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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 25th
day of June, 1998.

In the Matter of the Application of Union Electric)
Company from a Variance from a portion of 4 CSR) Case No. EO-98-263
240-13.020(11), for Good Cause Shown.)
)

ORDER GRANTING VARIANCE

On December 26, 1997, Union Electric Company (UE or Company)
filed an application for a variance from a portion of Rule 4 CSR
240-13.020(11) for good cause shown. The Company stated in its
application that compliance with Rule 4 CSR 240-13.020(11) results in
considerable customer confusion and often makes obtaining deposits from
its highest risk customers unsuccessful. When payments are applied to
current utility service leaving a delinquent deposit installment
outstanding, service to the customer remains subject to being
discontinued.

The Staff of the Commission (Staff) filed its recommendations on
June 11. After having reviewed UE's application Staff noted that UE's
proposed variance, in addition to applying payments to delinquent deposit
amounts required, would have allowed UE to apply a payment to delinquent
special charges for unregulated non-utility services included on the
customer's bill before applying the payment to current utility charges.
Staff notes in its memorandum that it advised UE of its opposition to
this aspect of the variance proposed by UE. Staff suggested to UE a
variance similar to that approved by the Missouri Public Service

Commission (Commission) for Associated Natural Gas Company (Case No. GO-95-2) and Kansas City Power & Light Company (Case No. EO-95-117) which allows crediting delinquent deposit amounts prior to crediting current charges for service, but does not allow any portion of a payment to be applied to special charges until all utility charges are paid in full. UE accepted this recommendation.

In its memorandum, Staff recommends that the Commission issue an order approving a permanent variance for UE from the last sentence in 4 CSR 240-13.020(11) to become effective with the approval of revised tariff sheets to be filed by UE with 30 days notice including the following revisions:

(1) Electric: P.S.C. Mo. No. 5, Sheet No. 175 should be revised by adding to Chapter V. Billing Practices, a new Section N. Partial Payments to read as follows:

If a partial payment is made on a billing including only current charges, the Company shall first credit the payment to the balance outstanding for utility charges before crediting a deposit. If a partial payment is made on a billing which includes a previous balance, the Company will credit the payment first to previous utility charges, then to previous deposit requirements before applying any payment to current charges. No portion of any payment will be applied to special charges until all utility charges are paid in full and all required deposits have been made. (This section reflects a variance from Rule 4 CSR 240-13.020(11) granted by the Commission in Case No. EO-98-263.)

(2) Electric: P.S.C. Mo. No. 5, Sheet No. 124 (Table of Contents) should be revised to reflect the addition of Section N. Partial Payments to Sheet No. 175.

(3) Gas: P.S.C. Mo. No. 2, Sheet No. 59 should be revised by adding to Chapter VIII. Billing Practices, a new Section H. Partial Payments to read as follows:

If a partial payment is made on a billing including only current charges, the Company shall first credit the payment to the balance outstanding for utility charges before crediting a deposit. If a partial payment is made on a billing which includes a previous balance, the Company will credit the payment first to previous utility charges, then to previous deposit requirements before applying any payment to current charges. No portion of any payment will be applied to special charges until all utility charges are paid in full and all required deposits have been made. (This section reflects a variance from Rule 4 CSR 240-13.020(11) granted by the Commission in Case No. EO-98-263.)

(4) Gas: P.S.C. Mo. No. 2, Sheet No. 37 (Table of Contents) should be revised to reflect the addition of Section H. Partial Payments to Sheet No. 59.

The Commission finds that the variance requested, with the revisions to the electric and gas tariff sheets as agreed by the parties, is reasonable and justified. The conditions identified by the company constitutes good cause for granting the variance from this rule.

IT IS THEREFORE ORDERED:

1. That the Application for Variance filed by Union Electric Company on December 26, 1997, conditioned upon the filing of the revised tariff sheets as agreed by Staff and company, is granted.

2. The revised tariff sheets shall be filed by the Company by August 6, 1998, making the following revisions as agreed:

a. Electric: P.S.C. Mo. No. 5, Sheet No. 175 should be revised by adding to Chapter V. Billing Practices, a new Section N. Partial Payments to read as follows:

If a partial payment is made on a billing including only current charges, the Company shall first credit the payment to the balance outstanding for utility charges before crediting a deposit. If a partial payment is made on a billing which includes a previous balance, the Company will credit the payment first to previous utility charges, then to previous deposit requirements

before applying any payment to current charges. No portion of any payment will be applied to special charges until all utility charges are paid in full and all required deposits have been made. (This section reflects a variance from Rule 4 CSR 240-13.020(11) granted by the Commission in Case No. EO-98-263.)

b. Electric: P.S.C. Mo. No. 5, Sheet No. 124 (Table of Contents) should be revised to reflect the addition of Section N. Partial Payments to Sheet No. 175.

c. Gas: P.S.C. Mo. No. 2, Sheet No. 59 should be revised by adding to Chapter VIII. Billing Practices, a new Section H. Partial Payments to read as follows:

If a partial payment is made on a billing including only current charges, the Company shall first credit the payment to the balance outstanding for utility charges before crediting a deposit. If a partial payment is made on a billing which includes a previous balance, the Company will credit the payment first to previous utility charges, then to previous deposit requirements before applying any payment to current charges. No portion of any payment will be applied to special charges until all utility charges are paid in full and all required deposits have been made. (This section reflects a variance from Rule 4 CSR 240-13.020(11) granted by the Commission in Case No. EO-98-263.)

d. Gas: P.S.C. Mo. No. 2, Sheet No. 37 (Table of Contents) should be revised to reflect the addition of Section H. Partial Payments to Sheet No. 59.

3. That this order shall become effective on July 7, 1998.

BY THE COMMISSION

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Drainer, Murray
and Schemenauer, CC., concur.
Crumpton, C., absent.

Register, Regulatory Law Judge

RECEIVED

JUN 25 1998

COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION