

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

In the Matter of the Tariff Filings of Union	)	
Electric Company, d/b/a AmerenUE, to	)	Case No. ER-2010-0036
Increase Its Revenues for Retail Electric	)	
Service.	)	

**STAFF RECOMMENDATION TO APPROVE  
LOW-INCOME PILOT PROGRAM TARIFF SHEETS**

Comes now the Staff of the Missouri Public Service Commission, by counsel, and for its recommendation to approve tariff sheets, to become effective on the requested 30-day effective date of August 7, 2010, states:

1. On May 28, 2010, the Commission issued its *Report and Order* in which it rejected AmerenUE's tariff sheets filed July 24, 2009 designed to generally increase its electric revenues and authorized AmerenUE to file by June 8, 2010, tariff sheets designed to permit AmerenUE to recover revenues as determined by the Commission in its *Report and Order*. AmerenUE filed those tariff sheets and the Commission approved them.

2. As the Commission noted in footnote 6 of its May 28, 2010 *Report and Order*, the Commission issued an *Order Approving Second Stipulation and Agreement, Third Stipulation and Agreement, and Market Energy Prices Stipulation and Agreement* on April 14, 2010.

3. The *Third Stipulation and Agreement* contemplated Commission approval of a pilot program to assist certain low-income customers with the payment of their electric bills to AmerenUE. The tariff sheets that are the subject of this recommendation were filed July 8, 2010, bear a 30-day effective date of August 7, 2010, and are designed to implement the pilot low-income customer assistance program.

4. Staff has reviewed the foregoing filed tariff sheets to determine if they comport with the Commission's *Report and Order* and the Commission-approved *Third Stipulation and*

*Agreement.* Staff concludes they do. In the attached Staff Memorandum marked “Appendix A,” the Staff recommends the Commission allow the tariff sheets to go into effect by operation of law on August 7, 2010 or, alternatively, issue an Order that approves them to become effective on August 7, 2010.

5. As stated in its Memorandum attached as Appendix A, the Staff has verified that AmerenUE is not delinquent on any assessment or the filing of its 2009 annual report, and the Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

WHEREFORE, the Staff recommends the Commission allow the following tariff sheets to go into effect by operation of law on August 7, 2010 or, alternatively issue an order that approves the electric tariff sheets listed in Appendix A, as filed on July 8, 2010, to become effective August 7, 2010, to wit:

MO.P.S.C. SCHEDULE NO. 5

19<sup>th</sup> Revised Sheet No. 125 Cancelling 18<sup>th</sup> Revised Sheet No. 125  
3<sup>rd</sup> Revised Sheet No. 199 Cancelling 2<sup>nd</sup> Revised Sheet No. 199  
2<sup>nd</sup> Revised Sheet No. 200 Cancelling 1<sup>st</sup> Revised Sheet No. 200  
2<sup>nd</sup> Revised Sheet No. 201 Cancelling 1<sup>st</sup> Revised Sheet No. 201.

Respectfully submitted,

/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) 751-8702 (Telephone)  
(573) 751-9285 (Fax)  
[nathan.williams@psc.mo.gov](mailto:nathan.williams@psc.mo.gov)

### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 22<sup>nd</sup> day of July 2010.

/s/ Nathan Williams

Nathan Williams

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
Case No. ER-2010-0036, Tariff Tracking No. YE-2011-0014  
Union Electric Company d/b/a AmerenUE

FROM: Daniel Beck, Utility Regulatory Engineering Supervisor  
Tom Imhoff, Rate & Tariff Examination Supervisor  
Mack McDuffey, Rate & Tariff Examiner II

/s/ Daniel Beck July 22, 2010  
Energy Department / Date

/s/ Nathan C. Williams July 22, 2010  
Staff Counsel Division / Date

SUBJECT: Staff Recommendation For **Approval** Of Tariff Sheets Filed To Comply With The Commission's ORDER APPROVING SECOND STIPULATION AND AGREEMENT, THIRD STIPULATION AND AGREEMENT, AND MARKET ENERGY PRICES STIPULATION AND AGREEMENT Issued April 14, 2010 By Initiating A Low-Income Pilot Program

DATE: July 19, 2010

On July 8, 2010, Union Electric Company d/b/a AmerenUE (AmerenUE or Company) filed with the Commission four (4) tariff sheets with an issue date of July 8, 2010, and a proposed effective date of August 7, 2010 pursuant to AmerenUE's rate increase Case No. ER-2010-0036, Third Nonunanimous Stipulation and Agreement and to comply (in part) with the Commission's ORDER APPROVING SECOND STIPULATION AND AGREEMENT, THIRD STIPULATION AND AGREEMENT, AND MARKET ENERGY PRICES STIPULATION AND AGREEMENT (Order) issued April 14, 2010, effective April 14, 2010. These tariff sheets initiate the Keeping Current Low-Income Pilot Program (Program) to provide electric bill payment assistance to customers meeting the eligibility requirements while assessing the delivery methods used in the Program and the impacts on revenues and costs.

### Previous Agreement and Order

The Third Nonunanimous Stipulation and Agreement signatories agreed, in part, to the following:

1. The Commission should establish a pilot program ("Program") to assist certain low-income customers with the payment of their electric bills to AmerenUE. The Program shall provide a comprehensive approach including: a) tiered bill credits, b) arrearage forgiveness, and c) a requirement for eligible participants to apply for available Low-Income Home Energy Assistance Program ("LIHEAP") and weatherization assistance.
2. The Program shall last two years, and it shall be funded by an annual contribution of \$500,000 in twelve equal monthly installments from AmerenUE, with the first contribution being made by July 1, 2010, and an annual contribution estimated to be \$581,000 to be collected from AmerenUE's Customers.

3. AmerenUE shall provide to the Signatory parties a semi-annual report accounting for Program funds, including the disbursement of funds during the Program disaggregated by each category of participant and by region.
4. Eligibility for AmerenUE Customer participation in this Program shall be income-based and all customers whose income is at or below 100% of the Federal Poverty Level (FPL) shall be eligible to participate. In addition, customers who are LIHEAP eligible (135% of the FPL), who use electricity for cooling and who are a) elderly, b) disabled or with a chronic medical condition, or c) live in households with children five years of age or younger shall also be eligible for participation.
5. A target date of implementation of August 1, 2010.
6. Eligibility of customers under the Program, and distribution of benefits under the Program, shall be administered by agencies that have the capacity to screen eligible customers in accordance with the terms of the Program, and that AmerenUE currently uses for its Dollar More Program.
7. The Program shall continue for a period of two (2) years following its implementation (which is currently expected to be August 1, 2010).
8. The Signatories agree that they will not propose a new low-income Program or propose any changes to this low-income Program in any rate case that AmerenUE files in calendar year 2010.
9. The Signatories agree that evaluations shall be performed at least annually on the Program to determine its effectiveness in addressing the challenges faced by low-income customers, as well as the effect on costs borne by all AmerenUE ratepayers.

Subsequently, the Commission issued its Order Approving Second Stipulation and Agreement, Third Stipulation and Agreement, and Market Energy Prices Stipulation and Agreement which states (in part) by ordered paragraph number:

3. The Third Nonunanimous Stipulation and Agreement, filed on March 24, 2010, is approved as a resolution of the issues addressed in that stipulation and agreement. A copy of the stipulation and agreement is attached to this order.
4. The signatory parties are ordered to comply with the terms of the stipulation and agreement.

#### Collaborative Documents

The stipulation includes a collaborative process for the low-income pilot program. AmerenUE submitted to Staff as a supplement to its tariff filing several documents created in the

collaborative process.<sup>1</sup> These documents include a document titled “Keeping Current” which lays out the Goal, Objectives, Collaborative Members, Program Evaluator, and the Program Description. In addition, AmerenUE provided an estimate of costs and participation in a document titled, “First Year Program Costs and Participation Summary”.

The goals set by the collaborative include:

- ◆ To study the effects of creating a very low income customer group which would be eligible for credits on current-due account balances and arrearage reduction incentives based on level of poverty in accordance with the Federal Poverty Level (FPL) guidelines.
  
- ◆ To evaluate:
  - a. the impact of such credits on Participant payment behavior and on health and safety;
  - b. the ongoing avoidance of accumulating arrearage balances;
  - c. the effect on bad debt to the Company, and therefore, the potential ongoing costs borne by other ratepayers; and
  - d. the efficacy of such a Program to mitigate the effects of utility costs on very low income customers.
  
- ◆ To study the effects of providing cooling assistance credits and education regarding hot weather safety upon the air conditioning usage and behavior of certain low income customers at risk during extreme hot weather periods.

The objectives set by the collaborative include, in part:

- To improve the affordability of utility payments for very low income customers.
- To promote a level and pattern of usage that ensures health and safety.
- Improve consistent and timely bill payments of very low income customers.
- Determine the impact of cooling credits and education regarding hot weather safety upon the air conditioning usage and behavior of certain low income customers at risk during extreme hot weather periods.
- Determine the overall impact of a very low income Program on all ratepayers.
- Determine if the Program’s discount levels provide a structure whereby very low income customers are enabled to keep consistent and timely payment patterns while reducing and eliminating arrearages.
- To determine the customer’s benefit from a levelized payment credit on the heating Program participants.
- To measure the effectiveness of a Program whereby some participants may be dually-enrolled in a [potential] future Program with Laclede Gas.
- To minimize Program costs and maximize efficiencies by successfully coordinating Program delivery through agencies already serving the needs of low-income households.
- To minimize Program costs and maximize efficiencies by linking Program participation to application for weatherization (see AmerenUE’s Tariff Sheet No. 218, Weatherization Program) and LIHEAP.

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<sup>1</sup> The Staff already had these documents from its participation in the collaborative process.

Estimates of Costs and Participation, as developed by the collaborative include the following:

Program (1 <sup>st</sup> year)	Costs	Estimated Participation
Electric Heat Bill Credit	\$340,080	872
Non-Electric Heat Bill Credit	\$130,800	872
Arrears Repayment @\$250 average less 1/12 payment	\$399,667	872
Cooling Bill Credit	\$108,075	1,441
Administration, Evaluation, Programming (12%)	\$101,739	
Total Year 1 Program Cost	\$1,080,360	3,185
Year 1 Funding Estimate	\$1,081,000	

### Tariff Provisions

The filed tariff sheets set out various terms and provisions of the low-income pilot program. Customers may apply for the low-income Program at a Keeping Current Agency. Keeping Current Agencies are qualified by AmerenUE, and include the Community Action Agencies in the AmerenUE electric service area and some additional social service agencies that also administer AmerenUE Dollar More energy assistance funds. Credits will be provided through Monthly Bill Credits for Electric Heating Customers or Non-Electric Heating Customers and/or Arrears Repayment Credits meeting the income limits above and the following qualifications:

1. To participate, the AmerenUE Customer must be registered with a designated Keeping Current Agency.
2. The Customer must apply for weatherization and LIHEAP assistance.

Other provisions include:

1. No credit refund checks will be issued to Participants in this low-income Program.
2. Any Participant will be allowed to default for one billing cycle without threat of removal from the Program. Payment of the defaulted amount prior to the following billing cycle delinquent date will permit the Participant to remain in the Program.

### Monthly Heating Bill Credits

1. The Participant must remain current within two billing cycles to continue on the low-income Program.
2. A Participant who defaults on payments for two consecutive months will be removed from the Program for twelve (12) months.
3. The Participant must be enrolled in Budget Billing.
4. Participant makes an on-time payment of billed amount excluding the monthly heating bill credit.
5. The Participant's bill statement will reflect the amount due, the credit, and the new payment required.
6. Electric Heating Credits range from \$55.00 to \$10.00.
7. Non-Electric Heating Credits range from \$20.00 to \$5.00.

### Monthly Arrearage Bill Credits

1. The Participant must make a payment of at least 1/12<sup>th</sup> of any arrearage through pledge or personal funds. This agreement for remaining arrearage for a total of eleven (11) months.
2. The Participant must remain current within two billing cycles to continue on the low-income Program.
3. A Participant who defaults on payments for two consecutive months will be removed from the Program for twelve (12) months.
4. Participant makes an on-time payment of billed amount excluding the monthly arrearage bill credit.
5. The Participant's bill statement will reflect the amount due, the credit, and the new payment required.

### Monthly Cooling Bill Credits

1. A Participant may not receive monthly cooling bill credits at the same time with Electric or Non-Electric Heating Bill Credits or Arrearage Bill Credits.
2. Cooling Bill Credits (June-August Period) are \$25.00 per billing month.

### Terms

The low-income pilot program funding will cease effective July 31, 2012, and no further funding will be provided beyond that date unless the term is extended. The Program will continue until funds are fully exhausted, or until such time that the final Participant has completed the Participant's full Program eligibility period. Any unspent funds may be administered through an extension of the Program, as approved by the Commission, or otherwise disbursed as approved by the Commission.

### Staff Recommendation

The Commission's Staff (Staff) has reviewed the proposed tariff sheets and associated documentation created during the collaborative process, and is of the opinion that the tariff sheets were filed in a timely manner and are in compliance with the Commission's Order Approving Third Stipulation And Agreement issued in AmerenUE's last general electric rate increase case, Case No. ER-2010-0036. The Staff therefore recommends that the Commission approve the following tariff sheets, as filed on July 8, 2010, to go into effect for service on and after August 7, 2010, the requested effective:

#### MO.P.S.C. SCHEDULE NO. 5

19<sup>th</sup> Revised Sheet No. 125 Cancelling 18<sup>th</sup> Revised Sheet No. 125  
3<sup>rd</sup> Revised Sheet No. 199 Cancelling 2<sup>nd</sup> Revised Sheet No. 199  
2<sup>nd</sup> Revised Sheet No. 200 Cancelling 1<sup>st</sup> Revised Sheet No. 200  
2<sup>nd</sup> Revised Sheet No. 201 Cancelling 1<sup>st</sup> Revised Sheet No. 201

Because this filing was made on thirty (30) days or greater notice, no order is necessary to indicate approval.

The Staff has verified that AmerenUE is not delinquent on any assessment or the filing of its 2009 annual report. The Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.



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

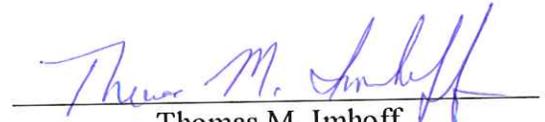
In the Matter of Union Electric Company )  
d/b/a AmerenUE's Tariffs to Increase its )  
Annual Revenues for Electric Service )

Case No. ER-2010-0036  
File No. YE-2011-0014

**AFFIDAVIT OF THOMAS M. IMHOFF**

**STATE OF MISSOURI**     )  
  ) ss  
**COUNTY OF COLE**        )

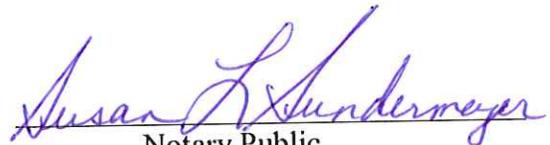
Thomas M. Imhoff, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was given by him; that he has knowledge of the matters set forth in such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

  
\_\_\_\_\_  
Thomas M. Imhoff

Subscribed and sworn to before me this 22nd day of July 2010.



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

  
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Notary Public

