

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
April 11, 1991

CASE NO. EO-91-244

Michael F. Barnes, Union Electric Company, P.O. Box 149, St. Louis, MO 63166

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

Sincerely,

Brent Stewart

Brent Stewart
Executive Secretary

Uncertified copy:

Office of the Public Counsel, P.O. Box 7800, Jefferson City, Missouri 65102

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 11th
day of April, 1991.

Application of Union Electric Company for Variance)
from Promotional Practice Rule for Good Cause Shown) Case No. EO-91-244
and for Approval of Promotional Practices Sheets.)

ORDER GRANTING VARIANCE

On January 7, 1991, Union Electric Company (UE) filed a verified application requesting a variance from the Commission's Promotional Practices Rule for good cause shown and approval of promotional practices tariff sheets. On March 28, 1991, the Commission's Staff (Staff) filed a memorandum in this case recommending approval of the request for variance. The Commission determines that a hearing is unnecessary to determine the matters at issue in this case and will make a decision based upon UE's verified application and the recommendation of Staff.

UE proposes to inaugurate an experimental program to test the cost effectiveness of offering a rebate to commercial and industrial customers who retrofit or replace existing fluorescent lighting with dedicated electronic ballasts that use T8 fluorescent lamps. The T8 system, when compared to a standard 4 foot fixture with four 40-watt fluorescent bulbs, uses approximately 182 kilowatt hours per fixture less. Through this experimental program, UE hopes to gain a better understanding of the potential cost effectiveness of such a program.

The program will be limited to Franklin, Jefferson, St. Charles, and St. Louis Counties, as well as the City of St. Louis. New construction will be excluded from the program and customers must purchase a minimum of 100 ballasts in order to qualify. Rebates will be limited to \$5000 per customer.

The program will commence as soon as possible if it is approved and will expire on November 30, 1991, or when the \$100,000 budgeted for the program is exhausted, whichever occurs first. Company plans to publish its evaluation of the program's effectiveness by December, 1991.

Staff recommends that the Commission grant the variance program. Staff states that the program as conceived will help reduce peak use, encourage conservation and result in less energy consumption for customers in the program. Staff also states that no other regulated utility companies compete with electricity for this lighting load.

Staff notes that the initial costs of the program will be borne by the shareholders, although ratepayers could ultimately pay for the program to the extent that the Commission allows program costs to be recovered in UE's next rate case. Staff's recommendation of approval is conditional upon the Commission requiring UE to file a tariff pursuant to which the proposed experimental program will be implemented. Staff states that the filing of such a tariff would allow interested parties to have easy access to its provisions.

The Commission's Rule, 4 CSR 240-14.010(2), provides that the Commission may grant variances from the rules regulating promotional practices of utility companies for good cause shown. Based upon UE's verified application and the recommendation of Staff, the Commission finds that good cause has been shown to grant the waiver requested. The Commission determines that the experimental program has the potential to establish a program which could result in a more efficient use of UE's electrical facilities without harm to other regulated utility companies. The Commission notes with approval the recommendation of its Staff that UE be directed to file a tariff pursuant to which the program permitted herein will be implemented.

IT IS THEREFORE ORDERED:

1. That Union Electric Company be granted hereby a variance from provisions of the Commission's Rule, 4 CSR 240-14, for good cause shown, in order to establish an experimental program as set forth herein.
2. That Union Electric Company be directed hereby to file a tariff for the Commission's approval pursuant to which the experimental program permitted herein shall be implemented.
3. That nothing in this Order shall be considered as a finding by the Commission of the reasonableness of the expenditures herein involved. Furthermore, the Commission reserves the right to consider the ratemaking treatment to be afforded this program and its cost in any later proceeding.
4. That this Order shall become effective on the 23rd day of April, 1991.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

Mueller, Rauch, and
McClure, CC.,
Concur.
Steinmeier, Chm., Absent.

O'Donnell/Hagmeyer

A.A.

CASE NO. E0-91-244

Plascencia

Chairman

QGM

Commissioner

J.R.

Commissioner

W

Commissioner

Commissioner

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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, Missouri, this 11th
day of April, 1991.

Brent Stewart

Brent Stewart
Executive Secretary