

RKO 125

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 2nd
day of September, 1988.

CASE NO. EO-89-7

In the matter of Union Electric
Company for a variance for the
Orchard House Retirement Apartments.

ORDER GRANTING VARIANCE

On July 18, 1988, Union Electric Company (UE) filed an application for a variance from the provisions of Commission Rule 4 CSR 240-20.050. On August 10, 1988, the Commission's Variance Committee filed its memorandum recommending approval of the application.

Having reviewed the application and the Variance Committee's recommendation, the Commission determines that a hearing is unnecessary to resolve the matters at issue herein and finds and concludes as follows.

Commission Rule 4 CSR 240-20.050(2) provides that each residential and commercial unit in a multiple-occupancy building shall have a separate electric meter. Subsection 4 of this rule provides for exceptions to this requirement and subsection 5 provides that any entity affected by this rule may file an application with the Commission for a variance from its effect for good cause shown.

Pursuant to subsection 5, UE has applied for a variance from the separate metering requirement in regard to the development known as Orchard House Retirement Apartments located in Webster Groves, Missouri. This development consists of three buildings: Building A consisting of 93 residential dwelling units and a commercial restaurant; Building B consisting of 83 residential dwelling units; and Building C consisting of general office space. Since Building C is entirely a commercial unit with centrally-controlled heating and air conditioning, it falls under the exemption

allowed in 4(F) of the rule which provides for master metering in the case of commercial units having central space heating, ventilating and air conditioning systems. The developer has requested a separate meter for the commercial restaurant located in Building A. That portion of the energy used for central heating and air conditioning in the residential areas located in Buildings A and B can be master metered pursuant to exemption 4(D) of the rule which so provides.

Therefore, UE is requesting a variance in regard to the residential dwelling units in Buildings A and B for the measurement of energy use not associated with central heating and air conditioning. Each apartment will have a refrigerator, range/oven and dishwasher plus lighting for personal use. UE estimates that 42 percent of the total electrical consumption from these residential units is attributable to these nonheating/noncooling usages. UE further estimates that this usage by each apartment will provide little opportunity for savings through conservation by the occupants. Since the cost per meter of installing individual meters is estimated by UE to be \$220 for UE and \$300 for the developer, UE asserts that the initial operating expenses would be inflated without any offsetting benefits attributable to conservation.

Pursuant to the provisions of subsection 5 of the rule, this matter was submitted to the Commission's Variance Committee consisting of two members of the Commission's Staff from its Utility Division, a member of the Commission's Staff from its office of General Counsel and an ex officio member from the Office of the Public Counsel. On August 10, 1988, the Variance Committee met to review the application and on that day submitted its recommendation that the variance be approved. In support of its recommendation the Variance Committee stated that the size of the apartments involved plus the provision of 20 meals per month and laundry facilities to residents, indicate a lifestyle not requiring a high use of energy. The Variance Committee concluded that the potential conservation of energy as the result of individual metering would not be significant enough to offset the cost of installing meters for each apartment.

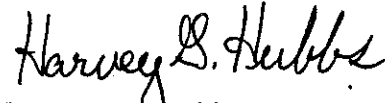
Based upon all the foregoing, the Commission determines that the recommendation of the Variance Committee should be adopted and the application of UE for a variance pursuant to Commission Rule 4 CSR 240-20.050(5) should be granted.

It is, therefore,

ORDERED: 1. That the application for a variance from the provisions of Commission Rule 4 CSR 240-20.050(2) is granted hereby.

ORDERED: 2. That this order shall become effective on the 12th day of September, 1988.

BY THE COMMISSION



Harvey G. Hubbs
Secretary

(S E A L)

Steinmeier, Chm., Musgrave,
Mueller, Hendren and Fischer,
CC., Concur.