

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

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

**RESPONSE OF AARP AND CONSUMERS COUNCIL OF MISSOURI TO THE
COMMISSION'S ORDER DIRECTING PARTIES TO ADDRESS THE CONCERNS
RAISED BY AMERENUE'S LOW-INCOME CUSTOMERS**

COME NOW AARP and the Consumers Council of Missouri (CCM), and hereby responds to the Public Service Commission's ("Commission's") "Order Directing Parties to Address the Concerns Raised by AmerenUE's Low-Income Customers" issued on February 10, 2010.

AARP and CCM are pleased that the Commission has provided an opportunity to provide testimony in this rate case regarding solutions to the growing problems related to the impact of rising electric rates on low-income residential customers. Assisting in the development of reasonable utility programs to address affordability issues is a top priority for AARP and CCM.

However, due to the short time frame ordered for filing such testimony, AARP and CCM have not yet been able to find an expert witness that it can sponsor who is available to draft testimony and appear for cross-examination during the evidentiary hearing in this case. In lieu of direct testimony, this pleading presents some general suggestions with regard to the issue, and further requests that the Commission organize

an official collaborative process within this rate case, in hopes that a joint low-income proposal might be developed that would be acceptable to most, if not all, parties in this rate case.

Low-income energy policy is critically important since level of income is related to the incidence of disconnection of service, thus triggering adverse health and welfare consequences due to the physical disconnection itself and also because of the sacrifices that are made in payment for other essential services to avoid the disconnection of service. The consequences that families face as a result of disconnection can then lead to other problems, such as serious medical problems as well as educational detriments for the children who are forced to move.

AARP and CCM recommend that the Commission adopt a system-wide, comprehensive low-income program for that provides discounts or credits to those low-income AmerenUE electric customers that have a comparatively high energy burden (the percentage of income that must be spent to keep the heat and air conditioning on), that promotes weatherization and energy efficiency, and that encourages regular timely payment by rewarding payments that reduce past arrearages.

AARP and CCM also believe that a comprehensive low-income program for electric customers should include both summer cooling customers as well as winter heating customers. As explained in AARP testimony in AmerenUE's previous rate case (Case No. ER-2008-0318), extremely hot weather is a critical public safety concern, especially for low-income seniors who may not turn on their air conditioners on the hottest of days because of the fear of high electric bills.

AARP and CCM also recommend that the Commission also consider simplicity in enrollment in order to keep administrative costs lower. California and Texas have recently adopted low-income utility programs that operate with automatic enrollment for eligible customers when they apply for federal Low-Income Home Energy Assistance Program (LIHEAP) funds. The Missouri community action agencies which administer LIHEAP funds in the AmerenUE service territory should be asked to help develop intake procedures.

The funding for such a comprehensive low-income program should be equitably spread among all customer classes, and ideally should also require a contribution from the electric utility itself.

The Commission has approved a variety of low-income programs in previous rate cases over the past ten years which the Commission and the parties may reference in order to help design a comprehensive program that utilizes the most successful components. In order to provide the Commission with further information on this topic, a report is attached to this pleading which discusses low-income legislation and public utility programs that have been adopted by public utility commissions in other states. AARP and CCM hope that the Commission may find that this report serves to promote future discussion.

AARP and CCM believe that some of the best low-income programs have been developed in a collaborative atmosphere among interested parties, and therefore recommend that the Commission officially establish a collaborative workshop procedure that is coordinated with the schedule of this rate case in order to facilitate compromise on this important matter.

WHEREFORE, AARP and CCM respectfully request that the Commission establish a collaborative workshop in which interested parties may participate for the purpose of developing a joint recommendation for a comprehensive low-income program for low-income AmerenUE electric customers.

Respectfully submitted,



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Attachment: Barbara Alexander, "Model Legislation for Fair Share Payment Program to Assure Affordable Electric and Natural Gas Services" (2003).

Filed: February 19, 2010

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all parties of record on this 19th day of February 2010:

Joel B Coffman