

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

In the Matter of Union Electric Company d/b/a)	
AmerenUE's Tariff Establishing an Industrial)	Case No. ET-2007-0459
Demand Response Program.)	

STIPULATION AND AGREEMENT

COMES NOW Union Electric Company d/b/a AmerenUE (AmerenUE), the Staff of the Missouri Public Service Commission (Staff), the Office of the Public Counsel (OPC) and the Missouri Energy Group (MEG), and for their Stipulation and Agreement (Agreement) to resolve this case, state as follows:

1. On May 31, 2007, the Missouri Public Service Commission (Commission) opened this case in order to receive AmerenUE's revised Industrial Demand Response (IDR) tariff, as had been ordered in Case No. ER-2007-0002. *Report and Order*, May 22, 2007, p. 104.

2. Since this case was opened, the parties have held on-going discussions regarding AmerenUE's IDR tariff. An Agreement has been reached. Concurrent with this filing, AmerenUE is withdrawing the tariff filed on October 23, 2007 and filing the agreed upon tariff. The agreed upon tariff is also attached to this pleading as Exhibit A. The differences between the October 23rd tariff and Exhibit A are listed below, as well as the other terms of this Agreement.

TARIFF LANGUAGE CHANGES

3. The minimum number of Curtailment Events for which the Customer agrees to curtail load during each Curtailment Season was changed from one to five.

4. The option of a three year contract term was removed and the program participation payment associated with a one year contract term was raised from \$2.50 to \$3.25 per kW of Curtailable Load times the number of curtailments (with a minimum of five curtailments and a maximum of 10 curtailments).

5. Language was added so that, in the event that the Federal Energy Regulatory Commission (FERC) approves Module E of the MISO Markets Tariff (containing new resource adequacy provisions and the terms and criteria under which Demand Resources receive capacity credit as either the equivalent of a Capacity Resource or as a Load Modifier), AmerenUE will stop entering into new contracts for customers until a new IDR pilot replacement tariff is approved or otherwise becomes effective. (See also paragraph 8 below.)

OTHER ISSUES

6. AmerenUE agrees to work with the Staff, OPC and other interested parties to this case on the design and implementation of the pilot evaluation plan and will initiate the first conference call/meeting to discuss the plan by March 31, 2008.

7. AmerenUE agrees that it will only book the net costs of the IDR pilot to the regulatory asset account for demand-side program costs. AmerenUE agrees to make a good faith effort to determine the economic value of the demand response resources that result from customers participating in the IDR pilot and reflect this value in the net costs that are booked to the regulatory asset account. This good faith effort will include identifying additional sales of capacity and energy products that were made possible by the pilot and/or additional purchases of capacity or energy products that were avoided because of the IDR pilot.

8. In the event that FERC approves Module E of the MISO Markets Tariff, which contains new resource adequacy provisions and the terms and criteria under which Demand Resources receive capacity credit (as either the equivalent of a Capacity Resource or as a Load Modifier), AmerenUE will cease entering into any new contracts; however, AmerenUE will continue to honor all contracts already in place when Module E is approved. AmerenUE will, within 30 days of the effective date of such FERC approval, file in this proceeding an assessment of the impact of the new MISO Markets Tariff on the economic value of the demand response resources that can be created through AmerenUE's IDR pilot tariff. AmerenUE will also file a new IDR pilot replacement tariff that takes into account: (1) the terms and criteria of the Module E provisions regarding Demand Resources and (2) expected energy, capacity and/or ancillary services market prices in the MISO region.

9. This Agreement is being entered into solely for the purpose of settling this case. None of the signatories to this Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation, rate design method, depreciation or revenue related methodology or any service or payment standard, and none of the signatories shall be prejudiced or bound in any manner by the terms of this Agreement in this or any other proceeding, except as otherwise expressly specified herein.

10. This Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not approve this Agreement, or approves this Agreement with modifications or conditions that a Party to this proceeding objects to prior to the effective date of the Order approving

this Agreement, then this Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

11. If the Commission does not unconditionally approve this Agreement without modification, and notwithstanding its provision that it shall become void thereon, neither this Agreement, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any party has to a hearing on the issues presented by the Agreement, for cross-examination, or for a decision in accordance with Section 536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the parties shall retain all procedural and due process rights as fully as though this Agreement had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Agreement 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.

12. In the event the Commission accepts the specific terms of the Agreement, the signatories waive their respective rights to call, examine and cross-examine witnesses, pursuant to Section 536.070(2) RSMo 2000; their respective rights to present oral argument and written briefs pursuant to Section 536.080.1 RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo 2000; their respective rights to seek rehearing, pursuant to Section 386.500 RSMo 2000; and their respective rights to judicial review pursuant to Section 386.510 RSMo 2000. This waiver applies only to a Commission Report and Order respecting this Agreement issued in this proceeding, and does not apply to any matters

raised in any subsequent Commission proceeding, or any matters not explicitly addressed by this Agreement.

13. The Staff may submit to the Commission a memorandum explaining its rationale for entering into this Agreement. Each of the Parties shall be served with a copy of any such memorandum and shall be entitled to submit to the Commission, within five days of receipt of Staff's memorandum, a responsive memorandum which shall also be served on all Parties. The contents of any memorandum provided by any Party are its own and are not acquiesced in or otherwise adopted by the other signatories to this Agreement, whether or not the Commission approves and adopts this Agreement.

14. The Staff also shall have the right to provide, at any agenda meeting at which this Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from the Staff. The Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any protective order issued in this case.

15. The Missouri Industrial Energy Consumers and Noranda Aluminum, Inc. are both parties to this case but are not signatories to this Agreement. Attorneys for both parties have conveyed that they do not oppose this Agreement and that they do not request a hearing.

WHEREFORE, for the foregoing reasons, the undersigned Parties respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation and Agreement.

Respectfully submitted,

/s/ Wendy Tatro

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to the following this 25th day of January 2008:

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APPLYING TO

MISSOURI SERVICE AREA

RIDER IDR
INDUSTRIAL DEMAND RESPONSE PILOT

PURPOSE:

The purpose of this pilot is to evaluate the opportunities to acquire cost-effective demand response resources from the Company's industrial customers. Program participants will have an opportunity to gain experience with making and fulfilling commitments to curtail all or a portion of their load in exchange for credits that reduce their bills. The pilot program will facilitate short-term reductions in system load to address system reliability and other system economic and operating conditions.

AVAILABILITY:

This pilot is available to any industrial customer receiving service under Service Classification No.11 (M) ("Eligible Rate Schedule"), has a minimum billing demand of 25,000 kW, has a minimum curtailable load of 5,000 kW, has a minimum annual load factor of 65%, remains on such rate schedule and is willing to enter into a written contract for a period of one (1) year with the Company in accordance with this pilot. However, in no event shall the number of customers participating in this pilot exceed five (5) nor the aggregate curtailable loads exceed 100,000 kW. All electric service utilized at the customer's premises, with the exception of any separately contracted for street and outdoor area lighting service, must be served under the contract provisions of this pilot.

A customer taking service under any non-eligible rate schedule may not transfer to the eligible rate schedule for purposes of taking service under this pilot, unless such customer has been on its current rate schedule for at least a twelve-month consecutive period and has otherwise satisfied all of its obligations under its existing rate schedule or contract.

Customers receiving service under the following riders are not also eligible for service under this pilot:

- a) Rider L - Voluntary Curtailment Rider
- b) Rider M - Option Based Curtailment Rider
- c) Rider EDR - Economic Development Rider
- d) Rider EDRR - Economic Development and Retention Rider
- e) Rider ERR - Economic Re-development Rider
- f) Rider F - Annual Recurring Service

Customers taking service under the provisions of Rider EDR, EDRR or ERR may become eligible for service under this pilot by first terminating service under those riders. However, such customers are subject to the same requirement regarding transfers to the eligible rate schedule.

In the event the Federal Energy Regulatory Commission (FERC) approves Midwest Independent Transmission System Operator Inc. (MISO) Module E - Resource Adequacy or its equivalent, no new contracts for service under this Rider will be executed.

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RIDER IDRINDUSTRIAL DEMAND RESPONSE PILOT (cont.)**CURTAILMENT SEASON:**

The Curtailment Season shall be June 1 through September 30. The Curtailment Season will exclude Independence Day and Labor Day, or the federal holidays celebrated as such.

CURTAILMENT HOURS:

Curtailment can occur during the hours of 10:00 a.m. through 10:00 p.m., Monday through Friday during the Curtailment Season. The Curtailment Hours associated with a Curtailment Event will be established at the time of the Curtailment Notification.

CURTAILMENT NOTIFICATION:

Customers will receive curtailment notification a minimum of four (4) hours prior to the start time of a Curtailment Event.

CURTAILMENT EVENT:

The customer contract shall specify the Maximum Number of Curtailment Events for which the customer agrees to curtail load during each Curtailment Season. The Maximum Number of Curtailment Events for which the customer agrees to curtail load during each Curtailment Season shall be at least five (5) but shall not exceed ten (10) separate occurrences per Curtailment Season. The number of Curtailment Events requested by the Company may be less than five in a Curtailment Season. Each Curtailment Event shall be no less than two and no more than eight consecutive hours and no more than one occurrence will be required per day. The Company may call a Curtailment Event no more than three consecutive days per calendar week. The cumulative hours of Curtailment Hours per customer shall not exceed eighty (80) hours in any Curtailment Season.

ESTIMATED PEAK DEMAND:

The Estimated Peak Demand is the average of the customer's Monthly Maximum Demand for Monday through Friday between 10:00 a.m. and 10:00 p.m. for June 1 through September 30 from the previous year. If said demand data is unavailable the Company may use such other data or methodology as may be appropriate to establish the Estimated Peak Demand.

ESTIMATED PEAK DEMAND MODIFICATIONS:

The Company may review and, if necessary, adjust the customer's Estimated Peak Demand based on evidence that the customer's actual peak demand has changed, or will change, significantly from the Estimated Peak Demand currently being used to calculate the customer's Curtailable Load. A change in the customer's Estimated Peak Demand resulting in a reduction in its Curtailable Load shall result in re-evaluation of all customer Compensation. The customer will receive reduced future Program Participation Payments based on the reduced

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Curtailable Load, remaining Curtailment Events and the remaining months in the Curtailment Season. In addition, if applicable, the customer shall repay the Company prior credits made in excess of the decreased Program Participation Payment.

FIRM POWER LEVEL:

During the months of June through September, the customer's Firm Power Level, which is the maximum demand level to be drawn during a Curtailment Event, shall be set at least 5,000 kW less than the customer's Estimated Peak Demand. The Company may use a Test Curtailment to establish the Firm Power Level for the customer.

FIRM POWER LEVEL MODIFICATIONS:

After the Curtailment Season, and upon ninety (90) days written notice by the customer, the Firm Power Level may be modified to reflect significant change in customer load, subject to verification and approval by the Company. At any time the Company may adjust the customer's Firm Power Level downward based on evidence that the customer's actual demand has dropped, or will drop, significantly from the Estimated Peak Demand. Any adjusted Firm Power Level shall continue to provide for a Curtailable Load of at least 5,000 kW. Future customer compensation will be adjusted accordingly for any change in Firm Power Level.

Additionally, any change in Firm Power Level that decreases Curtailable Load for the customer shall result in re-evaluation of all curtailment compensation to the customer. The customer shall repay the Company prior credits made in excess of the curtailment compensation due based on the decreased level of Curtailable Load.

CURTAILABLE LOAD:

Curtailable Load shall be that portion of a customer's Estimated Peak Demand that the customer is willing and able to commit for curtailment, and that the Company agrees to accept for curtailment. The Curtailable Load shall be the same amount for each month of the contract. Under no circumstances shall the Curtailable Load be less than 5,000 kW. Curtailable Load is calculated as the difference between the Estimated Peak Demand as determined above, and the Firm Power Level.

CUSTOMER COMPENSATION:

Customer compensation shall be defined within each customer contract and will be based on the Maximum Number of Curtailment Events and the number of actual Curtailment Events per Curtailment Season. Payments shall be paid to the customer in the form of a bill credit. The credits shall be applied before any applicable taxes. All other billing, operational, and related provisions of other applicable rate schedules shall remain in effect.

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Compensation will include:

PROGRAM PARTICIPATION PAYMENT:

For each Curtailment Season, customer shall receive a credit based upon the Maximum Number of Curtailment Events. The Program Participation Payment for a Curtailment Season shall be equal to \$3.25 per kilowatt of Curtailable Load multiplied by the Maximum Number of Curtailment Events stated in the customer's contract.

The Program Participation Payment will be divided by four (4) and applied as bill credits equally for each month of the Curtailment Season.

CURTAILMENT EVENT PAYMENT:

The customer will also receive \$0.08 per kW of Curtailable Load for each Curtailment Hour during which the customer's metered demand is less than or equal to the customer's Firm Power Level.

NEED FOR CURTAILMENT:

Curtailments can be requested for operational or economic reasons. Operational curtailments may occur when physical operating parameters approach becoming a constraint on the generation, transmission, or distribution systems, or to maintain the Company's capacity margin requirement. Economic curtailment may occur when the marginal cost to produce or procure energy, or the price for the energy in the wholesale market, is greater than the customer's retail price.

ENERGY PURCHASE OPTION:

At the Company's option and the customer's request, during a Curtailment Event called for economic reasons, the customer may purchase energy above its Firm Power Level from the Company at a price per kilowatt-hour determined at least four hours prior to the beginning of a Curtailment Event. A Curtailment Event Payment will not be paid to customers for Curtailment Events where this option is used. Customers will not have the option to purchase energy during a Curtailment Event called for operational reasons.

PENALTIES:

Failure of the customer to effect load reduction to at least its Firm Power Level in response to any Company request for curtailment shall result in the following reduction or refund of Program Participation Payments and Curtailment Event Payments for each such failure as follows:

Reduction of Curtailment Event Payment: Customer will forfeit the Curtailment Event Payment for every Curtailment Hour during which it fails to effect load reduction to its Firm Power Level or lower.

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Reduction of Program Participation Payment: Customer will receive reduced future Program Participation Payments or a bill debit, in an amount equal to 150% of the Program Participation Payment divided by the Maximum Number of Curtailment Events, the result of which is multiplied by the percentage by which the customer underperformed during a Curtailment Event.

Any customer who fails to reduce load to its Firm Power Level on three or more days within any Curtailment Season shall be ineligible for this Rider for a period of two years from the date of the third failure.

CURTAILMENT CANCELLATION:

The Company reserves the right to cancel a scheduled Curtailment Event prior to the start time of such Curtailment Event. However, if cancellation occurs with less than two hours of the notification period remaining prior to commencement of a Curtailment Event, the canceled Curtailment Event shall be counted as a separate occurrence with a zero-hour duration.

TEST CURTAILMENT:

The Company reserves the right to request a Test Curtailment during the period of April 1 through May 31 of each calendar year prior to the start of the Curtailment Season. The Test Curtailment should be no less than 2 hours and no greater than 4 hours. Test Curtailments will not count toward the Maximum Number of Curtailment Events. Additionally, customers will not be compensated for Test Curtailments.

ADDITIONAL VOLUNTARY EVENTS:

At any time while the customer's contract is in effect, the Company may request a customer to participate, on a voluntary basis, in additional Curtailment Events. Customers who are asked and who participate in these additional voluntary curtailments will receive Curtailment Event Payments as outlined previously in this Rider, but will not receive additional Program Participation Payments. This provision applies to all customers whose contracts are still in force, whether or not they have participated in a number of Curtailment Events equal to their chosen Maximum Number of Curtailment Events.

TERM OF CONTRACT:

Contracts under this Rider shall be for a one-year term. Customers may enter into a new contract for a term of one year subject to the terms and conditions of this Rider as may be modified from time to time. Written notice by either the customer or Company to terminate a contract must be given at least thirty (30) days prior to commencement of the Curtailment Season.

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The contract year shall be January 1 through December 31. Notwithstanding the foregoing, the initial contract year shall be April 1, 2008 through December 31, 2008.

Excepting contract year 2008, contracts must be executed a minimum of thirty (30) days prior to the beginning of each contract year.

LIMITED APPLICATION:

This pilot will no longer be in effect after September 30, 2010.

TERMS AND CONDITIONS:

Service hereunder is subject to the "Missouri Electric Rules and Regulations" on file with the Missouri Public Service Commission and "Tax Adjustment" under the otherwise applicable rate schedule.

PILOT PROGRAM EVALUATION:

The Company will conduct a Pilot Program Evaluation to determine whether or not the program was effective in obtaining the curtailment contracted for with the customer. It will utilize hourly meter reading data and compare actual usage/demand reduction during each hour of a curtailment event to the Firm Power Level under contract. Impact evaluation will be conducted on an individual customer basis and in aggregate for each hour of the Curtailment Events. The process evaluation will assess the effectiveness with which the program is being managed and operated. It will review all processes and systems utilized in the implementation of the program including marketing, decision making, operational, data tracking, billing, meter shop, and systems operations. Third, the evaluation will assess the cost-effectiveness of the pilot and how the pilot could be expanded, based on the Company's resource needs and expected benefits to pilot participants, potential participants in an expanded pilot, and other non-participating customers.