

**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)	

**THIRD STATUS REPORT TO THE COMMISSION
CONCERNING THE PROGRESS OF THE COLLABORATIVE EFFORTS**

COMES NOW Union Electric Company d/b/a AmerenUE (“AmerenUE” or “Company”) and submits its Third 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. On January 31, 2003 the Company filed its second status report on the progress of the collaborative groups.

In order to continue to keep the Commission informed about the work of the collaborative groups, AmerenUE hereby provides the following further update on the status of each collaborative effort:

(a) Low-income weatherization

The low-income weatherization collaborative did not meet since the last status report was filed. All of the operational details of the weatherization program have been decided, and the Company has paid the initial \$2 million earmarked for this program into an account administered by the Missouri Environmental Improvement and Energy Authority ("EIERA"). The Missouri Department of Natural Resources ("MDNR") Energy Center is administering the distribution of these funds for weatherization of low-income customers of AmerenUE in accordance with the guidelines established by the collaborative. The Company does not anticipate that this collaborative will need to meet again in the near future. Pursuant to the terms of the Stipulation, the Company will pay additional money into the EIERA fund on June 30 of each year from 2003-2006 and the MDNR Energy Center will report on the progress of the weatherization program. One or more additional meetings of the collaborative may be required to address any reports that may be provided to the Commission.

(b) Residential and commercial energy efficiency

The residential and commercial energy efficiency collaborative met February 3, February 25, March 11 and March 31 since the January 31, 2003 status report was filed. The collaborative continues to focus on specific energy efficiency initiatives that should be pursued. For the second quarter of 2003, the collaborative has determined that, in addition to the refrigerator rebate and removal program previously agreed to, AmerenUE should participate in a compact fluorescent lighting rebate campaign at a total annual cost of \$170,000. The collaborative agreed to participate in the campaign for one year. At the end of that year the program will be evaluated and a determination will be made at that point regarding participation during the following years. The collaborative also agreed to conduct a fit analysis of an on-line residential energy audit program at a cost of \$48,000. Based on the results of the fit analysis, the collaborative will determine whether to support the integration of the on-line residential energy audit program for Missouri electric customers into Ameren's existing web based eCustomer system. The collaborative is also conducting an in-depth analysis supporting a commercial customer walk-through audit program that would also promote the implementation of energy efficiency measures recommended in the audit. In addition, the collaborative continues to discuss details of programs previously agreed upon in concept including a Schools Going Solar initiative, Building Operator Certification, and a residential home efficiency rating campaign. The collaborative intends to continue to meet to implement the agreed to programs, study additional energy efficiency programs and reach final agreement on which additional programs merit financing from this fund. The next meeting is scheduled for May 23, 2003.

(c) Economic development

The economic development collaborative has not met since the January 31, 2003 status report, but the parties continue to work to finalize the Articles of Incorporation and Bylaws for the Ameren Community Development Corporation (“CDC”). The Company anticipates that the CDC will be operational by this summer.

(d) Residential time of use pilot project

The collaborative addressing the residential time of use pilot has met three times since the January 31, 2003 status report was filed—on February 6, March 20 and April 29. The participants continue to review various time of use pilot options. Many of the topics presented in the Demand Response Collaborative are pertinent to this collaborative also. A subcommittee was formed to document information and decisions made by the collaborative. In addition, such documentation will include recommendations on next steps. The subcommittee has met two times—on March 5 and April 22.

Ameren submitted a proposal for a small technology pilot for the collaborative to consider for conducting this year. After reviewing the proposal, many members of the collaborative indicated a strong reluctance to the proposed pilot primarily due to insufficient time to evaluate whether the pilot would meet all members’ objectives and lack of time to implement the pilot.

(e) Demand response options

The Demand Response Options collaborative has met three times since the January 31, 2003 report was filed—on February 6, March 20 and April 29. The participants have continued to review various demand response options and heard presentations on demand response options. The collaborative has also discussed the interruptible tariff of PPL Electric Utilities Corporation

submitted by the Missouri Energy Group (“MEG”) along with the Company’s existing curtailment Riders L and M. The Company also presented concepts and methodologies supporting calculations of Capacity Avoidance Costs, Capacity Avoidance Benefits, Capacity Equivalence, and Net Economic Benefit associated with curtailed load. Additionally, a subcommittee was formed to evaluate two part real time pricing (“RTP”) rates and MEG provided a draft RTP pricing rate, based on the Company’s existing Illinois RTP tariff, for consideration by the collaborative. MEG explained the rationale for the changes to the AmerenUE Illinois RTP tariff.

The Company plans to continue to provide the Commission with periodic updates on the status of the collaborative efforts at intervals of approximately 90 days.

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.

Dated: May 14, 2003

Respectfully submitted,
AmerenUE

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via electronic mail or first class U.S. mail, postage prepaid, on this 14th day of May, 2003, on the following parties of record:

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