

Missouri Public Service Commission

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November 19, 1999

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

FILED²

NOV 19 1999

Missouri Public
Service Commission

RE: Case No. EO-2000-251

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and fourteen (14) conformed copies of a **VARIANCE COMMITTEE RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Nathan Williams
Assistant General Counsel
(573) 751-8702
(573) 751-9285 (Fax)

NW/mm
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²

NOV 19 1999

Missouri Public
Service Commission

In the Matter of the Application of Kansas)
City Power & Light Company For a)
Variance from the Commission's Rule)
Requiring Separate Metering for the)
Bickford House.)

Case No. EO-2000-251

VARIANCE COMMITTEE RECOMMENDATION

COMES NOW the Variance Committee of the Missouri Public Service Commission (Committee) and for its recommendation states:

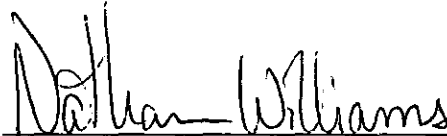
1. In the attached Memorandum, which is labeled Appendix A, the Variance Committee recommends that the Missouri Public Service Commission issue an Order granting Kansas City Power & Light Company a variance from the separate metering requirement of 4 CSR 240-20.050 to allow master metering of the residential living units of the Bickford House project located at 9110 E. 63rd Street, Raytown, Missouri 64133.
2. The Committee has determined that with respect to the portion of electric energy used by the residents of each unit, the long-run benefits to the electric consumers in such building of separate metering do not exceed the costs of purchasing and installing separate meters in such building.

2

WHEREFORE the Variance Committee of the Missouri Public Service Commission recommends the Commission grant Kansas City Power & Light Company's Application for Variance.

Respectfully submitted,

DANA K. JOYCE
General Counsel

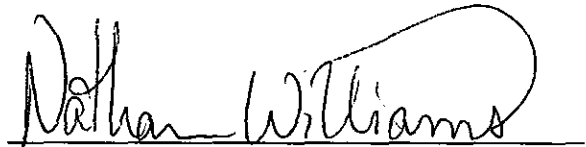


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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 19th day of November, 1999.



MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2000-251, Kansas City Power & Light Company

FROM: Individual Electric Metering Variance Committee:

James Watkins, Utility Division *J.W.*
Jim Ketter, Utility Division *J.K.*
Nathan Williams, Office of the General Counsel *N.W.*
John Coffman, Office of the Public Counsel *J.C.*

Wes Seader 11-19-99
Utility Operations Division/Date

Steven G. ... 11/19/99
General Counsel's Office/Date

SUBJECT: Recommendation for **Approval** of a Variance from Individual Electric Metering requirement for service to the Bickford House

DATE: November 19, 1999

On September 27, 1999, Kansas City Power & Light Company (KCPL or Company) of Kansas City, Missouri, filed an APPLICATION FOR VARIANCE (Application). This Application seeks a variance from the Missouri Public Service Commission's (Commission) individual metering requirements contained in 4 CSR 240-20.050 (2) for electric service to the Bickford House, which is currently under construction in Raytown, Missouri.

4 CSR 240-20.050 (2) states:

Each residential and commercial unit in a multiple-occupancy building construction of which has begun after June 1, 1981 shall have installed a separate electric meter for each residential or commercial unit.

The Commission's rule is aimed at compliance with certain sections of the Public Utility Regulatory Policies Act of 1978. 16 U.S.C. section 2625(d) provides:

Master metering

Separate metering shall be determined appropriate for any new building for purposes of section 2623(b)(1) of this title if -

- (1) there is more than one unit in such building,
- (2) the occupant of each such unit has control over a portion of the electric energy used in such unit, and
- (3) with respect to such portion of electric energy used in such unit,

the long-run benefits to the electric consumers in such building exceed the costs of purchasing and installing separate meters in such building.

KCPL supports the owner's request for master metering of this project because the long-run benefits to the electric consumers of separate metering are not expected to exceed the costs of purchasing and installing separate meters. KCPL represents in its Application that separate metering of the project will increase construction costs and obstruct the intentions of the owner.

The variance committee has reviewed the application, examined the construction plans, and discussed the operation of the Bickford House with both KCPL and the Project Manager. The new building, which is presently under construction, will consist of 65 residential units designed to be a "unique retirement community" providing "carefree, independent living." The Bickford House will also provide spacious common areas for living, dining, and exercise. The single monthly charge to residents will include a variety of support services including three meals a day, weekly flat laundry, and weekly housekeeping services.

KCPL estimates its cost of installing individual electric meters to be approximately \$49.40 per apartment unit for a total cost of approximately \$3,211. Bickford House estimates its cost of wiring the building and installing equipment, such as intermediate control panels, meter bases, grounding for meter bases, cable runs and labor, to permit individual metering of each apartment to be approximately \$525 per apartment for a total cost of approximately \$34,125.

The Individual Electric Metering Variance Committee has considered the potential benefits to consumers of individual metering, i.e., the ability to directly receive the financial benefits of individual conservation and efficiency efforts and the potential for individual choice in selecting an electricity provider at some time in the future. The Committee finds that these potential benefits are likely to be of little value to consumers that choose to live in carefree retirement communities. Furthermore, since the Bickford House will be paying the electric bill(s), individual consumers would not directly receive the financial benefits of individual conservation and efficiency efforts in any event; and receiving, processing, and paying 66 separate bills for electric service would be unnecessarily burdensome and costly for the Bickford House.

The Individual Electric Metering Variance Committee notes that the Application incorrectly indicates that electric service to the Bickford House will be billed on KCPL's 1MGAE (Medium General Service - All Electric) rate. Natural gas will be used for central space and water heating.

The Individual Electric Metering Variance Committee recommends the Commission issue an order to approve a variance from the Commission's Rule requiring separate metering for electric service to the Bickford House for good cause shown.

MO PSC CASE NO. EO-200251
OFFICIAL CASE FILE MEMORANDUM
November 19, 1999
Page 3 of 3

Copies: Director - Utility Operations Division
 Director – Research and Public Affairs Division
 Director - Utility Services Division
 General Counsel
 Manager – Financial Analysis Department
 Manager - Accounting Department
 Manager - Electric Department
 Michael A. Rump, attorney, KCPL
 Office of the Public Counsel

**Service List for
Case No. EO-2000-251
November 19, 1999**

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