

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

The Staff of the Missouri Public)	
Service Commission)	
)	
Complainant,)	
)	
v.)	Case No. EC-2002-1
)	
Union Electric Company, d/b/a)	
AmerenUE,)	
)	
Respondent)	
)	

**SECOND STATUS REPORT TO THE COMMISSION
CONCERNING THE PROGRESS OF THE COLLABORATIVE EFFORTS
AND REQUEST FOR FURTHER EXTENSION OF TIME**

COMES NOW Union Electric Company d/b/a AmerenUE (“AmerenUE” or “Company”) and submits its Second Status Report to the Missouri Public Service Commission (“Commission”) and the parties to this case.

On July 25, 2002, the Commission issued its Report and Order Approving Stipulation and Agreement (“Order”) in this proceeding. That Order became effective on August 4, 2002.

The Stipulation and Agreement (“Stipulation”), signed by most of the active parties in this case, included 16 specific stipulations. Stipulation No. 11, entitled “Collaborative Efforts,” referred to the following matters for which collaborative groups were established: (a) low-

income weatherization; (b) residential and commercial energy efficiency; (c) economic development; (d) residential time of use pilot project; and (e) demand response options.

The Stipulation indicated that within 90 days following the date on which the Report and Order approving the Stipulation became final and unappealable, certain milestones were expected to be reached in each of the collaborative efforts, except for the Demand Response Options group (which was to report within 120 days). These milestones differed for each collaborative.

In compliance with the Stipulation, on November 4, 2002 the Company filed its initial status report with the Commission. As part of that filing the Company asked for an additional 90 days to continue to work on the collaborative efforts and report back to the Commission. On November 19, 2002 the Commission issued its Order Granting Extension, in which it granted the Company's request for an extension of time and required the Company to file its second status report on the progress of the collaboratives no later than January 31, 2003.

Pursuant to the Commission's November 19, 2002 order, AmerenUE provides the following update on the status of each collaborative effort:

(a) Low-income weatherization

The low-income weatherization collaborative held one additional meeting following the Company's November 4, 2002 status report. At that meeting, the participants reached agreement on the formula which will be used to allocate the funds committed to weatherization among the local social service agencies that provide weatherization services in the Company's Missouri electric service territory. The resulting allocation percentages take into account the distribution of the Company's customer population throughout its service territory, as well as the need of customers in each area that comprises the Company's service territory.

The participants in the collaborative also reached agreement concerning various operational details for the weatherization program. The participants agreed that AmerenUE should pay the weatherization funds into an account established with and managed by the Missouri Environmental Improvement and Energy Resources Authority (“EIERA”). EIERA is a quasi-governmental financing authority established by Missouri statute within the Missouri Department of Natural Resources (“MDNR”). The MDNR Energy Center will administer the distribution of funds from the EIERA account in accordance with the agreed-upon allocation formula. In most respects, the program will be managed in accordance with state and federal guidelines applicable to the existing state weatherization program. However, eligibility for weatherization assistance from these funds will be limited to AmerenUE’s electric customers.

Representatives of AmerenUE and MDNR attended the January 8, 2003 EIERA Board Meeting and obtained assurance that EIERA is willing and able to hold and manage the weatherization funds. The collaborative expects to meet in the future to address any additional progress reports that may be provided to the Commission, and the development of a final report on the weatherization program at its conclusion. At this point, no additional meetings are scheduled for this collaborative.

(b) Residential and commercial energy efficiency fund

The residential and commercial energy efficiency fund collaborative has met four times since the November 4, 2002 status report was filed. The collaborative continues to focus on specific energy efficiency initiatives that should be pursued. For the first quarter of 2003, the collaborative has determined that AmerenUE should join the Midwest Energy Efficiency Alliance and participate in a Refrigerator Rebate Campaign at a total annual cost of \$420,000. The collaborative agreed to participate in the refrigerator campaign for two years, with the caveat

that its performance will be evaluated after the first year with a final determination made at that point regarding participation during the second year. The collaborative is also conducting in-depth analyses of a commercial building energy audit rebate campaign, an on-line residential energy audit program, and a home energy rating system campaign. In addition, the collaborative continues to discuss details of programs previously agreed upon in concept including a compact fluorescent lighting campaign, Schools Going Solar initiative and Building Operator Certification. The collaborative intends to continue to meet to study energy efficiency alternatives and reach final agreement on which additional programs merit financing from this fund. The next meeting is scheduled for February 3, 2003.

(c) Economic development

The economic development group held its first and only meeting on November 7, 2002. At that meeting, AmerenUE distributed its proposed Articles of Incorporation and Bylaws for the Ameren Community Development Corporation (“CDC”), the entity which is to oversee the disbursement of the funds earmarked for community development. The Company requested comments from the other participants on these documents. The participants also discussed the composition of the Board of Directors of the CDC, and agreed to recommend that the Board of Directors should consist of nine members, of whom three should be appointed by the Governor, three should be appointed by the Commission, and three should be appointed by AmerenUE. The participants have discussed this matter with the Commission at an agenda session, and obtained the Commission’s concurrence with this approach. At this point, the parties are continuing to prepare comments on the Company’s draft Articles of Incorporation and Bylaws. No additional collaborative meetings are currently scheduled.

(d) Residential time of use pilot project

The collaborative addressing the residential time of use pilot has met two times since the November 4, 2002 status report was filed. The collaborative continues to focus on the development of a common understanding of the issues surrounding time of use rates and real time pricing. Some of the issues that have been examined in depth by this collaborative are:

- Puget Sound's time of use program;
- The features of the Company's existing optional residential time of use tariff and its current customer performances;
- The Company's residential class load curves, and residential load research strata curves;
- "Smart thermostat" technology
- LightStat's residential RTPStat Control Center web site;
- Allegheny Power Company's residential time of use and RTP rates;
- Gulf Power's GoodCents Select Program;
- Xcel's residential time of use rates

As was explained in the initial status report, the Company expects final design and implementation of the residential time of use program to take approximately 12-18 months. The next meeting for this collaborative is scheduled for February 6, 2003.

(e) Demand response options

The Demand Response Options collaborative has met twice since the November 4, 2002 initial report was filed. The participants have continued to review various demand response options and heard presentations on demand response options from collaborative participants as well as outside parties. The collaborative has also discussed the interruptible tariff proposed by

the Missouri Energy Group (“MEG”) as well as interruptible tariffs utilized by other utilities. At the request of MEG, the Company is currently reviewing the tariffs of PPL Electric Utilities Corporation. AmerenUE has also presented information on Riders L and M, which are optional interruptible tariffs the Company currently offers to its customers.

Request for Additional Time to Meet Requirements of the Stipulation

As indicated above, the collaboratives working on various parts of the Stipulation are continuing their efforts to carry out the intent of the agreement. These efforts have been productive but they are not yet complete. Accordingly, the Company requests that the Commission grant the collaboratives additional time in which they can endeavor to finalize their work. Rather than set a specific deadline for completion of each collaborative effort, the Company recommends that the Commission require it to provide a status report every 90 days until all of the collaboratives are completed. That way, the Commission and the parties will be continuously apprised of the progress of the collaboratives, and they can take any action which they deem to be appropriate.

The Company has provided a copy of this Status Report to the signatories to the Stipulation and Agreement, as listed on the Certificate of Service attached hereto. The Company has not asked the signatories for their agreement with the descriptions of the status of these collaboratives. However, the Company is authorized to inform the Commission that the Staff, Office of Public Counsel, MDNR, the Missouri Industrial Energy Consumers and MEG do not object to the Company’s request to report to the Commission every 90 days concerning the status of these groups.

WHEREFORE, the Company submits this report to the Commission of the status of the various collaborative committees established by the Stipulation and Agreement in this case, and further requests an extension of time to continue the work of the collaboratives as set forth herein.

Dated: January 31, 2003

Respectfully submitted,
AmerenUE

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via first class U.S. mail, postage prepaid, on this 31st day of January, 2003, on the following parties of record:

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