

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

In the Matter of Union Electric Company)
d/b/a AmerenUE's Amendment of its)
Variances and Promotional Practices,)
Schedule No. 5, 4th Revised Sheet No.)
196 and 2nd Revised Sheet No. 197)

Case No. ET-2008-0130
Tariff No. YE-2008-0273

STAFF RECOMMENDATION TO APPROVE TARIFF SHEETS

Comes now the Staff of the Missouri Public Service Commission and for its recommendation states:

1. On October 2, 2007, Union Electric Company d/b/a AmerenUE, (AmerenUE) filed two (2) proposed tariff sheets designed to implement a program whereby customers along primary and secondary voltage lines currently overhead that AmerenUE undergrounds as part of AmerenUE's Power On Initiative who choose to underground their service lines may receive a payment of \$750 from AmerenUE to defray part of the customer's cost of a new meter base and underground service conduit system. Those tariff sheets bore a proposed effective date of November 2, 2007, and the Commission assigned them tariff tracking no. JE-2008-0210.

2. AmerenUE withdrew the tariff sheets on October 26, 2007, and filed new tariff sheets for the same program, but with changes requested by the Staff and the Office of the Public Counsel, together with a motion seeking their expedited approval. The Commission assigned both the motion and new tariff sheets to Case No. ET-2008-0130 and also tracking no. YE-2008-0273 to the tariff sheets.

On October 29, 2007, the Commission ordered its Staff to file by 1:00 p.m., October 31, 2007, the Staff's recommendation on AmerenUE's proposed tariff sheets filed October 26, 2007.

4. In the attached Memorandum (Appendix A), the Missouri Public Service Commission Energy Department Staff (Staff) recommends that the Commission issue an Order that both approves the following proposed tariff sheets, as filed on October 26, 2007, and, for good cause shown, makes them effective on November 2, 2007, rather than November 25, 2007:

P.S.C. Mo. SCHEDULE NO. 5

4th Revised SHEET NO. 196 Cancelling 3rd Revised SHEET NO. 196

2nd Revised SHEET NO. 197 Cancelling 1st Revised SHEET NO. 197

5. The Staff has reviewed the tariff sheets AmerenUE filed and they incorporate the changes requested by the Staff and the Office of the Public Counsel. As requested, in these tariff sheets AmerenUE's program is expressly designated to be a pilot program with a fixed termination date of December 31, 2010, and AmerenUE commits to develop a plan to evaluate this pilot program.

6. While not part of the tariff language, AmerenUE has stated to the Staff that in determining where it will underground primary and secondary voltage lines currently overhead as part of AmerenUE's Power On Initiative, AmerenUE will use the three specific *criteria* following:

- a. Circuits with the worst reliability performance measures, both with and without major storm data included;
- b. Circuits where the largest number of customers could be affected; and
- c. The cost of tree trimming for a given overhead circuit as a proxy for direct cost savings.

Thus, these *criteria* will determine which AmerenUE customers will be eligible to receive the \$750 payment, if they elect to underground their service lines. Further, to receive the payment, the eligible customer must underground the service conduit system in accordance with Company's design *criteria* and specifications, the National Electric Safety Code and any other

applicable codes. Because of the nondiscrimination requirements of section 393.130, RSMo. 2006, the Staff relied upon these representations in reaching its recommendation.

7. Section 393.140(11), RSMo 2000, requires that proposed changes to tariffs not go into effect with less than thirty (30) days' notice, unless the Commission determines otherwise for "good cause shown." The proposed tariff sheets will allow customers to take advantage of AmerenUE's proposed payment soon after they become effective, AmerenUE has publicly committed to initiate its \$1 Billion 'Project Power On' Reliability and Environmental Improvement Program, the program in these tariff sheets is substantially the same as the program AmerenUE originally proposed on October 2, 2007, and Staff needs no additional time to further review this tariff; therefore, the Staff believes that making the tariff sheets effective on less than thirty (30) days' basis will cause no harm. These considerations show the good cause required by section 393.140(11), RSMo 2000, for the Commission to determine and order that the tariff sheets go into effect on less than thirty (30) days' notice.

8. The Staff has verified that AmerenUE has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

WHEREFORE, the Staff recommends that the Commission issue an order that both approves the following proposed tariff sheets, as filed on October 26, 2007, and, for good cause shown, makes them effective on November 2, 2007, rather than November 25, 2007:

P.S.C. Mo. SCHEDULE NO. 5

4th Revised SHEET NO. 196 Cancelling 3rd Revised SHEET NO. 196

2nd Revised SHEET NO. 197 Cancelling 1st Revised SHEET NO. 197

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams
Deputy General Counsel
Missouri Bar No. 35512

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-8702 (Telephone)
(573) 751-9285 (Fax)
e-mail: nathan.williams@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronically mailed to all counsel of record this 31st day of October 2007.

/s/ Nathan Williams

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ET-2008-0130, Tariff No. YE-2008-0273
Union Electric Company d/b/a AmerenUE

FROM: Dan Beck, Utility Regulatory Engineering Supervisor
Tom Imhoff, Rate & Tariff Examination Supervisor
James Watkins, Manager, Economic Analysis
Mack McDuffey, Rate & Tariff Examiner II

/s/ Daniel I. Beck 10/31/07
Energy Department / Date

/s/ Nathan Williams 10/31/07
General Counsel's Office / Date

SUBJECT: Staff Recommendation For **Approval** Of Tariff Sheets Filed To Add A Project Power On Initiative – Residential Overhead Service Wire To Underground Service Cable Conversion Pilot Program

DATE: October 30, 2007

On October 2, 2007, Union Electric Company d/b/a AmerenUE, (AmerenUE or Company) of St. Louis, Missouri, filed with the Commission two (2) tariff sheets with a proposed effective date of November 2, 2007, Tariff Tracking No. JE-2008-0210. On October 26, 2007, AmerenUE withdrew these tariff sheets and filed new tariff sheets, Tariff Tracking No. YE-2008-0273, together with a Motion For Expedited Treatment in Case No. ET-2008-0130.

This filing proposes to add a Project Power On Initiative – Residential Overhead Service Wire To Underground Service Cable Conversion Pilot Program (Pilot Program) that is designed to encourage residential customers in certain areas designated by AmerenUE to convert their existing overhead service line installation to an underground service cable installation. The designated areas will correspond to those areas where the Company has elected, for service reliability and /or avoided life cycle cost reasons, to convert its existing overhead primary and secondary voltage distribution facilities as part of the Power On Initiative. Staff discussed the criteria for underground distribution facilities with AmerenUE which provided the three specific criteria following:

1. Circuits with the worst reliability performance measures, both with and without major storm data included;
2. Circuits where the largest number of customers could be affected; and
3. The cost of tree trimming for a given overhead circuit as a proxy for direct cost savings.

The Missouri Public Service Commission Energy Department Staff (Staff) notes that the undergrounding of distribution facilities was announced by AmerenUE on July 12, 2007, as part of its \$1 Billion 'Project Power On' Reliability and Environmental Improvement Program. AmerenUE has stated that \$300 million over a three year period will be invested by AmerenUE to underground existing overhead lines, with dollar targets for every county in which AmerenUE provides electric service.

Eligible residential customers electing to participate in the Pilot Program will receive a rebate of \$750 to help defray the cost of the installation of a new meter base and underground service conduit system in accordance with Company's design criteria and specifications, the National Electric Safety Code and any other applicable codes.

This tariff filing is substantially the same as the version AmerenUE filed on October 2, 2007; however, the changes made include:

1. Expressly stating the Pilot Program is a pilot program;
2. Fixing a termination date of December 31, 2010, for the Pilot Program; and
3. A commitment by AmerenUE to develop an evaluation plan for this Pilot Program.

Because this tariff filing is substantially the same as AmerenUE originally proposed on October 2, 2007, it is a pilot program with a commitment to develop a plan to evaluate the Pilot Program, Staff needs no additional time to further review this tariff, and AmerenUE's plans to implement the Pilot Program on November 2, 2007, Staff recommends that the Commission grant AmerenUE's request for expedited treatment.

Staff has reviewed the filed tariff sheets to add AmerenUE's Project Power On Initiative – Residential Overhead Service Wire To Underground Service Cable Conversion Pilot Program. Under the circumstances presented, Staff recommends that the Commission **approve** the following proposed tariff sheets, as filed on October 26, 2007, to become effective on November 2, 2007, with less than 30 day's notice for good cause shown pursuant to Section 393.140(11) RSMo 2000, as requested by AmerenUE in its Motion For Expedited Treatment.

P.S.C. Mo. SCHEDULE NO. 5

4th Revised SHEET NO. 196 Cancelling 3rd Revised SHEET NO. 196

2nd Revised SHEET NO. 197 Cancelling 1st Revised SHEET NO. 197

Staff has verified that this Company has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

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In the Matter of Union Electric Company)
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and 2nd Revised Sheet No. 197)

Case No. ET-2008-0130
YE-2008-0273

AFFIDAVIT OF DANIEL I. BECK

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Daniel I. Beck, 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.



Daniel I. Beck

Subscribed and sworn to before me this 31st day of October, 2007.



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


Notary Public

My commission expires 9-21-10