



Martha S. Hogerty
Public Counsel

State of Missouri

Mel Carnahan
Governor

Office of the Public Counsel
Harry S Truman Building
Suite - 250
P.O. Box 7800
Jefferson City, Missouri 65102

Telephone: 573-751-4857
Facsimile: 573-751-5562
Relay Missouri
1-800-735-2966 TDD
1-800-735-2466 Voice

March 20, 2000

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED²
MAR 20 2000
Missouri Public
Service Commission

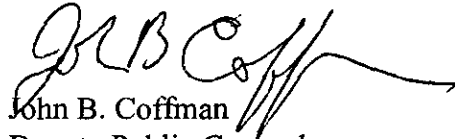
RE: Union Electric Company d/b/a AmerenUE,
Case No. ET-2000- 583
Tariff File No. 200000774

Dear Mr. Roberts:

Enclosed for filing in the above referenced case, please find the original and 14 copies of **Motion to Suspend Tariff**. Please "file stamp" the extra enclosed copy and return it to this office. I have on this date mailed, faxed, or hand-delivered the appropriate number of copies to all counsel of record.

Thank you for your attention to this matter.

Sincerely,


John B. Coffman
Deputy Public Counsel

JBC:kh

cc: Parties of record

Enclosure

FILED²

MAR 20 2000 *mb*

Missouri Public
Service Commission

Case No. ET-2000- 583
File No. 200000774

Motion to Suspend Tariff

Comes now, the Office of the Public Counsel (Public Counsel) and for its Motion to Suspend Tariff states as follows:

1. On February 29, 2000, Union Electric Company d/b/a AmerenUE (Company) filed a proposed revision to its Economic Development Rider, Rider EDR (Proposed Tariff) bearing an effective date of March 31, 2000. The Proposed Tariff would extend the availability of Company's current Rider EDR until March 31, 2001.

2. Company's current Rider EDR contains a controversial provision that was added when the Public Service Commission (Commission) issued its Order Approving Tariff on April 22, 1999 in Case No. ET-99-471, over the objection of Public Counsel, and without granting Public Counsel the opportunity to present evidence and litigate its concerns about this provision.

The relevant portion of the proposed tariff states as follows:

The discounts provided under the provisions of this rider are granted by the Company in consideration of the five year term of the EDR contract and the commitment of the Customer to take and use electric service from Company for the load associated with the rider for at least the full five year period. If at any time during the term of the contract, the Customer is allowed by changes in federal or state law or commission regulation to take part or all of its electric service from a provider other than Company,

notwithstanding the existence of the EDR contract, and customer chooses to take part or all of its electric service associated with this rider from a source other than Company, customer shall, within 30 days of the commencement of the receipt of service from such other source, remit to Company the accumulated difference between the amounts paid during the terms of the contract as a result of the EDR, and the rate said customer would otherwise be on from the initiation of the discount to such time as Customer shall curtail its service from Company.

4th Revised Sheet No. 122.1-122.2

This provision requires any eligible EDR customer to remain a full-requirement customer for at least five years in order to receive any benefits from the discounted rate. Furthermore, the Proposed Tariff provides that if changes in law or regulation allow such a customer to receive its electric service from a provider other than Company, the customer may only switch suppliers upon the remittance of a payment that amounts to a "exit fee." Public Counsel believes that this provision is unreasonable and harmful to economic development and that the further in time that this provision is made available, the greater the harm to the public. In approving the exit fee provision, the Commission has also established a precedent regarding electric restructuring issues that have not yet been resolved by Missouri State Legislature. Public Counsel incorporates the arguments made in its Motion to Suspend Tariff and in its Application for Rehearing filed in Case No. ET-99-471.

3. If the Commission suspends the Proposed Tariff, Public Counsel would have the opportunity to file prepared testimony and explain to the Commission why it believes that it is unreasonable to include the objectionable provision quoted above in an EDR Tariff, why it does not enhance economic development, and why it is harmful to the public interest. Public Counsel respectfully requests the opportunity to merely explain its concerns on this important matter through an evidentiary hearing.

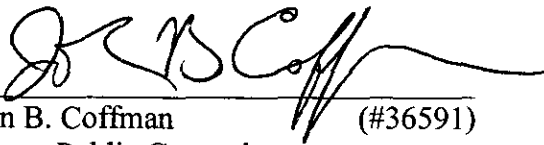
4. Public Counsel has previously suggested two possible cures for the problems associated with this tariff, including a provision for the termination of EDR contracts upon the onset of electric competition or an additional provision allowing EDR contracts to stay in full force for five years but limiting the discount that would be applied to the distribution charge that Company would be charging regardless of the generation supplier that EDR customers chose.

5. Since the resolution of Case No. ET-99-471, the Commission has approved a somewhat different Economic Development Rider for UtiliCorp United Inc. d/b/a Missouri Public Service Company (UtiliCorp) recently that does encourage economic development and includes an "exit fee" that is much less harmful to the public interest in that it is only associated with the generation service provided to the EDR customer. This UtiliCorp tariff became effective on November 15, 1999 (Commission File No. 200000378 -- See Attachment 1). UtiliCorp has shown this Commission that an EDR Tariff can be designed that provides customers with greater options, allowing a choice between greater discounts or a shorter contract time period. Public Counsel would like the opportunity to explain to the Commission why Company's tariff should be modified to more closely resemble the UtiliCorp tariff.

WHEREFORE, Public Counsel respectfully requests that the Commission suspend the Proposed Tariff in order to allow Public Counsel to file prepared testimony and further requests that the Commission set an evidentiary hearing to allow the parties to fully litigate the important matter discussed herein.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By:  (Handwritten signature of John B. Coffman)

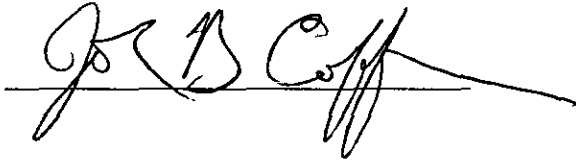
John B. Coffman (#36591)
Deputy Public Counsel
P. O. Box 7800
Jefferson City, MO 65102
(573) 751-5560
(573) 751-5562 FAX

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to the following this 20th day of March, 2000:

James J. Cook
AmerenUE
P.O. Box 66149 (MC 1310)
St. Louis, MO 63166

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

A handwritten signature in black ink, appearing to read "JJC", is written over a horizontal line.

P.S.C. MO. No.

2

3rd

(Original)

SHEET NO.

43

(Revised)

Cancelling P.S.C. MO. No.

2

2nd

(Original)

SHEET NO.

43

(Revised)

MISSOURI PUBLIC SERVICE
KANSAS CITY, MO 64138

FOR: All Territory Served by Missouri Public Service

ECONOMIC DEVELOPMENT RIDER
ELECTRIC

FILE COPY

PURPOSE

The purpose of this Economic Development Rider (EDR) is to encourage industrial and commercial development in Missouri. The EDR allows Missouri Public Service to partner with the State of Missouri and local governments in developing an overall competitive pricing structure offered to prospective industrial and commercial customers who are engaged in the site selection process.

AVAILABILITY

Electric service under this Rider is only available in conjunction with local, regional, and state governmental economic development activities where incentives have been offered and accepted to locate or expand existing facilities in Missouri Public Service's service area.

Electric service under this Rider is only available to customers otherwise qualified for service under Missouri Public Service's Large General Service or Large Power Service rate schedules. Electric service under this Rider is not available in conjunction with service provided pursuant to any other special contract agreements.

The availability of this Rider shall be limited to industrial and commercial facilities not primarily involved in selling or providing goods and services directly to the general public. Customers receiving service under the EDR prior to December 31, 1999 will continue to receive the benefits under the terms of the EDR in effect at the time of their original agreement, until the normal termination of their contract.

Missouri Public Service reserves the right to approve the EDR incentive discounts based on the financial credit worthiness of the customer applying for the EDR and the financial feasibility to Missouri Public Service. Deposits and other provisions of the Large General Service or Large Power Service rate schedules may apply.

APPLICABILITY

This Rider is applicable to a new customer, or the additional separately metered facilities of an existing customer, which meet the above availability criteria, the load factor criterion, and the criterion pertaining to annual kW demand.

- 1) **Load Factor Criterion:** The annual load factor of the new customer or additional facilities is reasonably projected to exceed fifty percent (50%) within two (2) years of the new customer or additional separately metered facilities commencing service under this Rider. The customer must maintain an annual load factor exceeding fifty percent (50%) or greater in years three (3) through five (5) of the Rider to continue to be eligible for the incentive provisions. The customer's annual load factor will be reviewed each year on the anniversary of the commencement date of the EDR. The customer's discount may be increased, decreased, or terminated depending on the annual load factor review. The annual load factor of the customer shall be determined by the following relationship.

$$\frac{\text{Annual Energy (kWh)} / \text{Hours in Year}}{\text{Maximum Summer Monthly Billing Demand}}$$

- 2) **Annual kW Demand Criterion:** The peak demand of the new customer or additional facilities is reasonably projected to be at least two hundred (200) kW within two (2) years of the new customer or separately metered facilities expansion first receiving service from Missouri Public Service. The new or expanding customer and Missouri Public Service will mutually agree upon a capacity expansion plan to be defined in the electric service agreement.

Attachment 1

P.S.C. MO. No.

2

5th

(Original)

SHEET NO.

44

(Revised)

Cancelling P.S.C. MO. No.

2

4th

(Original)

SHEET NO.

44

(Revised)

MISSOURI PUBLIC SERVICE
KANSAS CITY, MO 64138

FOR: All Territory Served by Missouri Public Service

ECONOMIC DEVELOPMENT RIDER (CONTINUED)
ELECTRIC

Requests for service under this Rider must be submitted prior to having committed to moving into or expanding within Missouri Public Service's service area and shall be accompanied by sufficiently detailed information to enable Missouri Public Service to determine whether the new customer or additional facilities meet the above criteria. New or expanded facilities under construction or otherwise committed to operation prior to the effective date of this Rider are not eligible for service under this Rider. The customer must notify Missouri Public Service in writing of the date at which they would like the provisions of this Rider to commence. Such commencement date must be within twelve (12) months of the execution of the contract.

Bills for separately metered service to existing customers pursuant to the provisions of this Rider, will be calculated independently of any other service rendered the customer at the same or other locations.

LOCAL SERVICE FACILITIES

Missouri Public Service will not require a contribution in aid of construction for standard facilities installed to serve the customer if the expected revenues from the new load are determined to be sufficient to justify the required investment in the facilities.

INCENTIVE PROVISIONS - With a 5-Year Contract

Electric Service under the 5-Year Contract option shall be evidenced by a contract between the customer and Missouri Public Service endorsing Missouri Public Service as the exclusive electric service provider to the customer's new facility. The term of the electric service contract for supply, transmission, and distribution of electricity will be equal to the term of the EDR discount. If during the contract period the customer elects to purchase electricity from a supplier other than Missouri Public Service, the customer will be obligated to refund all electric discounts attributable to supply previously received under the EDR.

In the event that during the contract period the customer elects to bypass the Missouri Public Service distribution network, the customer will be obligated to reimburse Missouri Public Service for the labor and materials to install the distribution assets to the metered facility and be obligated to refund any previous discounts attributable to transmission or distribution received under the EDR to Missouri Public Service. In such an event, Missouri Public Service will retain ownership of the distribution assets. The EDR contract will be submitted to the Missouri Public Service Commission and OPC upon execution.

Revenue Determination Based on Load Factor from 50 to 54 Percent - Five Year Electric Service Contract Required:

The pre-tax revenues under this Rider shall be determined by reducing otherwise applicable charges, associated with the Large General Service or Large Power Service rate schedules of: 25% during the first contract year, 20% during the second contract year, 15% during the third contract year, 10% during the fourth contract year, and 5% during the fifth contract year. After the fifth contract year, this incentive provision shall cease. All other billing, operational and related provisions of the aforementioned rate schedules shall remain in effect.

Revenue Determination Based on Load Factor from 55 to 59 Percent - Five Year Service Contract Required: The pre-tax revenues under this Rider shall be determined by reducing otherwise applicable charges, associated with the Large General Service or Large Power Service rate schedules of: 27.5% during the first contract year, 22.5% during the second contract year, 17.5% during the third contract year, 12.5% during the fourth contract year, and 7.5% during the fifth contract year. After the fifth contract year, this incentive provision shall cease. All other billing, operational and related provisions of the aforementioned rate schedules shall remain in effect.

P.S.C. MO. No.	<u>2</u>	<u>3rd</u>	(Original)	SHEET NO.	<u>44.1</u>
			(Revised)		
Cancelling P.S.C. MO. No.	<u>2</u>	<u>2nd</u>	(Original)	SHEET NO.	<u>44.1</u>
			(Revised)		

MISSOURI PUBLIC SERVICE
KANSAS CITY, MO 64138

FOR: All Territory Served by Missouri Public Service

ECONOMIC DEVELOPMENT RIDER (CONTINUED)
ELECTRIC

Revenue Determination Based on Load Factor of 60 Percent or Greater - Five Year Electric Service Contract Required: The pre-tax revenues under this Rider shall be determined by reducing otherwise applicable charges, associated with the Large General Service or Large Power Service rate schedules of; 30% during the first contract year, 25% during the second contract year, 20% during the third contract year, 15% during the fourth contract year, and 10% during the fifth contract year. After the fifth contract year, this incentive provision shall cease. All other billing, operational and related provisions of the aforementioned rate schedules shall remain in effect.

INCENTIVE PROVISIONS - Without a 5-Year Exclusive Service Provider Contract

Revenue Determination Based on Load Factor of 50% or Greater - No Electric Service Contract Required: The pre-tax revenues under this Rider shall be determined by reducing otherwise applicable charges, associated with the Large General Service or Large Power Service rate schedules of; 15% during the first contract year, 15% during the second contract year, and 10% during the third contract year. Under this discount option, the customer is under no obligation to enter into any exclusive electric service provider contract with Missouri Public Service.

TERMINATION

Failure of the customer to meet any of the applicability criteria of this Rider within two (2) years of the commencement date of service under this Rider will lead to termination of service under this Rider.

TERM

Missouri Public Service may file to freeze the availability of this Rider with respect to new loads at any time following the first anniversary of the initial offering hereof. This Rider will not be available to new loads added subsequent to December 31, 2001. Any customers receiving service under this Rider on the date it is frozen or alternatively on December 31, 2001, will continue to receive the benefits of the incentive provisions contained herein.

In the advent of electric deregulation, any remaining EDR incentive discount will be allocated among the electric supply, transmission, and distribution entities.

P.S.C. MO. No.	<u>2</u>	<u>3rd</u>	(Original) (Revised)	SHEET NO.	<u>43</u>
Cancelling P.S.C. MO. No.	<u>2</u>	<u>2nd</u>	(Original) (Revised)	SHEET NO.	<u>43</u>

MISSOURI PUBLIC SERVICE
KANSAS CITY, MO 64138

FOR: All Territory Served by Missouri Public Service

**ECONOMIC DEVELOPMENT RIDER
ELECTRIC**

PURPOSE

The purpose of this Economic Development Rider (EDR) is to encourage industrial and commercial development in Missouri. The EDR allows Missouri Public Service to partner with the State of Missouri and local governments in developing an overall competitive pricing structure offered to prospective industrial and commercial customers who are engaged in the site selection process.

AVAILABILITY

Electric service under this Rider is only available in conjunction with local, regional, and state governmental economic development activities where incentives have been offered and accepted to locate or expand existing facilities in Missouri Public Service's service area.

Electric service under this Rider is only available to customers otherwise qualified for service under Missouri Public Service's Large General Service or Large Power Service rate schedules. Electric service under this Rider is not available in conjunction with service provided pursuant to any other special contract agreements.

The availability of this Rider shall be limited to industrial and commercial facilities not primarily involved in selling or providing goods and services directly to the general public. Customers receiving service under the EDR prior to December 31, 1999 will continue to receive the benefits under the terms of the EDR in effect at the time of their original agreement, until the normal termination of their contract.

Missouri Public Service reserves the right to approve the EDR incentive discounts based on the financial credit worthiness of the customer applying for the EDR and the financial feasibility to Missouri Public Service. Deposits and other provisions of the Large General Service or Large Power Service rate schedules may apply.

APPLICABILITY

This Rider is applicable to a new customer, or the additional separately metered facilities of an existing customer, which meet the above availability criteria, the load factor criterion, and the criterion pertaining to annual kW demand.

- 1) **Load Factor Criterion:** The annual load factor of the new customer or additional facilities is reasonably projected to exceed fifty percent (50%) within two (2) years of the new customer or additional separately metered facilities commencing service under this Rider. The customer must maintain an annual load factor exceeding fifty percent (50%) or greater in years three (3) through five (5) of the Rider to continue to be eligible for the incentive provisions. The customer's annual load factor will be reviewed each year on the anniversary of the commencement date of the EDR. The customer's discount may be increased, decreased, or terminated depending on the annual load factor review. The annual load factor of the customer shall be determined by the following relationship.

$$\frac{\text{Annual Energy (kWh)} / \text{Hours in Year}}{\text{Maximum Summer Monthly Billing Demand}}$$

- 2) **Annual kW Demand Criterion:** The peak demand of the new customer or additional facilities is reasonably projected to be at least two hundred (200) kW within two (2) years of the new customer or separately metered facilities expansion first receiving service from Missouri Public Service. The new or expanding customer and Missouri Public Service will mutually agree upon a capacity expansion plan to be defined in the electric service agreement.

P.S.C. MO. No.

2

5th

(Original)

SHEET NO.

44

(Revised)

Cancelling P.S.C. MO. No.

2

4th

(Original)

SHEET NO.

44

(Revised)

MISSOURI PUBLIC SERVICE
KANSAS CITY, MO 64138

FOR: All Territory Served by Missouri Public Service

ECONOMIC DEVELOPMENT RIDER (CONTINUED)
ELECTRIC

Requests for service under this Rider must be submitted prior to having committed to moving into or expanding within Missouri Public Service's service area and shall be accompanied by sufficiently detailed information to enable Missouri Public Service to determine whether the new customer or additional facilities meet the above criteria. New or expanded facilities under construction or otherwise committed to operation prior to the effective date of this Rider are not eligible for service under this Rider. The customer must notify Missouri Public Service in writing of the date at which they would like the provisions of this Rider to commence. Such commencement date must be within twelve (12) months of the execution of the contract.

Bills for separately metered service to existing customers pursuant to the provisions of this Rider, will be calculated independently of any other service rendered the customer at the same or other locations.

LOCAL SERVICE FACILITIES

Missouri Public Service will not require a contribution in aid of construction for standard facilities installed to serve the customer if the expected revenues from the new load are determined to be sufficient to justify the required investment in the facilities.

INCENTIVE PROVISIONS - With a 5-Year Contract

Electric Service under the 5-Year Contract option shall be evidenced by a contract between the customer and Missouri Public Service endorsing Missouri Public Service as the exclusive electric service provider to the customer's new facility. The term of the electric service contract for supply, transmission, and distribution of electricity will be equal to the term of the EDR discount. If during the contract period the customer elects to purchase electricity from a supplier other than Missouri Public Service, the customer will be obligated to refund all electric discounts attributable to supply previously received under the EDR.

In the event that during the contract period the customer elects to bypass the Missouri Public Service distribution network, the customer will be obligated to reimburse Missouri Public Service for the labor and materials to install the distribution assets to the metered facility and be obligated to refund any previous discounts attributable to transmission or distribution received under the EDR to Missouri Public Service. In such an event, Missouri Public Service will retain ownership of the distribution assets. The EDR contract will be submitted to the Missouri Public Service Commission and OPC upon execution.

Revenue Determination Based on Load Factor from 50 to 54 Percent - Five Year Electric Service Contract Required: The pre-tax revenues under this Rider shall be determined by reducing otherwise applicable charges, associated with the Large General Service or Large Power Service rate schedules of; 25% during the first contract year, 20% during the second contract year, 15% during the third contract year, 10% during the fourth contract year, and 5% during the fifth contract year. After the fifth contract year, this incentive provision shall cease. All other billing, operational and related provisions of the aforementioned rate schedules shall remain in effect.

Revenue Determination Based on Load Factor from 55 to 59 Percent - Five Year Service Contract Required: The pre-tax revenues under this Rider shall be determined by reducing otherwise applicable charges, associated with the Large General Service or Large Power Service rate schedules of; 27.5% during the first contract year, 22.5% during the second contract year, 17.5% during the third contract year, 12.5% during the fourth contract year, and 7.5% during the fifth contract year. After the fifth contract year, this incentive provision shall cease. All other billing, operational and related provisions of the aforementioned rate schedules shall remain in effect.

P.S.C. MO. No.	<u>2</u>	<u>3rd</u>	(Original)	SHEET NO.	<u>44.1</u>
			(Revised)		
Cancelling P.S.C. MO. No.	<u>2</u>	<u>2nd</u>	(Original)	SHEET NO.	<u>44.1</u>
			(Revised)		

MISSOURI PUBLIC SERVICE
KANSAS CITY, MO 64138

FOR: All Territory Served by Missouri Public Service

ECONOMIC DEVELOPMENT RIDER (CONTINUED)
ELECTRIC

Revenue Determination Based on Load Factor of 60 Percent or Greater - Five Year Electric Service Contract Required: The pre-tax revenues under this Rider shall be determined by reducing otherwise applicable charges, associated with the Large General Service or Large Power Service rate schedules of; 30% during the first contract year, 25% during the second contract year, 20% during the third contract year, 15% during the fourth contract year, and 10% during the fifth contract year. After the fifth contract year, this incentive provision shall cease. All other billing, operational and related provisions of the aforementioned rate schedules shall remain in effect.

INCENTIVE PROVISIONS - Without a 5-Year Exclusive Service Provider Contract

Revenue Determination Based on Load Factor of 50% or Greater - No Electric Service Contract Required: The pre-tax revenues under this Rider shall be determined by reducing otherwise applicable charges, associated with the Large General Service or Large Power Service rate schedules of; 15% during the first contract year, 15% during the second contract year, and 10% during the third contract year. Under this discount option, the customer is under no obligation to enter into any exclusive electric service provider contract with Missouri Public Service.

TERMINATION

Failure of the customer to meet any of the applicability criteria of this Rider within two (2) years of the commencement date of service under this Rider will lead to termination of service under this Rider.

TERM

Missouri Public Service may file to freeze the availability of this Rider with respect to new loads at any time following the first anniversary of the initial offering hereof. This Rider will not be available to new loads added subsequent to December 31, 2001. Any customers receiving service under this Rider on the date it is frozen or alternatively on December 31, 2001, will continue to receive the benefits of the incentive provisions contained herein.

In the advent of electric deregulation, any remaining EDR incentive discount will be allocated among the electric supply, transmission, and distribution entities.