

**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 for) Case No. ER-2008-0318
Authority to File Tariffs Increasing Rates for)
Electric Service

STIPULATION AND AGREEMENT

COME NOW the Office of the Public Counsel, the Missouri Industrial Energy Consumers,¹ the Missouri Energy Group,² the Commercial Group,³ and Noranda Aluminum, Inc. (collectively, the Signatories) and respectfully state to the Missouri Public Service Commission (Commission) that, as a result of negotiations, they have reached the stipulations and agreements contained herein in order to settle the class cost of service allocation and rate design issues in this rate case.

1. This Stipulation and Agreement will specify the agreement of the Signatories on the rate design and the spread of any revenue increase among the customer classes. An illustration of the Signatories' agreement is attached hereto as Attachment 1. The spread proceeds in three tiers to address varying levels of approved revenue increase. Within Tiers 1 and 3 the spread is based on the system average percentage increase applied to the true-up level of class rate revenues.

Tier 1. For any increase up to \$80,000,000 all classes will receive the system average percentage increase.

¹ Anheuser-Busch Companies, Inc., BioKyowa, Inc., The Boeing Company, Chrysler, Doe Run, Enbridge, Explorer Pipeline, GKN Aerospace, General Motors Corporation, Hussmann Corporation, JW Aluminum, Monsanto, Pfizer, Precoat Metals, Procter & Gamble Company, Nestlé Purina PetCare, Solutia and U.S. Silica Company.

² Barnes-Jewish Hospital, Buzzi Unicem USA, Inc., and SSM Healthcare

³ JCPenney Corporation, Macy's, Inc., and Wal-Mart Stores East, LP.

Tier 2. The Tier 2 spread operates on any approved increase equal to or above \$80,000,000 and up to \$150,000,000. Within Tier 2 there are several interrelated adjustments.

Step 1. The increment directed to the LTS class will be one-half of the system average percentage increase.

Step 2. The amount of the increase not directed to the LTS class will be spread among the remaining customer classes in proportion to the true-up level of rate revenues of these classes.

Step 3. The residential increase will be adjusted to be equal to the System average percentage increase plus .3% (for example, a 7% system average increase would result in a residential increase of 7.3%).

Step 4. The additional revenue generated by the Step 3 adjustment to residential class revenues will be spread among the SGS, LGS, and SPS rate classes in proportion to the true-up revenues from those rate classes.

Tier 3. Tier 3 applies to the increase amount, if any, in excess of \$150,000,000. All classes will receive the system average percentage increase.

2. All rate elements will be adjusted on an equal percentage basis to provide the approved level of class revenues, provided, however, that the residential customer charge will remain at the present level.

3. This Stipulation and Agreement is being entered into solely for the purpose of settling the identified issues in this case that are listed above. Unless otherwise explicitly provided herein, none of the Signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or

procedural principle, including, without limitation, any other method of cost determination or cost allocation or revenue-related methodology. Other than as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner in this or any other proceeding by the terms of this Stipulation and Agreement regardless of whether this Stipulation and Agreement is approved.

4. This Stipulation and Agreement has resulted from extensive negotiations among the Signatories and the terms hereof are interdependent. If the Commission does not approve this Stipulation and Agreement unconditionally and without modification, then this Stipulation and Agreement shall be void and no Signatory shall be bound by any of the agreements or provisions hereof, except as explicitly provided herein.

5. If the Commission does not unconditionally approve this Stipulation and Agreement without modification, and notwithstanding the provision herein that it shall become void, neither this Stipulation and 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 for a decision in accordance with §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 and Agreement had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation and 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 purpose whatsoever.

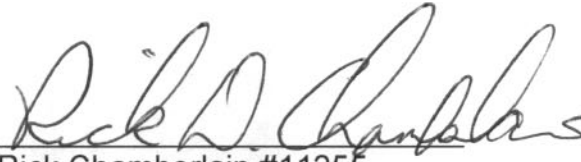
6. In the event the Commission unconditionally accepts the specific terms of this Stipulation and Agreement without modification, the Signatories waive the following rights only as to the issues resolved herein: 1) their respective rights to present oral argument and written briefs pursuant to §536.080.1 RSMo 2000; 2) their respective rights to seek rehearing, pursuant to §536.500 RSMo 2000; and 3) their respective rights to judicial review pursuant to §386.510 RSMo 2000. This waiver applies only to a final unappealed Commission order unconditionally approving this Stipulation and Agreement issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding or any matters not explicitly addressed by this Stipulation and Agreement.

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

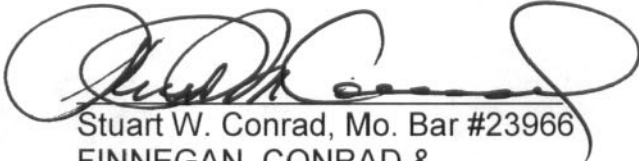
Respectfully submitted,



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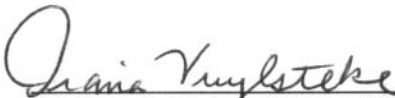
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to all parties this 3rd day of December 2008.

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/s/ Lewis R. Mills, Jr.

- Step 1) Up to \$80M increase all classes receive the system average increase
- Step 2) Above a \$80M up to \$150 increase LTS receives 1/2 the average increase for the increment above \$80M
- Step 3) At or above a \$80M up to \$150M increase RES increases an additional .3% to offset a reduction to SGS and LGS/SPS in proportion to SGS and LGS/SPS current revenues
- Step 4) Above \$150M increase, the increment is spread as equal % of present revenues

Line		RES	SGS	LGS/SPS	LPS	LTS	LGT and MSD	Total
1								
2								
3								
4	Current Revenue*	\$ 899,853,445	\$ 240,965,161	\$ 626,871,784	\$ 159,481,067	\$ 130,706,920	\$ 28,672,361	\$ 2,086,550,738
5		43%	12%	30%	8%	6%	1%	100%
6	Increase at 80M	\$ 34,501,090	\$ 9,238,794	\$ 24,034,758	\$ 6,114,630	\$ 5,011,406	\$ 1,099,321	\$ 80,000,000
7		3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%
8	Additional % Adj to Current Revenue	0.30%	-0.31%	-0.31%				
9	Additional \$ Adj to Current Revenue	2,699,560	(749,565)	(1,949,996)				
10	Combined Increase	37,200,651	8,489,229	22,084,763				
11	Combined Increase %	4.13%	3.52%	3.52%				
12								
13	System Average Increase	\$ 34,501,090	\$ 9,238,794	\$ 24,034,758	\$ 6,114,630	\$ 5,011,406	\$ 1,099,321	(0)
14	relative to sys avg.	2,699,560	(749,565)	(1,949,996)				
15								
16								
17	Increase at 120M =	\$ 34,501,090	\$ 9,238,794	\$ 24,034,758	\$ 6,114,630	\$ 5,011,406	\$ 1,099,321	\$ 80,000,000
18	+ Incremental 40M	\$ 17,826,963	\$ 4,773,752	\$ 12,418,933	\$ 3,159,473	\$ 1,252,852	\$ 568,027	\$ 40,000,000
19	0.5	\$ 52,328,053	\$ 14,012,546	\$ 36,453,692	\$ 9,274,103	\$ 6,264,258	\$ 1,667,348	\$ 120,000,000
20		5.82%	5.82%	5.82%	5.82%	4.79%	5.82%	5.75%
21	Additional % Adj to Current Revenue	0.30%	-0.31%	-0.31%				
22	Additional \$ Adj to Current Revenue	2,123,143	(589,516)	(1,533,627)				
23	Combined Increase	54,451,196	13,423,030	34,920,065				
24	Combined Increase %	6.05%	5.57%	5.57%				
25								
26	System Average Increase	\$ 51,751,636	\$ 13,858,191	\$ 36,052,137	\$ 9,171,945	\$ 7,517,110	\$ 1,648,981	(0)
27	relative to sys avg.	2,699,560	(435,161)	(1,132,073)	102,159	(1,252,852)	18,367	
28								
29								
30	Increase at 150M =	\$ 34,501,090	\$ 9,238,794	\$ 24,034,758	\$ 6,114,630	\$ 5,011,406	\$ 1,099,321	\$ 80,000,000
31	+ Incremental 70M	\$ 31,197,185	\$ 8,354,066	\$ 21,733,133	\$ 5,529,078	\$ 2,192,490	\$ 994,047	\$ 70,000,000
32	0.875	\$ 65,698,275	\$ 17,592,860	\$ 45,767,892	\$ 11,643,708	\$ 7,203,897	\$ 2,093,368	\$ 150,000,000
33		7.30%	7.30%	7.30%	7.30%	5.51%	7.30%	7.19%
34	Additional % Adj to Current Revenue	0.30%	-0.31%	-0.31%				
35	Additional \$ Adj to Current Revenue	1,690,830	(469,479)	(1,221,351)				
36	Combined Increase	67,389,105	17,123,381	44,546,541				
37	Combined Increase %	7.49%	7.11%	7.11%				
38								
39	System Average Increase	\$ 64,689,544	\$ 17,322,739	\$ 45,065,172	\$ 11,464,931	\$ 9,396,387	\$ 2,061,227	(0)
40	relative to sys avg.	2,699,560	(199,358)	(518,631)	178,777	(2,192,490)	32,142	
41								
42								
43	Increase at 170M =	\$ 65,698,275	\$ 17,592,860	\$ 45,767,892	\$ 11,643,708	\$ 7,203,897	\$ 2,093,368	\$ 150,000,000
44	+ Incremental 20M	\$ 8,625,273	\$ 2,309,699	\$ 6,008,690	\$ 1,528,657	\$ 1,252,852	\$ 274,830	\$ 20,000,000
45	0.96%	\$ 74,323,548	\$ 19,902,558	\$ 51,776,581	\$ 13,172,366	\$ 8,456,748	\$ 2,368,199	\$ 170,000,000
46		8.26%	8.26%	8.26%	8.26%	6.47%	8.26%	8.15%
47	Additional % Adj to Current Revenue	0.30%	-0.31%	-0.31%				
48	Additional \$ Adj to Current Revenue	1,690,830	(469,479)	(1,221,351)				
49	Combined Increase	76,014,377	19,433,080	50,555,231				
50	Combined Increase %	8.45%	8.06%	8.06%				
51								
52	System Average Increase	\$ 73,314,817	\$ 19,632,438	\$ 51,073,861	\$ 12,993,588	\$ 10,649,238	\$ 2,336,057	0
53	relative to sys avg.	2,699,560	(199,358)	(518,631)	178,777	(2,192,490)	32,142	
54								
55								
56								

* Per Company supplied true-up revenue worksheet