

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

In the Matter of Union Electric Company)
d/b/a AmerenUE for Authority to File)
Tariffs Increasing Rates for Electric) Case No. ER-2010-0036
Service Provided to Customers In the)
Company’s Missouri Service Area.)

THIRD NONUNANIMOUS STIPULATION AND AGREEMENT

On February 10, 2010, the Missouri Public Service Commission (“Commission”) issued an Order Directing The Parties To Address The Concerns Raised By AmerenUE’s Low-Income Residential Customers wherein it directed the parties to address in additional testimony: (a) the feasibility/practicality of establishing an experimental “very low-income” customer class that would be based upon the Federal Poverty Level (“FPL”), including the effect on revenues and costs, (b) guidelines for inclusion in such a class, (c) verification procedures for participants in such a class, (d) the possible effect on AmerenUE’s bad debt expense of such a class, and (e) whether such a class should be tied to the current industrial rate class or an alternate rate. The Staff of the Missouri Public Service Commission (“Staff”), the Office of the Public Counsel (“Public Counsel”), Union Electric Company d/b/a AmerenUE (“AmerenUE”), the Missouri Industrial Energy Consumers¹ (“MIEC”), and AARP/Consumers Council of Missouri, Inc. (“AARP/Consumers Council”) submitted testimony. As a result of discussions among AmerenUE, Staff, Public Counsel, MIEC, AARP/Consumers Council and the Missouri Retailers Association, they (collectively “the Signatories”) hereby submit to the Commission for its consideration and approval this Third Nonunanimous Stipulation and Agreement (“Stipulation”), resolving certain issues in this case. The Signatories agree:

¹ The members of MIEC are: Anheuser-Busch Companies, Inc., BioKyowa, Inc., The Boeing Company, Doe Run, Enbridge, General Motors Corporation, GKN Aerospace, Hussmann Corporation, JW Aluminum, MEMC Electronic Materials, Monsanto, Pfizer, Precoat Metals, Procter & Gamble Company, Nestlé Purina PetCare, Noranda Aluminum, Inc., Saint Gobain, Solutia and U.S. Silica Company.

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 as set forth below. The amounts contributed by customers shall be collected through a surcharge added to the customer charge for each customer class. The surcharge shall take effect on the effective date of new rates established in this rate case, and will automatically terminate at the end of two years thereafter. The surcharges applicable to each customer class shall be as follows:

- a. Residential Class--\$.03/month (applicable to approximately 1,043,370 customers, results in \$375,613.20 per year);
- b. SGS Class--\$.05/month (applicable to approximately 141,318 customers, results in \$84,790.80 per year);
- c. LGS/SPS Class--\$.50/month (applicable to approximately 10,590 customers, results in \$63,540 per year);
- d. LPS Class--\$50.00/month (applicable to approximately 66 customers, results in \$39,600 per year); and
- e. LTS Class--\$1,500/month (applicable to 1 customer, results in \$18,000 per year).

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. Fund balances shall accrue interest at AmerenUE's AFUDC rate. The Signatories shall use all deliberate efforts to expend funds for the benefit of participants during the Program. Upon termination of the program, the Collaborative may agree that 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.

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.² An advisory collaborative group ("Collaborative"), consisting of representatives from each Signatory to this Stipulation shall propose the remaining significant details of the Program, including customer eligibility, bill credit amounts and arrearage payment levels for submission to the Commission for approval. The Signatories agree that the Program shall be available in areas chosen from AmerenUE's entire electric service territory. No customer with an arrearage that includes a theft of service charge shall be eligible to participate in the Program.

5. Among the Collaborative's goals shall be to reach final agreement on remaining significant Program details and design so that it can be submitted to the Commission for

² The Signatories are mindful of the Commission's expressed concern for "very low-income" customers in its February 10, 2010 Order Directing The Parties To Address The Concerns Raised By AmerenUE's Low-Income Residential Customers in this rate case. As indicated by the testimony filed in response to the Commission's Order, the various Signatories did not find it practical/feasible to establish an experimental "very low-income" customer class that would be based upon the FPL. Alternatively, the Signatories have set the general qualification of eligibility at 100% of the FPL (\$902.50 per month for a single person). However, certain Signatories also believe it is important to consider the needs of low-income customers who face particular difficulty with summer heat issues: the elderly, the disabled or chronically ill, and households with young children. As part of resolution of this issue, the recommendation of the Signatories is that the Commission approve participation of such customers who are LIHEAP-eligible (135% of the FPL) to account for the effect on their income of Social Security or disability payments, which may result in income levels greater than 100% of the FPL but not result in income levels in excess of LIHEAP eligibility.

approval by July 1, 2010, if not sooner, with a target date of implementation of August 1, 2010. If the Collaborative cannot agree to any given material provision of the Program, said disagreement shall be brought to the Commission for resolution by July 1, 2010. If the Collaborative cannot agree on any material matter thereafter, said disagreement shall be brought to the Commission for resolution.

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. The particular qualifying agencies administering the Program shall be equitably chosen by the Collaborative from a list of qualifying agencies. The Collaborative shall choose a minimum of three qualifying agencies in the City of St. Louis and will use best efforts to choose a minimum of two qualifying agencies in each of the following five general areas of AmerenUE's service territory: St. Louis County, St. Charles County, the Cape Girardeau area and the Jefferson City area.

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. The Collaborative shall commence procedures for the selection of an independent third party evaluator ("Evaluator") and select said Evaluator early in the Program so that the Evaluator can be involved in the Program design. The Evaluator will provide written evaluations of the Program

to all parties participating in the Collaborative. Up to 7% of the funds allocated may be used for administrative costs of the administering agencies and 3% to secure the services of the Evaluator.

GENERAL PROVISIONS

a. This Stipulation is being entered into for the purpose of disposing of the issues that are specifically addressed in this Stipulation. 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.

b. This Stipulation has resulted from extensive negotiations and the terms hereof are interdependent. If the Commission does not approve this Stipulation without modification, then the Stipulation shall be void and no signatory shall be bound by any of the agreements or provisions herein.

c. 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.

d. 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 2000. 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. This Stipulation contains the entire agreement of the Signatories concerning the issues addressed herein.

e. 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.

f. If the Commission has questions for the signatories' witnesses or signatories, the Signatories will make available, at any on-the-record session, their witnesses and attorneys on the issues resolved by this Stipulation, so long as all Signatories have had adequate notice of that session. The Signatories agree to cooperate in presenting this Stipulation to the Commission for approval, and will take no action, direct or indirect, in opposition to the request for approval of this Stipulation.

WHEREFORE, on this 24th day of March, 2010, the signatories respectfully request the Commission to issue an Order in this case approving this Third Nonunanimous Stipulation and Agreement.

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Certificate of Service

I hereby certify that copies of the foregoing Third Nonunanimous Stipulation and Agreement have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 24th day of March, 2010.

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