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FILED[3]

AUG 0 7 2000

Missouri Public
Service Commission

August 5, 2000

**VIA FEDERAL EXPRESS**

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
501 West High Street, Suite 530
P. O. Box 360
Jefferson City, Missouri 65102

RE: Union Electric Company – Case No. EO-2000-580

Dear Mr. Roberts:

Enclosed for filing in the above matter please find original and eight (8) copies of Applicants Motion for Reconsideration/Rehearing of Commission order Denying Motions for Oral Argument, Approval of an Interim Alternative Interruptible Rate and for an Expedited Procedural Schedule, entered on July 27, 2000.

I would appreciate the return of one file-stamped copy of the enclosed pleading.

Thank you for bringing this filing to the attention of the Commission.

Yours very truly,

Robert C. Johnson

RCJ/ps
Enclosures

STLD01-999992-1

FILED[3]

AUG 0 7 2000

Missouri Public Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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| In the Matter of an Investigation Into an Alternative Rate Option for Interruptible Customers of Union Electric Company d/b/a Ameren UE | ) ) ) ) | Case No. EO-2000-580 |

# MOTION FOR RECONSIDERATION/REHEARING OF COMMISSION ORDER DENYING MOTIONS FOR ORAL ARGUMENT, APPROVAL OF AN INTERIM ALTERNATIVE INTERRUPTIBLE RATE AND FOR AN EXPEDITED PROCEDURAL SCHEDULE

Holnam Inc., Lone Star Industries, Inc. and River Cement Company, (Applicants) by their attorney and pursuant to rule CSR 240-2.160 of the Commission request reconsideration or rehearing of the Commission's order entered herein on July 27, 2000 and with respect to the mattes described below.

In support of their Motion, Applicants state as follows:

1. Applicants restate their arguments contained in their Suggestions in Support of their Application for Approval of an Interim Alternative Interruptible Rate and Suggestions in Support of the Motion for Expedited Schedule Proceedings which Applicants submit are applicable and persuasive in these proceedings. Without waiving their position on the issues decided by the Commission in its order entered on July 27, 2000, Applicants will direct their arguments herein primarily in support of their Application for Approval of an Alternative Interruptible Rate during pendency of the Commission proceedings in this docket.

2. Applicants submit that the Commission erred in denying Applicants request for approval of its proposed interim alternative interruptible rate by citing with the approval the Staff position that implementation of such a tariff would "negate a key



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term of a stipulation and agreement in case number EO-96-15 and that establishing the interim tariff would benefit only Applicants and would have corresponding detriment to Ameren UE and its other customers." A copy of the pertinent section of the Stipulation and Agreement dated April 30, 1999 ("Stipulation") is attached hereto. Clearly the establishment of this proceeding and the approval of the interim alternative tariff proposed by Applicants are completely consistent with the terms of the Stipulation. Nothing in the Stipulation will be negated by implementation of such tariff and customers will have a choice of interruptible tariff.

3. Furthermore the interim tariff grants to the utility the ability to interrupt up to approximately 40 megawatts of electric power in order to protect the reliability of the Union Electric system in he summer peak period. Clearly the ability to interrupt for a significant amount of power to protect a system under stress is a benefit to Union Electric Company and to all its customers, particularly residential customers. There is no detriment to Union Electric Company or to any of its customers that could result from approval of such tariff. Approval of the interim alternative tariff will preserve the status quo.

4. The only detriment that has occurred has been imposed upon Applicants who until June 1st of this year were covered under the traditional interruptible tariff of Union Electric Company and who agreed in exchange for a billing credit to curtail their power needs upon request for up to approximately 40 megawatts of power. Effective June 1st, and because Applicants and Union Electric Company were unable to reach agreement on an appropriate replacement or alternative tariff, the original Rider 10M tariff terminated with the result that Applicants sustained approximately a $2.4 million

increase in electric utility rates. Accordingly Union Electric Company will realize a revenue increase of 2.4 million dollars at a time when it is clearly in an overearnings position.

5. It is important to note that the Rider M tariff is a new concept incorporating economic curtailments and is substantially different than the Voluntary Curtailment Tariff referred to in the Stipulation, a copy of which is attached. Furthermore, the compromise tariff proposed by Applicants included economic curtailment provisions (requested by Union Electric) together with reliability curtailment provisions.

6. We submit that the Commission further erred in not taking into account the fact that the new Rider M interruptible tariff newly developed in the spring of this year and filed by UE in April of this year, includes provisions that would permit UE to curtail a customer during periods when the wholesale cost of power is very expensive and then resell the power that would otherwise have gone to curtailed customers in the open market at a higher price through an unregulated subsidiary. Effectively this gives the utility the right to deregulate the power that would otherwise go to jurisdictional customers and permit its sale on an unregulated basis in the open market. This is the result of the present tariff situation on the Union Electric system.

7. Applicants submit that the Commission erred by denying oral argument on issues of critical importance at the time of the summer peaking season. Applicants submit that the issues here are more legal than factual, involve important policy issues and involve the interpretation of tariffs on file and tariff proposals that have been in the

case record for several months. We also note that the filing of Applicants direct testimony in this case was completed on July 20th and copies were served on all parties.

WHEREFORE, Applicants respectfully request that the Commission reconsider its Order of July 27, 2000 and grant Applicants Motions for Oral Argument, Approval of an Alternative Interim Interruptible Tariff and for Establishing an Expedited Procedural Schedule.

Dated at St. Louis, Missouri this 5th day of August, 2000.

Respectfully submitted,

Robert C. Johnson

Robert C. Johnson
#15755
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## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been mailed to all parties of record on this 5th day of August 2000.

Robert C. Johnson

STLD01-999993-1

5/3/99

MAY 05 1999

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

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| In the Matter of the Investigation into the Class Cost of Service and Rate Design for Union Electric Company | ) ) ) | Case No. EO-96-15 |

## STIPULATION AND AGREEMENT

**COME NOW** the undersigned parties ("Signatories") and for their Stipulation and Agreement in the above-styled case, executed on April 30, 1999, respectfully state as follows:

## I. PROCEDURAL HISTORY

**1.** On July 21, 1995, the Commission issued a Report and Order in Case No. ER-95-411, approving the Stipulation and Agreement that had been executed and filed by the parties in that case. In the Report and Order, the Commission established the docket in the instant case (Case No. EO-96-15), "for the purpose of conducting an investigation into the class cost-of-service for Union Electric Company and Union Electric Company's rate design."

**2.** The Report and Order in Case No. ER-95-411 also directed the establishment of a three-year experimental alternative regulation plan for UE. This three-year experimental alternative regulation plan allowed UE to share a portion of its annual earnings with its customers in the form of an annual credit on customer bills, instead of adjusting UE's permanent rates through the traditional rate case/complaint case process. This alternative regulation plan commenced on July 1, 1995 and ended on June 30, 1998.

of 138,000 volts or higher shall be decreased to $0.95 per kW/month. The Rider B demand credit for service delivered at a voltage of 34,500 or 69,000 volts shall be decreased to $0.81 per kW/month. There will be no other revisions to the current billing application of Rider B.

4. **Interruptible Power Rate**

The present Service Classification No. 10(M) - Interruptible Power Rate shall no longer be available for service to additional customers. It will be available to current interruptible customers through the May 2000 billing period, but not thereafter. Company shall file tariff sheets, which in substance are identical to the Voluntary Curtailment Rider shown in Attachment 2, no later than April 30, 1999, bearing a proposed effective date of June 1, 1999. No party to this Stipulation and Agreement will oppose allowing those tariff sheets to become effective by operation of law, (i.e., in accordance with Section 393.140 (11) RSMo 1994), so long as the filed tariff sheets are indeed identical in substance.

Current Interruptible Power Rate 10(M) customers seeking to transfer to the 3(M), 4(M), or 11(M) Rate and the Voluntary Curtailment Rider, must so notify the Company in writing in advance and transfer to the new rate and rider no later than June 1, 1999. Otherwise, such customers must remain on the current Interruptible Power Rate 10 (M) during the billing months of June through September 1999. Interruptible Rate 10 (M) customers who transfer to another rate and the Voluntary Curtailment Rider may not return to the Interruptible Power Rate 10 (M).

No party to this agreement will object, on procedural grounds, to an application filed by any other such party to initiate a docket for consideration by the Commission of an additional alternative rate option for interruptible customers, to be available no sooner than June 1, 2000.

The Company and the Industrials will enter into good faith discussions regarding alternative interruptible rate options. The Company agrees to provide the notifications (See Attachment 2.) made by the Company under the Voluntary Curtailment Rider to customers on the Interruptible Power Rate 10 (M), on the same basis and at the same time that it is provided to customers taking service under the Voluntary Curtailment Rider.

**5. Supplementary Service (i.e., Rider E)**

All Signatories agree that there should be no change to Rider E in this case.

**6. Residential Seasonal Differential**

All Signatories agree that there should be no change to the seasonal differential in the Residential Service Rate 1(M), and that the winter tail-block charge should continue to apply to consumption in excess of 750 kWh per month during the eight billing months of October through May.

## III. GENERAL MATTERS

15. Utilicorp and Trigen-St Louis, although Signatories, neither agree nor disagree with the terms and conditions of this Stipulation and Agreement and neither support nor oppose the adoption by the Commission of the terms and conditions agreed to by the other parties and contained in this Stipulation and Agreement. Utilicorp and Trigen-St Louis, however, do not request a hearing with respect to said terms and conditions. Furthermore, Utilicorp and Trigen-St Louis take no position at this time with respect to the issues to be contested by Laclede as described in this Stipulation and Agreement.

UNION ELECTRIC COMPANY
VOLUNTARY CURTAILMENT RIDER

PURPOSE:
The purpose of this Rider is to provide bill credits to customers who, at Company's request, voluntarily curtail (interrupt and/or displace) electrical usage normally served by Company.

APPLICABILITY:
This Rider is applicable to and is to be used in conjunction with the Company's Electric Service Classifications 3(M) Large General Service Rate, 4(M) Small Primary Service Rate, or 11(M) Large Primary Service Rate. All of the provisions of the above referenced Service Classifications and the Company's General Rules and Regulations shall apply, except as modified by this Rider. This Rider may not be used in conjunction with the Company's Rider G – Curtailable Power Project.

The applicability of this Rider is limited to customers receiving service under the above referenced Service Classifications who voluntarily agree to curtail an average of 1,000 kWh per hour at a single premises during specified hours upon request by Company.

Applicants for this Rider must provide the Company with an acceptable action plan for complying with the provisions of the Rider.

NOTIFICATION:
Standard notification of the declaration of a Voluntary Curtailment Period shall be by telephone facsimile (FAX). Additionally, at the Company's sole discretion, said notification may be supplemented with contact by telephone, pager, or E-mail. All notifications shall be subject to the following:

1. By 8:00 A.M. the day prior to said period. Notification for Voluntary Curtailment Periods for weekends and holidays (as defined in Service Classification No. 4(M)), days after holidays, and Mondays and will be made by 8:00 A.M. on the last business day prior to the Voluntary Curtailment Period and/or;
2. By 8:00 A.M. the morning of the day of said period.

The Company will endeavor to provide customers as much advance notice as possible with regard to said Notifications. The Notification shall, at a minimum, contain the time the Voluntary Curtailment Period is to begin, the duration of the Voluntary Curtailment Period, and the Price(s) per kWh that the Company will apply to a customer's Curtailment kWh during the various Pricing Periods within the Voluntary Curtailment Period.

To be eligible for Credits for a Voluntary Curtailment Period, the Customer must confirm to Company, in writing (by FAX or E-mail, before 10:00 AM on the day that Notification was given, that the customer intends to participate and the level of load the Company can expect the Customer to curtail for each Price Period within the Voluntary Curtailment Period. Customer's failure to respond shall be considered by Company as a response that the customer does not intend to participate during that Voluntary Curtailment Period.

Customers who, on three consecutive occasions, do not acknowledge receipt of the Notification and respond with their intent to participate will be considered in default of the Rider. The Company will eliminate such Customers from further participation under this Rider with thirty (30) days written notice.

ADDITIONAL METERING:
Service under this Rider requires the use of interval time sensitive electronic load profile metering at each meter location, metering not considered standard by Company under some rate classifications. The customer shall pay a monthly fee of $21 for each electronic load profile meter required solely for the application and billing of this Rider.

CURTAILMENT KILOWATTHOUR DETERMINATION:
Company will determine the Curtailment kWh for each Price Period within a Voluntary Curtailment Period for each customer premises using the following methodology:

Curtailment kWh =Average kWh for Equivalent Periods - Actual kWh for the Price Period.

Time Interval: The Time Interval for calculating the Curtailment kWh will be the difference between the beginning and ending time, as identified by the Company for each Price Period, for both the "Equivalent Period(s)" and the actual Price Period(s) within that billing period.

Equivalent Period(s): Interval load data for the participating customers will be obtained for the calendar month in which the curtailment was called. The average usage occurring during the same time interval as the Curtailment Period for each day of the month will be analyzed. The five non-curtailed days having the highest average usage for each individual customer during the analyzed time interval will be used as the Equivalent Periods. Exceptions to this will be used if the actual day of the curtailment is not a typical peak weekday, such as a weekend day, holiday, or day when other events would have influenced usage patterns. For such exceptions, the Equivalent Periods will be those determined by the Company as the most representative of the period of the curtailment.

CREDITS:

Credit =[Curtailment kWh] X [Price quoted by Company for that Price Period].

The Credit applied to the Customer's regular bill for electric service at a premises will be the sum of the individual Credits for each Voluntary Curtailment Period during the billing period in which the curtailment occurred. Such Credits will be applied to the next regular bill subsequent to the bill for the period in which the request for voluntary curtailment(s) occurred.

TERMS AND CONDITIONS:
Company shall have no liability to a customer or to any other person, firm, or corporation for any loss, damage, or injury by reason of non-delivery of electric energy during any Voluntary Curtailment Period as provided herein.

The Company shall not be liable for the cost of fuel, operation and maintenance expense or repairs resulting from a customer's use of its own electric generation during any Voluntary Curtailment Period.

Customer's generating equipment shall not be operated in parallel with Company's service except when such operation is approved by Company and permitted under a written agreement with Company.

Company assumes no responsibility for controlling the Customer's generation and/or shedding Customer's load.

The Company will not adjust or prorate a customer's billing demand applicable to a customer's standard Service Classification rate as a result of any voluntary curtailments under this Rider.

Any interruption, curtailment or reduction of electric service caused by, resulting from, or arising out of an unexpected occurrence shall not be deemed a Notification of a Voluntary Curtailment Period qualifying a customer for Credits under this Rider.

Service under this rider shall be evidenced by a contract between the customer and the Company, a copy of which shall be provided to the Commission's Manager of the Electric Department within ten days of execution for informational purposes.