the test year used for setting new general electric rates in such a general electric rate proceeding shall be amortized over three years and the resulting annual amount included in the revenue requirement used to determine base rates in that general electric rate proceeding. The unamortized balance of any regulatory asset or regulatory liability will be included in rate base. If such a general electric rate proceeding during the three-year Plan period, the true-up will only be partial, meaning at least one more true-up will occur (separately for the residential and non-residential customer classes) in later general electric rate proceedings concluding after the three-year Plan concludes. It is the intent of the Signatories that Ameren Missouri shall ultimately bill customers for an amount as close as reasonably practicable (separately for the residential and non-residential customer classes) to the amount of Ameren Missouri's TD-NSB Share. The Signatories contemplate that unless they otherwise agree, the method to accomplish this intent will be to create a regulatory asset or regulatory liability for the overage/underage so that such difference can be billed/returned through general electric rate proceedings.

c. *Recovery of Performance Incentive Award*:

i. If Ameren Missouri does not recover its Performance Incentive Award through a rider, then Ameren Missouri shall recover its Performance Incentive Award through an amortization of the award amount included in Ameren Missouri's rate base in a general electric rate case that concludes after the Performance Incentive Award amount is determined for the end of the three-year Plan period. With respect to recovery of Ameren Missouri's Performance Incentive Award through an amortization, the Signatories agree that in the first general electric rate proceeding for which the end of the last period used to update or true-up the test year used for setting new general electric rates occurs after the last of the three Plan EM&V cycles have been completed, the amount of the Performance Incentive Award (plus an accrued carrying cost equal to Ameren Missouri's short-term borrowing rate calculated from the end of the three-year

Plan period until recovery begins) shall be amortized over two years and the resulting annual amount included in the revenue requirement used to determine base rates in that general electric rate proceeding. It is the intent of the Signatories that Ameren Missouri shall ultimately bill customers for an amount as close as reasonably practicable (separately for the residential and non-residential customer classes) to the Performance Incentive Award earned as provided for in paragraph 5.b.ii. and Appendix B. The Signatories contemplate that unless they otherwise agree, the method to accomplish this intent will be to true-up the balance in the regulatory asset or regulatory liability to bill/return the difference between the amount previously billed for the Performance Incentive Award and the amount of the Performance Incentive Award earned.

7. If a rider is utilized in lieu of recovery/true up for the items reflected in paragraphs 5 and 6 above, it shall provide for rate adjustments outside general rate proceedings. The rider will be designed so that sums to be billed/returned via the rider will be billed/returned within two years of the annual period in which the sums being recovered under the rider were recognized in Ameren Missouri's financial statements prepared in accordance with Generally Accepted Accounting Principles. Sums to be billed/returned under the rider shall bear interest at Ameren Missouri's short-term borrowing rate until fully billed/returned. The rider will also provide for further adjustments as necessary after the billing/return period is complete to true-up any differences in the sums to be billed/returned and the actual billings/returns caused by a difference between the kilowatt-hour sales used to calculate the rider rate versus the actual kilowatt-hour sales that occurred during the billing/return period. The Signatories agree to cooperate in the creation of the rider referenced in this paragraph, including the tariff sheets to

implement it. Notwithstanding anything to the contrary contained in this Stipulation, if the Commission does not approve an agreed-upon rider or a rider meeting the basic terms outlined in this paragraph 7, in either case within a time period that will not result in a delay in any amortization that would otherwise have occurred absent the use of a rider, then a rider shall not be used for recovery/true up for the items reflected in paragraphs 5 and 6 above, and recovery/true-up of such items shall occur as otherwise provided for in this Stipulation, the same as if the lawfulness of a DSIM rider had not ultimately been resolved in favor of it being lawful.

8. <u>DSM Programs Tariff Sheets</u>. The tariff sheets in the form of the exemplar tariff sheets attached hereto and incorporated herein by reference as Appendix C shall be filed as compliance tariff sheets concurrently with the filing of compliance tariff sheets in Case No. ER-2012-0166. Ameren Missouri will make reasonable efforts to make the program tariffs effective by January 2, 2013; provided, that in order to build upon implementation of the other residential programs the actual start-up of the HEP and HVAC programs will likely occur up to approximately 60 days after the start of the other MEEIA Programs. The Signatories agree that the exemplar tariff sheets attached hereto (subject to inserting for each individual program start date and end date in the applicable blanks) should be approved in Case No. ER-2012-0166.

9. <u>Other Tariff-Related Matters</u>.

a. Attached hereto and incorporated herein by this reference as Appendix D are the ranges of incentive amounts, by measure, that Ameren Missouri may offer to customers. In order to offer incentive amounts that fall outside these ranges, Ameren Missouri must seek and obtain Commission approval under 4 CSR 240-20.094(4).

b. Initial measures and/or incentive amounts shall be filed in this case, Case No. EO-2012-0142, immediately after DSM program designs are finalized for initial offering to eligible customers.

c. Changes in measures and/or incentive amounts being offered at a given time will be made in accordance with the change process provided for in the tariff sheets for the "umbrella" residential and business energy efficiency programs. Ameren Missouri will file a notice in this case, Case No. EO-2012-0142, no less than five (5) business days prior to making any change in its measure and/or incentive amount offerings; this notice requirement includes notice of the discontinuance of any measure and/or incentive amount. As provided for in the change process, the revised web page(s) reflecting the change(s) in measure or incentive amount will be filed in this case before the change is disclosed publicly on actonenergy.com. If a measure or incentive amount shown on the website accessed as actonenergy.com differs from the measure or incentive amount included in the currently effective notice filed in this case for that measure or incentive amount, the stated measure or incentive amount included in the currently effective notice shall govern. When a program participant has already received a reservation for a specified measure and incentive amount, future changes in measures or incentive amounts will not affect that reservation, so long as the program participant fulfills their obligations within any relevant time limits.

10. Case No. ER-2012-0166 Base Rate Schedules/Customer Bills. Ameren Missouri's rate schedules for each of its seven rate classes, submitted as part of its compliance tariff sheets filed in accordance with the Commission's Report and Order to be issued in Case No. ER-2012-0166, shall reflect each rate class's allocation of program costs for Ameren

Missouri's energy efficiency programs in effect prior to the time that the energy efficiency programs to be approved as provided herein begin, but those programs' costs will not be reflected in a separate line item on Ameren Missouri's bills to customers. Said rate schedules shall also reflect each rate class's allocation of the sums of $49,108,352 and $30,449,357 provided for in paragraph 5 relating to the MEEIA Programs. The charges resulting from the sums relating to the MEEIA Programs shall be reflected in a separate line item on Ameren Missouri's bills that reads: "Energy Efficiency Investment Chg." Notwithstanding the foregoing, all non-opt out customers who have demand or interval meters and associated detailed billing (i.e., full disclosure) will have both the "Energy Efficiency Pgm Charge"[10] and "Energy Efficiency Investment Chg" charges as separate bill line items. The base rate schedules will also include language providing for the true-ups to be performed as provided for herein and for the prudence reviews referenced in paragraph 22 below.

11. EM&V.

a. Approximately five percent of the three-year MEEIA Programs' costs budget will be spent for EM&V. Ameren Missouri will consider input from the stakeholder group, as described in paragraph 14, in its determination of how best to allocate and utilize the EM&V budget.

b. The following process will be used for EM&V reports:

i. 45 days after the end of each program year, the EM&V contractor will circulate a draft EM&V report to all stakeholders participating in the stakeholder group and the Commission's Independent EM&V Auditor ("Auditor"). This provision does not affect the requirement in the MEEIA rules for the EM&V contractors to provide copies of draft EM&V reports to

[10] Reflecting program costs for pre-MEEIA programs.

stakeholders participating in the stakeholder group at the same time that draft reports are provided to Ameren Missouri.

ii. 60 days after circulation of the draft EM&V report, the Auditor and each stakeholder group participant will provide any comments and recommendations for report changes to the EM&V contractor and to all other stakeholder group participants and the Auditor. The Signatories recognize there is a benefit to providing comments as early as possible, as providing comments and recommendations earlier to the EM&V contractor will allow for more time for the incorporation of comments and changes into the Final Report.

iii. Prior to issuing the Final EM&V Report, the EM&V contractor will host at least one meeting with the Auditor and the stakeholder group participants to discuss the comments and recommendations for report changes. The EM&V contractor will determine what comments and/or changes are incorporated into the Final EM&V Report. 30 days after the deadline for comments and recommendations for report changes, the Final EM&V report will be provided to all stakeholder group participants by the EM&V contractor.

iv. Any stakeholder group participant who wants a change to the impact evaluation portion of a Final EM&V Report will have 21 days from the issuance of the Final EM&V Report to file a request with the Commission to make such a change ("Change Request"). Any stakeholder group participant filing a Change Request will set forth all reasons and provide support for the requested change in its initial Change Request filing. Responses to a Change Request may be filed by any stakeholder group participant and are due 21 days after the Change Request is filed. The response should set forth all reasons and provide support for opposing or agreeing with the Change Request. Within two business days after the deadline for filing a Change Request(if a Change Request is filed), the Signatories agree that the stakeholder group participants will hold a conference call/meeting to agree upon a proposed procedural schedule that results in any evidentiary hearing that is necessary to resolve the Change Request to be completed within 60 days of the filing of the Change Request, and which will recommend to the Commission that the Commission issue its Report and Order resolving the Change Request within 30 days after the conclusion of such a hearing. The Signatories anticipate a hearing with live testimony may be required to resolve a Change Request, but if a hearing is not required, they agree to cooperate in good faith to obtain Commission resolution of a Change Request as soon as possible. The Signatories will be parties to a Change Request resolution proceeding without the necessity of applying to intervene. The procedural schedule for such a Change Request proceeding will provide that data request objections must be lodged within 7 days and responses will be due within 10 days (notifications that additional time is required to respond will also be due within 7 days).

v. All Signatories will be bound by the impact evaluation portion of the Final EM&V Report, as it may be modified by the Commission's resolution of issues related to the impact evaluation portion of the Final EM&V Report.

c. Consistent with the requirements of 4 CSR 240-20.093(7), the Staff commits to take all steps within its control to complete the State procurement process and provide the Commission with an evaluation and recommendation such that the Commission may award a contract for the Auditor to begin work no later than January 2013. The Auditor will audit and report on the work of Ameren Missouri's independent EM&V contractors. It is anticipated that the Auditor will (a) monitor EM&V planning, implementation, and analysis of the EM&V contractors, (b) provide on-going feedback to the Signatories on EM&V issues and (c) provide all Signatories with a copy of its final annual report in a timely manner. If, by October 1, 2012, it becomes apparent that the State procurement process will not be completed in time for the Auditor to begin work no later than January 2013, the Staff commits to complete the Commission's local procurement process, and request Commission approval, to obtain the services of an interim Auditor from January 2, 2013 through June 30, 2013. It is anticipated that the interim Auditor will provide limited input on EM&V planning. If an interim Auditor is used, the permanent Auditor will make all reasonably practicable efforts to make the permanent Auditor's findings with respect to EM&V contractors' work completed prior to the permanent Auditor's commencement of work ("prior EM&V work") consistent with the input and findings of the interim Auditor. To the extent the permanent Auditor's input and findings about the prior EM&V work are inconsistent with those of the interim Auditor Ameren Missouri shall not be required to undertake additional analysis on the prior EM&V work if such analysis would be burdensome. To the extent the permanent Auditor's input and findings about the prior EM&V work are inconsistent with those of the interim Auditor, Ameren Missouri's actions taken in reliance on the input and findings of the interim Auditor about the prior EM&V work shall have a rebuttable presumption of prudence. If at any point during the process described in this section, neither a permanent nor an interim Auditor has been hired, the process will proceed as described, without the Auditor.

12. Demand Response Programs. Ameren Missouri will evaluate demand response programs as part of its next DSM market potential study. The results of this study updated as necessary due to potential changes in assumptions regarding parameters including rate design, avoided costs, Midwest Independent Transmission System Operator, Inc. rules and regulations, and appropriate uncertainty factors will be used in Ameren Missouri's April 2014 Integrated Resource Plan ("April 2014 IRP") filing under the Commission's Chapter 22 rules. Ameren Missouri will not limit its evaluation of demand response programs by only adding demand response resources to an alternative resource plan in years where there is a need to reduce peak demand due to shortfalls in Ameren Missouri's planning capacity reserve margins. Demand response program(s) that are determined to be cost-effective shall be included in at least one candidate resource plan during the integrated resource plan and risk analysis for the April 2014 IRP.

13. Market Potential Study. Ameren Missouri will perform a new market potential study meeting the requirements of 4 CSR 240-3.164(2)(A), and will use the same to inform the preparation of its April 2014 IRP filing. This study will include a comprehensive analysis of demand response programs.

14. Stakeholder Meetings. Ameren Missouri will continue meeting at least quarterly with its stakeholder group which shall consult with and advise Ameren Missouri on at least the topics the stakeholder group currently addresses, with Ameren Missouri providing at least information of the nature it currently provides. The stakeholder group will consist of the

Signatories who choose to participate and their invitees.[11] The stakeholder group will: (a) receive program updates from Ameren Missouri and EM&V updates and report presentations from Ameren Missouri's evaluators; (b) consult with and advise Ameren Missouri on the possible expansion of energy efficiency and demand response programs, and the design of such programs (possibly including co-delivery of programs with gas/water utilities); and (c) consult with and advise Ameren Missouri on issues related to EM&V (including Ameren Missouri's proposed EM&V Requests for Proposals, the scope of work for future EM&V projects, and issues relating to net-to-gross ratios that may be used in future MEEIA plans), and the TRM. Ameren Missouri will circulate a draft agenda for each stakeholder group meeting approximately one week prior to the scheduled meeting date. Any stakeholder group member can suggest items for the agenda for a stakeholder group meeting. A suggested agenda item will be included on the agenda for a stakeholder group meeting so long as a majority of the Signatories voting on inclusion of the suggested item believe it is appropriate to do so. This stakeholder group fulfills the requirements of 4 CSR 240-20.094(8)(A) regarding a utility specific collaborative. The Signatories agree to support efforts to develop a statewide TRM as set forth in 4 CSR 240-20.094 (8)(B). If a statewide TRM is approved by the Commission prior to the end of Ameren Missouri's initial three-year MEEIA programs, the Signatories agree that Ameren Missouri's TRM will continue to be used for the Plan.

15. <u>Customer Charge/Rate of Return</u>. The Signatories agree that the Commission should not make any decisions in this case regarding Ameren Missouri's customer charge or the impact (if any) of the approvals reflected in this Stipulation on Ameren Missouri's business risk. If the Commission determines in Case No. ER-2012-0166 and in each subsequent Ameren

[11] The Signatories agree that Laclede Gas Company may also participate as a stakeholder in the stakeholder group notwithstanding that it is not a Signatory.

Missouri general rate case where new base rates will become effective before the end of the three-year Plan period that approval of this Stipulation and the items addressed herein affects Ameren Missouri's business risk and that consequently an adjustment to the cost of capital is warranted, such adjustment shall be made before any additions provided for in paragraphs 5.a and 5.b and the revenue requirement after such adjustment shall be considered to be the revenue requirement determined as if approved Plan did not exist. With regard to Ameren Missouri's customer charge, the 26.34% ($33.8 million annual revenue requirement) Ameren Missouri TD-NSB Share provided for in paragraph 5 is based upon a customer charge of $8. If the customer charge changes, Ameren Missouri's TD-NSB Share will have to change accordingly (e.g., a customer charge of $12 would mean that Ameren Missouri's TD-NSB Share would be 25.30% (i.e. $32.5 million annual revenue requirement, and if the customer charge were set between $8 and $12, Ameren Missouri's TD-NSB Share would be determined by interpolating between those two percentages)).

16. No Seasonality of DSIM Rates. The DSIM rates agreed upon herein shall be uniform throughout a billing year, with no summer or winter or other seasonal differentiation.

17. Assignment and Allocation of Program Costs. With the exception of the costs of the low-income program, which will be allocated and trued-up as provided for in paragraph 20, the costs of all residential MEEIA Programs shall be assigned to the residential class and trued-up. All non-residential (Rate Classes SGS, LGS, SPS, LPS and LTS) MEEIA Program costs shall initially be allocated to each affected non-residential rate class based upon the test year kWhs used to determine base rates for those rate classes in Ameren Missouri's pending general electric rate case, Case No. ER-2012-0166, after excluding the kWhs of the opt-out customers. This initial allocation of the costs of the non-residential MEEIA Programs shall also be adjusted,

as necessary, in each Ameren Missouri general electric rate case filed after Case No. ER-2012-0166 as described in paragraph 21. General and common costs associated with MEEIA Programs shall be allocated to residential and non–residential customer classes based upon test year kWh, excluding opt-out customers.

18. Assignment and Allocation of Ameren Missouri's TD-NSB Share and Performance Incentive Award. With the exception of Ameren Missouri's TD-NSB Share and Performance Incentive Award associated with the low-income program, which will be allocated and trued-up as provided for in paragraph 20, the annual revenue requirement associated with Ameren Missouri's TD-NSB Share and Performance Incentive Award associated with residential MEEIA Programs shall be allocated to the residential class and trued-up. For Case No. ER-2012-0166, the initial allocation to affected non-residential rate classes of the annual revenue requirement associated with Ameren Missouri's TD-NSB Share associated with the cumulative energy savings from its non-residential MEEIA Programs shall be based upon the cumulative energy reductions of Ameren Missouri's non-residential MEEIA Programs by rate class from April 2009 through September 2011. This initial allocation will be adjusted, as necessary, in Ameren Missouri general electric rate cases filed after Case No. ER-2012-0166 as described in paragraph 21. The annual revenue requirement for Ameren Missouri's Performance Incentive Award associated with the cumulative energy savings from its non-residential MEEIA Programs shall be allocated among the affected non-residential classes based on the EM&V results for energy usage reductions of each class.

19. Tracking of Non-Residential MEEIA Programs by Rate Class. Ameren Missouri shall track, by rate class, its non-residential program expenditures and energy savings arising from such programs that are approved and implemented as a result of this case.

20. Allocation and True-Up of Program Costs, Ameren Missouri's TD-NSB Share and Performance Incentive Award for the Low-Income Program. All costs for the Low-Income program (commonly referred to as Multi-Family Low-Income Qualified or MFIQ), including program costs, the annual revenue requirement of Ameren Missouri's TD-NSB Share and the annual revenue requirement of Ameren Missouri's Performance Incentive Award, shall be allocated to the residential and non-residential rate classes based upon the ratio of the test year kWhs of the rate class to the total kWhs of all the rate classes, except for the kWhs of customers who have opted-out. The difference between the actual amounts of MEEIA Program Costs, Ameren Missouri's TD-NSB Share and Performance Incentive Award for the Low-Income Program allocated to the residential rate class and the non-residential rate classes and the amounts billed to the residential rate class and the non-residential rate classes shall be trued-up as part of the true-up process described in paragraph 6.

21. Non-Residential Class Adjustment of Initial Amounts for MEEIA Program Costs and Ameren Missouri's TD-NSB Share. The adjustment to the initial amount for the MEEIA Program Costs for non-residential program will be the difference by rate schedule between the estimated and actual energy efficiency program expenditures arising from business energy efficiency programs. The adjustment to the initial amount of Ameren Missouri's TD-NSB Share allocated among the affected non-residential classes will be the difference by rate schedule between the initial 90% of estimated amounts of Ameren Missouri's TD-NSB Share attributable to non-residential programs allocated to affected non-Residential rate classes as described in paragraph 18 and the amount of Ameren Missouri's TD-NSB Share attributable to non-residential programs based on actual number and type of measures installed. The adjusted

amounts will be used as part of the true-up process described in paragraph 6 for Ameren Missouri general electric rate cases filed after Case No. ER-2012-0166.

22. Prudence Review. A prudence review in accordance with 4 CSR 240-20.093(10) shall be conducted. Any amount ordered refunded as a result of such prudence review shall be a reduction to Ameren Missouri's revenue requirement in the first general electric rate proceeding occurring after a Commission order specifying such a refund; provided, that if a rider mechanism is in place for the program costs, Ameren Missouri's TD-NSB Share and the Performance Incentive Award, then a rider mechanism will be used to effectuate the results of the prudence review.

23. Variances. The Signatories agree that the terms and conditions in this Stipulation may be inconsistent with the following Commission rules, and that good cause exists to grant Ameren Missouri variances from those rules:[12]

Variances related to timing of recovery of net shared benefits

20.093(2)(H); 20.093(2)(H)3; 20.093(1)(EE); 20.093(1)(A); 20.093(1)(C); 20.093(1)(M)5; 20.094(1)(Z); 20.094(1)(C); 20.094(1)(J)5; 3.163(1)(F)5; 3.164(1)(F)5;

Variances related to calculation of net shared benefits (related to timing)

20.093(2)(H);

Variances related to net shared benefits (annual)

3.163(1)(A); 3.163(1)(J); 20.093(1)(A); 20.093(1)(Q); 20.093(2)(M); 20.093(2)(H); 20.093(1)(EE); 20.094(1)(C); 20.094(1)(Z);

Variances related to Annual Energy and Demand Savings Goals (move forward one year)

20.094(2);

Variances related to use of TRM (not statewide)

[12] All rule references are to 4 CSR Division 240.

20.093(7)(E);

Variances related to rider - so can file changes at the same time as file FAC changes and so can collect Ameren Missouri's TD-NSB Share and the Performance Incentive Award payments through the rider - (if rider upheld)

20.093(4);

Variances related to Promotional Practices

14.030(3); and

Variances related to IRP integration analysis and Preferred Plan

20.094(3)(A)(3).

GENERAL PROVISIONS

24. This Stipulation is being entered into for the purpose of disposing of the issues that are specifically addressed herein. In presenting this Stipulation, none of the Signatories shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking principle or procedural principle, including, without limitation, any method of cost or revenue determination or cost allocation or revenue related methodology, and none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation (whether it is approved or not) in this or any other proceeding, other than a proceeding limited to enforce the terms of this Stipulation, except as otherwise expressly specified herein. Without limiting the foregoing, it is agreed that this Stipulation encompasses this particular three-year Plan and does not serve as a precedent for future MEEIA plans, and does not preclude a party from arguing whether the Plan has (or does not have) an impact on Ameren Missouri's business risk in any pending or future proceeding.

25. This Stipulation has resulted from extensive negotiations and the terms hereof are interdependent. If the Commission does not approve this Stipulation, or approves it with

modifications or conditions to which a party objects, then this Stipulation shall be void and no signatory shall be bound by any of its provisions. Moreover, if the Commission does not implement the terms and conditions agreed upon in this Stipulation in its orders in Case No. ER-2012-0166, then this Stipulation shall also become void and no Signatory shall be bound by any of its provisions.

26. If the Commission does not unconditionally approve this Stipulation without modification, and notwithstanding its provision that it shall become void, neither this Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

27. If the Commission unconditionally accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2000; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo 2000; (3) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000 and (4) their respective rights to judicial review pursuant to Section 386.510, RSMo Supp. 2011. These waivers apply only to a Commission order respecting

this Stipulation issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation.

28. This Stipulation contains the entire agreement of the signatories concerning the issues addressed herein.

29. This Stipulation does not constitute a contract with the Commission. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

30. The Signatories agree that this Stipulation resolves all remaining issues raised in this case, and that the testimonies of all witnesses whose testimony was pre-filed in this case (including the MEEIA Report filed on January 20, 2012) should be received into evidence without the necessity of the witnesses taking the witness stand.

Respectfully submitted,

_/s/ Wendy K. Tatro
Wendy K. Tatro, #60261
Associate General Counsel
Thomas M. Byrne, #33340
Managing Associate General Counsel
Ameren Services Company
P.O. Box 66149, MC 1310
St. Louis, MO 63166-6149
(314) 554-3484 (phone)
(314) 554-2514
(314) 554-4014 (fax)

AmerenMOService@ameren.com

James B. Lowery, #40503
Smith Lewis, LLP
111 S. Ninth Street, Suite 200
P.O. Box 918
Columbia, MO 65205
Telephone: (573) 443-3141
Fax: (573) 442-6686
Email: lowery@smithlewis.com

Attorneys for Union Electric Company d/b/a Ameren Missouri

/s/ Nathan Williams

Nathan Williams
Deputy Counsel
Missouri Bar No. 35512
Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
(573) 751-8706 (Telephone)
(573) 751-9285 (Fax)
nathan.williams@psc.mo.gov

/s/ Lewis R. Mills, Jr.

Lewis R. Mills, Jr. (#35275)
Public Counsel
Office of the Public Counsel
P.O. Box 2230
Jefferson City, MO 65102
(573) 751-1304 (Telephone)
(573) 751-5562 (Fax)
lewis.mills@ded.mo.gov

/s/ Jennifer S. Frazier
Jennifer S. Frazier
Missouri Bar No. 39127
Deputy Chief Counsel
Office of Attorney General
Agriculture & Environmental Division
P.O. Box 899
Jefferson City, MO 65102
(573) 751-8795 (Telephone)
(573) 751-8796 (Fax)
jenny.frazier@ago.mo.gov

Attorney for Missouri Department
of Natural Resources

/s/ Henry Robertson
Henry Robertson, #29502
Great Rivers Environmental Law Center
705 Olive Street, Suite 614
St. Louis, MO 63101
(314) 231-4181 (Telephone)
hrobertson@greatriverslaw.org

Attorney for Natural Resources Defense Council

/s/ Henry Robertson
Henry Robertson, #29502
Great Rivers Environmental Law Center
705 Olive Street, Suite 614
St. Louis, MO 63101
(314) 231-4181 (Telephone)
hrobertson@greatriverslaw.org

Attorney for the Sierra Club

/s/ Henry Robertson
Henry Robertson, #29502
Great Rivers Environmental Law Center

705 Olive Street, Suite 614
St. Louis, MO 63101
(314) 231-4181 (Telephone)
hrobertson@greatriverslaw.org

Attorney for Earth Island Institute d/b/a
Renew Missouri

/s/ Diana Vuylsteke
Diana Vuylsteke, #42419
Bryan Cave, LLP
211 N. Broadway, Suite 3600
St. Louis, MO 63102
(314) 259-2543
(314) 259-2020 (Fax)
dmvuylsteke@bryancave.com

Attorney for The Missouri Industrial Energy
Consumers

/s/ Lisa C. Langeneckert
Lisa C. Langeneckert, #49781
Sandberg Phoenix & von Gontard P.C.
600 Washington Avenue, 15th Floor
St. Louis, MO 63101-1313
(314) 446-4238 (Telephone)
(314) 241-7604 (Fax)
llangeneckert@sandbergphoenix.com

Attorneys for Barnes-Jewish Hospital

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail, or mailed, First Class, postage prepaid, this 5th day of July, 2012, to counsel for all parties on the Commission's service list in this case.

/s/ Wendy K. Tatro