

**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.)	

STAFF RECOMMENDATION

Comes now the Staff of the Missouri Public Service Commission (Staff) in response to the April 27, 2005 Order Directing Filing Of Staff Recommendation of the Missouri Public Service Commission (Commission) directing the Staff to file a recommendation, no later than May 17, 2005, respecting the April 25, 2005 filing of Union Electric Company, d/b/a AmerenUE (AmerenUE) to revise the AmerenUE experimental residential time-of-use (TOU) pilot program. The experimental residential TOU pilot program was instituted pursuant to Sections 10 and 11.c. of the Stipulation And Agreement resolving the Staff's excess earnings/revenues complaint case against AmerenUE in July 2002.

In response to the Commission's April 27, 2005 Order, the Staff submits the attached Staff memorandum recommending Commission approval of the revised tariff sheets filed on April 25, 2005. Said revised tariff sheets redefine the program's customer rate groups by eliminating one of the three customer groups. For the customer group being eliminated, last summer's results confirmed that there would be little response to the rate offered. Customers from this group will be approached to participate in one of the two remaining groups. Other

alterations include changing the AmerenUE payment for new participants in the program and narrowing the applicability of the program rate to the July, August and September 2005 bills of participants. The Commission's Energy Department Staff in particular participated with AmerenUE, Office of the Public Counsel, Missouri Department of Natural Resources - Energy Center, Missouri Energy Group and Missouri Industrial Energy Consumers in the collaborative development and revision of the Missouri experimental residential TOU pilot program.

WHEREFORE, the Staff recommends that the Commission approve the aforesaid tariff sheets to become effective on May 25, 2005.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/Steven Dottheim

Steven Dottheim
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Missouri Bar No. 29149

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 17th day of May 2005.

/s/ Steven Dottheim

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EC-2002-1, File No. YE-2005-0932
Union Electric Company d/b/a AmerenUE

FROM: James Watkins, Manager, Economic Analysis, Project Coordinator
Hong Hu, Regulatory Economist III
Mack McDuffey, Rate & Tariff Examiner II

/s/ James Watkins 05/17/05 /s/ Steven Dottheim 05/17/05
Energy Department / Date General Counsel's Office / Date

SUBJECT: Staff Recommendation For **Approval** of Tariff Sheets Filed To Revise Missouri Residential Time-of-Use Pilot Program

DATE: May 17, 2005

On April 25, 2005, Union Electric Company d/b/a AmerenUE (UE or Company) of St. Louis, Missouri, filed with the Commission two (2) tariff sheets with a proposed effective date of May 25, 2005 to revise the "Missouri Residential Time-of-Use Pilot Program" (Program) for July 2005 through September 2005. This Program offers rates that vary during different times of the day to evaluate customers' responses to the variations in these rates.

This filing proposes three revisions to the Program. The first and major revision is to the Program's Customer Rate Groups. Group 1 is being eliminated from the three original sample groups. Group 1 participants were billed on a simple three-tiered time-of-use rate, and last summer's results confirmed that there would be little response (demand reduction) to such a rate. The other two groups will remain for this Program year, and all Group 1 participants will be recruited to participate in one of the remaining groups. In addition to the three-tiered time-of-use rates, Group 2 had critical peak period rates, and Group 3 had critical peak period rates, plus a smart thermostat. The "old" Group 2 will be the "new" Group 1 and the "old" Group 3 will be the "new" Group 2.

The second revision is to the Program's "Rates Based on Monthly Meter Readings" section by changing the customer payment for new participants from "\$75 after the first six months of continued participation in the pilot" to "\$25 at the end of the pilot".

The third revision is to the Program's "Term" section by adding a sentence that informs new customers that they will only be on the rate for their July 2005 bill through their September 2005 bill.

The Missouri Public Service Commission Energy Department Staff (Staff) participated with Union Electric, Office of the Public Counsel, Department of Natural Resources - Energy Center, Missouri Energy Group and the Missouri Industrial Energy Consumers in the collaborative development and revision of the Missouri Residential Time-of-Use Pilot Program. The Staff has reviewed the filed

tariff sheets, and is of the opinion that the tariff sheets were filed in a timely manner and are in compliance with the Commission's Report And Order Approving Stipulation And Agreement in Case No. EC-2002-1, whereby a collaborative committee would be established to design and evaluate an experimental residential TOU pilot project. Staff therefore recommends that the Commission issue an order approving the following proposed tariff sheets, as filed on April 25, 2005 to become effective on May 25, 2005, as requested in UE's cover letter:

P.S.C. MO. SCHEDULE NO. 5

3rd Revised SHEET NO. 192 Cancelling 2nd Revised SHEET NO. 192

4th Revised SHEET NO. 193 Cancelling 3rd Revised SHEET NO. 193

The Staff has verified that this Company has filed its 2004 annual report and is not delinquent on its assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing. The following electric cases involving UE are before the Commission at this time:¹

EA-2005-0180	EC-2002-1	EE-2005-0400	EM-96-149	EO-96-14
	EC-2005-0110			EO-2005-0369
	EC-2005-0313			
	EC-2005-0341			
	EC-2005-0352			
	EC-2005-0398			

¹ The Company provides other types of utility services in Missouri; however, only electric cases are listed.