



1901 Gratiot Street, St. Louis

(314) 554-2554

December 11, 1986

Slagter
VIA FEDERAL EXPRESS

Mr. Harvey G. Hubbs
Secretary
Missouri Public Service Commission
Truman Building
301 W. High Street
Jefferson City, MO 65101

Re: Case No. A0-87-48

Dear Mr. Hubbs:

Enclosed for filing in the above case are the original and fourteen copies of a Motion For Extension of Time and For Modification of Filing Requirements.

Kindly acknowledge receipt by date stamping the duplicate copy of this letter and returning it to me in the enclosed self-addressed stamped envelope.

Yours truly,

Paul A. Agathen
Paul A. Agathen
General Attorney

PAA/mcg
Enclosures

cc: w/encl.: William C. Harrelson
Richard W. French

FILED
DEC 12 1986
PUBLIC SERVICE COMMISSION

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Motion For Extension of Time and
For Modification of Filing Requirements

2. The rate phase-in plan adopted in the Company's last electric rate case complicates the issues regarding the impact of the new tax law, and at the same time it increases the possible options for reflecting the tax change in rates. The Company will be unable to complete the calculations of this impact by December 15 for all years of the phase-in, and until those calculations are completed it will not be in a position to

formulate a final position on implementation of the new tax law. The Company therefore respectfully requests a two week extension in the initial filing date with respect to its electric business.

3. The Company also respectfully requests that the initial filing for its electric business be based on the test year cost of service from the Company's last electric rate case, as opposed to 1985 calendar year data. The rate case cost of service was based on calendar year 1984, with annualized pro forma adjustments to reflect the completion of Callaway. The first full year of Callaway operations was 1985, so the test year cost of service will at least approximate 1985 operations. Using the rate case cost of service has several advantages. It forms the basis for the present rates, and would therefore form the basis for revised rates as well; and it is already computerized, which will facilitate the calculations.

4. The Company also respectfully requests that it be granted a waiver of all filing requirements in this docket for its natural gas operations. The Company filed a gas rate case on December 3, 1986. At that time it provided to Staff and Public Counsel a preliminary draft of the rate case "Minimum Filing Requirements." As is shown therein, the gas rate case is based on the new 34% corporate tax rate. The rate case seems the more logical vehicle for determining the issues in question. It provides a date certain by which the proceeding will definitely be completed, and will provide a current test year for all aspects of the cost of service.

5. Finally, the Company requests a waiver of all filing requirements in this docket with respect to its water and steam businesses. Under the terms of the Commission's November 3 Order, the Company would be required

to compile and file separate revenue impact data for its electric, gas, water and steam operations.

The total 1985 annual revenue from the Company's water business was only about \$2.8 million, and annual 1985 revenue from the steam business (in Jefferson City) was approximately \$550,000. In contrast, total Company revenue for 1985 was over \$1.5 billion. Based on a rough approximation, the Tax Reform Act will decrease the annual revenue requirement for the Company's water business by only about \$26,000, and decrease the revenue requirement for the steam business by about \$3,000. The bases for these approximations are shown on Appendix A hereto. The Company respectfully suggests that the relative magnitude of these amounts would not justify the time of all parties concerned in performing the detailed calculations required by the Commission Order, verifying the calculations, and then implementing any resulting rate changes.

Further, the current water rates have been in effect since December 1, 1982, and the current steam rates since November of that year. It is reasonable to assume that increases in other costs since those dates would more than offset the decrease in federal taxes. In fact, the Company recently compiled a cost of service for the water business, based on a test year ending June 30, 1986, with a view to a possible rate case filing. This study showed that even with the 34% tax rate, the revenue deficiency was over \$400,000.

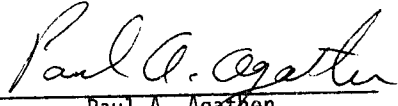
6. The Company regrets not having filed this Motion sooner, but with the phase-in, the calculations became more complicated than was expected. In any event, with the holiday season approaching, the two week extension requested in paragraph 2 above should not affect the schedule of further proceedings in this case.

WHEREFORE, for the reasons stated above the Company respectfully requests (1) a two week extension in the date for making the initial informational filing with respect to its electric business; (2) authorization to base that initial filing for the electric business on the cost of service from the Company's last rate case, instead of calendar year 1985; and (3) a waiver of all filing requirements in this docket for its natural gas, water and steam operations.

Respectfully submitted,

UNION ELECTRIC COMPANY

By


Paul A. Agathen

Attorney for
Union Electric Company
P.O. Box 149
St. Louis, MO 63166
(314) 554-2554

December 11, 1986

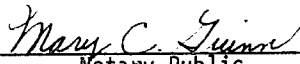
VERIFICATION

Robert O. Piening, being first duly sworn, states that the facts in the foregoing Motion are true to the best of his information and belief.



Robert O. Piening


Subscribed and sworn to before me this 11th day of December, 1986.



Notary Public
MARY C. GUINN
NOTARY PUBLIC—STATE OF MISSOURI
ST. LOUIS CITY
MY COMMISSION EXPIRES JUNE 16, 1990

Certificate of Service

I certify that a copy of the foregoing was mailed this 11th day of December, 1986 to counsel for Staff and the Office of Public Counsel.



Paul A. Agathen

Case No. A0-87-48
Union Electric Company
Water Operations
(000)

Tax Rate - Prior law 46%
- Tax Reform Act of 1986 34%

$$34/46 = .739$$

Tax Expense

	<u>Prior Law</u>	<u>New Law (.739)</u>	<u>Change</u>
Current provision	(40)	(29)	11
Unbilled	11	8	(3)
Deferred tax provision	<u>96</u>	<u>71</u>	<u>(25)</u>
Total	<u>67</u>	<u>50</u>	<u>(17)</u>

$$(17) \div 1 - .34 = (26)$$

Union Electric Company
Steam Operations
(000)

Tax Rate - Prior law 46%
- Tax Reform Act of 1986 34%

$$34/46 = .739$$

Tax Expense

	<u>Old Law</u>	<u>New Law (.739)</u>	<u>Change</u>
Current provision	2	2	
Deferred tax provision	<u>6</u>	<u>4</u>	<u>(2)</u>
Total	<u>8</u>	<u>6</u>	<u>(2)</u>

$$(2) \div 1 - .34 = (3)$$