

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

In the Matter of the Request of Union	)	
Electric Company, d/b/a Ameren Missouri,	)	
For an Order Granting a Variance from	)	File No. EE-2018-_____
4 CSR 240-13.020(7) Regarding Payment	)	
Posting Requirements.	)	

**REQUEST FOR VARIANCE**

**COMES NOW** Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”), and pursuant to 4 CSR 240-2.060, submits this *Request for Variance* from 4 CSR 240-13.020(7) to the Missouri Public Service Commission (“Commission”), allowing the Company to post certain payments to customer accounts within 24 hours of receipt rather than within the same calendar day. In support of its request, Ameren Missouri states as follows:

1. On December 18, 2017, in File No. EC-2018-0113 (the “Complaint”), the Commission Staff (“Staff”) submitted its *Report* noting, in part, that “all Missouri payments are not posted on the date they are received as required by Commission rule.”<sup>1</sup> The Rule to which Staff referred, 4 CSR 240-13.020(7), does not refer to “posting” specifically, but a portion of the Rule does state:

The date of payment for remittance by mail is the date on which the utility receives the remittance.

Staff recommended that the Company:

Comply with the provisions of 4 CSR 240-13.020(7) and require its vendor to post all mailed payments to customer accounts the day they are received or evaluate the filing of variance to the Commission rule.<sup>2</sup>

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<sup>1</sup> Staff *Report*, p. 3.

<sup>2</sup> *Id.*, p. 5.

As a result of Staff's recommendation, Ameren Missouri began an examination of its and its vendor's payment processing activities. Based on this examination, the Company requests a variance to adjust the timing allowed for the posting of mailed payments to customer accounts, as described in more detail below.

2. In support of its position and in compliance with 4 CSR 240-2.060(1), and 4 CSR 240-2.060(4), Ameren Missouri provides the required information in the following sections of this *Application and Request*:

- I. 4 CSR 240-2.060(1), (A) through (M)<sup>3</sup>
- II. Requested Variance of 4 CSR 240-13.020(7)

#### **I. 4 CSR 240-2.060(1), (A) through (M)**

##### **Paragraph (A) – Applicant**

3. The Company is a Missouri corporation doing business under the fictitious name of Ameren Missouri, organized and existing under the laws of the State of Missouri, in good standing in all respects, with its principal office and place of business located at One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103. The Company is engaged in providing electric and gas utility services in portions of Missouri as a public utility under the jurisdiction of the Commission. The Company is a subsidiary of Ameren Corporation.

##### **Paragraph (B) – Articles of Incorporation; Paragraph (E) – Fictitious Name; Paragraph (G) – Information Previously Submitted; Paragraph (H) – Character of Business<sup>4</sup>**

4. Ameren Missouri previously submitted to the Commission a certified copy of its Articles of Incorporation (See Case No. EA-87-105), as well as its Fictitious Name Registrations as

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<sup>3</sup> Those requesting variances pursuant to 4 CSR 2.060(4) must also provide the information required by 4 CSR 2.060(1).

<sup>4</sup> Paragraphs (C), (D), and (F) do not apply to Ameren Missouri.

filed with the Missouri Secretary of State's Office (See Case Nos. EN-2011-0069 and GN-2011-0070). The Company also recently submitted to the Commission a certified copy of its Certificate of Corporate Good Standing in File No. EF-2018-0213. These documents are incorporated by reference and made a part of this *Application and Request* for all purposes.

**Paragraph (I) – Correspondence and Communication**

5. Correspondence and Communication -- Correspondence, communications, orders and decisions in regard to this *Application and Request* should be sent to the undersigned counsel and:

For the Company:

Thomas M. Byrne  
Senior Director Regulatory Affairs  
Ameren Missouri  
1901 Chouteau Avenue  
PO Box 66149  
St. Louis, MO 63166-6149  
(314) 554-2514 (phone)  
(314) 554-4014 (fax)  
[AmerenMOService@ameren.com](mailto:AmerenMOService@ameren.com)

**Paragraph (K) – Actions, Judgments, and Decisions; Paragraph (L) – Fees<sup>5</sup>**

6. Ameren Missouri has no final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates that have occurred within three years of the date of this *Application and Request*. By the nature of its business, the Company has, from time-to-time, pending actions in state and federal agencies and courts involving customer service or rates. Company has no annual report or assessment fees overdue to this Commission.

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<sup>5</sup> Paragraph (J) does not apply to Ameren Missouri.

## **Paragraph (M) – Verification**

7. A verification in support of this *Application and Request* by an officer of the Company is included as Exhibit A.

## **II. Requested Variance from 4 CSR 240-13.020(7)**

8. In addition to the requirements of 4 CSR 240-2.060(1), 4 CSR 240-2.060(4) requires an applicant for a variance to provide the following information:

(A) Specific indication of the statute, rule, or tariff from which the variance or waiver is sought;

(B) The reasons for the proposed variance or waiver and a complete justification setting out the good cause for granting the variance or waiver; and

(C) The name of any public utility affected by the variance or waiver.

9. Per the requirements of 4 CSR 240-2.060(4)(A), Ameren Missouri is specifically requesting a variance from 4 CSR 240-13.020(7), which requires, “The date of payment for remittance by mail is the date on which the utility receives the remittance.”

10. Per the requirements of 4 CSR 240-2.060(4)(B), Ameren Missouri requests this variance because of how it currently manages the receipt and processing of received payments with its lockbox vendor, Fifth Third Bank. With approximately 1.2 million electric customers and over 100,000 natural gas customers, Ameren Missouri’s lockbox vendor processes an estimated average of 16,500 payments delivered by US mail per day.<sup>6</sup> In order to handle the volume of payments received daily through the United States mail, Ameren Missouri has customers send payments to its lockbox vendor at a PO Box address in Illinois.<sup>7</sup> The lockbox vendor utilizes its third and first shifts to process the payments received. Mail is delivered to the Company’s lockbox

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<sup>6</sup> This estimate is based on the approximately 660,000 payments received by the vendor via US Mail in January and February 2018, divided by the total number of business days in January and February (40)..

<sup>7</sup> This is the same vendor – although a different PO Box number – used by Ameren Illinois.

vendor six times in a 24-hour period: 1 pm, 5 pm, 10 pm, 3 am, 5 am, and 9 am. The vendor processes the payments received,<sup>8</sup> then sends Ameren Missouri data files containing payment information three times a day: 9 am, 12 noon, and 4 pm. Ameren Missouri includes the data from these files in its CSS cash posting process, which posts payments to customer accounts five times a day: 7:40 am, 10 am, 1 pm, 4:30 pm, and 7 pm.<sup>9</sup> The payment processing “day” is a 24-hour period that begins at 1 pm and ends at 12:59 pm on the following calendar date. Accordingly, payments received by US Mail at 1 pm or later may appear in the following calendar date’s payment postings. In other words, payments received 1 pm and after on March 1 will not be posted to customers’ accounts on March 1, but they will be posted within 24 hours and by 1 pm on March 2 when the subsequent processing day begins. All payments received on a given day are therefore posted to customer accounts within 24 hours, although not always during the same calendar date.

<b>US Mail Payment Received by Lockbox Vendor by:</b>	<b>Payment Posted to Customer Account No Later Than:</b>
1 pm, March 1	1 pm, March 2
5 pm, March 1	1 pm, March 2
10 pm, March 1	1 pm, March 2
3 am, March 2	1 pm, March 2
5 am, March 2	1 pm, March 2
9 am, March 2	1 pm, March 2

<sup>8</sup> Please note the discussion of timing in this *Request for Variance* reflects how conforming mailed payments are processed via automated means, i.e., payment stubs and checks with legible handwriting and with no stapling or paperclips, mailed in Company-provided envelopes. Payments with illegible handwriting, sent without pay stubs, or in non-Company envelopes require additional manual processing by the vendor and/or by the Company which can delay this timeline. Staff’s *Report* at p. 4 acknowledged that non-conforming payments can take longer to post because of necessary research to ensure the proper account is credited.

<sup>9</sup> The 7 pm posting was recently added largely to accommodate, and largely reflects, electronic payments received electronically from customers’ bank accounts.

11. The Company's billing system does not apply late fees to a customer's account until three days after the bill's due date, so no late fees attributable to the lockbox vendor's and Company's usual payment processing times are incurred by its customers. Additionally, although a customer's mailed payment will post to the customer's account on the date processed by CSS, the date the payment was actually received by the lockbox vendor is used by an automated process that runs daily within CSS to reverse any late fees that may have been assessed to a customer as a result of a delay in payment processing and posting beyond the date the payment was received. Essentially, these two safeguards work to use the date the payment was received at the lockbox vendor (and not the payment posting date) as the basis for the assessment of any late fees. As a general rule, then, the three-day grace period prevents any harm to customers from the vendor's processing timeline.

12. These protections aside, Ameren Missouri has inquired of its lockbox vendor whether it could arrange for pick-up of mail from Ameren Missouri's PO Box and process mailed payments for the Company during the vendor's first shift (rather than third), to attempt to process more payments and send more payment files to the Company earlier in the day, such that the Company might be able to post more payments on the same calendar date they are received by the vendor. The vendor has reported that it would need to add personnel to its first-shift processing to accommodate this timing, which would drive up costs. Even then, same-day processing of payments received would not be guaranteed. Payments received by the lockbox vendor after the first shift ends would not be processed until the first shift of the following day. In that case, the Company would still require a waiver for the processing of payments received after 4 pm.<sup>10</sup> Since

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<sup>10</sup> This also raises the question, if our lockbox vendor received mail at 10 pm, does it then only have a two-hour window in which to process the payment and forward the data to Ameren Missouri's CSS for posting, and would Ameren Missouri be required to extend CSS working hours to midnight to accommodate this schedule?

these payment processing costs are ultimately borne by Ameren Missouri's customers, nominal value would be gained by a move to first-shift processing only (especially since the three-day grace period generally protects customers from harm), and a variance regarding timing would still be required, the Company believes the most prudent action at this time is to request a variance allowing posting of a payment to a customer's account within 24 hours rather than modify the processing schedule. Customers will still generally receive the protections intended by the same-day posting requirement without the additional expense.

13. Additionally, to the extent a variance is also necessary for additional time to process mailed payments that require manual handling,<sup>11</sup> Ameren Missouri requests such variance. Please note that a variance to accommodate manual handling should not be limited to the 24 hours requested for "clean"<sup>12</sup> mailed payments because the amount of handling and/or research necessary to ensure the payment is credited to the appropriate account can vary depending upon the circumstances. Instead, such variance should be allowed to extend until all manual processing required to credit the correct account can be completed.

14. Finally, per the requirements of 4 CSR 240-2.060(4)(C), no utility but Ameren Missouri will be affected by the requested variances.

**WHEREFORE**, for the reasons stated above, Ameren Missouri respectfully requests that the Commission grant the requested variance allowing the Company to post customer payments within 24 hours of receipt, rather than requiring the Company to post customer payments on the calendar date they are received.

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<sup>11</sup> This includes payments with illegible handwriting, sent without pay stubs, or in non-Company envelopes which require additional manual processing by the vendor and/or by the Company.

<sup>12</sup> In other words, mailed payments that include payment stubs and checks with legible handwriting mailed in Company-provided envelopes.

Respectfully submitted,

/s/ Paula N. Johnson

**Paula N. Johnson**, # 68963

Senior Corporate Counsel

**Wendy K. Tatro**, #60261

Director & Assistant General Counsel

Ameren Services Company

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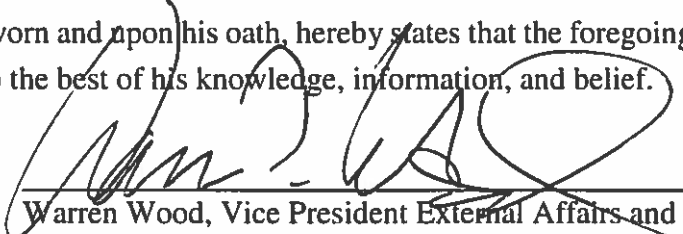
ATTORNEYS FOR UNION ELECTRIC  
COMPANY d/b/a AMEREN MISSOURI



**EXHIBIT A**


**VERIFICATION**

The undersigned, being first duly sworn and upon his oath, hereby states that the foregoing *Request for Variances* is true and correct to the best of his knowledge, information, and belief.

  
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Warren Wood, Vice President External Affairs and  
Communications.

Union Electric Company d/b/a Ameren Missouri

Subscribed and sworn before me this 1<sup>ST</sup> day of March, 2018.

  
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Notary Public

