FILED IN THE CIRCUIT COURT OF COLE COUNTY STATE OF MISSOURI SEP 1 3 193 LINDA L. ROARK STATE OF MISSOURI, EX REL. CIERK CIRCUIT COURT CCI, S COUNTY MISSONION AMERICAN-NATIONAL CAN COMPANY, 3 THE DOE RUN COMPANY, DUNDEE CEMENT COMPANY, EMERSON ELECTRIC COMPANY, FORD MOTOR COMPANY, GENERAL MOTORS CORPORATION MALLINCKRODT, INC., MCDONNELL DOUGLAS CORPORATION, MONSANTO COMPANY, NOOTER CORPORATION, PPG INDUSTRIES, INC. NO. <u>RUI87-1106 CC</u> PEA RIDGE IRON ORE COMPANY PROCTER & GAMBLE MANUFACTURING) 3 COMPANY, and Division No. _____ RIVER CEMENT COMPANY, and STATE OF MISSOURI, EX REL. ANHEUSER-BUSCH, INC., Relators, vs. PUBLIC SERVICE COMMISSION OF MISSOURI,

Respondent.

PETITION FOR WRIT OF REVIEW

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Relators, American National Can Company, The Doe Run Company, Dundee Cement Company, Emerson Electric Company, Ford Motor Company, General Motors Corporation, Mallinckrodt, Inc., McDonnell Douglas Corporation, Monsanto Company, Nooter Corporation, Pea Ridge Iron Ore Company, PPG Industries, Inc., Procter & Gamble Manufacturing Company, and River Cement Company ("Monsanto, et al.") and Relator Anheuser-Busch, Inc. ("Anheuser-Busch"), hereby petition this Court pursuant to Mo. Rev. Statutes §386.510 (1986) for a writ of review of the Report and Order of the Public Service Commission of Missouri ("Commission"), issued and made effective on April 3, 1987 in proceedings before the Commission styled:

Case No. AO-87-48

In the Matter of the Investigation of the Revenue Effects Upon Missouri Utilities of the Tax Reform Act of 1986.

In support of this Petition, Relators, Monsanto, et al., and Relator Anheuser-Busch state:

1. Relators Monsanto, et al., and Relator Anheuser-Busch are corporations doing business within the state of Missouri and are now, and have been for many years, purchasers of electric power from Union Electric Company ("Union Electric") pursuant to tariffs for service to industrial customers duly approved and authorized by the Commission. Union Electric also provides electric service to other customer classes, including residential, small commercial, and large commercial users, under Conmission-approved tariffs.

2. On March 29, 1985, the Commission issued a Report and Order in Case Nos. EO-85-17 and ER-85-160 ("the Callaway Rate Case") approving new rates for Union Electric reflecting the inclusion in rate base of a portion of Union

Electric's \$3 billion investment in the Callaway nuclear generating station, approving an automatic phase-in of the rates over an 8-year period, and adopting the time-of-use/average-and-peak ("TOU/AP") method of rate design. The use of the TOU/AP rate design method resulted in rate increases to industrial consumers of Union Electric, including the Relators Monsanto, et al., and Relator Anheuser-Busch, that are significantly above system average.

3. On April 8, 1985, Relators filed separate Applications for Rehearing, Reconsideration, and Oral Argument challenging the rate design decisions of the Commission as set forth in the Commission's March 29, 1985 Report and Order in the Callaway Rate Case.

4. On April 10, 1985, the Commission denied the Relators' Application for Rehearing of its decision in the Callaway Rate Case; and on May 9, 1985, the Relators filed a Petition for Writ of Review in the Circuit Court of Cole County in <u>State ex rel. A.P. Green Refractories, Inc., et</u> <u>al., v. Public Service Commission</u>, Case No. CV185-493cc ("the Callaway Rate Case Appeal"), which Writ was granted on May 13, 1985.

5. On October 8, 1985, Union Electric Company filed a revised Large General Service 3(M) LGS tariff which the Commission allowed to become effective by operation of law

on November 8, 1985. This new tariff affected only Union Electric Company's large commercial class of customers and consequently was not opposed by Relators herein.

6. On November 4, 1986, the Commission established docket No. AO-87-48 ("the TRA Case") for the purpose of investigating the revenue effects upon Missouri utilities, including Union Electric, of the Tax Reform Act of 1986.

7. On December 12, 1986 and January 22, 1987, Relators, Monsanto, et al., and Relator Anheuser-Busch filed their applications to intervene in the TRA Case. These intervention applications were subsequently granted by orders of the Commission dated January 9 and 30, 1987.

8. On March 24, 1987, Union Electric filed in its Motion to Revise Rate Phase-In Plan and To Allow Tariffs to Become Effective on Less Than Thirty Days' Notice ("Union Electric Motion") in the TRA Case and concurrently filed new tariffs containing proposed new reduced rates (the "TRA Tariffs"). Once effective, these new tariffs would supercede the rate schedules that Union Electric filed in compliance with the Commission's March 29, 1985 Report and Order in the Callaway Rate Case.

9. On March 30, 1987, Relators filed their Protest and Motion to Suspend the Operation of Union Electric Company's Tariffs ("Protest and Motion"), seeking to suspend the implementation of the TRA Tariffs on the ground

that the rate design reflected in those tariffs was substantially the same as that in the tariffs approved in the Callaway Rate Case and, therefore, that approval of those tariffs would perpetuate the errors in rate design that are the subject of Relators' appeal of the Commission's decision in the Callaway Rate Case.

10. On April 3, 1987, the Commission issued its Order, effective immediately, granting Union Electric's Motion and allowing the TRA Tariffs for the third year of the phase-in to go into effect on less than thirty days' notice "on April 9, 1987." The Commission did not expressly rule on Relators' Protest and Motion.

11. On April 10, 1987, Relators Monsanto, et al., and Relator Anheuser-Busch timely filed their Application for Rehearing of the Commission's order in the TRA Case, a copy of which is attached hereto as Exhibit "A" and made a part hereof and is hereinafter referred to as the Application for Rehearing.

12. On June 19, 1987, the Circuit Court of Cole County entered its Judgment in the Callaway Rate Case Appeal. In that Judgment, the Court held that the Commission's Report and Order in the Callaway Rate Case was unsupported by findings of fact and substantial evidence on the record and remaided said Order back to the Commission for adoption of findings of fact which would enable the courts to determine if such findings are supported by the evidence.

13. On June 25, 1987, the Commission filed its Notice of Appeal to the Missouri Court of Appeals of the Cole County Circuit Court's decision in the Callaway Rate Case Appeal. This proceeding is currently before the Missouri Court of Appeals Western District, Case No. WD 39,610.

14. By its Order of August 5, 1987, a copy of which is attached hereto as Exhibit "B," the Commission denied Relators Monsanto, et al., and Relator Anheuser-Busch's Application for Rehearing in the TRA Case. The Commission's April 3, 1987 Order ("Order") (Exhibit "C") is unlawful and unreasonable upon the grounds specifically set forth in Relators' Application for Rehearing (Exhibit "A"). The specifications of error and the grounds set forth therein are incorporated in this Petition by reference as though fully set forth herein.

15. The Commission's determinations with respect to the rate design of the TRA Tariffs is the same as that reflected in the Callaway Rate Case Tariffs. No new evidence has been offered to support this unreasonable, unjust, and unlawful rate design in this proceeding. Thus, the TRA Tariffs would perpetuate the rate design that is the subject of the Staff's pending appeal in the Missouri Court of Appeals Western District and the same errors challenged therein.

17. The determinations of the Commission with respect to all rate design issues and the Commission's determinations approving tariffs incorporating those rate design determinations are unlawful, unjust, unreasonable, arbitrary, and capricious, are not supported by findings of fact and conclusions of law, are not based upon substantial and competent evidence in the record as a whole, resulting in clear and unlawful discrimination against the Relators, Monsanto, et al., and Relator Anheuser-Busch in violation of Missouri law, including Mo. Rev. Stat. 393.130 (1986) and deprive Relators of their rights to due process of law and equal protection under Article I, Sections 2 and 10 of the Missouri Constitution and Amendment XIV, Section 1 of the United States Constitution. No party in these proceedings has sustained the burden of proof required to support and justify the determinations and decision of the Commission set forth in the Order.

WHEREFORE, Relators pray as follows:

1. That this Court issue its Writ of Review or Certiorari to the Commission directing the Commission to certify to the Court its record in the TRA Case for the purpose of reviewing the lawfulness and reasonableness of the Order:

2. That, upon such review, this Court enter its judgment setting aside and reversing the portions of the

Order dealing with rate design for the reason that those portions of that Order are arbitrary, capricious, unreasonable, unjust, unlawful, and not authorized by statute;

3. That this Court remand this cause to the Commission for further proceedings consonant with the judgment and orders of this Court; and

4. That this Court enter such further orders and grant Relators such further relief as the Court may deem just and proper.

Respectfully submitted,

PEPER, MARTIN, JENSEN, MAICHEL and HETLAGE

Bv Robert C. Johnson #15755

Stephen J. Cassin #34303 720 Olive Street, 24th Floor St. Louis, Missouri 63101 (314) 421-3850

Attorneys for Relators, Monsanto, et al.

ANHEUSER-BUSCH, INC.

Bv

Francis J. Hruby #27426 One Busch Place St. Louis, MO 63118 (314) 557-3203

Attorney for Anheuser-Busch, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing and attachments by mailing, by first class mail, a copy thereof, properly addressed, postage prepaid to each of the parties of record listed on Attachment A hereto.

Dated at St. Louis, Missouri this 2^{-n} day of September, 1987.

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Union Electric Tax Reform Act Docket No. A0-87-48

Service List

Douglas M. Brooks Office of the Public Counsel P.O. Box 7800 Jefferson City, MO 65102

James J. Cook Union Electric Company 1901 Gratiot Street P.O. Box 149 St. Louis, MO 63166

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William C. Harrelson Public Service Commission P.O. Box 360 Jefferson City, MO 65102 BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of the investigation) of the revenue effects upon) Missouri utilities of the Tax) Case No. AO-87-48 Reform Act of 1986.)

APPLICATION OF INTERVENORS MONSANTO CO., ET AL. AND INTERVENOR ANHEUSER-BUSCH, INC. FOR REHEARING

Intervenors American-National Can Company, The Doe Run Company, Dundee Cement Company, Emerson Electric Company, Ford Motor Company, General Motors Corporation, Mallinckrodt, Inc., McDonnell Douglas Corporation, Monsanto Company, Nooter Corporation, Pea Ridge Iron Ore Company, -PPG Industries, Inc., Procter & Gamble Manufacturing Company, and River Cement Company ("Monsanto Co., et al.") and Intervenor Anheuser-Busch, Inc. (all herein together called "Intervenors") hereby request a rehearing of the Order of the Public Service Commission of Missouri ("Commission") dated April 3, 1987 ("the Order"), pursuant to Mo. Rev. Stat. §386.500 (1986).

In support of their Application, Intervenors state as follows:

BACKGROUND

On March 29, 1985, the Commission issued a Report and Order in Case Nos. EO-85-17 and ER-85-160 approving new rates for Union Electric reflecting the inclusion in rate

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PUBLIC SERVICE COMMISSION

base of a portion of Union Electric's \$3 billion investment in the Callaway nuclear generating station, approving an automatic phase-in of the rates over an 8-year period, and adopting the time-of-use/average and peak ("TOU/AP") method of rate design. The use of the TOU/AP rate design method resulted in a rate increase to industrial customers of Union Electric, including the Intervenors, that is significantly above system average.

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On April 8, 1985, Intervenors filed separate Applications for Rehearing, Reconsideration, and Oral Argument, challenging the rate design decisions of the Commission as set forth in the March 29, 1985 Report and Order.

On April 10, 1985, the Commission denied the Intervenors' Application for Rehearing and, on May 9, 1985, the Intervenors filed a Petition for Writ of Review in the Circuit Court of Cole County (Case No. CV185-493cc), which Writ was granted on May 13, 1985. That case has been briefed, argued, and submitted to Judge Lawrence Davis, whose decision is pending.

On March 24, 1987, Union Electric filed in Case No. A0-87-48 its Motion to Revise Rate Phase-in Plan, and to Allow Tariffs to Become Effective on Less Than 30 Days Notice ("Union Electric Motion") and concurrently filed new tariffs containing proposed new reduced rates (the "new

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tariffs"). Once effective, the new tariffs will supersede the rate schedules (the "old tariffs") that Union Electric filed in compliance with the Commission's March 29, 1985 Report and Order in Case Nos. EO-85-17 and ER-85-160.

On March 30, 1987, Intervenors filed their Protest and Motion to Suspend the Operation of Union Electric Company's Tariffs ("Protest and Motion"). In it, Intervenors sought to suspend the implementation of Union Electric's new tariffs on the ground that the rate design reflected in the new tariffs was substantially the same as that in the old tariffs, and would perpetuate the errors in rate design that are the subject of their appeal of the March 29, 1985 Report and Order concerning the old tariffs.

On April 3, 1987, the Commission issued its Order, effective immediately, granting Union Electric's Motion and allowing the new tariffs for the third year of the phase-in to go into effect on less than 30 days notice (on April 9, 1987). The Order did not expressly rule on Intervenors' Protest and Motion.

SPECIFICATIONS OF ERROR

The Commission's Order is unreasonable, unjust, and unlawful for the following reasons:

<u>I.</u>

The Commission erred in making its Order effective upon issuance because it failed to allow the parties, including

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Intervenors, a reasonable time in which to prepare and file an Application for Rehearing.

By statute, an order of the Commission takes effect 30 days after service unless the Commission provides otherwise. Rev. Stat. Mo. §386.490.3 (1986). Here, the Commission so provided -- the Order became effective on the day it was issued, April 3, 1987. (Order, ¶5).

The Commission, however, can make the effective date of an order less than 30 days after service thereof only if it can be done "reasonably and properly." <u>State ex rel.</u> <u>Kansas City, Independence & Fairmount Stage Lines Co. v.</u> <u>Public Service Commission</u>, 63 S.W.2d 88, 93 (Mo. 1933); <u>see</u> <u>also State ex rel. Alton R. Co. v. Public Service</u> <u>Commission</u>, 155 S.W.2d 149, 154 (Mo. 1941) (a "reasonable time" must run between the time the order is served and its effective date).

In addition, it has been held that a period of one day between the date the Report and Order was filed and its effective date is unlawful because it deprived those interested of a reasonable opportunity to prepare and file motions for rehearing. <u>State ex rel. St. Louis County v.</u> <u>Public Service Commission</u>, 228 S.W.2d 1, 2 (Mo. 1950).

Therefore, it is unreasonable and improper, and unlawful, for the Commission to allow an order to become effective upon issuance and thereby deny the parties all

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opportunity for judicial review. In addition to contravening the above-cited case law, this action constitutes a denial of due process under both the Missouri and United States Constitutions. Mo. Const., Article I, §10; U.S. Const., Amendment XIV.

II.

The Commission erred in granting the Union Electric Motion and approving the new tariffs.

The rate design in the new tariffs is the same or substantially the same as that reflected in the old tariffs. No new evidence has been offered to support this unreasonable, unjust, and unlawful rate design in this proceeding. Thus, the new tariffs would perpetuate the rate design that is the subject of the Intervenors' pending appeal in Cole County Circuit Court and the same errors challenged therein.

Intervenors assert that the approval of the new tariffs (and the rate design reflected therein) by the Commission was unreasonable, unjust, and unlawful for the same reasons and on the same grounds as specifically set forth in their Applications for Rehearing filed in Case Nos. EO-85-17 and ER-85-160 and the Petition for Review filed in Cole County Circuit Court Docket No. CV185-493cc. Copies of said Applications for Rehearing and said Petition for Writ of Review are attached to the Protest and Motion as Exhibits A, B, and C, respectively, and are incorporated herein by

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reference.

III.

The Commission erred in failing to grant Intervenors' Protest and Motion because Intervenors were thereby denied the opportunity to present evidence that the new tariffs are unreasonable, unjust, and unlawful.

IV.

The Commission erred in failing to make specific findings of basic fact in support of its decisions in the Order. The Order is devoid of any findings of basic fact which would support perpetuation of this unreasonable, unjust, and unlawful rate design and therefore fails to satisfy the requirements of Missouri law with respect to findings of fact.

<u>v.</u>

The Commission erred in failing to base its Order upon competent or substantial evidence on the whole record.

<u>VI.</u>

The Commission erred in approving the new tariffs in the Order because the rate design utilized therein results in clear and unlawful discrimination against the Intervenors in violation of Missouri law, including Mo. Rev. Stat. §393.130 (1986), and their rights to due process protection under the law and equal of Missouri Constitution, Article I, §§2 and 10, and under the United States Constitution, Amendment XIV, §1.

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VII.

The Commission erred in approving the new tariffs because no party had sustained the burden of proof required to support and justify the Commission's decisions.

In addition, Intervenors respectfully point out that the style of the Order includes two earlier cases, Case Nos. EO-85-17 and ER-85-160, that are currently on appeal to the Cole County Circuit Court. Because the circuit court issued a writ of review in these two cases, the Commission lacks jurisdiction over them and does not have the power to issue an order in those cases. <u>State ex rel.</u> <u>Campbell Iron Co. v. Public Service Commission of Missouri</u>, 296 S.W. 998 (Mo. banc 1927). Thus, the Order is only effective in Case No. AO-87-48.

RELIEF REQUESTED

WHEREFORE, Intervenors pray that the Commission grant rehearing and reverse its decision on the matters raised herein.

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Respectfully submitted,

PEPER, MARTIN, JENSEN, MAICHEL and HETLAGE

By

Robert C. Johnson #15755 Alphonse McMahon #32870 720 Olive Street, 24th Floor St. Louis, Missouri 63101 (314) 421-3850

Attorneys for Intervenors Monsanto Co., et al.

#27428

Ffancis J. Hryby #27420 Anheuser-Busch, Inc. One Busch Place St. Louis, Missouri 63118 (314) 577-3203

Attorney for Intervenor Anheuser-Busch, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served on each person on the attached service list by first-class United States mail, postage prepaid, this ______ day of April, 1987.

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Service List

Paul Agathen Counsel Union Electric Co. P.O. Box 149 St. Louis, MO 63166

> Boyd J. Springer & Sarah J. Read Attorneys 3 First National Plaza Suite 5200 Chicago, IL 60602

Dean A. Park 1031 Executive Parkway Dr. St. Louis, MO 63141

Michael Madsen Attorney P.O. Box 235 Jefferson City, MO 65102

Kenneth J. Neises Attorney Laclede Gas Co. 720 Olive Street Room 1513 St. Louis, MO 63101

Gerald T. McNeive, Sr. Laclede Gas Co. 720 Olive Room 1528 St. Louis, MO 63101

Robert C. McNicholas Assoc. City Counsel 314 City Hall St. Louis, MO 63103

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Sam Overfelt Attorney P.O. Box 1336 Jefferson City, MO 65102 Tom Ryan Counsel 4144 Lindell Suite 219 St. Louis, MO 63108 Wm. Clark Kelly Asst. Attorney General P.O. Box 899 Jefferson City, MO 65102 Gary Mayes Attorney Mercantile Center St. Louis, MO 63101 Willard C. Reine Attorney 314 E. High St. Jefferson City, MO 65101 Office of Public Counsel P.O. Box 7800 Jefferson City, MO 65102

STATE OF MISSOURI PUBLIC SERVICE COMMISSION JEFFERSON CITY, MISSOURI

August 5, 1987

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цп Robert C. Johnson, Attorney, 720 Olive Street, 24th Floor, St. Louis, MO 63101 J.B. Schnapp & Robin E. Fulton, Attorneys, 135 E. Main St., Fredericktown, MO 63645 Robert Lehr, Attorney at Law, 1100 Main, Suite 1405, Kansas City, MO 64105 Donald Johnstone, Drazen-Brubaker & Assoc., 605 Old Ballas Road., Suite 100, P.O. Box 12710, St. Louis, MO 63141 Paul W. Phillips, U.S. Department of Energy, 1000 Independence Ave., S.W., Room 6D-033, Washington, D.C. 20585 Stuart Conrad, Attorney, 2600 Mutual Benefit Life Bldg., 2345 Grand Ave., Kansas City, MO 64108 Paul Agathen, Attorney, Union Electric Company, P.O. Box 149, St. Louis, MO 63166 Francis J. Hruby, Attorney, Anheuser-Busch, Inc., One Busch Place, St. Louis, MO 63118 Steven L. Kitchen, Vice President-Finance, The Kansas Power & Light Co., 818 Kansas Ave., P.O. Box 889, Topeka, KS 66601 Joseph P. Cowen, Sr. Attorney, United Telephone Company of Missouri, 6666 West 110th Street, Overland Park, KS 66211 H. Edward Skinner, Ivester, Henry, Skinner & Camp, 212 Center Street, Suite 900. Little Rock, AR 72201 Gary W. Duffy, W.R. England, James Swearengen, Attorneys, PO Box 456, Jefferson City, MO 65102 J.E. Harrison, Asst. Treasurer, Missouri-American Water Co., 2707 Pembroke Lane, St. Joseph, MO 64505 John Eckert, Vice President, Consolidated Water Services, Inc., 1000 N. Madison, P.O. Box 329, Greenwood, IN 46142 L.D. Abbott, Vice President-Revenue Requirements, General Telephone Company of the Midwest, 11 Eleventh Ave., Grinnell, IA 50112 Michael A. Meyer, Attorney, Southwestern Bell Telephone Co., 100 N. Tucker Blvd., St. Louis, MO 63101 Richard T. Ciottone, Vice President and General Counsel, St. Louis County Water Co., 535 N. New Ballas Road, St. Louis, MO 63141 Bob Perkins, Vice President, Tel Central of Jefferson City, 130 E. High Street, Jefferson City, MO 65101 Richard W. French, First Asst. Public Counsel, P.O. Box 7800, Jefferson City, MO 65102 Gerald Hill, Dir. Rates, General Waterworks Management & Service Co., 950 Havenford Road, Bryn Mawr, PA 19010 E.L. McKenzie, Secretary, Associated Natural Gas Co., P.O. Box 628, Blytheville, AR 72316 Regulatory Relations, AT&T, 101 Madison Street, Jefferson City, MO 65101 Leland B. Curtis, 130 S. Bemiston, Suite 200, St. Louis, MO 63105 C.K.Casteel, Jr., Senior Attorney, MCI, 100 S.4th St., Ste. 1200, Clayton, MO 63105 Ernest Jones, US Dept. of Energy, FCM Div., P.O.Box 5400, Albuquerque, NM 87115 Enclosed find certified copy of ORDER in the above-numbered case. Sincerely,

ver S. Hubbe Harvey G. Hul

Secretary

uncertified:

John Low, Manager, West Fork Project, ASARCO, Inc., P.O. Box 116, Bunker, MO 63629 Richard Wrench, Treasurer, Great River Gas Co., P.O. Box 967, Keokuk, IA 52632 Timothy M. Rush, Mgr., Rates & Market Research, St. Joseph Light & Power Co., 520 Francis Street, St. Joseph, MO 64502

Jack Krokroskia, Vice President of Mining, Doe Run Co., Box 500, Viburnum, MO 65566

STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 5th day of August, 1987.

CASE NO. A0-87-48

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In the matter of the investigation of the revenue effects upon Missouri utilities of the Tax Reform Act of 1986.

ORDER DENYING APPLICATION FOR REHEARING

On April 3, 1987, the Commission issued its order granting Union Electric Company's "Motion To Revise Rate Phase-In Plan And To Allow Tariffs To Become Effective On Less Than 30 Days Notice". The tariffs implemented a rate reduction to reflect lower tax rates approved in the Tax Reform Act of 1986.

On April 10, 1987, Monsanto Company, et al., and Anheuser-Busch, Inc., filed an application for rehearing requesting the Commission to grant rehearing and reverse its decision.

The Commission, having considered the application for rehearing, concludes that it should be denied.

It is, therefore,

ORDERED: 1. That the application for rehearing filed by Monsanto Company, et al., and Anheuser-Busch, Inc. in this matter on April 10, 1987, be, and it is, hereby denied.

ORDERED: 2. That this Order shall become effective on the date hereof.

BY THE COMMISSION able 1.010 Harvey GUHubbs

Secretary

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Musgrave, Mueller, Hendren and Fischer, CC., Concur. Steinmeier, Chm., Absent.

STATE OF MISSOURI

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OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission at Jefferson City, this <u>5th</u> day of <u>August</u>, 1987.

Harvey S. Abble

Haryey G. Hubbs Secretary

STATE OF MISSOURI PUELIC SERVICE COMMISSION JEFFERSON CITT, MISSOURI April 3, 1987

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U CASE NO. E0-85-17 & FR-85-160 A0-87-48 Paul Agathen, Counsel, Union Electric Co., P.O. Box 149, St. Louis, MO 63166 William Jaudes, General Counsel, Union Electric Co., P.C. Box 149, St. Louis, NO 63166 James Cook, Union Electric Company, P.O. Box 149, St. Louis, MD 63166 Gerald Charnoff, Attorney, 1800 M Street, N.W., Washington, DC 20036 A.V. McCalley, City Attorney, P.O. Box 319, Richmond, MD 64085 Boyd J. Springer & Sarah J. Read, Attorneys, 3 First National Plaza, Suite 5200, Chicago, IL 60602 Dean A. Park, 1031 Executive Parkway Dr., St. Louis, MO 63141 George A. Weible, City Attorney, City Hall, 200 N. Second St., St. Charles, MO 63301 James Swearengen, Attorney, P.O. Box 456, Jefferson City, MO 65102 Joseph Ellis, City Attorney, 108 Vine St., Macon, MD 63552 Louis Leonatti, City Counselor, 123 E. Jackson St., Mexico, MO 65256 Michael Madsen, Attorney, P.O. Box 235, Jefferson City, MO 65102 Phillip J. Ohlms, Attorney, 225 S. Main St. \$100, O'Fallon, MO 63366-2804 Robert C. Johnson, Mark Packer, George Pond, Attorneys, 720 Olive Street, 24th Floor, St. Louis, MO 63101 Rollin J.Moerschel, Attorney, 200 N. Third St., St. Charles, MO 63301 Tom Brown, Attorney, P.O. Box 40, Edina, MO 63537 William Barvick, Attorney, Suite 301 Hope Mercantile Bldg, 231 Madison Street, Jefferson City, MO 65101 Allen Wesolowski, Asst. Attorney General, 180 N. Lasalle Street, Suite 622, Chicago, IL 60601 Joe Malaski, Illinois State Commerce Commission, 527 E. Capitol, Springfield, IL 62706 B. Allen Garner, Attorney, P.O. Box 205, Eldon, MO 65026 David Yarger, City Attorney, Gunn Building, Versailles, MO 65804 Fred Boeckman, City Attorney, P.O. Box 617, Cape Girardeau, MO 63701 Howard Hickman, Attorney, P.O. Box 82, Kirksville, MO 63501 Jeffrey Dahl, Attorney, 6267 Delmar, St. Louis, MO 63130 Kenneth J. Neises, Attorney, Laclede Gas Co., 720 Olive St., Room 1513, St. Louis, MO 63101 Lyndel Porterfield, City Counsel, 320 E. McCarty St., Jefferson City, MO 65101 Mike Conway, City Attorney, Sixth and Spring Streets, Boonville, MO 65233 R. Brian Hall, City Attorney, 6812 N. Oak, Suite 5, Gladstone, MO 64118 Robert C. McNicholas, Assoc. City Counsel, 314 City Hall, St. Louis, MO 63103 Sam Overfelt, Attorney, P.O. Box 1336, Jefferson City, MO 65102 Tom Ryan, Counsel, 4144 Lindell, Suite 219, St. Louis, MO 63108 Wm. Clark Kelly, Asst. Attorney General, P.O. Box 899, Jefferson City, MO 65102 Dave Gilbert, Governor's Office of Consumer Service, Room 2010, 160 N. LaSalle Street, Chicago, IL 60601 Randal Robertson, Attorney, P.O. Box 735, Granite City, IL Bobette Shipman, Attorney, 215 Broadway, Elsberry, MO 63343 62040 David Lodwick, City Attorney, 120 E. Broadway, Excelsior Springs, MO 64024 Gary Mayes, Attorney, Mercantile Center, St. Louis, MO 63101 Jack Gallego, Attorney, P.O. Box 286, Troy, MO 63379 Lewis C. Green, Attorney, 314 N. Broadway, Suite 1830, St. Louis, MO 63102 Marion Lamb, City Attorney, City Hall, 101 West Reed, Moberly, MO 65270 Philip G. Smith, City Attorney, P.O. Box 486, Louisiana, MO 63353 Richard S. Brownlee, Attorney, P.O. Box 1069, Jefferson City, MO 65102 Robert Wohler, Attorney, 225 S. Main, O'Fallon, MO 63366 Staven Raymond, City Attorney, P.O. Box 177, Shelbyville, MO 63469 Willard C. Reine, Attorney, 314 E. High St., Jefferson City, MO 65101 Thomas Downey, Attorney, P.O. Box 510, Jefferson City, MO 65102 O'Brien-Kreitzberg & Assoc., 16 N. Centre St., Merchantville, NJ 08109 Office of Public Counsel, P.O. Box 7800, Jefferson City, MO 65102 Stuart W. Conrad, Attorney, 2600 Mutual Benefit Life Building, 2345 Grand Ave., Kansas City, MO 64108 Mark English, Attorney, Kansas City Power & Light Co., 1330 Baltimore, Kansas City, MO 63101

Enclosed find certified copy of ORDER in the above-numbered case.

Uncretified copy: Jim Sackett, Office of the Mayor, Room 421, City Hall, Tucker & Market Sts, St. Louis, MO 63103 Stanton Ehinger, Plant Manager, Dundee Cement Co., P.O. Box 67, Clarksville, MC 63336 Neil Rosenstrauch, New York Public Service Commission, 3 Empire State Plaza, Albany, NY 12223



STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 3rd day of April, 1987.

CASE NO. E0-85-17

2

In the matter of the determination of in-service criteria for the Union Electric Company's Callaway Nuclear Plant and Callaway rate base and related issues.

CASE NO. ER-85-160

In the matter of Union Electric Company of St. Louis, Missouri, for authority to file tariffs increasing rates for electric service provided to customers in the Missouri service area of the company. (filing January 15, 1985).

CASE NO. A0-87-48

In the matter of the investigation of the revenue effects upon Missouri utilities of the Tax Reform Act of 1986.

ORDER GRANTING MOTION

On March 24, 1987, Union Electric Company filed its "Motion To Revise Rate Phase-In Plan, And To Allow Tariffs To Become Effective On Less Than 30 Days Notice". The Company proposes to reduce the scheduled rate changes in the rate phase-in plan adopted by this Commission in Case Nos. EO-85-17 and ER-85-160 to reflect lower tax rates approved in the Tax Reform Act of 1986. The revised phase-in plan provides for overall annual revenue increases from 1987 through 1990 of approximately 4.6 percent, compared to increases in those years of 7.3 percent in the original phase-in plan. Attached to the Motion are tariff sheets which will implement the proposed adjustments to the 1987-1990 rate increases. Tariff sheets for the years 1991 and 1992 have not been compiled, but will be filed as soon as they are completed.

The Company also requests that the tariffs for the 1987 increase be allowed to go into effect on less than 30 days notice. The 1987 increase has a proposed effective date of April 9, 1987, the date on which the next phase-in increase is scheduled.

On March 26, 1987, the Commission issued its Order directing that any objections to the Company's Motion be filed on or before March 31, 1987.

On March 30, 1987, Monsanto, et al. and Anheuser-Busch, Inc., filed a motion to suspend, stating that they contest the rate design reflected in the proposed tariffs. However, the Motion states that Monsanto, et al. and Anheuser-Busch, Inc. do not seek to stay Union Electric's new tariffs provided that this does not effect any right they may have to seek a stay of rates in the appeal of Commission Case Nos. E0-85-17 and ER-85-160 now pending in the Cole County Circuit Court.

Staff has reviewed the tariffs and recommends approval. By recommending approval of the tariffs, Staff is not limiting its right to address the effect of the Tax Reform Act of 1986 in any future proceeding, nor is it agreeing that this reduction reflects the total effect of the TRA.

The Commission, having reviewed the Company's Motion, the Motion to suspend, and Staff's recommendation, concludes that the Motion filed by the Union Electric Company should be granted. In the Commission's opinion, the benefits to Union Electric customers associated with the rate reduction sought herein, constitutes good cause for allowing the tariffs for the 1987 phase-in increase to become effective on less than 30 days notice.

It is, therefore,

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Allow Tariffs To Become Effective On Less Than 30 Days Notice filed herein by the Union Electric Company be, and it is, hereby granted.

ORDERED: 2. That the revised phase-in plan approved herein be, and it is, hereby approved to the same extent and under the same conditions as the phase-in plan approved by the Commission in Case Nos. E0-87-17 and ER-85-160.

ORDER2D: 3. That the Union Electric Company is authorized to withdraw its phase-in tariffs for years three through eight which were filed pursuant to the Report and Order in Case Nos. E0-85-17 and ER-85-160 and to replace those tariffs with phase-in tariffs which reflect the rate changes set forth in the Company's Motion of March 24, 1987.

ORDERED: 4. That the following third year phase-in tariff sheets submitted on March 24, 1987, by Union Electric Company for the purpose of increasing rates for electric service provided to customers in its Missouri service area be, and they are, hereby approved and made effective for electric service rendered on and after April 9, 1987.

P.S.C. Mo. No. 5

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27th	Revised	Sheet	Nc.	28	cancelling	26th	Revised	Sheet	No.	28
llth	Revised	Sheet	No.	32	carcelling	10th	Revised	Sheet	No.	32
14th	Revised	Sheet	No.	34	cancelling	13th	Revised	Sheet	No.	34
23rd	Revised	Sheet	No.	37	cancelling	22nd	Revised	Sheet	No.	37
18th	Revised	Sheet	No.	39	cancelling	17th	Revised	Sheet	No.	39
16th	Revised	Sheet	No.	40	cancelling	15th	Revised	Sheet	No.	40
22nd	Revised	Sheet	No.	41	cancelling	21st	Revised	Sheet	No.	41
9th	Revised	Sheet	No.	44	cancelling	8th	Revised	Sheet	No.	44
20th	Revised	Sheet	No.	50	cancelling	19th	Revised	Sheet	No.	50
13th	Revised	Sheet	No.	55	cancelling	12th	Revised	Sheet	No.	55
15th	Revised	Sheet	No.	60	cancelling	14th	Revised	Sheet	No.	60
12th	Revised	Sheet	No.	63	cancelling	llth	Revised	Sheet	No.	63
					cancelling					
					cancelling					

ORDERED:

effective on the date hereof.

BY THE CONNISSION 8. Hubbe

Harvey G. Robbs Secretary

(SEAL)

Steinmeier, Chm., Musgrave, Hendren, and Fischer, CC., Concur. Mueller, C., Absent.

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, this <u>3rd</u> day of <u>April</u> 1987.

arvey D. Atala

Harvey G. Hubbs Secretary