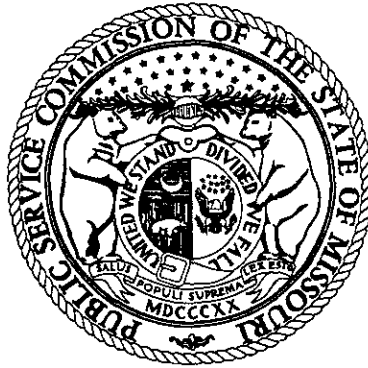


**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**



In the Matter of the Investigation into )  
the Class Cost of Service and Rate Design )  
for Union Electric Company. )

Case No. EO-96-15

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**REPORT AND ORDER**

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**Issue Date:** November 18, 1999

**Effective Date:** November 30, 1999

**OF THE STATE OF MISSOURI**

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

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## REPORT AND ORDER

## I. Procedural History

This case was established pursuant to the Commission's order in ER-95-411 to investigate the class cost of service and rate design of Union Electric Company d/b/a AmerenUE (UE or AmerenUE). The Commission's order in Case No. ER-95-411 made all parties in that case parties in this case. The parties to Case No. ER-95-411 included:

Missouri Public Service Commission Staff (Staff)  
Office of the Public Counsel (Public Counsel)  
Union Electric Company d/b/a AmerenUE  
Monsanto Company<sup>1</sup>  
McDonnell Douglas Corporation  
Anheuser-Busch, Inc.  
MEMC Electronic Materials  
Barnes and Jewish Hospitals<sup>2</sup>  
Emerson Electric Company  
Ford Motor Company  
Holnam, Inc.  
Hussmann Refrigeration Company  
ISP Minerals  
River Cement Company (formerly known as RC Cement Company)  
Asarco Inc.  
The Doe Run Company  
Cominco American  
Missouri Retailers Association  
UtiliCorp United Inc. d/b/a Missouri Public Service (UtiliCorp)

In Case No. EO-96-15, intervention was granted on December 29, 1995, January 25, 1999, and April 26, 1999, to the following additional parties:

Trigen-St. Louis Energy Corporation (Trigen-St. Louis)  
Laclede Gas Company (Laclede)  
Friendship Village of South County<sup>3</sup>  
Friendship Village of West County  
Tesson Heights Enterprises  
Village North  
Cardinal Ritter Institute  
Orchard House Partnership  
State of Missouri - Attorney General's Office  
Adam's Mark Hotel (a.k.a. HBE, Incorporated)  
Alcoa Foil Products (a.k.a. Alumax, Inc.)

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1 Group of Industrial Intervenors known as and hereinafter referred to as Missouri Industrial Energy Consumers (MIEC) includes Monsanto Company, Anheuser-Busch, Inc., MEMC Electronic Materials, Ford Motor Company, Holnam, Inc., Hussmann Refrigeration Company, ISP Minerals, Adam's Mark Hotel, Alcoa Foil Products (Alumax, Inc.), The Boeing Company, General Motors Corporation, Mallinckrodt, Inc., Procter & Gamble, Manufacturing Company and Ralston Purina Company.

2 Group of Industrial Intervenors known as and hereinafter referred to as Missouri Energy Group (MEG) includes Barnes-Jewish Hospital, River Cement Company and Emerson Electric Company.

3 Group of Industrial Intervenors known as and hereinafter referred to as Retirement Facilities Coalition includes Friendship Village of South County, Friendship Village of West County, Tesson Heights Enterprises, Village North, Cardinal Ritter Institute and Orchard House Partnership.

General Motors Corporation  
Mallinckrodt, Inc.  
Procter & Gamble Manufacturing Company  
Ralston Purina Company

The Boeing Company was substituted as a successor party for its predecessor, McDonnell Douglas, on April 26, 1999.

On October 27, 1997, Staff of the Missouri Public Service Commission (Staff) filed a Status Report as requested by the Commission. Staff indicated that the parties had been collecting and preparing data necessary for the parties to perform class cost of service and rate design analyses. Staff also stated that it believed that evidentiary hearings could be scheduled in the summer of 1998 and requested that the Commission order an early prehearing conference for November 24, 1997. On October 29, the Commission issued its order scheduling the early prehearing conference on November 24 and requiring the parties to file a recommended procedural schedule or stipulation and agreement no later than December 15. The early prehearing conference was held on November 24 for the purpose of establishing a proposed procedural schedule but no matters were addressed on the record. On December 15, 1997, the parties submitted a proposed procedural schedule. In addition to the exchange of evidence, prehearing/settlement conference, hearing memorandums, and the evidentiary hearing schedule, the parties noted that they had informally agreed to exchange data and hold technical conferences on several dates prior to the filing of direct testimony. The Commission adopted the proposed procedural schedule setting the evidentiary hearing for September 28 through October 2, 1998.

On July 16, 1998, Staff filed a request for suspension of the procedural schedule. In its request, Staff noted that Public Counsel, AmerenUE, and several of the intervenors had met on July 13, 1998, to discuss the status of the case and exchange information necessary to file testimony. Staff also stated that the parties had agreed that another technical conference would be scheduled on August 10, and that the filing of direct testimony by the scheduled date, July 31, could not be accomplished. Staff stated that the parties would file an amended schedule by August 17 when they would have a better idea of the information available and work remaining. On July 30, the Commission suspended the procedural schedule as requested and ordered the parties to file a proposed procedural schedule by August 17. AmerenUE filed a proposed procedural schedule on August 14. AmerenUE stated that the parties present at the August 10 technical conference either agreed to or did not object to the proposed procedural schedule. The Commission adopted this proposed procedural on September 1.

On February 5, 1999, the parties filed a joint motion to amend the procedural schedule permitting simultaneous filing of direct testimony regarding class cost of service by February 14 and simultaneous filing of direct testimony regarding rate design by March 4. Similarly, the parties recommended that the rebuttal testimony be simultaneously filed for class cost of service by March 19, and that rebuttal testimony be simultaneously filed for rate design by March 24. The Commission adopted these proposed amendments to the procedural schedule as requested.

A prehearing conference was held on March 29. On April 26, the evidentiary hearing was convened and the following pending motions were addressed. MIEC's motion to strike the rebuttal testimony of James C. Watkins on rate design, specifically on the issues of interruptible power and Rider E issues was filed on April 12. The Commission, after reviewing the motion and the responsive pleadings, denied MIEC's motion to strike. On April 15, Richard S. Brownlee, III, filed a motion to withdraw on behalf of his client Cominco American withdrawing as a party from this proceeding. The Commission granted leave to withdraw. On April 16, Staff filed a motion for leave to late file the hearing memorandum, which was due on April 15. Staff's motion for leave was granted.

After entries of appearance and preliminary matters, the parties requested additional time to complete negotiations, as they believed that they were near a settlement of the issues in this case. On April 27, the hearing reconvened and the parties notified the Commission that a Stipulation and Agreement had been reached on all issues except the residential seasonal differential and Rider E issues. The parties agreed that Laclede Gas Company (Laclede) should be permitted to cross-examine the witnesses giving testimony regarding residential seasonal differential and Rider E in this hearing. In exchange, Laclede agreed that it would waive any hearing in regard to the Nonunanimous Stipulation and Agreement that would be filed by the signatory parties memorializing their Stipulation and Agreement in principle. The Commission ordered the

evidentiary hearing on the issues of residential seasonal differential and Rider E held on April 29.

On May 3, the signatory parties filed the Nonunanimous Stipulation and Agreement. On May 4, Laclede filed its waiver of its right to a hearing pursuant to 4 CSR 240-2.115(3) regarding nonunanimous stipulations and agreements. On May 5, the Commission notified the parties of a hearing scheduled May 12 for the formal presentation of the Stipulation and Agreement. On May 11, Staff filed its memorandum explaining the basis upon which it entered into the Stipulation and Agreement. On May 11, the Commission directed the parties to prepare and present specific testimony or evidence regarding the Stipulation and Agreement at the hearing on May 12. On May 12, the formal presentation of the Stipulation and Agreement was held in an evidentiary hearing before the Commission.

## **II. Late-Filed Exhibits**

At the hearing on April 29, the Commission admitted into evidence Exhibits 1 through 36. Also marked but not received into evidence were Exhibits 37 and 38. Exhibits 37 and 38 were taken as an offer of proof, pursuant to 4 CSR 240-2.130(3). Exhibits 39 and 40 were admitted into the record at the May 12 hearing.

On May 24, AmerenUE filed its late-filed Exhibit No. 41 entitled "Proof of Residential Rate Revenue and Bill Distributions." On June 11, the Office of the Public Counsel (Public Counsel) filed its version of Exhibit No. 40 entitled "Distribution of Revenues Among Customer Classes"

pursuant to the Commission's request at hearing. Public Counsel's late-filed exhibit will be marked as Exhibit No. 42. On June 25, MIEC filed a late-filed exhibit entitled "Revenue Requirement Shares" pursuant to the Commission's request at hearing. This exhibit shall be marked Exhibit No. 43. No objections were received to the admission of late-filed Exhibits 41, 42, or 43. Therefore, the Commission shall admit late-filed Exhibit Nos. 41, 42, and 43 into the record.

### **III. Stipulation and Agreement**

The signatory parties filed their Nonunanimous Stipulation and Agreement on May 3, 1999. The signatory parties include AmerenUE, Asarco Inc., The Doe Run Company, Utilicorp United d/b/a Missouri Public Service, Trigen-St. Louis Energy Corporation, Retirement Facilities Coalition, Public Counsel, Missouri Industrial Energy Consumers, Missouri Retailers Association, the State of Missouri by and through the Attorney General, Missouri Energy Group, and the Staff. The Stipulation and Agreement resolves all issues among the parties except the residential seasonal differential and the Rider E issues. Laclede requested, and was granted a hearing on April 29 regarding the issues of residential seasonal differential and Rider E. On May 4, Laclede submitted its waiver of a right to request a hearing pursuant to 4 CSR 240-2.115(3) on all other issues. Because no request for a hearing was received on the Stipulation and Agreement as it applies to all other issues except for residential seasonal differential and the Rider E issues, the Stipulation and Agreement as to all other issues may be considered unanimous pursuant



to 4 CSR 240-2.115. The two remaining contested issues will be discussed in Section IV of this Report and Order.

The Stipulation and Agreement provides that the current distribution of class revenue requirements shall be adjusted by reducing the class revenue requirements of the Staff's proposed non-residential, non-lighting customer classes by the lesser of \$25,000,000, or the total revenue reduction ordered in Case No. EM-96-149, by an equal percentage of weather normalized current rate revenue. The Stipulation and Agreement also provides that after this first portion of the reduction, any portion of the revenue reduction that is in excess of \$25,000,000 shall be distributed to all non-lighting classes on an equal percentage basis. This reduction will be applied as an equal percentage reduction to each rate component, except the customer charges, of each rate schedule after making the rate design changes as agreed to in the Stipulation and Agreement. The Stipulation and Agreement specifically indicates the share of revenue reduction of each customer class.

The Stipulation and Agreement provides that the present residential monthly customer charge of \$5.75 shall be increased by \$1.50 to \$7.25, with the revenue-offsetting reduction to the current energy charge components. The signatory parties agree in the Stipulation and Agreement that there will be no changes to the charges on the optional Time-of-Day rate. The signatory parties further agree that the small general service customer charges (for both single-phase and three-phase service) shall be increased by \$1.50 in order to keep the level of the customer charge the same for both residential and single-phase small general service

customers and to keep the three-phase customer charge at its present increment above the single-phase customer charge. Again, the signatory parties agree that there would be no changes to the charges on the optional Time-of-Day rate.

The Stipulation and Agreement further provides that the large primary service customer charge will be kept equal to the small primary service customer charge and that any adjustment to revenues that result from the overall rate reduction or from a change in the customer charge will be made by applying an equal percentage change to the energy charge components. The signatory parties agree that the adjustments to revenues from reducing the Rider B credits will be made by applying an equal percentage change to the demand charge components. Further, the signatory parties agree that corresponding adjustments would be made to the Interruptible Power Rate to maintain present relationship between the Large Primary Service Rate and the Interruptible Power Rate. Again, the signatory parties agree that there will be no change in the optional Time-of-Day adjustments.

The Stipulation and Agreement provides that the company and Staff will jointly work towards designing rates that will reduce the current primary/secondary rate differential between the large general service rate and the small primary service rate under specific conditions. The Stipulation and Agreement provides that the present Rider B energy credits shall be eliminated and where service is delivered and metered in a voltage level above primary, metered demand (kW), and energy (kWh) will be reduced by the Rider C adjustment factor of 0.68 percent prior

to billing. Rider B demand credits for service delivered at a voltage of 138,000 volts or higher shall be decreased to \$0.95 per kW/month and for service delivered at a voltage of 34,500 or 69,000 volts shall be decreased to \$0.81 per kW/month.

The Stipulation and Agreement provides that the Interruptible Power Rate, presently referred to as service classification No. 10(M), will no longer be available to additional customers but will continue to be available to current interruptible customers through May 2000 billing period. Current Interruptible Power Rate 10(M) customers may transfer to another rate or the voluntary curtailment rider but may not thereafter return to the Interruptible Power Rate 10(M). The signatory parties agreed that the company and the industrial intervenors will enter into good faith discussions regarding alternative interruptible rate options. The signatory parties also agreed that no party to this agreement will object on procedural grounds to an application filed by any other party to initiate a case for consideration by the Commission of additional alternative rate options for interruptible customers that would be available no earlier than June 1, 2000.

UtiliCorp and Trigen-St. Louis are signatories to this agreement but the Stipulation and Agreement indicated that neither UtiliCorp or Trigen-St. Louis agree nor disagree with the terms and conditions of this Stipulation and Agreement. The Stipulation and Agreement also indicated that neither UtiliCorp or Trigen-St. Louis support nor oppose the adoption by the Commission of the terms and conditions agreed to by the other parties contained in this Stipulation and Agreement. Further, it

is stated in the Stipulation and Agreement that neither UtiliCorp nor Trigen-St. Louis request a hearing with respect to the Nonunanimous Stipulation and Agreement terms and conditions. The State of Missouri, by and through the Attorney General's office, is not a signatory to the Stipulation and Agreement and has not filed an objection to the Stipulation and Agreement. The Stipulation and Agreement also stated that Laclede, who is also not a signatory party, has indicated that it has no objection to the terms of the Stipulation and Agreement as they relate to all other issues except the two issues specifically contested.

The Commission has the legal authority to accept a stipulation and agreement as offered by the parties as a resolution of the issues raised in this case, pursuant to Section 536.060, RSMo (Cum. Supp. 1998). Based upon the Commission's review of the applicable law and the Stipulation and Agreement of the parties, the Commission concludes that the Stipulation and Agreement should be approved.

#### **IV. Discussion Of Contested Issues**

##### **A. Residential Seasonal Differential**

Residential seasonal differential refers to the residential rate for electric service, which is a different rate in different seasons. Union Electric's present residential rate design includes a single energy charge for all energy consumed during the four summer months of June through September and a two-step energy charge for energy consumed during the eight winter months October through May. During the winter months, there is an initial energy rate for consumption up to 750 kWh per month

that is referred to as the initial block rate. Also included in the winter months is a second block to which a reduced rate is applied for all consumption above 750 kWh per month; this rate is referred to as the tail block rate. The summer/winter tail block differential can be stated as a ratio that expresses the difference between the summer energy charge and the winter tail block energy charge divided by the winter tail block energy charge. AmerenUE's existing summer/winter tail block differential is calculated as follows:  $(\$0.08271 - \$0.03965) \div .03965 = 108.6$  percent. This residential rate was approved by the Commission as being just and reasonable in AmerenUE's most recent rate design case, Case No. EO-87-175.

Initially in its application, Union Electric proposed to increase the residential seasonal differential. As part of the Stipulation and Agreement, AmerenUE agreed with all other signatory parties that there should be no change to the seasonal differential and the residential service rate 1(M). The signatory parties also agreed 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.

Laclede recommends that the Commission change the residential seasonal differential from the present rates to the rates previously ordered by the Commission in Case Nos. EO-85-17 and ER-85-160. Therefore, Laclede bears the burden of proof that the present residential seasonal differential is no longer just and reasonable and that the rates proposed by Laclede are just and reasonable.

In support of its position, Laclede offered testimony from Michael T. Cline, manager of the tariff and rate administration at Laclede Gas Company, and from Neal D. Suess, a consulting engineer with R.W. Beck. Mr. Cline testified that he is recommending a change in the summer/winter tail block differential, which he says should be indicative of the relative energy-related cost of providing residential services to customers in different seasons. Mr. Cline recommended that the residential seasonal differential be reduced from 108.6 to 75 percent because the 75 percent differential was previously approved by the Commission in an order it issued on March 29, 1985, in Case Nos. EO-85-17 and ER-85-160. Mr. Cline also testified that the winter tail block charge should only apply to consumption over 1,000 kWh.

In regard to the 1985 Commission order that Laclede references, Mr. Cline stated in his testimony that he had not read that order in its entirety. Mr. Cline testified that he was aware that the Commission had subsequently issued an order terminating the phase-in of the 75 percent residential seasonal differential by approving a stipulation and agreement submitted by the parties in 1987. Mr. Cline also testified that Laclede had not conducted a study to determine how much of the winter usage by AmerenUE customers was used for space heating. He also testified that he did not believe that a study would be necessary to show that AmerenUE was subsidizing its winter rates by increasing its summer rates, so that AmerenUE can offer a lower winter rate than Laclede. Mr. Cline testified that he believed that the evidence existed to show that a cost basis would support at least a 75 percent differential.

Laclede argued that AmerenUE subsidized its winter rates by raising the summer rates so that it could decrease the rates in the winter, thereby causing summer customers to subsidize the cost of production in the winter months. Mr. Cline testified that if the rates have appropriately been designed on a cost basis, and rates were tied to cost, that no subsidy would take place. Richard J. Kovach, manager of the rate engineering department at Ameren Services Company, a sister subsidiary of Union Electric Company d/b/a AmerenUE, testified that AmerenUE employed an analysis based on several variations of the average and excess demand allocation methodology in its last rate design case, Case No. EO-87-175, to support the seasonal differential, which allocated 60 percent of its capacity-related cost to the summer peak season and 40 percent of the capacity-related cost to its winter peak season. Laclede's witness, Neal D. Suess, a consulting executive engineer with R.W. Beck, Incorporated, also used the average and excess allocation methodology to calculate the appropriate allocation of demand cost to the summer and winter seasons for the purposes of developing Laclede's proposed residential rate design. Witness Suess testified that his calculations are based upon accepting the unbundled revenue requirement by customer class study that was presented in AmerenUE's rate design testimony sponsored by Wilbon L. Cooper, in Exhibit No. 4.

Mr. Kovach testified that UE was withdrawing its proposal to increase the residential seasonal differential and that they were going to enter into the settlement agreement which proposes that no change be made to the residential seasonal differential rate design in this case.

Laclede's witness Mr. Suess testified that he believed that Laclede's calculations were more appropriate than AmerenUE's calculations but did not provide sufficient evidence to convince the Commission to adopt its calculations and proposed residential seasonal differential as just and reasonable.

#### **B. Rider E**

Rider E is the section of the AmerenUE tariffs entitled Supplementary Service. Rider E service is provided to customers with a source of electrical generation other than that supplied by the public utility company and the service received from the public utility company is used to supplement or back up the customer's other source of electrical generation. AmerenUE requires all customers who request to enter into a Rider E service relationship to enter into a parallel operating agreement with the company, to install a circuit breaker approved by the company, and to agree that AmerenUE will provide service at a primary voltage level under the provisions of a primary service rate. The cost for Rider E is equivalent to a minimum monthly bill for the Rider E service and the cost will not be less than the bill for actual service or a bill based on the large primary service (LPS) demand charge applied to the customer's contract demand. The customer's contract demand is the kilowatt level initially agreed to by AmerenUE or the actual meter demand delivered to the customer, whichever is greater.

Initially, AmerenUE recommended a change in the proposed billing for the Rider E service to the customer each month. AmerenUE entered into the Stipulation and Agreement in which it agreed that no change should



be made to the Rider E supplementary service tariff at this time. The current Rider E supplementary service was found by the Commission to be just and reasonable in its previous order. Therefore, if Laclede were recommending a change, it would bear the burden of proving that the current rate is not just and reasonable and that some other rate is just and reasonable.

Laclede does not propose a change in AmerenUE's Rider E in this case. Laclede claims that AmerenUE's Rider E rate is not cost based and is so cost prohibitive that this rate effectively eliminates all potential for on-site generation. Laclede recommended that the Rider E be redesigned so that it is a reasonable charge but makes no specific recommendation. Laclede requested that the Commission establish a separate case to investigate UE's Rider E but points to no complainant or party who claims that the Rider E supplementary service tariff rate is unreasonably high or has prevented anyone from participating in the co-generation service.

## **V. Findings of Fact**

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact. The Commission has reviewed and considered all of the evidence and arguments presented by the various parties and intervenors. Because of the volume of material presented to the Commission, the Commission may not address some evidence and positions on certain issues. The failure of the Commission to mention a piece of

evidence or the position of a party indicates that, while the evidence or position was considered, it was not found to be necessary to the resolution of the issue.

#### **A. Residential Seasonal Differential**

The Commission finds that Laclede has failed to show that the current Residential Seasonal Differential previously approved by the Commission as just and reasonable is no longer just and reasonable and that the rates proposed by Laclede are just and reasonable. The Commission finds that there should be no change to the seasonal differential in the Residential Service Rate (1M), 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.

#### **B. Rider E**

The Commission finds that Laclede has not proposed a change in AmerenUE's Rider E in this case but rather only asked the Commission to institute another case to investigate AmerenUE's Rider E rate structure for supplementary service. The Commission has recently reviewed this issue based upon a complaint of Trigen-St. Louis, an intervenor in this case. Trigen-St. Louis has not renewed its complaint in this case. No other cogeneration user has raised a complaint about AmerenUE's Rider E rate in this case. Therefore, the Commission finds no basis for initiating an investigation into Rider E Supplementary Service at this time.

## VI. Conclusions of Law

The Missouri Public Service Commission has arrived at the following conclusions of law.

AmerenUE is a public utility engaged in the provision of electric service in the State of Missouri and is subject to the Commission jurisdiction under Chapters 386 and 393 of the Revised Statutes of the State of Missouri 1994 and Cumulative Supplement 1998. The Commission has authority to prohibit implementation of electric service rates that are unjust or unreasonable pursuant to Section 393.130, RSMo (1994).

Orders of the Commission must be based upon competent and substantial evidence on the record. §536.140, RSMo (1994). Based upon its findings of fact, the Commission concludes that the changes proposed by Laclede to the residential seasonal differential rate design are not supported by competent and substantial evidence and shall not be implemented.

The Commission is authorized to examine all persons and corporations under its supervision and keep informed as to the methods, practices, regulations and property employed by them in the transaction of their business. §393.140(5), RSMo (1994). When, in the Commission's opinion, after a hearing on its own motion or upon complaint, the rates or charges of any such person or corporation are unjust, unreasonable, unjustly discriminatory or unduly preferential or in violation of any provision of law, the Commission may prescribe the just and reasonable rates and charges. §393.140(5), RSMo (1994). Laclede requested that the

Commission establish a new case to investigate AmerenUE Rider E Supplementary Service rates but failed to state any specific allegation or complaint. The Commission declines to establish a new case on its own motion. Laclede has not stated sufficient information to convince the Commission that an investigation is warranted. In addition, no cogeneration user has raised a complaint about AmerenUE's Rider E rate for supplementary service. The Commission has recently reviewed this issue based upon a complaint of Trigen-St. Louis, an intervenor in this case. Therefore, the Commission finds no basis for initiating a new investigation into Rider E Supplementary Service at this time.

If authorized by law, Laclede may file a complaint separately from this case for the Commission's consideration. §§393.130 and 393.140, RSMo (1994).

### **IT IS THEREFORE ORDERED:**

1. That late-filed Exhibit Nos. 41, 42, and 43 are admitted into the record.

2. That the Stipulation and Agreement filed on May 3, 1999, by Union Electric Company d/b/a AmerenUE, Staff of the Missouri Public Service Commission, the Office of the Public Counsel, UtiliCorp United, Inc., d/b/a Missouri Public Service, Asarco, Inc., The Doe Run Company, Trigen-St. Louis Energy Corporation, Retirement Facilities Coalition, Missouri Industrial Energy Consumers, Missouri Retailers Association, and Missouri Energy Group, Attachment A to this order, is approved.

3. That Laclede Gas Company's proposal to change the Residential Seasonal Differential and Winter Tail Block is denied.

4. That Laclede Gas Company's request that the Commission open a new case for the purpose of investigating Rider E Supplementary Service of the tariff of The Union Electric Company d/b/a AmerenUE is denied.

5. That all objections not specifically ruled upon are overruled and all motions not specifically ruled upon are denied.

6. That this order shall become effective on November 30, 1999.

**BY THE COMMISSION**



**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

( S E A L )

Lumpe, Ch., Crumpton, Murray,  
Schemenauer, and Drainer, CC.,  
concur and certify compliance  
with the provisions of  
Section 536.080, RSMo 1994.

Dated at Jefferson City, Missouri,  
on the 18th day of November, 1999.

Register, Regulatory Law Judge

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

**FILED**  
MAY 3 1999  
Missouri Public  
Service Commission

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.

3. The Report and Order in Case No. ER-95-411 also directed the establishment of another case (Case No. EO-96-14) "to monitor and receive reports concerning the alternative regulation plan." The Commission subsequently issued two separate orders in Case No. EO-96-14, which directed the Company to issue sharing credits to its customers for the annual period from July 1, 1995 through June 30, 1996, and for the annual period from July 1, 1996 through June 30, 1997. The sharing credit for the third annual period in this alternative regulation plan, from July 1, 1997 through June 30, 1998, is now being litigated before the Commission in Case No. EO-96-14.

4. Subsequently, pursuant to a Stipulation and Agreement approved in Case No. EM-96-149, the Commission directed the establishment of a second three-year experimental alternative regulation plan for the Company. This second alternative regulation plan also required the Company 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 second alternative regulation plan commenced on July 1, 1998 and will end on June 30, 2001.

5. The Stipulation and Agreement in Case No. EM-96-149 provided that UE's permanent rates would be "re-based" at the end of the first alternative regulation plan, which was ordered in Case No. ER-95-411, and which ended on June 30, 1998. The parties intended to implement the permanent change to UE's rates and tariffs by September 1, 1998. After this "re-basing" of permanent rates, annual credits to customer bills, based on an equal cents-per-kWh basis, would continue for an additional three years under the auspices of the second alternative regulation plan.

6. The “re-basing” of permanent rates was to consist of two elements: a permanent reduction in overall Company revenues, if warranted by the results of the first alternative regulation plan; and the rate design. The amount of any permanent reduction in UE’s overall Missouri jurisdictional revenue was to be determined in Case No. EM-96-149. The Stipulation and Agreement approved by the Commission in that case provided: “Any rate reduction shall be spread within and among revenue classes on the basis of the Commission decision in Case No. EO-96-15. . . .”

7. The Stipulation and Agreement that was approved in Case No. EM-96-149 contemplated that both the monitoring case (No. EO-96-14) and the rate design case (No. EO-96-15) would be concluded in time to allow a permanent change to UE’s rates and tariffs to be implemented by September 1, 1998. That Stipulation and Agreement also provided: “*In the event that a Commission decision has not been reached in Case No. EO-96-15, the parties will jointly or severally propose to the Commission a basis or bases on which a rate reduction may be spread on an interim basis within and among the classes pending issuance of the Commission’s decision in Case No. EO-96-15.*”

8. In the Commission’s Report and Order in Case No. ER-95-411, which established the instant case, the Commission specifically ordered that all parties to Case No. ER-95-411 – whether a main litigant or an intervenor – would automatically become parties to this Case No. EO-96-15. Those parties included: Union Electric Company d/b/a AmerenUE (“UE” or “Company”), the Staff of the Missouri Public Service Commission (“Staff”), the Office of the Public Counsel (“OPC”), Monsanto Company, McDonnell Douglas Corporation (now known as The Boeing Company), Anheuser-Busch, Inc., MEMC Electronic Materials, Barnes and Jewish Hospitals (now Barnes-



Jewish Hospital), Emerson Electric Company, Ford Motor Company, Holnam Inc., Hussman Refrigeration Company, ISP Minerals, RC Cement Company (now known as River Cement Company), Asarco Inc., The Doe Run Company, Cominco American, Missouri Retailers Association ("Missouri Retailers"), and UtiliCorp United Inc. d/b/a Missouri Public Service ("UtiliCorp").

9. The Commission subsequently granted the applications to intervene that were filed by Friendship Village of South County, Friendship Village of West County, Tesson Heights Enterprises, Village North, Cardinal Ritter Institute, and Orchard House Partnership (collectively known as "the Retirement Facilities Coalition"), Trigen-St. Louis Energy Corporation ("Trigen-St. Louis"), Laclede Gas Company, the State of Missouri, Adam's Mark Hotel (subsidiary of HBE, Inc.), Alcoa Foil Products, Mallinckrodt Inc., Procter & Gamble Manufacturing Company, Ralston Purina Company, and General Motors Corporation

10. Various attorneys filed motions to withdraw as counsel, entries of appearance, or motions to substitute counsel on behalf of Adam's Mark Hotel, Alcoa Foil Products a/k/a Alumax Inc., Nooter Corporation, Saint Louis University, Solutia Inc., Mallinckrodt Inc., Procter & Gamble Manufacturing Company, Ralston Purina Company, and General Motors Corporation. Nooter Corporation, Saint Louis University, and Solutia Inc. have never sought or been granted intervention, and none of them is a party to this case. Motions to dismiss Asarco Inc. and Cominco American as parties in this case were granted.

11. On September 1, 1998, the Commission issued an Order Adopting Procedural Schedule, which was amended on February 16, 1999. The procedural schedule, as amended, adopted the following timetable:

Simultaneous filing of direct testimony (class cost of service only)	February 19, 1999
Simultaneous filing of direct testimony (rate design only)	March 4, 1999
Simultaneous filing of rebuttal testimony (class cost of service only)	March 19, 1999
Simultaneous filing of rebuttal testimony (rate design only)	March 24, 1999
Prehearing conference	March 29, 1999
Simultaneous filing of surrebuttal testimony	April 9, 1999
Hearing Memorandum	April 15, 1999
Hearing	April 26-30, 1999 (9:00 a.m. first day)

12. Direct, rebuttal and surrebuttal testimony were filed in this case according to the foregoing schedule. In addition, the parties attended a prehearing conference on March 29, 1999, and also convened numerous technical conferences and conducted extensive informal discussions of the issues presented in this case. The Hearing Memorandum was late-filed on April 16, 1999 in conjunction with a motion seeking permission to do so, which motion was subsequently granted.

13. On April 26, 1999, following the commencement of the hearing in this case, the parties, before rendering opening arguments, requested and were granted permission to make one last attempt to resolve the contested issues without the need for a hearing. In consequence of the ensuing negotiations, the Signatories were able to reach unanimous

agreement regarding all but two of the issues in dispute; namely, the Residential Seasonal Differential and Rider E. As to these two issues, all Signatories except Laclede Gas Company ("Laclede") have agreed to a resolution. A hearing was held on the two issues on April 29, 1999.

## **II. SUBSTANTIVE ISSUES**

14. All Signatories agree that if the Commission adopts all of the terms and conditions contained herein and incorporates them into a Report and Order in this case, it will dispose of all issues in this case, with the exception of the two issues that are contested by Laclede, as noted in the preceding paragraph. The Signatories to this Stipulation and Agreement, having considered the positions of the parties and the issues to be resolved in this case, stipulate and agree to the following terms and conditions:

### **A. CLASS COST OF SERVICE/REVENUE REQUIREMENT ISSUES**

The current distribution of class revenue requirements shall be adjusted by reducing the class revenue requirements of the Staff's non-residential, non-lighting customer classes by the lesser of \$25 million, or the total revenue reduction ordered in Case No. EM-96-149, by an equal percentage of weather-normalized current rate revenue. Thereafter, any portion of the revenue reduction that is in excess of \$25 million shall be distributed to all non-lighting classes on an equal percentage basis and will be applied as an equal percentage reduction to each rate component, except the customer charges, of each rate schedule after making the rate design changes agreed to below. The share of the revenue reduction of each customer class (i.e., Residential ["RES"]; Small General Service ["SGS"]; Large General Service ["LGS&SPS"], including both Large

General Service Rate customers and Small Primary Service Rate customers; and Large Primary Service ["LPS"]) is shown and further described below.

The present distribution of weather-normalized current revenues is as follows:

RES	SGS	LGS&SPS	LPS
\$742,337,702	214,090,095	\$563,979,518	\$145,582,628

The distribution of the revenue reduction, for revenue reductions not greater than \$25 million or for the first \$25 million of revenue reductions greater than \$25 million, among the customer classes will be as follows:

RES	SGS	LGS&SPS	LPS
0.00%	23.18%	61.06%	15.76%

The distribution of a revenue reduction of exactly \$25 million would be as follows:

RES	SGS	LGS&SPS	LPS
(\$0)	(\$5,794,662)	(\$15,264,931)	(\$3,940,407)

After the distribution of a \$25 million rate reduction, the distribution of weather-normalized current revenues would be as follows:

RES	SGS	LGS&SPS	LPS
\$742,337,702	208,295,433	\$548,714,587	\$141,642,221

The distribution of the portion of the rate reduction that is in excess of \$25 million would be as follows:

RES	SGS	LGS&SPS	LPS
45.24%	12.69%	33.44%	8.63%

## **B. RATE DESIGN ISSUES**

### **1. Customer Charges (and associated rate design changes)**

The present Residential monthly customer charge of \$5.75 shall be increased (by \$1.50) to \$7.25, with a revenue-offsetting reduction to the current energy charge components. There will be no changes to the charges on the Optional Time-of-Day Rate.

The Residential Service Rate applicable for overall rate reductions of no more than \$25 million will be as shown in Attachment 1.

The Small General Service customer charges (for both single-phase and three-phase service) shall be increased by \$1.50, the same amount as the increase to the Residential customer charge, in order to keep the level of the customer charge the same for both Residential and single-phase Small General Service customers, and to keep the three-phase customer charge at its present increment above the single-phase customer charge. There will be no changes to the charges on the Optional Time-of-Day Rate.

The Large Primary Service customer charge will be kept equal to the Small Primary Service customer charge. Any adjustment to revenues that results from the overall rate reduction or from a change in the customer charge will be made by applying an equal percentage change to the energy charge components. The adjustments to revenues from reducing the Rider B credits will be made by applying an equal percentage change to the demand charge components. Corresponding adjustments will be made to the Interruptible Power Rate to maintain the present relationship between the Large Primary Service Rate and the Interruptible Power Rate. There will be no change to the Optional Time-of-Day Adjustments.

**2. Large General Service/Small Primary Service rate differential  
(i.e., "primary/secondary differential")**

The Company and the Staff will jointly work toward designing rates that will reduce the current primary/secondary rate differential between the Large General Service Rate and the Small Primary Service Rate, subject to the following conditions:

- a) The difference between the demand charges on the Large General Service Rate schedule and the Small Primary Service Rate schedule shall not be less than \$0.20 per kW/month (in either the summer or the winter billing periods).
- b) The energy charges on the Small Primary Service Rate schedule shall not be greater than 99% of the corresponding energy charge component on the Large General Service Rate schedule.
- c) Lowering the differential toward the above targets may have the result that there will be no overall rate reduction for Small Primary Service customers; however, the Company and the Staff will endeavor to design mutually acceptable rates for the Large General Service Rate schedule and the Small Primary Service Rate schedule that will result in an overall rate reduction for Small Primary Service customers. Such reduction to the Small Primary Service Rate shall not be a larger percentage reduction than the reduction to the Large General Service Rate.
- d) In no event will the rate design determined above result in more than a minimal rate increase for any customer.
- e) There will be no change to the Optional Time-of-Day Adjustments.

**3. Discounts Applicable For Service To Substations Owned By Customer In Lieu Of Company Ownership (i.e., "Rider B credits")**

Where service is delivered and metered at a voltage level above primary, metered demand (kW) and energy (kWh) will be reduced by the Rider C (Adjustments Of Meter Readings For Metering At A Voltage Not Provided For In Rate Schedule) adjustment factor of 0.68% prior to billing. The present Rider B energy credits shall be eliminated. The Rider B demand credit for service delivered at a voltage

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.



16. The State of Missouri, while not a signatory to this Stipulation and Agreement, has no objection to it. Laclede, also not a signatory, has no objection to the terms of this Stipulation and Agreement as they relate to issues other than the two issues Laclede contests.

17. None of the Signatories shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation, depreciation or revenue-related methodology or any service or payment standard. Furthermore, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in this or any other proceeding, except as expressly specified herein.

18. In the event the Commission accepts the specific terms of this Stipulation and Agreement, with the exception of the two issues contested by Laclede noted in Paragraph 14 above, the Signatories waive, with respect to the issues fully and unanimously resolved herein: their respective rights, pursuant to §536.080 RSMo. 1994, to present testimony, to cross-examine witnesses, and to present oral argument or written briefs; their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2 RSMo. 1994; their respective rights to seek rehearing pursuant to §386.500 RSMo. 1994; and their respective rights to seek judicial review pursuant to §386.510 RSMo. 1994. The Signatories agree to cooperate with each other in presenting for approval to the Commission this Stipulation and Agreement, and will take no action, direct or indirect, in opposition to the request for approval of this Stipulation and Agreement.

19. This Stipulation and Agreement has resulted from extensive negotiations among the Signatories, and the Signatories request that the Commission issue a Report and Order in this case that adopts in total the terms of this Stipulation and Agreement, as they relate to the issues that have been fully and unanimously resolved (i.e., those issues other than the two that are disputed by Laclede), as set forth in Paragraph 14. These fully and unanimously resolved issues are interdependent. Accordingly, in the event the Commission does not adopt them in total, this Stipulation and Agreement shall be void, and no party shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding and are made without prejudice to the rights of the Signatories to take other positions in other proceedings.

20. The Staff shall have the right to file with the Commission suggestions in support of this Stipulation and Agreement, explaining Staff's reasons for entering into same. In addition, Staff will provide to the Commission any further explanation requested by the Commission regarding any issue in this case. Any responses or explanations provided by the Staff are its own and are not acquiesced in or otherwise adopted by the other Signatories to this Stipulation and Agreement.

21. Each of the Signatories agrees that it will not seek to modify any portion of the Report and Order to be entered by the Commission in this case that adopts in total the terms of this Stipulation and Agreement as they relate to the issues that have been fully and unanimously resolved. Each of the Signatories further agrees that it will not pursue a rehearing, writ of review or appeal of any portion of the Commission's Report and Order that adopts in total the terms of this Stipulation and Agreement as they relate to the issues that have been fully and unanimously resolved.

WHEREFORE, the Signatories to this Stipulation and Agreement respectfully request that the Commission issue a Report and Order in this case, adopting in total the terms of this Stipulation and Agreement as they relate to the issues that have been fully and unanimously resolved, as set forth in Paragraph 14 hereinabove.

Respectfully submitted,

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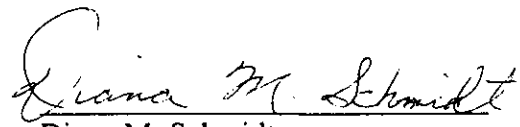
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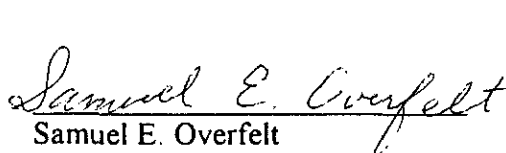
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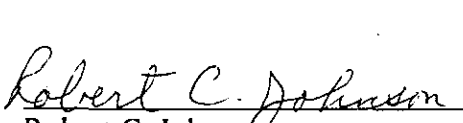
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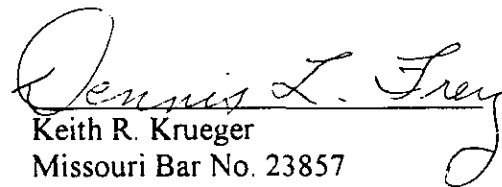
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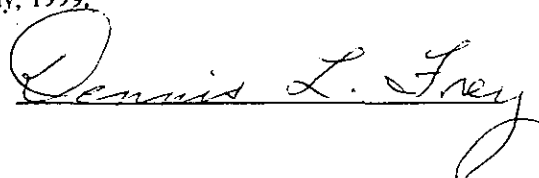
  
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#### Certificate of Service

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 3rd day of May, 1999.



P. S. C. MO., ILL. C. C., IA. ST. C. C. SCHEDULE NO. 5<sup>33rd</sup>~~32nd~~ RevisedSHEET NO. 28CANCELLING SCHEDULE NO. 5<sup>32nd</sup>~~31st~~ RevisedSHEET NO. 28

APPLYING TO

MISSOURI SERVICE AREA

SERVICE CLASSIFICATION NO. 1(M)RESIDENTIAL SERVICE RATE

RECEIVED

JUL 26 1995

\*Rate Based on Monthly Meter ReadingsSummer Rate (Applicable during 4 monthly billing periods of June through September)

Customer Charge

\$ <sup>7.25</sup>~~5.75~~ per month

Energy Charge

<sup>8.130</sup>~~8.270~~ per kWhWinter Rate (Applicable during 8 monthly billing periods of October through May)

Customer Charge

\$ <sup>7.25</sup>~~5.75~~ per monthEnergy Charge - First 750 kWh  
- Over 750 kWh<sup>5.770</sup>~~5.998~~ per kWh  
<sup>3.965</sup>~~3.891~~ per kWhOptional Time-of-Day Rate

Customer Charge (All Months)

\$15.00 per month

Energy Charge (Cents per kWh)

On-Peak Off-Peak  
Hours(1) Hours(1)

Summer (June-September billing periods)

11.82¢ 4.85¢

Winter (October-May billing periods)

6.97¢ 3.45¢

(1) On-peak and Off-peak hours applicable herein shall be as specified in Rider I, paragraph A.

RCS Adjustment. The rates contained herein shall be subject to adjustments as provided for in Rider R.Payments. Bills are due and payable within ten (10) days from date of bill and become delinquent after twenty-one (21) days from date of bill.Term of Use. Initial period one (1) year, terminable thereafter on three (3) days' notice.Tax Adjustment. Any license, franchise, gross receipts, occupation or similar charge or tax levied by any taxing authority on the amounts billed hereunder will be so designated and added as a separate item to bills rendered to customers under the jurisdiction of the taxing authority.

\*Indicates Change

P.S.C. Mo. DATE OF ISSUE \_\_\_\_\_

DATE EFFECTIVE \_\_\_\_\_

ILL. C.C. DATE OF ISSUE \_\_\_\_\_

DATE EFFECTIVE \_\_\_\_\_

IA.ST.C.C. DATE OF ISSUE \_\_\_\_\_

DATE EFFECTIVE \_\_\_\_\_

ISSUED BY \_\_\_\_\_

ATTACHMENT 1

**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:

$\text{Curtailment kWh} = \text{Average kWh for Equivalent Periods} - \text{Actual kWh for the Price Period}.$

**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:**

$\text{Credit} = [\text{Curtailment kWh}] \times [\text{Price quoted by Company for that Price Period}].$

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.

**Service List for  
Case No.: EO-96-15  
Revised: May 3, 1999**

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