

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

In the Matter of the Energy Efficiency)	
Program Filing to Modify the Present)	Case No. GT-2007-0108
Tariff Sheet)	

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and submits its Recommendation in the above captioned case.

1. On August 31, 2006, Union Electric Company d/b/a AmerenUE (UE or Company) filed tariff sheets proposing to revise and continue its Missouri Energy Efficient Natural Gas Equipment Rebate Program (Rebate Program).

2. This tariff filing is in compliance with the numbered paragraph “8” of the Unanimous Stipulation and Agreement (S&A) filed and approved by the Commission in Case No. GR-2003-0517, dated December 10, 2003.

3. 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® rating.

4. The parties to Case No. GR-2003-0517, consisting of representatives of the Company, Staff, the Office of the Public Counsel (OPC), and the MoDNR (Collaborative) developed the details to implement the program. The Collaborative agreed that it would be appropriate for any unspent funds to be allocated as shown in the attached table.

5. The proposed tariff sheets have an effective date of October 1, 2006, and the Rebate Program will conclude April 1, 2007, or when the applications for rebates exhaust the funds allocated.

6. The Collaborative members, including Staff, concur with the Company on the need for program continuity.

WHEREFORE, as stated in the attached Appendix, Staff recommends approval of the proposed tariff sheets.

Respectfully submitted,

/s/ Lera L. Shemwell

Lera L. Shemwell
Deputy General Counsel
Missouri Bar No. 43792

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, electronically mailed or transmitted by facsimile to all counsel of record this 22nd day of September 2006.

/s/ Lera L. Shemwell

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No. GT-2007-0108, Tariff File No. YG-2007-0131
Union Electric Company d/b/a AmerenUE

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

/s/ Thomas Imhoff 09/21/06
Utility Operations Division/Date

/s/ Lera Shemwell 09/21/06
General Counsel's Office/Date

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

Date: September 21, 2006

On August 31, 2006, Union Electric Company d/b/a AmerenUE (UE or Company) filed tariff sheets proposing to revise and continue 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 (S&A) in Case No. GR-2003-0517, dated December 10, 2003, and approved by the Commission 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® 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 collaborative consisting of representatives of the Company, 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 time period proposed in this application is October 2006 – March 2007.

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. The changes in funding allocations are shown in Table 1 (attached).

After a review of the results from the previous two time periods, the tariff sheets proposed on August 31, 2006, contain the results of changes proposed through the ongoing collaboration. The proposed 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. The Collaborative decided to discontinue the rebates for low flow shower heads, water heater wraps and hot water pipe insulation due to a very low utilization of this option in the previous time periods. They allocated \$779 (was \$875) for marketing the Rebate Program to heating contractors. The proposed tariff sheets allocate \$55,850 (was \$81,550) for rebates as follows: \$2,250 (was \$1,900) for Energy Star® rating setback thermostats; \$41,600 (was \$63,100) for residential Energy Star® rated natural gas furnace installations; and \$12,000 (was \$16,500) for commercial Energy Star® rated natural gas utilization equipment installation.

The individual rebate amounts are \$25 (no change) or 50% of cost, whichever is lower, for Energy Star® rating setback thermostats; \$200 (was \$250) or 50% of cost, whichever is lower for residential Energy Star® rated natural gas furnace installations; and \$375 (was \$750) or 50% of cost, whichever is lower for commercial Energy Star® rated natural gas utilization equipment installation. 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) or by calling Ameren.

The proposed tariff sheets have an effective date of October 1, 2006, and the Rebate Program will conclude April 1, 2007, or when the applications for rebates exhaust the funds allocated. The Collaborative, including Staff, concurs with the Company on the need for program continuity.

A complete list of changes to the Rebate Program tariff follows:

- In the tariff under “Application”
 - change “inefficient” to “less efficient”
 - add trademark “®” to “Energy Star” on tariff sheet nos. 78, 79 and 80
 - delete “low flow shower heads/aerators, energy efficient water heater wraps, energy efficient hot water pipe insulation,”
- In the tariff under “Definitions”
 - move “Funds” to tariff sheet no. 80 and renamed “Program Funding” with changes
 - under “Participant” – removed the following:

Rebates apply only to residential customers purchasing Energy Star rated programmable auto set back thermostats, low flow shower heads/aerators, energy efficient water heater wrap, energy efficient hot water pipe insulation, and Energy Star rated residential natural gas furnaces; rebates for Energy Star rated natural gas utilization equipment only apply to General Service customers.

- In the tariff under “Availability”
 - change “can be determined by visiting” to “and rebate forms are available on the”
- In the tariff under “Rebate Amount”
 - change “Rebate Amount” (above) to “Rebates”
 - add the following:

Rebates apply only to residential customers purchasing Energy Star[®] rated programmable auto set back thermostats and Energy Star[®] rated residential natural gas furnaces. Rebates for Energy Star[®] rated natural gas utilization equipment only apply to General Service customers.
 - delete “within eight (8) to ten (10) weeks” and “Rebate forms will be available as described on Company’s Web Site (www.ameren.com).”
 - delete the following:

Low Cost Measures - a rebate of ten (\$10) or 50% of the cost of any combination of the maximum purchase of three (3) low flow shower heads/aerators; one (1) energy efficient water heater wrap; one (1) energy efficient hot water pipe insulation five (5) feet in length, whichever is lower.
 - delete the following:

boiler, or two hundred fifty dollars (\$250) for the purchase and installation of one (1) Energy Star rated furnace, or four hundred dollars (\$400) for the purchase and installation of one (1) Energy Star rated combined water heater
 - change “seven hundred fifty dollars (\$750)” to “three hundred seventy five dollars (\$375)”
- In the tariff under “Program Funding”
 - change “eighty-one thousand five hundred and fifty dollars (\$81,550)” to “fifty five thousand eight hundred fifty dollars (\$55,850)” and rearrange sentence
 - add “The RCEEC funding is allocated as follows:”
 - change “One thousand nine hundred dollars (\$1,900)” to “two thousand two hundred fifty dollars (\$2,250)” and rearrange sentence
 - change “Sixty-three thousand one hundred dollars (\$63,100)” to “ forty one thousand six hundred dollars (\$41,600)” and rearrange sentence
 - change “Sixteen thousand five hundred dollars (\$16,500)” to “twelve thousand dollars (\$12,000)”
- In the tariff under “Term of Program”
 - change “April 1, 2006” to April 1, 2007”
 - change “Funds” to “funds”
 - change “Funds” to “program funds”

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 August 31, 2006 with an effective date of October 1, 2006 as requested by UE, or permit the tariff sheet to go into effect by operation-of-law:

P.S.C. Mo. No. 2 4th Revised SHEET No. 78 Cancelling 3rd Revised SHEET No. 78
P.S.C. Mo. No. 2 3rd Revised SHEET No. 79 Cancelling 2nd Revised SHEET No. 79
P.S.C. Mo. No. 2 2nd Revised SHEET No. 80 Cancelling 1st Revised SHEET No. 80
P.S.C. Mo. No. 2 2nd Revised SHEET No. 81 Cancelling 1st Revised SHEET No. 81

Table 1
AmerenUE Energy Efficiency Natural Gas Rebate Program (Case No. GR-2003-0517)
2005 and 2005-06 Allocations and Expenditures and Allocations for 2006-07
Revisions per August 31, 2006 (Tariff File No. YG-2007-0131)

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

	Allocated	Rebated	Quantity	Goal	1/30/05 Actual - Goal	Average Rebate Amounts	Funds Remaining
Funds from 2005	\$27,548.37						
Reallocated to Marketing 2005-2006		\$0.00					\$0.00
Reallocated to Rebates 2005-2006	\$27,548.37						
Scheduled allocation for 2005-2006	\$55,000.00						
Total tariff allocation for 2005-2006 Rebates	\$82,548.37						
Total allocation for 2005-2006 Rebates and Marketing	\$82,548.37						
Thermostats	\$1,900.00	\$2,022.75	87	76	11	\$23	(\$123)
Low Cost Measures	\$50.00	\$73.33	23	5	18		(\$23)
Water Heater Wrap		\$40.15	5			\$8	
Pipe Insulation		\$7.19	6			\$1	
Shower Heads		\$25.99	3			\$9	
Furnace Systems	\$63,100.00	\$62,200.00	249	252	(3)	\$250	\$900
Boiler							
Furnace							
Comb Furnace/W-Heater							
Commercial Equipment	\$16,500.00	\$16,500.00	22	22	0	\$750	\$0
Total projected Rebates and Marketing	\$81,550.00	\$80,796.08					\$753.92
Residual Funds	\$998.37						

October 2006 - March 2007

	Allocated	Goal	Adjusted Rebate Amounts
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
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
Boiler			
Furnace			
Comb Furnace/W-Heater			
Commercial Equipment	\$12,000.00	32	\$375
Total projected Rebates and Marketing	\$56,848.37		
Residual Funds	(\$96.08)		

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

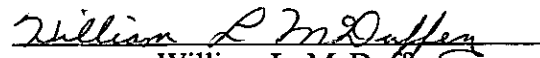
In the Matter of the Energy Efficiency)
Program Filing to Modify the Present)
Tariff Sheet.)

Case No. GT-2007-0108
YG-2007-0131

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 21st day of September, 2006.


Notary Public

My commission expires 9-23-2008

