

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

XV. PILOT PROGRAMS

RESIDENTIAL NATURAL GAS ENERGY EFFICIENCY

Home Energy Performance Pilot

(Joint Program with Electric HEP Pilot)

***PURPOSE**

The purpose of the Home Energy Performance (HEP) Pilot is to (1) identify and implement dual fuel energy saving opportunities identified by an audit that are expected to be cost effective and (2) to perform an evaluation of program implementation and results. The Company's gas and electric energy efficiency programs will co-deliver a pilot program to its combination gas and electric customers under which each gas and electric fuel program measure has a Total Resource Cost (TRC) greater than 1.0 when parsing of measure costs and savings, based on source energy savings, occurs.

AVAILABILITY

Services under this program are only available for single-family homes receiving service under both the Residential Natural Gas Service Rate and the Residential Electric Service Rate 1(M). For single-family homes that are rental properties, services will be available to the Participant requesting the audit (either the tenant or landlord). This pilot program is related to the Missouri Energy Efficient Natural Gas Equipment and Building Shell Measure Rebate Programs tariff and rebates for similar measures from the two programs cannot be combined.

DEFINITIONS

Administrator - Company will administer the program.

Air Changes per Hour (ACH) - A measurement of air infiltration equal to the total volume of air in a home that is turned over in one hour.

Participant - A customer or landlord that contacts the Administrator and requests an audit, as described in the program description.

Participant Cost Test (PCT) - The test of the cost-effectiveness of demand-side programs that measures the economics of a demand-side program from the perspective of the participants in the program.

Qualified Auditor - A participating contractor trained in natural gas equipment utilization systems and commercial and/or residential structures as an integrated whole building system. Residential training, certification, and accreditation are provided by the Building Performance Institute (BPI) and Residential Energy Services Network's (RESNET®). Commercial training and certification are provided by a nationally recognized energy auditor certification organization. Qualified Auditors will be supplied for the program by the Company's implementation contractor.

*Indicates Change.

DATE OF ISSUE September 22, 2014 DATE EFFECTIVE October 22, 2014

ISSUED BY Michael Moehn President & CEO St. Louis, Missouri
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Home Energy Performance Pilot (Cont'd)

DEFINITIONS (Cont'd)

Total Resource Cost Test (TRC) - The test of the cost-effectiveness of demand-side programs that compares the avoided utility costs to the sum of all incremental costs of end-use measures that are implemented due to the program (including both utility and participant contributions), plus utility costs to administer, deliver, and evaluate each demand-side program.

Utility Cost Test (UCT) - The test that compares the avoided utility costs to the sum of all utility incentive payments, plus utility costs to administer, deliver, and evaluate each demand-side program to quantify the net savings obtained by substituting the demand-side program for supply-side resources.

PROGRAM PROVISIONS

HEP is a pilot energy efficiency program focused on a whole house audit approach to educate residential customers about energy use in their homes and to offer information, products, and services to residential customers to save energy. This allows the customer to initiate the process of identifying and installing long-term energy efficiency upgrades and practices. The HEP program itself will have multiple components. In addition, it provides another entryway for customers to take advantage of the Company's entire portfolio of residential energy efficiency solutions. The implementation team will attempt to leverage this program to achieve greater participation in the Company's other residential programs. For example, as warranted, the homeowner, renter, and/or landlord may be encouraged to participate in other natural gas or electric energy efficiency programs offered to residential customers.

PROGRAM DESCRIPTION

Eligible customers can receive information about signing up for a general audit in several ways, including contacting the dedicated program toll free number or email, the www.ActOnEnergy.com website or attending an event in which the Company's residential energy efficiency programs are featured. Direct mail solicitation will be directed toward eligible customers who have the highest intensity and also highest potential savings opportunities.

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***PROGRAM DESCRIPTION (Cont'd)**

The customer or landlord contacts the Administrator through email or a phone call to request an audit. Pertinent information is gathered at the time of the contact (e.g., address, account number, name, etc.) and the audit is scheduled. The Participant will pay a fee of \$25.00 for the general audit. The auditor will have the usage data for the home prior to entering the home. The audit is based on the whole house energy savings potential and will include a visual inspection for safety issues and a full visual inspection and assessment of major energy using systems. Some energy efficient measures will be directly installed (e.g., energy efficient lighting, , pipe wrap, showerhead, faucet aerators, etc.) at no additional cost to Participant. The auditor will review usage information, audit findings and recommendations with the Participant at the time of the audit. The Participant will receive a paper copy of the audit. The auditor will recommend energy efficient measures that the Participant can choose to pursue. These measures will include the Company's electric and natural gas program measures and any other appropriate measures identified by the audit.

Some measures may be incented from the HEP; other measures may be part of other Company residential electric and natural gas energy efficiency programs. Recommendations will also include work orders that Participants may give to contractors if the Participant chooses to pursue additional measures associated with the HEP. In some cases, the auditor may determine that it is appropriate to include additional actions such as combustion safety and efficiency testing and/or a blower door test. There is no cost to the Participant for these additional actions when determined appropriate by the auditor.

In order to achieve the desired level of energy savings, approximately 870 audits will be conducted each program year.

EVALUATION PLAN

The evaluation, measurement and verification of the HEP will be performed by an independent, third-party evaluation contractor in conjunction with the evaluation of the electric program of the same name. The overall evaluation objectives will be to provide an impact evaluation including determining gross and net gas savings attributable to the pilot. The evaluation contractor will also provide a process evaluation including measuring Participant satisfaction and determining the viability of expanding the pilot into a standard program. Cost effectiveness tests (TRC, UCT and PCT) will be completed by the evaluator. Report due dates shall be as agreed to in Paragraph 11 of Unanimous Stipulation And Agreement Resolving Ameren Missouri's MEEIA Filing (File No. EO-2012-0142).

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***REBATES**

Each Participant will get a rebate per the program details on the Company's website. Program details are available on the Company's website www.ActOnEnergy.com or by calling 1-855-229-1349.

***REBATE CHANGE MANAGEMENT PROCESS**

When existing rebates need to be modified, the implementation contractor will approach rebate changes as an interactive process between implementation contractor's program development team (consisting of local and national engineering resources and program management staff), the Company, the Company's evaluation, measurement and verification contractor and Company stakeholders with the Company making the final decision for modifying rebates that do not require a tariff filing.

The change process is outlined below and is applicable to changes in a program rebate regarding the interaction between the Company or implementation contractor and program Participants.

- 1) Identify need for rebate change regarding the interaction between the Company or implementation contractor and Participants in the programs;
- 2) Discuss proposed rebate change with implementer;
- 3) Discuss proposed rebate change with evaluator;
- 4) Analyze impact on program and portfolio (Cost-effectiveness, goal achievement, etc.);
- 5) Inform the Staff, Office of the Public Counsel (OPC), and the Missouri Department of Economic Development - Division of Energy (DE) of the proposed change and the time within which it needs to be implemented. The Company will provide Staff, OPC and the DE with the analysis that was done, and consider recommendations from them that are received within the implementation timeline (the implementation timeline shall be no less than five (5) business days from the time that the Staff, OPC, and the DE are informed and provided the above-referenced analysis);
- 6) Take timely received recommendations into account and incorporate them where the Company believes it is appropriate to do so;
- 7) Notify and train customer contact personnel (Contact Center, Energy Advisors, Business Center, Key Account Executives, Customer Service Advisors) of the changes;
- 8) Make changes to forms and promotional materials;

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REBATE CHANGE MANAGEMENT PROCESS (Cont'd)

- 9) Update program on Company's website www.ActOnEnergy.com;
- 10) Make a filing in File GR-2010-0363 containing updated web pages, if appropriate, updated rebate amounts and specifying the date when the updated rebate amounts were posted on the Company's website www.ActOnEnergy.com.
- 11) Inform customers, program partners, etc.

MEASURES

Energy efficient natural gas measures are offered to a Participant via either: a direct install, offering a specific rebate for specific measures, or a combination of both. Eligible measures offered in this program cannot be combined with rebates listed under the Company's Missouri Energy Efficient Natural Gas Equipment and Building Shell Measure Rebate Programs tariff.

***Measures - Direct Install**

- 1) Equipment: Hot Water Measure Kit - installation of one (1) kit which may include: one (1) shower head, two (2) aerators, up to forty (40) feet of pipe wrap.
Rated: 1.5 Gallons Per Minute (GPM)
Rebate: Measures will be direct installed at the Participant's home in conjunction with the audit by the Qualified Auditor.

***Measures - Rebates**

- 1) Building Shell Measures - Residential Home Energy Audit Improvement - purchase and installation of cost effective natural gas energy saving building shell measures as recommended from a Participant's energy audit performed by a Qualified Auditor.
Rated: Measures considered efficiency improvements include:
 1. Ceiling Insulation
 - a. Must be at R19 or less. Participant must install to a minimum of at least R30 and a maximum of R49.
 2. Air Sealing Measures - Reduction in ACH must be at least 0.5 ACH through measures that may include:
 - a. Window weather stripping
 - b. Door weather stripping
 - c. Switch and outlet insulation
 - d. Caulking
 - e. Foam etc.
 3. Windows
 - a. Must install Energy Star qualified windows

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MEASURES (Cont'd)

*Measures - Rebates (Cont'd)

Rebate: A rebate is offered to the Participant for each category listed above:

1. Ceiling Insulation - The initial rebate is \$0.008 x sq ft x ΔR (the rebate factor could range from \$0.004 to \$0.012 during the term of the program). The actual rebate amount applicable to each specific measure shall be the rebate amount for that measure that appears on the Company's website www.ActOnEnergy.com on the date that the audit is performed.
2. Air Sealing Measures - The initial rebate is \$42 per ACH reduction (the rebate amount could range from \$21 to \$63 per ACH reduction during the term of the program with a maximum cap of \$264 per home). The actual rebate amount applicable to each specific measure shall be the rebate amount for that measure that appears on the Company's website www.ActOnEnergy.com on the date that the audit is performed. A post installation combustion safety inspection must be completed to receive a rebate for this measure.
3. Windows - The initial rebate is \$12 per Energy Star window installed (the rebate amount could range from \$6 to \$18 during the term of the program) with a minimum of 5 windows and a maximum of 10.

PROGRAM FUNDS

Funding for this program is set forth in the Stipulation and Agreement in Case No. GR-2010-0363. Program funds will be used to cover costs associated with 1) direct installs paid to a qualified implementation contractor, 2) rebates paid directly to program Participants, and 3) administrative costs. Funding for this program will also be supplied by the Company's Residential Electric Energy Efficiency Program.

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***PROGRAM TERM**

The program will run from March 1, 2013, through December 31, 2015, unless funding for this program does not continue due to the elimination of funding resulting from a Commission order. The term and availability of this program is also contingent upon funding from, and agreements with, the Company's Residential Electric Energy Efficiency Program, with which this pilot program is a collaboration. The implementation of any changes to this tariff are contingent upon approval of this tariff and also upon receiving final approval of any changes to the electric portion of the Company's Residential HEP Program.

All installations of direct install measures must occur no later than November 30, 2015. All rebate forms submitted for eligible measures for this program must be submitted and post-marked not later than November 30, 2015.

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