P.S.C. MO. No. 2 Original Sheet No. 1.96C Canceling P.S.C. MO. No. Revised Sheet No. For Missouri Retail Service Area RULES AND REGULATIONS ELECTRIC

22.17 RESIDENTIAL PAY AS YOU SAVE® PILOT PROGRAM

PROGRAM DESCRIPTION:

(continued)

- 2. <u>Energy Efficiency Plans</u>: The Company will have its Program Administrator perform a cost analysis and prepare an Energy Efficiency Plan (Plan) identifying recommended upgrades to improve energy efficiency and lower utility costs.
 - 2.1 <u>Incentive Payment</u>: The Company will offer incentives currently available for an eligible residential Measure as defined in the Company's MEEIA 3 Demand-Side Plan.
 - 2.2 <u>Net Savings</u>: Recommended upgrades shall be limited to those where the annual Service Charges, including program fees and the utility's cost for capital, are no greater than 80% of the estimated annual benefit from reduction to customer annual utility charges based on current rates in electricity and/or gas costs.
 - 2.3 <u>Co-Pay Option</u>: If a project is not cost effective, customers may agree to pay the portion of a project's cost that prevents it from qualifying for the Program as an upfront payment to the contractor. The Company will assume no responsibility for such upfront payments to the Program Partner. Co-payments will be applied after applying relevant incentive payments as defined in 2.1.
- **Analysis and Assessment fees:** The Company will not recover Analysis or Assessment fee costs from participants through a Service Charge. These fees will be treated as Program Administrative costs.
 - 3.1 <u>Participant Close-out fee:</u> Participants will be charged a close out fee of \$490. The close out fee is included in the project cost-effectiveness calculation and the Program Service Charge.
- 4. <u>Service Charge:</u> The Company will recover the costs for its investments including any fees as allowed in this tariff through a monthly Service Charge assigned to the location where upgrades are installed and paid by the Participant or successor occupying that location until all Company costs have been recovered. The Service Charge will also be set for a duration not to exceed the greater of 1) the length of the full parts and labor warranty or 2) 80 percent (80%) of the estimated life of the upgrades, and in no case longer than twelve years. The Service Charge and duration of payments will be included in the Efficiency Upgrade Agreement.
 - 4.1 Cost Recovery: No sooner than 45 days after approval by the Company or its Program Administrator, the Participant shall be billed the monthly Service Charge as determined by the Company. The Company will bill and collect Service Charges until cost recovery is complete, except in cases discussed in section 4. Prepayment of unbilled charges will not be permitted to facilitate installed upgrades remaining and continuing to function at the location for at least the duration of cost recovery.
 - 4.2 <u>Eligible Upgrades:</u> All upgrades must have Energy Star certification, if applicable. The Program Administrator may seek to negotiate with contractors or upgrade suppliers extended warranties to minimize the risk of upgrade failure on behalf of customers.
 - 4.3 Ownership of Upgrades: During the duration that Service Charges are billed to customers at locations where upgrades have been installed, the Company will retain ownership of the installed upgrades. Upon completion of the cost recovery, ownership will be transferred to the owner of the location.

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