

June 1, 2000

VIA FEDERAL EXPRESS



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

FILED²
JUN 2 2000
Missouri Public
Service Commission

Re: Case No. EC-2000-713

Dear Mr. Roberts:

Enclosed for filing on behalf of Union Electric Company, d/b/a AmerenUE, in the above matter, please find an original and eight (8) copies of its **Response to Complaint** filed by Louie S. Andrews and Amy R. Andrews.

Kindly acknowledge receipt of this filing by stamping a copy of the enclosed letter and returning it to me in the enclosed self-addressed envelope.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Cook", is written over the typed name and title.

James J. Cook
Managing Associate General Counsel

JJC/db

Enclosures

cc: Parties on Attached Service List
Mr. James Ketter

12575

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

FILED²

JUN 2 2000

Missouri Public
Service Commission

Louie S. Andrews and Amy R. Andrews,)
)
Complainants,)
)
vs.)
)
Union Electric Company,)
d/b/a AmerenUE)
)
Respondent.)

Case No. EC-2000-713

**UNION ELECTRIC COMPANY'S
RESPONSE TO COMPLAINT**

Union Electric Company ("Respondent") hereby submits its Response to Complainants', Louie S. Andrews and Amy R. Andrews, Complaint which was filed May 1, 2000 with the Missouri Public Service Commission ("Commission"). Respondent provided Complainants with a fair and reasonable job estimate, based on standard AmerenUE charges, to extend three-phase electric service to Complainants' pole barn. This complaint should be dismissed.

1. In specific response to the allegations included in the Complaint, Respondent states as follows:
2. As to Complaint Paragraph 2:
 - a) Respondent admits that only Respondent can provide the service in question.
 - b) Although Respondent has been in discussion with Complainants for some time, Respondent has no way to know specifically how long the pole barn has

been without electricity. Respondent does not dispute Complainants' claim in 2b.

- c) Respondent's records indicate that Complainants' request for service was received on May 6, 1999.
- d) Respondent provided an estimate, as requested by Complainants, to provide the service requested. That estimate was \$11,038.73.

Respondent denies that there is any special "commercial" estimate. Although most estimates for the service requested by Complainants are for commercial operation, the commercial versus residential use of the three-phase service has no effect on the cost of providing this service.

- e) Respondent denies that it refused to provide details of the cost estimate.
- f) Respondent denies that it failed to cooperate appropriately with the Complainants' "consultant." Respondent admits that the estimate includes 55 hours of labor at a rate of \$140 per hour and that said rate includes components that might normally be called "overhead expenses" of "over \$100 per hour."
- g) Respondent denies that the inclusion of overhead expense in the estimate is inappropriate or incorrectly done. Respondent denies all allegations included in this subparagraph.
- h) Respondent denies the allegations included in this subparagraph.
- i) Respondent's knowledge of the proposed uses at the "pole barn" is limited to that provided to it by Complainants, and Respondent's estimate was based upon that information. Respondent can neither admit nor deny the specific

space allocations alleged by Complainants in its Complaint. As set out in more detail below, the special nature of the requested service drives the estimate in this case.

- j) Respondent denies that the description of the job as set out in this paragraph includes the full description of the work involved.

3. As to Complaint Paragraph 3:

- a) Respondent can neither admit nor deny that Complainant made a specific number of requests for detailed cost information. Respondent admits that several requests were made and Respondent maintains that appropriate responses were provided to each request.
- b) Respondent admits that the meeting described was held. In an attempt to be as cooperative as possible, Respondent made extraordinary efforts to have the appropriate people present when Complainants and their consultant called and announced that they were coming to Respondent's office immediately, without an appointment and demanded that Respondent meet with him.
- c) Respondent admits that MPSC Staff member Jim Ketter was called upon to review this matter. Respondent denies that it rejected "all resolutions proposed" by Staff. Respondent denies that Mr. Ketter offered any "resolutions" which Respondent could accept or reject; rather Mr. Ketter asked questions, in an attempt to find solutions to the problem.

4. In response to the relief requested by Complainants:

- a) Respondent suggests that no hearing is required. The Complaint should be dismissed for the reasons set forth below.

- b) Respondent denies all allegations included in this subparagraph and argues that no action by the MPSC is necessary or warranted herein.
 - c) Respondent urges the Commission to reject the Complainants' request in this subparagraph. The request is unlawful, beyond the jurisdiction of the Commission, and is based on unsupported and irrelevant claimed costs from other providers.
 - d) The request in this subparagraph is, of course, unnecessary.
 - e) The request in this subparagraph is unlawful, in that it calls for different charges for the same service. Complainants' request that the cost should vary merely based on the residential or commercial nature of the customer.
 - f) The request in this subparagraph is also unnecessary, in that Respondent's costs are appropriately allocated.
5. In affirmative defense of its position in the Complaint, Respondent states as follows:
6. a) The Company's tariff sheets address the matter at issue in this complaint. Sheet No. 146, of the Company's General Rules and Regulations – Distribution System Extensions, specifically directs that the cost of line extensions like the one at issue here, include "the total cost of all labor and materials, easements, licenses, permits, cleared right-of-way and all other incidental costs, including indirect costs." The tariff then lists a variety of items that are to be included in the determination of indirect costs. (See Attachment A, attached hereto) This sheet, along with the other tariff sheets describing how Distribution System Extensions are to be handled, (Sheet Nos.

145 – 163) have been approved by this Commission and therefore have the full force of law. Moreover, the inclusion of “all” costs, including “indirect costs” is required for the obvious reason to assure that special services, such as the three phase service requested here, not be subsidized by other customers.

- b) Left unmentioned in the Complaint, except for two passing references, is the fact that the requested service is for “three-phase” service. As is usually the case with three-phase service to a primarily residential premises, said service will not be used enough for the electric revenue generated by that usage to cover the cost of installing that service. Since it is inappropriate that other customers subsidize this special service, and it is inappropriate that Respondent provide the service at less than its cost, these costs are assessed against the customer who requests it. (Normally, a commercial facility which requires three-phase service will provide enough additional revenue to cover the extra cost.)
- c) Complainants have been provided an estimate for this special service to a residential premises, in the same manner, determined in the same way as any other customer so situated. (Because of an unpaid prior balance at a different location, the Company required that the prior balance be paid before any additional service was provided.)
- d) Complainants’ statements that “Respondent’s overhead costing scheme” being “so fundamentally incorrect...” is too vague to adequately address in this pleading. It appears that Complainants object to the inclusion of “overhead”

costs. Obviously, it is appropriate that all costs associated with providing a service be included. This type of service is still regulated, and as such, the cost of providing a particular type of service must be recovered from those receiving it.

WHEREFORE, for the reasons set forth above, AmerenUE respectfully requests that the Commission dismiss this Complaint.

Dated: June 1, 2000

Respectfully submitted,

AmerenUE

By. 

James J. Cook, MBE #22697
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P.S.C. MO., ILL. C.C., IA. ST. C.C. SCHEDULE NO. 5 4th Revised SHEET NO. 146
CANCELLING SCHEDULE NO. 5 3rd Revised SHEET NO. 146(M)
MISSOURI SERVICE AREA
APPLYING TO _____

GENERAL RULES AND REGULATIONS
III. DISTRIBUTION SYSTEM EXTENSIONS

2. Underground Service

- a. Secondary Voltage-Residential - At the line-side meter terminals for Company owned services; on the pole, connecting to Company's overhead distribution system or Company's padmounted transformer or pedestal, in the case of customer owned cables.
- b. Secondary Voltage-All Other Customers - At the connection of customer's cable to the low side terminals of Company's padmounted transformer or pedestal or customer provided junction box.
- c. Primary and Higher Voltages - At the line-side terminals in metal-clad switchgear, or at an agreed upon point on or in a customer owned substation.

D. Distribution Extension Cost

The estimated installed cost of any line extensions and/or modifications and enlargements of the Company's distribution system will include the total cost of all labor and materials, easements, licenses, permits, cleared right-of-way and all other incidental costs, including indirect costs. The indirect costs will include, where applicable, the cost of engineering, supervision, inspection, insurance, payments for injury and damage awards, taxes, AFUDC (Allowance for Funds Used During Construction), legal and administrative and general expenses associated with the extension of the Company's distribution system. The percentage used for indirect costs reflects the Company's historical indirect cost experience. The Company's distribution extension allowances and charges are based on normal, pre-construction and unobstructed conditions. Cost estimates relative to revenue guarantees or customer contributions are based on the conditions prevailing at the time the estimate is made. Additional costs due to changes in surface conditions or unanticipated subsurface conditions will be charged to the customer. Company may install a distribution extension of greater length or capacity than initially required for the customer requesting service, due to general engineering, operating, or economic reasons, in which case the additional cost of such increases in distribution system length or capacity shall not be included in the cost of the extension applicable to customer. A

P.S.C. NO. DATE OF ISSUE March 30, 1990 DATE EFFECTIVE May 5, 1990
ILL. C.C. DATE OF ISSUE _____ DATE EFFECTIVE _____
IA. ST. C.C. DATE OF ISSUE _____ DATE EFFECTIVE _____
ISSUED BY William E. Cornelius Chairman St. Louis, Missouri

CERTIFICATE OF SERVICE

CASE NO: EC-2000-713

I hereby certify that a copy of the foregoing was served via Federal Express on this 1st day of June, 2000, on the following parties of record:

Office of the Public Counsel

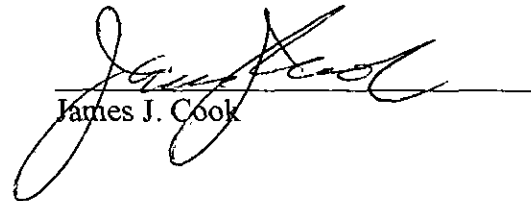
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General Counsel

Missouri Public Service Commission
P. O. Box 3600
Jefferson City, MO 65102

Louie S. Andrews/Amy R. Andrews

1137 Highway 109
Wildwood, MO 63038



James J. Cook