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Case No.: ER-2007-0002  
Date Testimony Prepared: July 6, 2006

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. ER-2007-0002**

**DIRECT TESTIMONY**

**OF**

**ROBERT J. MILL**

**SUBMITTED ON BEHALF**

**OF**

**UNION ELECTRIC COMPANY**

**d/b/a AmerenUE**

**July, 2006**

AmerenUE Exhibit No. 40  
Case No(s) ER-2007-0002  
Date 3/29/07 Rptr 2

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1 **DIRECT TESTIMONY**

2 **OF**

3 **ROBERT J. MILL**

4 **CASE NO. ER-2007-0002**

5 **I. INTRODUCTION**

6 **Q. Please state your name and business address.**

7 A. My name is Robert J. Mill. My business address is 1901 Chouteau Avenue,  
8 St Louis, Missouri 63103.

9 **Q. By whom are you employed and in what capacity?**

10 A. I am the Director of the Regulatory Policy and Planning Department of  
11 Ameren Services Company, which provides various corporate, administrative and technical  
12 support for Ameren Corporation and its affiliates. I am testifying in this docket on behalf of  
13 Union Electric Co. d/b/a AmerenUE (Company or AmerenUE).

14 **Q. What are your responsibilities in that position?**

15 A. I have responsibility for: assuring that the Ameren Companies comply with  
16 state regulatory commission regulations; cost of service and rate design; administering  
17 tariffs; monitoring regulatory commission actions; following emerging regulatory issues;  
18 communicating with regulatory commissioners and staff; facilitating corporate responses to  
19 regulatory initiatives; and advising senior management on regulatory issues.

20 **Q. What is your employment and educational background?**

21 A. I began my career at Central Illinois Public Service Company (CIPS) (now  
22 known as AmerenCIPS) in 1976, in the Accounting Department. In 1979, I was promoted to  
23 the Rates and Research Department and held several analytical and supervisory positions

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1 within that department until 1989, when I was named manager. In 1993, I was named  
2 manager of the Corporate Planning Department, responsible for overseeing economic and  
3 financial forecasting activities and CIPS' strategic planning and resource planning functions.  
4 In 1995, I became manager of the Regulatory Services Department. I became an employee  
5 of Ameren Services in August 2001. In 2002, I became manager of the State Regulatory  
6 Policy Department and named general manager over Regulatory Policy and Planning in  
7 2003. My title recently changed from general manager to director over the same  
8 responsibilities. I received a Bachelor of Science degree in 1975 from Western Illinois  
9 University and a Master of Arts degree in Business Administration in 1981 from Sangamon  
10 State University, now known as the University of Illinois at Springfield. I have previously  
11 testified on behalf of Ameren companies in various proceedings before the Illinois  
12 Commerce Commission and the Federal Energy Regulatory Commission.

13 **Q. What is the scope of your testimony?**

14 A. I will discuss several rate design initiatives that AmerenUE is proposing in  
15 this filing and, also, request that they be approved as part of the Commission's Order in this  
16 case.

17 **Q. Are you sponsoring any schedules with your testimony?**

18 A. Yes. I am sponsoring Schedules RJM-1 through RJM-4.

19 **II. RATE DESIGN INITIATIVES**

20 **Q. Will you please describe the rate design initiatives that you are**  
21 **sponsoring on behalf of AmerenUE?**

22 A. Yes. I am sponsoring two economic development tariffs an Economic  
23 Development and Retention Rider (EDRR) (Schedule RJM-1) and an Economic Re-

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1 development Rider (ERR) (Schedule RJM-2). Additionally, I am sponsoring an Industrial  
2 Demand Response Pilot tariff (IDR) (Schedule RJM-3) and a Voluntary Green Program tariff  
3 (VGP) (Schedule RJM-4).

4 **Q. Why does AmerenUE have an interest in supporting economic**  
5 **development?**

6 A. AmerenUE has a long-standing practice of providing assistance and tools to  
7 municipalities, and county and regional entities to help them promote business development.  
8 An important aspect of our support has included providing rate incentives to businesses that  
9 locate or expand operations within the AmerenUE service area. In the long run, the ability to  
10 attract and to retain large customers benefits not only AmerenUE and its customers, but also  
11 provides jobs and tax base for the communities in which we serve. AmerenUE customers  
12 benefit from economic development successes to the extent that AmerenUE receives an  
13 amount above its short-run marginal costs on sales of electricity to such new or expanding  
14 customers, providing a contribution to cover fixed costs. Typically, a customer making an  
15 investment in expanding or in relocating its operations is expected to provide ongoing system  
16 benefits that extend well beyond the life of any temporary incentive rate program.

17 **Q. Please provide details of AmerenUE's economic development initiatives.**

18 A. AmerenUE has a comprehensive economic development program and a  
19 professional staff devoted to providing business and community development services  
20 throughout our Missouri service territory. In addition to consulting services, AmerenUE  
21 maintains a database of community profiles, as well as buildings and sites that allow  
22 prospective customers to quickly pre-screen available properties. AmerenUE offers  
23 additional programs including Ameren Insite, a shovel-ready site development program, and

1 the Ameren Quality of Labor Survey Program that is a reference tool used by its business  
2 customers and local economic development groups to assess the labor environment in areas  
3 of interest. The AmerenUE economic development staff works with state and local partners  
4 to help Missouri communities compete with other states for new economic growth  
5 opportunities.

6           Since February 1991, AmerenUE had an economic development tariff in place  
7 called Rider EDR (Economic Development Rider) that provided rate benefits to qualifying  
8 customers over five years. However, on March 31, 2006, AmerenUE's Rider EDR expired  
9 under its own terms and is no longer available for new loads. Customers that had qualified  
10 for Rider EDR prior to the expiration date will be able to complete the remaining portion of  
11 their 5-year term for the discount to the extent they continue to qualify.

12           AmerenUE was also instrumental in the formation of the Ameren Community  
13 Development Corporation ("Ameren CDC"), created as a result of the 2002 Stipulation and  
14 Agreement in Case No. EC-2002-1 among AmerenUE, the Missouri Public Service  
15 Commission Staff and other parties. The Ameren CDC was incorporated in November,  
16 2003 for the purpose of providing grants to promote economic development and job growth  
17 within AmerenUE's Missouri electric service territory. As further discussed in the  
18 testimony of AmerenUE witness Richard J. Mark, AmerenUE committed to an up-front  
19 contribution of \$5 million, with an additional \$1 million contribution each year through  
20 2006, bringing the total commitment to \$9 million over the life of the program. Funding for  
21 the Ameren CDC comes from Company shareholders and not AmerenUE customers.

22           This unique public-private partnership offers an innovative economic  
23 development tool that has had a tremendous impact on the Missouri economy. An

1 independent board of directors, appointed by the Governor, Missouri Public Service  
2 Commission and AmerenUE, has responsibility for distributing funding based upon each  
3 applicant's ability to stimulate economic development and job growth within Missouri.  
4 Since its inception, the Ameren CDC Board of Directors has evaluated over 262  
5 applications and has distributed \$5.4 million in economic development grants to 33 projects.

6 **Q. Please discuss the key provisions of the recently expired Rider EDR.**

7 A. Rider EDR provided for a 15% discount to qualified customer loads served  
8 under the Company's Service Classifications 3(M) Large General Service Rate, 4(M) Small  
9 Primary Service Rate, and 11(M) Large Primary Service Rate. Additionally, electric service  
10 under this rider was only available to customers in conjunction with local, regional, or state  
11 governmental economic development activities where incentives had been offered and  
12 accepted by the customer who located new or expanded facilities in the Company's service  
13 area. The availability of this rider was limited to industrial and commercial facilities not  
14 involved in selling or providing goods and services directly to the general public. Further,  
15 the qualifying customer had to add at least 200 kW of billing demand and maintain a 55% or  
16 higher load factor to remain on this rider.

17 **III. ECONOMIC DEVELOPMENT AND RETENTION RIDER**

18 **Q. Will you please describe the proposed Economic Development and**  
19 **Retention Rider (Rider EDRR)?**

20 A. Yes. The proposed Rider EDRR (Schedule RJM-1) is structured very similar  
21 to the closed Rider EDR, except that Rider EDRR would require a new or expanding  
22 customer to first demonstrate that they are considering a viable location outside of  
23 AmerenUE's service territory with a lower electric rate before the Company would offer a

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1 rate discount. Specifically, the discount provisions of Rider EDRR may be activated only  
2 after a customer: 1) formally announces plans to move operations; 2) provides satisfactory  
3 evidence to the Company of a viable competing electric service offering at a new location;  
4 3) receives incentives not to relocate from a local, regional, or state governmental economic  
5 development activities; and 4) declares that operations will not be materially reduced or  
6 moved.

7 **Q. Please describe the rationale for the applicability provisions of the tariff.**

8 A. The 55% load factor requirement is consistent with former Rider EDR,  
9 reflecting the desire for such customers to target their average demand to peak demand  
10 relationship at or above the system average and, therefore, operate at least as efficiently as  
11 the Company's overall system. The 500 kW minimum size load addition or retention  
12 threshold was set at that level to focus on larger projects. We are also proposing that a  
13 customer requesting service under Rider EDRR submit evidence to Company of competing,  
14 verifiable alternative electric energy rates and locations. The Company reserves the right to  
15 reject such evidence if it does not demonstrate the existence of a viable competing offer. The  
16 purpose of the more stringent qualification provisions of the new Rider EDRR is to eliminate  
17 the offering of a discount electric rate to those customers that may have already planned an  
18 expansion in the Company's territory or cannot demonstrate the existence of a competing  
19 alternative location. The discount is only intended to neutralize electric service offerings of  
20 other utilities that are competing with AmerenUE for new load, or are attempting to take  
21 away an existing qualifying load from AmerenUE. According to published information,  
22 AmerenUE's existing rates are well below the regional and national averages. The revised  
23 provisions encompassed in Rider EDRR embrace the philosophy that there is no reason to



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1 discount electric rates when they are already among the lowest, except in the case of a  
2 specific load that may attract more competitive energy supply options or as I will describe  
3 later in my testimony, a rate discount is an appropriate mechanism to spur redevelopment of  
4 under utilized areas.

5 **Q. What are the benefits of this tariff to the region?**

6 A. New or retained loads provide an economic base and jobs. In the past,  
7 AmerenUE's Rider EDR has been viewed as a useful development tool by AmerenUE  
8 economic development staff and by local, regional and state economic professionals.

9 **Q. How will qualifying customers benefit from this tariff?**

10 A. Customers qualifying for this Rider EDRR will receive a discount off the  
11 standard tariffed rates, up to a maximum amount of 15% per year, depending on the specific  
12 facts of each request.

13 **Q. Why is this proposed tariff beneficial to the AmerenUE system as a**  
14 **whole?**

15 A. The proposed Rider EDRR is designed to adjust for the difference when  
16 electric rates are a factor in a customer's decision to locate or expand in the AmerenUE  
17 territory. If Rider EDRR is successful in attracting new or expanding loads to the electric  
18 system, existing fixed costs will be spread over a larger base, reducing future cost  
19 responsibility for existing customers while improving the economic well being of the service  
20 area. Customers receiving the Rider EDRR discount are deemed to have paid the Company's  
21 short-run marginal cost, plus a margin. And, once the five-year term of discount concludes,  
22 such customers will pay the full authorized tariff rate.

1           **Q.    Do you have any further comments about this tariff?**

2           A.    Yes. The term of Rider EDRR is limited to new load or retained load  
3 occurring on or before December 31, 2008, unless the term is extended by the Company and  
4 approved by the Commission. Any customers that qualified for Rider EDRR prior to the  
5 sunset date will continue to qualify for the discount to the extent they continue to meet the  
6 provisions of the tariff for up to 5 years

7                           **IV.    ECONOMIC REDEVELOPMENT RIDER**

8           **Q.    Will you please describe the proposed Economic Redevelopment Rider**  
9 **(Rider ERR)?**

10          A.    The purpose of Rider ERR (Schedule RJM-2) is to encourage redevelopment  
11 in defined areas inside the City of St. Louis. The boundaries of these areas are specifically  
12 identified within Rider ERR. These geographic areas have been designated as Enterprise and  
13 Empowerment Zones by the State of Missouri and the federal government, respectively, and  
14 the Company has adequate infrastructure to serve additional load without making significant  
15 investment in new facilities.

16                    There are two main features of Rider ERR: 1) developers or customers  
17 assembling parcels of land and needing to have AmerenUE relocate existing facilities will  
18 be able to avoid up-front charges for such work, up to an amount equal to one-half of the  
19 projected annual electric revenue to be received once the project is completed; and 2) a new  
20 customer (over 500 kW of billing demand) occupying the new development will be eligible  
21 for a 15% discount on its power bills (before-tax) for five years. Both of these features are  
22 expected to be useful tools that will aid in redevelopment of these areas.

1           **Q.     Please describe the rationale for the applicability provisions of the tariff.**

2           A.     One reason for limiting application of Rider ERR to defined geographic areas  
3     is to align our efforts with the objectives of local governmental agencies that are also  
4     targeting these areas. The target areas are also locations at which the Company would like  
5     to encourage better utilization of existing distribution facilities. This tariff is designed to  
6     enhance development by reducing or even eliminating the relocation costs of AmerenUE  
7     facilities that typically are paid by developers. Once a project is built, the occupying  
8     customer may also qualify for the rate discount. The discount is not applicable to residential  
9     buildings or to retail businesses. Also, to receive the rate discount, the customer occupying  
10    the new development must have a demand of at least 500 kW and maintain an annual load  
11    factor of 55% or higher. These provisions are in place to ensure that the load is significant  
12    enough to provide development and growth opportunities to the surrounding areas and not  
13    be detrimental to the Company's system.

14           **Q.     What are the potential benefits of this tariff to economic development**  
15    **agencies?**

16           A.     Informally, the proposed tariff has received very positive feedback from the  
17    City of St. Louis Economic Development Corporation. The City had input in identifying the  
18    areas to which Rider ERR is applicable. Of course, the existence of underutilized electric  
19    infrastructure was also required in those locations that were targeted. It is hoped that this  
20    program will entice developers and customers to consider the areas identified for Rider ERR  
21    as reasonable development opportunities. AmerenUE has received feedback from developers  
22    and others indicating that in some instances, the cost to relocate Ameren's facilities to

1 accommodate reuse of a property can be a deterrent to redevelopment of that property. This  
2 is especially true in urban areas where undeveloped land is scarce.

3 **Q. How will qualifying customers benefit from this tariff?**

4 A. Customers occupying new developments taking advantage of this program  
5 may realize lower occupancy costs as a result of AmerenUE waiving the cost of relocating  
6 existing electric facilities on or near the re-development site. Secondly, these customers may  
7 qualify for a rate discount on their electric usage.

8 **Q. Why is this proposed tariff beneficial to the AmerenUE system as a**  
9 **whole?**

10 A. Areas designated for application of Rider ERR will be limited to those where  
11 sufficient distribution system capacity exists without the need for significant additional  
12 investment from the Company. As a result, AmerenUE will be adding load without the need  
13 to add significant investment in new distribution facilities as they would if the development  
14 occurred in a "greenfield" area. This will increase revenue without significant increases in  
15 distribution plant, resulting in lower rates overall and increased delivery system efficiency.

16 **Q. How are you proposing that the costs associated with this tariff be**  
17 **treated?**

18 A. The relocation costs associated with this program will be treated in the same  
19 manner as the costs associated with any other line extension under the Company's extension  
20 policy. Just as line extension costs up to the customer's annual net revenue are included in  
21 distribution rate base, so should the relocation costs associated with Rider ERR.

22 **Q. Do you have any further comments on this tariff?**

1           A.     Rider ERR is being offered as a program of limited duration in order to  
2 evaluate the effectiveness of this type of economic incentive without setting up expectations  
3 for the continued existence of this program beyond the period of evaluation. The tariff by its  
4 own terms will be closed to new projects and customers after December 31, 2008, only  
5 continuing for those customers that had qualified prior to the tariff closing. This same  
6 approach was used for Rider EDR.

7                           **V.     INDUSTRIAL DEMAND RESPONSE PILOT**

8           **Q.     Will you please describe the proposed Industrial Demand Response Pilot**  
9 **(Rider IDR)?**

10          A.     Yes. Rider IDR (Schedule RJM-3) is designed as a pilot program to assess  
11 whether industrial process customers are able to respond to load curtailments in exchange for  
12 a lower monthly demand charge. This tariff differs substantially from the former AmerenUE  
13 interruptible tariff (SC 10 (M)) and from existing Riders L and M, which are voluntary  
14 curtailment riders. Rider IDR requires customers to interrupt when directed to do so by the  
15 Company for reliability or other reasons, as specifically defined in the tariff. Rider IDR  
16 allows a customer to select the amount of curtailable load to be included in the program. The  
17 proposed amount of the demand charge discount has been established at a level to  
18 approximate the market value of regulated capacity. Rider IDR limits the number of annual  
19 hours available for interruption to 200. Once this threshold is reached, no additional  
20 interruptions can be called until the new contract year begins. This program is being offered  
21 as a pilot program, meaning the duration is limited and we plan to conduct a study of its  
22 results.

1           **Q.     Please describe the rationale for the applicability provisions of the tariff.**

2           A.     Since this is only being proposed to study customer response and system  
3 benefits, we are limiting the availability of Rider IDR to no more than five (5) customers  
4 with a total demand response aggregated load of 100 MW.

5           **Q.     How will qualifying customers benefit from this tariff?**

6           A.     Customers that are able to modify their operations so that they can curtail load  
7 when asked to do so will pay a lower monthly demand charge and will receive payment on a  
8 per kWh basis for all kWh of energy that is curtailed during the prescribed period. The kWh  
9 payment during curtailments substantially exceeds the standard tariff energy price.  
10 Assuming the customer is able to modify its operations in a way that will reduce the  
11 inconvenience of interruptions, participation in this program could be beneficial.

12           **Q.     Why is this proposed tariff beneficial to the AmerenUE system as a**  
13 **whole?**

14           A.     Demand response programs are important to the system when there exist '  
15 reliability issues or when the ability to curtail obviates the need for AmerenUE to purchase  
16 power or to dispatch gas-fired generation. Ultimately, demand response programs on a full-  
17 scale basis could help shape peak demands and can influence the timing and the amount of  
18 future system capacity additions.

19           **Q.     How will you measure the benefits of this program?**

20           A.     We have not yet designed the evaluation methods for this program. However,  
21 key elements of this evaluation will include monitoring participant responses to curtailment  
22 requests, tracking costs and payments, gauging participant opinions and program acceptance  
23 and examining the impact of the program on AmerenUE administrative processes.

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**VI. VOLUNTARY GREEN PROGRAM**

**Q. Will you describe the Voluntary Green Program (VGP)?**

A. The VGP (Schedule RJM-4) is an optional program for customers that want to financially support the further development of renewable energy. This program is based on the purchase and retirement of Renewable Energy Certificates (RECs), and not on the actual delivery of a renewable energy commodity to the customer or to the AmerenUE system. A REC is defined as the environmentally beneficial component of renewable energy and is equivalent to 1,000 kWh. AmerenUE plans to rely on 3 Phases Energy Services ("3 Phases") to perform customer education and for marketing the program, in addition to providing all RECs for the program. AmerenUE will retire the RECs consumed by the program on behalf of participating customers. This program will be certified by Green-e, a nationally recognized organization involved in the verification and audit process. Green-e has established stringent standards for verifying and auditing such programs and companies that offer these types of programs and receive Green-e certification are demonstrating a high level of integrity in the program to their customers. It is our view that the offering of a voluntary program provides customers interested in supporting renewable energy development with an opportunity to do so. This program is designed to work in conjunction with any future statewide renewable energy mandates or with any facilities based initiatives of AmerenUE.

**Q. Will you explain how customers will participate in the program?**

A. Yes. Residential and Small General Service customers electing to sign up for VGP program participation will be billed an additional rate of 1.50 cents per kWh for their total monthly usage, plus any add-on taxes. Non-residential customers, other than Small

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1 General Service customers, may participate in the program by contributing \$15 per block of  
2 1,000 kWh, or the equivalent of one REC. These non-residential customers sign up for any  
3 number of blocks that will be billed to them each month until cancelled. Once customers  
4 sign up for the program, they will be provided a packet of information that explains in detail  
5 how the program works. Customers may withdraw from the program at any time by  
6 notifying the Company. Additionally, participants that fail to pay the VGP portion of their  
7 monthly energy bill will not be charged a late fee nor will VGP billings be included in non-  
8 payment amounts that are subject to the Company's service disconnection provisions.

9 **Q. Will you describe how AmerenUE will acquire RECs for this program?**

10 A. Yes. AmerenUE will acquire one REC for every 1,000 kWh of participant  
11 purchases. The proposed contract with 3 Phases will require AmerenUE to pay \$14 per  
12 REC, leaving AmerenUE with \$1 per REC margin used to offset operating costs for the  
13 program. The pricing for program participants is at the low end of the range of other such  
14 renewable programs that were reviewed by the Company.

15 **Q. Does this conclude your direct testimony?**

16 A. Yes, it does.



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

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.     )

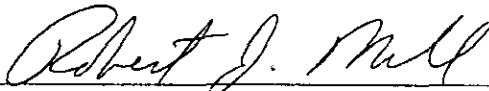
Case No. ER-2007-0002

**AFFIDAVIT OF ROBERT J. MILL**


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

Robert J. Mill, being first duly sworn on his oath, states:

1. My name is Robert J. Mill. I work in the City of St. Louis, Missouri, and I am employed as Director of the Regulatory Policy and Planning Department of Ameren Services Company, a subsidiary of Ameren Corporation.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Union Electric Company d/b/a AmerenUE consisting of 14 pages, Appendix A and Schedules RJM-1 through RJM-4, all of which have 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.

  
\_\_\_\_\_  
Robert J. Mill

Subscribed and sworn to before me this 6<sup>th</sup> day of July, 2006.

  
\_\_\_\_\_  
Notary Public

My commission expires: May 19, 2008

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

## EXECUTIVE SUMMARY

**Robert J. Mill**

*Director, Regulatory Policy and Planning*

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The purpose of my direct testimony is to discuss several rate design initiatives that AmerenUE is putting forth in this filing. The following are the principal points of my testimony:

(1) AmerenUE has a long standing practice of providing assistance and tools to municipalities, county and regional entities to help them promote their locale to business development. An important aspect of our support has included rate incentives to businesses that locate or expand operations within the AmerenUE service area. In the long run, the ability to attract and to retain large customers benefits not only AmerenUE and its customers, but also provides jobs and tax base for the communities in which we serve. I am introducing two new economic development tariffs that demonstrate our continued commitment to this effort: the Economic Development and Retention Rider (EDRR); and the Economic Re-development Rider (ERR). The EDRR allows AmerenUE to discount certain rates to compete for load of new or expanding customers, and to offer incentives to retain load of an existing customer with plans to move substantial operations out of Company's service area. The EDRR tariff specifies its applicability, terms and conditions. The purpose of Rider ERR is to encourage re-development in defined areas inside the city of St. Louis (City), the boundaries of which are specifically defined in the Rider ERR tariff. These areas were selected due to

AmerenUE having underutilized electric facilities in place capable of serving additional load and the City's desire to spur economic development within these same locations. ERR provides favorable terms for a developer requiring AmerenUE to relocate its existing facilities interfering with a new development and provides a customer occupying the re-developed property a discount from standard rates. ERR applicability, terms and conditions are specified in the tariff.

(2) I am also sponsoring an Industrial Demand Response Pilot Program (IDR) to assess whether industrial process customers are able to respond to load curtailments called by the Company in exchange for a lower monthly demand charge and compensation for avoided energy usage. We are limiting the availability the IDR to no more than five (5) customers with a total demand response aggregated load of 100 MW.

(3) Finally, I introduce a tariff for a Voluntary Green Power Program (VGP). This program is optional for those customers that want to financially support the further development of renewable energy. This program is based on the purchase and retirement of Renewable Energy Certificates (RECs), and not the delivery of the renewable energy commodity to the customer or even to the AmerenUE system. This tariff is applicable to any AmerenUE customer.

APPLYING TO MISSOURI SERVICE AREA

**RIDER EDRR**  
**ECONOMIC DEVELOPMENT & RETENTION RIDER**

**PURPOSE**

The purpose of this Economic Development & Retention Rider is to encourage new industrial and commercial development in Company's service territory and to retain existing load where possible.

**AVAILABILITY**

Electric service under this Rider is only available, at Company's option, to customers currently served by or considering service from the Company where other viable electric supply options outside of Company's service area have been offered. Customer must be currently served, or qualify for service, under the Company's Service Schedule 3(M) Large General Service Rate, 4(M) Small Primary Service Rate, or 11(M) Large Primary Service Rate. Electric service under this Rider is only available in conjunction with local, regional, or state governmental economic development activities where incentives have been offered and accepted by customer who is requesting service to locate new or expanding facilities in the Company's service area or whose exit from the Company's service area is imminent.

**APPLICABILITY**

The qualifying load under this Rider shall be the entire load of a new customer, the incremental new load of an existing customer, or the portion of an existing customer's load for which exit from the Company's service area is imminent. In addition, the qualified load must meet the following criteria for consideration under this Rider:

- 1) The annual load factor of the customer's qualifying load is reasonably projected to equal or exceed fifty-five percent (55%) during the entire term of application of this Rider.
- 2) The average monthly peak demand of the customer's qualifying load is, or is reasonably projected to be, at least 500 kW during each contract year under this Rider.
- 3) The availability of this Rider shall be limited to industrial and commercial facilities not involved in selling or providing goods and/or services directly to the general public.

As a condition for service under this Rider, customer must furnish to Company such documentation as deemed necessary by Company to verify customer's intent to select a viable electric supply option outside of Company's service area, including an affidavit stating Customer's intent.

P.S.C. No. DATE OF ISSUE July 7, 2006 DATE EFFECTIVE August 6, 2006ISSUED BY G. L. Rainwater Chairman, President & CEO St. Louis, Missouri  
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Schedule RJM-1-1

P. S. C. MO., ILL. C. C., IA. ST. C. C. SCHEDULE NO. 5 2nd Revised SHEET NO. 122.7CANCELLING SCHEDULE NO. 5 1st Revised SHEET NO. 122.7APPLYING TO MISSOURI SERVICE AREARIDER EDRRECONOMIC DEVELOPMENT & RETENTION RIDER(cont.)

The Company, at its sole discretion, shall determine whether an applicant or customer meets the requirements of this Rider and the acceptability of the information provided.

Service under this Rider shall be evidenced by a contract between the customer and the Company, which shall be submitted within ten days of execution with the Commission for informational purposes. The terms of the contract shall be held in confidence by the Commission, the customer or its agent, and the Company.

**INCENTIVE PROVISIONS**

The Customer shall enter into a contract with the Company specifying the nature of the service to be provided, the discounts from standard tariffs to be applied, the term of the contract, and such other terms and conditions of service as are lawful and mutually agreeable. Revenues to be received from customer over the term of the contract shall be greater than the applicable incremental cost to provide electric service, as determined by the Company, ensuring a positive contribution to fixed costs. In no case shall the terms of the contract represent more than a 15% discount from otherwise applicable tariffs, before tax additions, nor shall the term of the contract extend more than five (5) years. If customer fails to fulfill the entire term of the contract, any agreed upon discounts shall become void and shall be repaid by customer.

**TERM**

This Rider will be limited to customers executing contracts prior to December 31, 2008, and initiating permanent service within 12 months of contract execution. Any customers under contract for this Rider prior to said date may continue to receive the benefits of the incentive provisions contained herein pursuant to the conditions set forth below. Notwithstanding the above, this Rider shall immediately become void, and the Company shall have no further obligations or liabilities hereunder, if any term or terms of this Rider are determined to be discriminatory or otherwise unlawful by a court of competent jurisdiction.

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Schedule RJM-1-2

APPLYING TO MISSOURI SERVICE AREARIDER ERRECONOMIC RE-DEVELOPMENT RIDER\*PURPOSE

The purpose of this Economic Re-Development Rider is to encourage re-development of certain sites in the Company's service territory. Projects eligible for service under this Rider shall provide socio-economic benefits to the areas in which they locate as well as provide the Company with more efficient utilization of Company's existing infrastructure.

AVAILABILITY

Available, only at Company's option, to customers locating to previously vacant sites within the City of St. Louis and applying for electric service otherwise qualified for service under the Company's Service Classification 3(M) Large General Service Rate, 4(M) Small Primary Service Rate, or 11(M) Large Primary Service Rate. All Terms and Conditions of Company's tariffs shall apply to the service supplied to Customer, except as modified by this Rider.

Availability of this Rider is subject to the following limitations:

1. Project shall have an estimated average monthly peak demand of at least 500 kW during each contract year under this rider.
2. The Rider is available only for projects on sites that are within the designated areas of the City of St. Louis and defined on maps contained in this Rider.
3. This Rider is available for eligible load associated with an existing premises served or previously served by Company, provided the premises is either unoccupied or otherwise dormant (e.g. vacant land and/or buildings) for a minimum period of one hundred-eighty (180) days.
4. Electric service under this rider is only available in conjunction with Federal, State, Regional or Local governmental economic development activities such as, but not limited to, Tax Increment Financing ("TIF"), Empowerment and Enterprise Zone incentives, brownfield tax credits, new market tax credits, etc., where these incentives have been offered and accepted by customer who is requesting service to locate new or expanding facilities within the aforementioned sites.
5. Service under this Rider is limited to loads, which in the Company's sole judgment, utilize existing infrastructure in a manner which is beneficial to the local electric service delivery system.
6. This Rider is not available to a successor customer that results merely from load shifted from one location on Company's system to a qualifying site, unless approved by Company.

\*Indicates Addition.

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APPLYING TO MISSOURI SERVICE AREA

RIDER ERR  
ECONOMIC RE-DEVELOPMENT RIDER (cont.)

INCENTIVE PROVISIONS

1. Facilities and Relocation Charges. - In the presence of physical conflicts associated with any new construction or expansion of customer's premises or electrical load, Company may, at its sole discretion, upon customer's request, relocate any distribution facilities to a right-of-way acceptable to Company on or off customer's premises, following the payment by customer of the Company's estimated net cost of relocating its distribution facilities. The net relocation cost chargeable to customer may be offset in part by an amount not to exceed 50 percent (50%) of any net annual revenue estimated to be derived from customer's premises, and not utilized in meeting the Company's tariff provisions governing extensions to non-residential customers.

2. Discount from Standard Tariff. - The customer shall enter into a contract with the Company specifying the character of the service to be provided and such other terms and conditions of service as are mutually agreeable. Customers meeting the criteria established in this tariff shall be eligible for a 15% discount from otherwise applicable base rate tariff charges, before application of taxes. Application of this discount provision is limited to customers whose average annual peak demand is at least 500 kW and whose annual load factor exceeds 55%. The discount shall remain in effect for up to 60 months and is not available for customers which are residential or retail in nature.

TERMS AND CONDITIONS

1. This rider will be available to customers committing to service prior to December 31, 2008 and receiving permanent service within twelve months of said committal date.

2. Customers participating in this rider will be ineligible for participation in any other economic development, economic retention, or similar tariff of the Company.

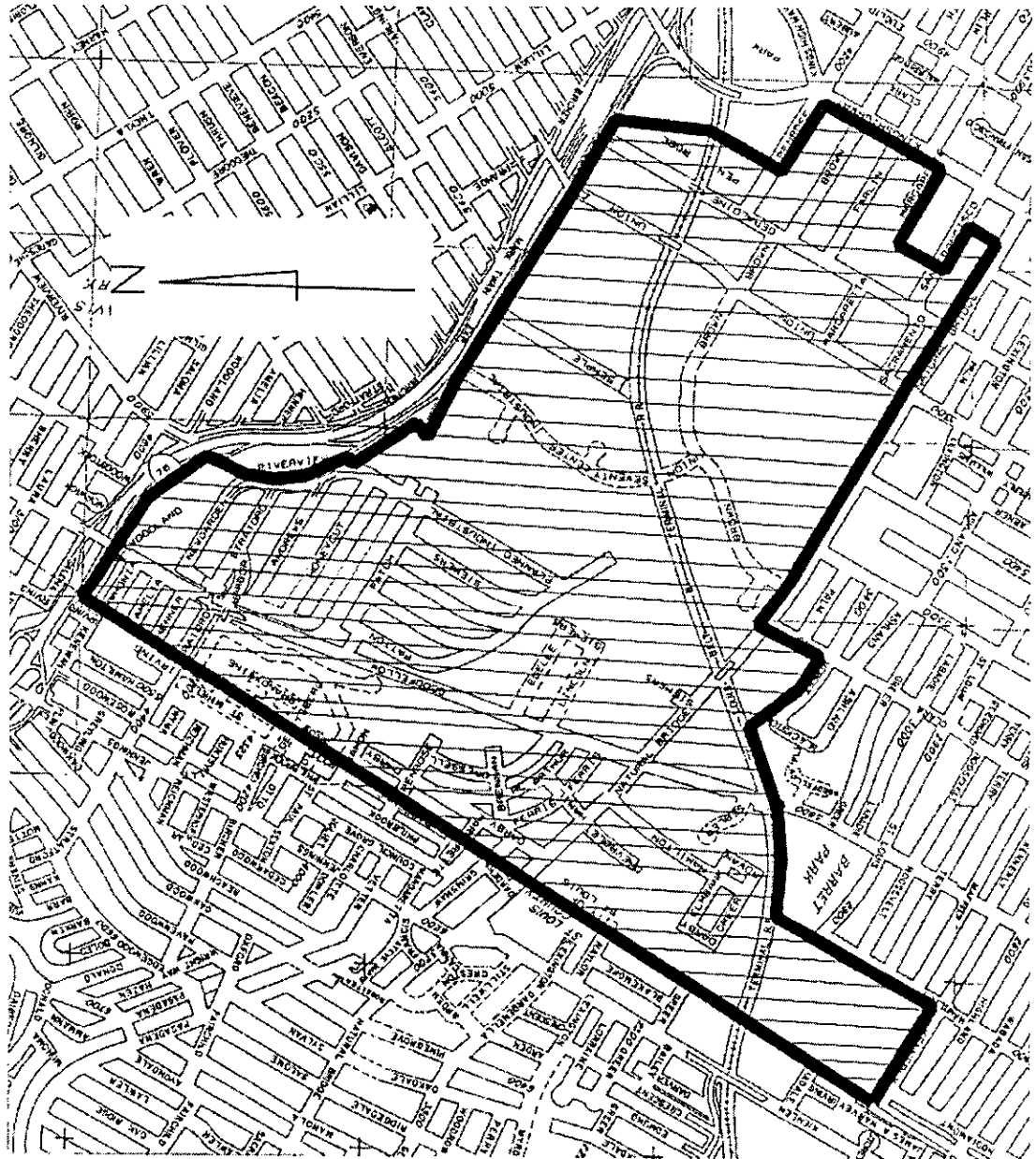
3. Maps showing the locations qualifying for consideration under this Rider, subject to Company approval, are attached and part of this Rider.

4. Notwithstanding the above, this rider shall immediately become void, and the Company shall have no further obligations or liabilities hereunder, if any term or terms of this rider are determined to be discriminatory or otherwise unlawful by a court of competent jurisdiction.

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**RIDER ERR**  
**ECONOMIC RE-DEVELOPMENT RIDER (cont.)**

City of St. Louis, Missouri:



P.S.C. No. DATE OF ISSUE July 7, 2006

DATE EFFECTIVE August 6, 2006

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NAME OF OFFICER

Chairman, President & CEO  
TITLE

St. Louis, Missouri  
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UNION ELECTRIC COMPANY

ELECTRIC SERVICE

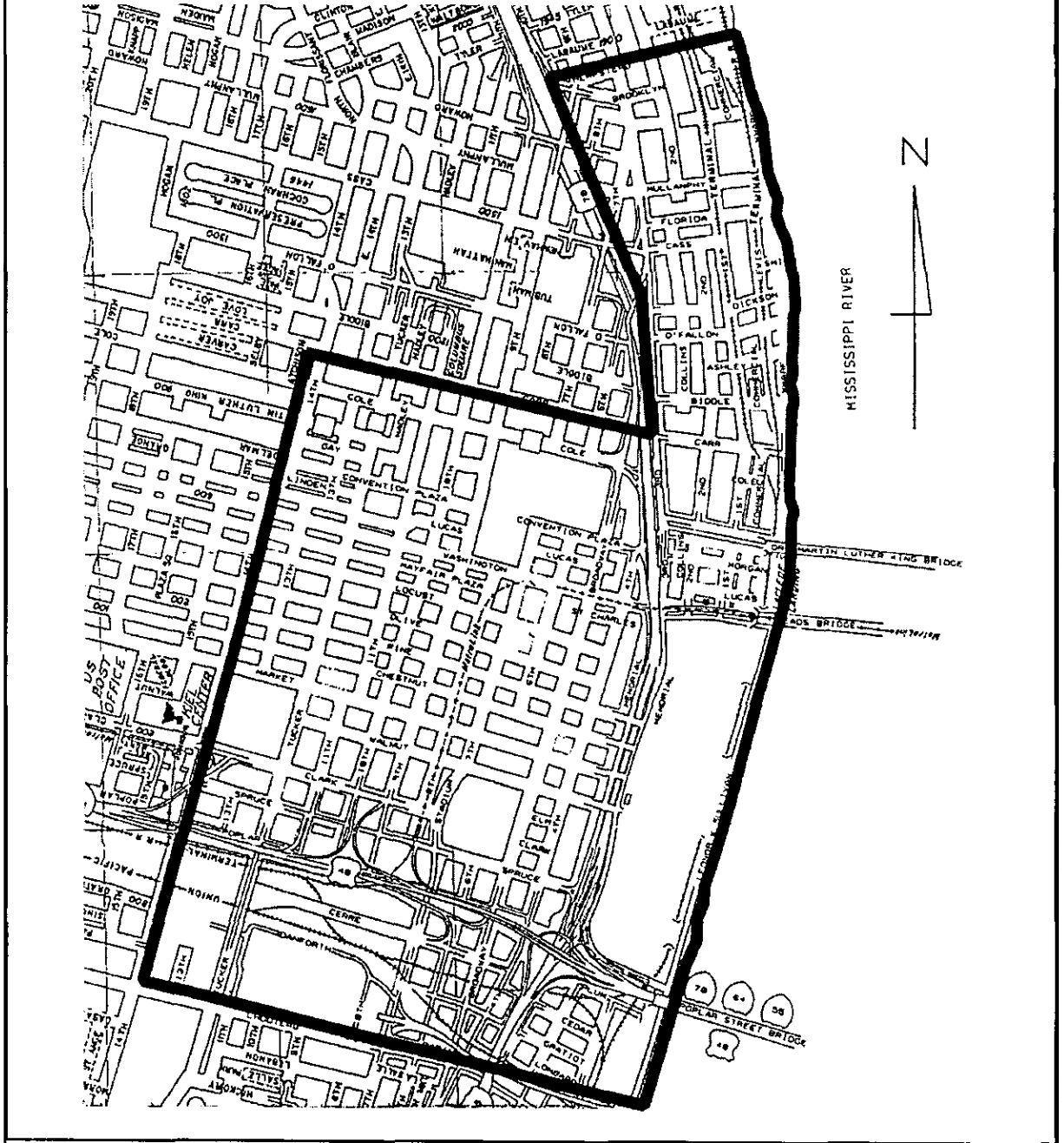
P. S. C. MO., ILL. C. C., IA. ST. C. C. SCHEDULE NO. 5 Original SHEET NO. 122.11

CANCELLING SCHEDULE NO. \_\_\_\_\_ SHEET NO. \_\_\_\_\_

APPLYING TO MISSOURI SERVICE AREA

RIDER ERR  
ECONOMIC RE-DEVELOPMENT RIDER (cont.)

City of St. Louis, Missouri:



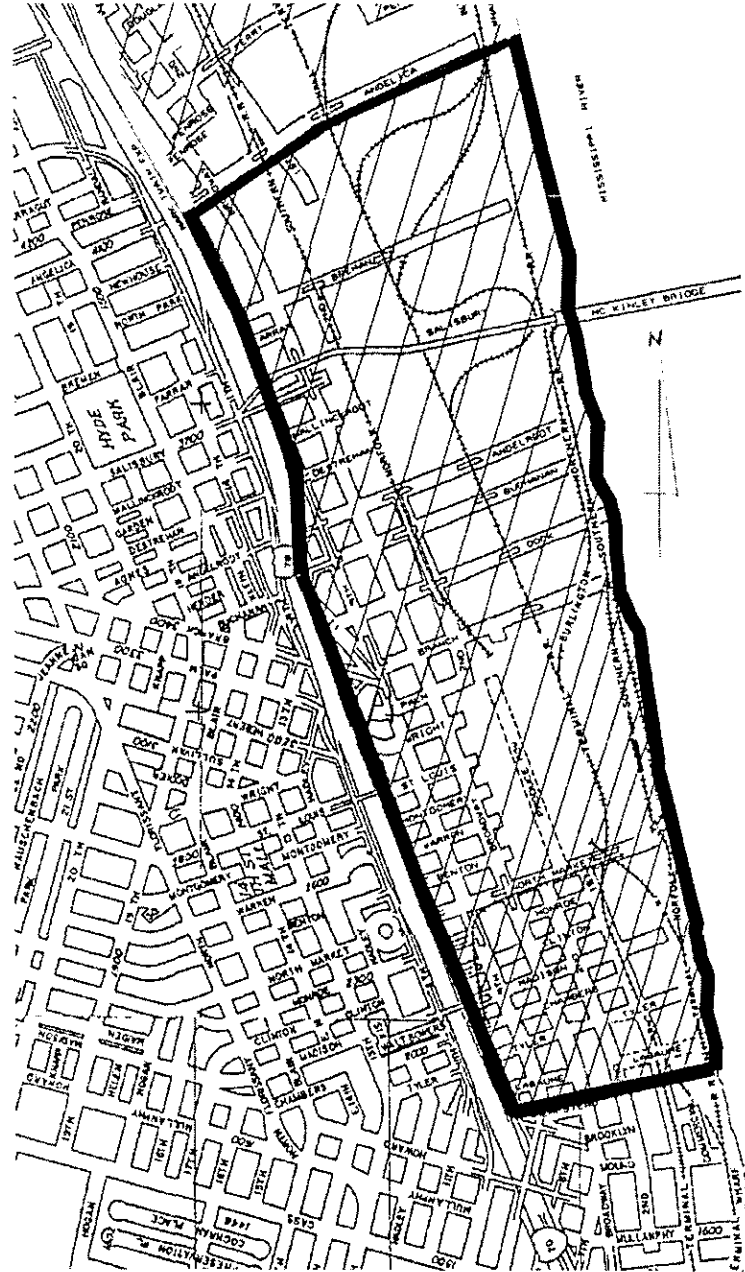
P.S.C. Mo. DATE OF ISSUE July 7, 2006 DATE EFFECTIVE August 6, 2006

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APPLYING TO MISSOURI SERVICE AREA

**RIDER ERR  
ECONOMIC RE-DEVELOPMENT RIDER (cont.)**

City of St. Louis, Missouri:



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Chairman, President & CEO  
TITLE

St. Louis, Missouri  
ADDRESS

RIDER ERR  
ECONOMIC RE-DEVELOPMENT RIDER (cont.)

City of St. Louis, Missouri:



P.S.C. Mo. DATE OF ISSUE July 7, 2006

DATE EFFECTIVE August 6, 2006

ISSUED BY G. L. Rainwater  
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Chairman, President & CEO  
TITLE

St. Louis, Missouri  
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APPLYING TO

MISSOURI SERVICE AREA

INDUSTRIAL DEMAND RESPONSE PILOTPURPOSE

The purpose of this pilot is to evaluate the viability of demand response opportunities within the industrial community. Program participants shall have demand side alternatives reducing their reliance on supply side resources for all or a portion of their load. The pilot program will facilitate short term reductions in system load to address system reliability and other system operating conditions.

AVAILABILITY

This pilot is available to any industrial customer receiving service under Service Classification No.11 (M) ("Eligible Tariff"), has a minimum billing demand of 25,000 kW, has a minimum curtailable load of 5,000 kW, has a minimum annual load factor of 65%, remains on such tariffs and is willing to enter into a written contract for a period of one (1) year with the Company in accordance with this pilot. However, in no event shall the number of customers participating in this pilot exceed five (5) nor the aggregate curtailable loads exceed 100,000 kW. All electric service utilized at the customer's premises, with the exception of any separately contracted for street and outdoor area lighting service, must be served under the contract provisions of this pilot.

Customers receiving service under the following riders are not eligible for service under this pilot:

- a) Rider L - Voluntary Curtailment Rider
- b) Rider M - Option Based Curtailment Rider
- c) Rider EDR - Economic Development Rider
- d) Rider EDRR - Economic Development and Retention Rider
- e) Rider ERR - Economic Re-development Rider
- f) Rider F - Annual Recurring Service

A customer taking service under any non-eligible tariff may not transfer to an eligible tariff for purposes of taking service under this pilot, unless such customer has been on its current tariff for at least a twelve-month consecutive period or otherwise satisfied all of its obligations under its existing tariff or contract.

Customers taking service under the standard provisions of Rider EDR, EDRR or ERR may become eligible for service under this pilot by first terminating service under those Riders. However, such customers are subject to the same requirement in the previous paragraph regarding transfers to another eligible tariff.

Service under this pilot shall be contingent on customer executing a Contract with Company specifying the initial amount of Firm Power Requirement and anticipated Interruptible Power Level.

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Schedule RJM-3-1

APPLYING TO

MISSOURI SERVICE AREA

INDUSTRIAL DEMAND RESPONSE PILOT (cont.)CUSTOMER LOAD CURTAILMENT PROVISIONS

Interruptible Power may be curtailed at the Company's sole discretion whenever one or more of the following conditions exist:

- a. It is anticipated that Company will set an annual system peak,
- b. Load Reductions will positively impact Transmission System constraints,
- c. Load Reductions are required to maintain a firm supply to Company's non-interruptible customers,
- d. Load Reductions will avoid external purchases of high cost energy,
- e. Other conditions exist which may be eased by a reduction in system load.

Curtailments on Customer's Interruptible Load will be subject to the following constraints:

- a. Company will attempt to provide customer with up to two hours advance notice of any interruption or curtailment. Such notices shall be no shorter than the lesser of 30 minutes or any such time specified in a directive from MISO or the applicable Balancing Authority in their operation of such load curtailment tariffs. No other obligation exists under this tariff to provide such advance notice of any interruption or curtailment nor any assumption of any liability for failure to do so.
- b. No single Interruption Event shall continue for more than 48 hours consecutively.
- c. The total duration for all curtailment events called during the annual contract period (June 1 - May 31) shall not exceed 200 hours for each participant. The Company retains all rights to interrupt or curtail customer's load beyond the 200 hours cap whenever it is determined that an interruption is necessary due to system operating conditions making it undesirable to continue service for reasons of reliability, system security, or other emergency as determined by the Company.
- d. Company may elect to curtail only a portion of the customers enrolled in this pilot for any given event.

BUY THROUGH ENERGY OPTION

Company may, at its sole discretion, make available to customers called to curtail interruptible power, a buy-through option for a portion of or the total amount of the customer's curtailable load. When available, buy-through power must be arranged in advance of the curtailment start time and will be priced at 110% of the MISO hourly market clearing price. Such market clearing energy price is defined

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Schedule RJM-3-2

P. S. C. MO., ILL. C. C., IA. ST. C. C. SCHEDULE NO. 5 Original SHEET NO. 218  
 CANCELLING SCHEDULE NO. \_\_\_\_\_ SHEET NO. \_\_\_\_\_

APPLYING TO MISSOURI SERVICE AREA

INDUSTRIAL DEMAND RESPONSE PILOT (cont.)

as the hourly MISO locational marginal price (LMPs) including MISO losses, congestion costs and shall represent a full pass-through of all costs incurred by the Company to provide buy-through service to each Customer at the load zone recognized by MISO as encompassing the load of the Company.

Failure of a customer to reduce their load to the current Firm Power Level, unless covered by pre-arranged buy-through provisions, will result in the Firm Power Level for the current and all succeeding months being adjusted to the maximum hourly demand during such curtailment periods.

BILL CREDITS

Demand Credit:

Customer shall receive a credit of \$2.00 per kW of monthly curtailable demand for each billing month. The monthly curtailable kW will be calculated each month as the current months billing demand (as defined in Schedule No. 11(M) Large Primary Service, less the customer's current Firm Power Level.

Energy Credit:

Customer shall receive an energy credit of \$.0800/kWhr for each kWhr of load reduction below the customer's Average Load Level for each hour during the curtailment period. The customer's Average Load Level will be calculated for each contract period of June 1 through May 31 as the total kWhr usage of the customer during the 12 months immediately preceding the contract period divided by 8760 (8784 for leap year). The Average Load Level may be adjusted by Company to reflect any significant seasonal differences or material changes to customer's operations since the historical determination period. No Energy Credit shall be applicable to any amount of energy purchased pursuant to the buy-through energy provisions of this tariff.

TERM OF CONTRACT AND TERMINATION

Customer shall sign a contract for an initial term of one (1) year with the term commencing on the June 1 following the contract execution date. Prior to the start of any subsequent annual term, the customer's continued qualification for the pilot will be reviewed and the Customer's Average Load Level for the next contract period determined. If it is anticipated that customer will continue to qualify for service under this pilot for the next contract period, the contract will be automatically renewed for a successive term of one (1) year, subject to termination at the option of the Company or customer by giving thirty (30) days notice prior to the start of the next contract period. In no event will service under this pilot continue after May 31, 2009.

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Schedule RJM-3-3

APPLYING TO \_\_\_\_\_

MISSOURI SERVICE AREA

INDUSTRIAL DEMAND RESPONSE PILOT (cont.)

LIMITED APPLICATION

This pilot will no longer be in effect after May 31, 2009

TERMS AND CONDITIONS

Service hereunder is subject to the "Missouri Electric Rules and Regulations" on file with the Missouri Public Service Commission and "Tax Adjustment" under the otherwise applicable rate schedule. In the event that MISO determines that this pilot does not qualify as an interruptible load program, AmerenUE reserves the right to terminate this program and will work together with participants to reach mutual agreement on a revised pilot that meets MISO criteria.

PILOT PROGRAM EVALUATION

The Company shall perform an evaluation of the pilot program which includes evaluation of the benefits of the pilot. The evaluation will document the level of participation in the pilot and any problems that the Company experienced in implementing the pilot. The pilot evaluation shall be submitted to the Commission Staff, Office of the Public Counsel, and participating customers (or their representatives) no later than 6 months after the conclusion of this pilot program.

APPLYING TO \_\_\_\_\_

MISSOURI SERVICE AREAVOLUNTARY GREEN PROGRAMPURPOSE

The purpose of this Voluntary Green Program tariff is to provide customers with an option to contribute to the further development of renewable energy technologies. All references to 'green' in this tariff shall mean renewable energy certificates ("RECs"). One REC is the equivalent of 1,000 kWh produced from a qualified renewable energy source and represents the positive environmental attributes of electricity generated by renewable energy sources such as: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified by the Center for Resource Solution's Green-e Standard. Customers participating under this program will not directly receive any renewable energy commodity or product as a result of their participation. Rather, when a customer signs up for the Voluntary Green Program, Company shall purchase Green-e Certified RECs equal to 100% of the electricity consumption of a residential or small general service customer. All other non-residential customers can purchase blocks of RECs in increments equal to 1,000 kilowatt hours (kWh) of electricity use.

AVAILABILITY

This tariff is available to and may be used in conjunction with the Company's Electric Service Classifications 1 (M) Residential Service Rate, 2 (M) Small General Service Rate, 3 (M) Large General Service Rate, 4 (M) Small Primary Service Rate, 11 (M) Large Primary Service Rate, 12 (M) Large Transmission Service Rate, 5 (M) and 6 (M) Street and Outdoor Area Lighting Rates, 7 (M) Municipal Street Lighting Rate, or 8 (M) Private Ornamental Street Lighting Rate.

APPLICABILITY

The applicability of this tariff is limited to customers receiving service under the above referenced Service Classifications and who voluntarily agree to participate in this program pursuant to the provisions herein.

MONTHLY CHARGES

Service Classification No 1 (M), 2 (M): 1.50 cents per kWh (1)  
Service Classification Nos. 3(M), 4 (M), 5 (M), 6 (M), 7 (M), 8 (M), 11 (M), and 12 (M): \$15.00 per 1,000 kWh block (2)

- (1) Actual monthly charge shall be the result of Customer's metered kWh usage at the designated price.
- (2) Minimum of 1 block, regardless of usage. Actual number of blocks will be subject to agreement between Company and Customer and not necessarily tied to monthly kWh usage.

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Schedule RJM-4-1



P. S. C. MO., ILL. C. C., IA. ST. C. C. SCHEDULE NO. 5 Original SHEET NO. 221

CANCELLING SCHEDULE NO. \_\_\_\_\_ SHEET NO. \_\_\_\_\_

APPLYING TO MISSOURI SERVICE AREA

VOLUNTARY GREEN PROGRAM (cont.)

COMPANY OBLIGATIONS

The Company will purchase RECs from its contractual partner, 3 Phases Energy, its successor, or assignee, in sufficient quantities to match the units billed under this tariff. Title to the RECs will rest with the Company and the Company will in turn retire such RECs on behalf of the customers participating in the program. Additionally, the Company's Voluntary Green Program will be Green-e Certified ® by the nonprofit Center for Resource Solutions.

TERMS AND CONDITIONS

Charges for participation under this tariff shall be added to Customer billings from Company for electric service. Customers will be able to withdraw or cancel participation in this program at any time by notifying the company. In addition, under no circumstances will the Company's late pay charge or disconnection of service provisions as they relate to charges under this tariff be applied or implemented.

TAX ADJUSTMENT

Any license, franchise, gross receipts, occupation or similar charge or tax levied by any taxing authority on the amounts billed hereunder will be added to bills rendered to customers under the jurisdiction of the taxing authority.

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