FILED³ APR 1 6 2007 Missouri Public Service Commission

Exhibit No.: 039

Witness: Sponsoring Party: Type of Exhibit: Case No.: Date Testimony Prepared:

Issues: Dollar More, Low Income Energy Efficiency programs Richard J. Mark Union Electric Company Surrebuttal Testimony ER-2007-0002 February 27, 2007

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2007-0002

SURREBUTTAL TESTIMONY

OF

RICHARD J. MARK

ON

BEHALF OF

UNION ELECTRIC COMPANY d/b/a AmerenUE

> St. Louis, Missouri February, 2007

<u>Ameren</u> Exhibit No. <u>39</u> Date <u>3-16-07</u> Case No. <u>FR-200</u> Reporter **

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1		SURREBUTTAL TESTIMONY		
2		OF		
3		RICHARD J. MARK		
4		CASE NO. ER-2007-0002		
5	Q.	Please state your name and business address.		
6	А.	My name is Richard J. Mark. My business address is One Ameren Plaza,		
7	1901 Chouteau Avenue, St. Louis, Missouri 63166-6149.			
8	Q.	Are you the same Richard J. Mark that filed Direct Testimony in this		
9	proceeding?			
10	А.	Yes, I am.		
11	Q.	What is the purpose of your Surrebuttal Testimony in this proceeding?		
12	А.	I am providing testimony in support of the Company's proposal, set forth in		
13	the Surrebutta	I Testimony of Warner Baxter, to provide contributions to programs that assist		
14	low income c	ustomers and enhance energy efficiency as part of the Company's revised Fuel		
15	Adjustment C	Clause (FAC)/Off-System Sales (OSS) proposal. The two specific programs I		
16	6 address are the Company's Dollar More program and its low-income weatherization			
17	program.			
18		I. <u>DOLLAR MORE</u>		
19	Q.	Can you explain how the Dollar More program works?		
20	Α.	Dollar More is a program that has been in existence for many years to provide		
21	energy assista	ance to low-income customers. It has historically been funded both by		
22	AmerenUE's	contributions and also by pledges made by our customers. The Company		
23	collects the m	noney and sends the funds to The United Way of Greater St. Louis (United		
24	Way). The L	nited Way allocates the funds to the Dollar More agency network, which		

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Surrebuttal Testimony of Richard J. Mark

includes 39 agencies in our service territory. The agencies act as the social service experts
 and make the determination of who is or is not eligible for the program. AmerenUE does not
 play a role in their decision.

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Q. As a component of AmerenUE's revised FAC/OSS proposal, is the

5 Company willing to provide additional funding to its Dollar More program?

6 Α. Yes. Various parties in this case have expressed concerns about the impact 7 upon low-income customers of a rate increase and of the Company's proposed FAC. In 8 recognition of these concerns and as part of its revised FAC/OSS proposal, AmerenUE is 9 willing to commit to providing shareholder-funded contributions to Dollar More in an 10 amount of \$2 million annually. If the Company's proposal is adopted by the Commission, the donations would be made on June 30^{th} of each year, beginning June 30, 2007. This 11 funding would continue until the effective date of new rates resulting from AmerenUE's next 12 13 rate case or complaint case.

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II. LOW INCOME WEATHERIZATION PROGRAM

Q. Your Direct Testimony also discussed low-income weatherization. Can
you provide a short explanation of that program?

A. In recent years, AmerenUE has funded a program to provide weatherization services to low-income customers in its service territory. The program has been administered by the Environmental Improvement and Energy Resources Authority (EIERA), a division of the Missouri Department of Natural Resources, and is operated in accordance with specific laws and regulations established by Congress and the Department of Energy. Participating in the program administered by EIERA ensures these dollars are used most effectively and efficiently to provide weatherization services to our low-income customers. Surrebuttal Testimony of Richard J. Mark

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1	Q.	Is AmerenUE obligated to continue funding this program under the	
2	Settlement A	Agreement approved by the Commission in Case No. EC-2002-1?	
3	Α.	No. All agreed upon funding has been provided to EIERA. AmerenUE has	
4	made no com	mitment to provide additional contributions.	
5	Q.	As a component of its revised FAC/OSS proposal, is the Company willing	
6	to provide a	dditional funding for the low-income weatherization program?	
7	А.	Yes. As part of its revised FAC/OSS proposal, the Company is willing to	
8	adopt the rec	ommendation of Staff witness Lena Mantle, who recommended that the	
9	Company fu	nd the low-income weatherization program at a level of \$1.2 million per year.	
10	Ms. Mantel recommended that half of the \$1.2 million per year cost be included in rates and		
11	the other hal	f be paid for by the Company's shareholders.	
12	Q.	Do you have anything else to add?	
13	Α.	Yes. For both the Dollar More and the low-income weatherization	
14	commitment	s AmerenUE is making, it is important to recognize that the funding of these	
15	programs is	not required by Missouri law, statute or any previous agreement. The Company	
16	makes these	commitments as part of its effort to demonstrate that it has been and continues to	
17	listen to con	cerns expressed by the various parties in this case about the impact of the FAC	
18	and OSS pro	posals may have upon its low-income customers. We believe these efforts	
19	provide a fai	r balance between the interests of shareholders and the needs of our customers.	
20	Q.	Does this conclude your Surrebuttal Testimony?	
21	А.	Yes, it does.	

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BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of Union Electric Company d/b/a AmerenUE for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company's Missouri Service Area.

Case No. ER-2007-0002

AFFIDAVIT OF RICHARD J. MARK

STATE OF MISSOURI)) ss CITY OF ST. LOUIS)

Richard J. Mark, being first duly sworn on his oath, states:

1. My name is Richard J. Mark. I work in St. Louis, Missouri and I am employed by

Ameren Services Company as Senior Vice President of Missouri Energy Delivery.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal

Testimony on behalf of Union Electric Company d/b/a AmerenUE consisting of 3 pages, which has been prepared in written form for introduction into evidence in the above-referenced docket.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

Subscribed and sworn to before me this day of February, 2007.

A to

My commission expires: May 19,2008

CAROLYN J. WOODSTOCK Notary Public - Notary Seal STATE OF MISSOURI Franklin County My Commission Expires: May 19, 2008