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August 2, 2004

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
Governor Office Building  
200 Madison Street  
Jefferson City, Missouri 65101

**FILED<sup>2</sup>**  
AUG 02 2004  
Missouri Public  
Service Commission

Re: Case No. EE-2004-0267/EE-2004-0268

Dear Mr. Roberts:

Attached for filing is Direct Testimony of Julie Hess and Maurice Brubaker on behalf of River's Edge.

Thank you for your assistance in bringing this filing to the attention of the Commission, and please call me if you have any questions.

Very truly yours,

Diana M. Vuylsteke  
DMV:rms

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Washington, DC

*And Bryan Cave,  
A Multinational Partnership,  
London*

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

In the Matter of the Application of Union Electric)  
Company, d/b/a AmerenUE, for a Metering ) Case No. EE-2004-0267  
Variance to Serve Brentmoor at Oaktree. )

In the Matter of the Application of Union Electric)  
Company, d/b/a AmerenUE, for a Metering ) Case No. EE-2004-0268  
Variance to serve River's Edge Properties, L.L.C. )

Affidavit of Julie Hess

STATE OF MISSOURI )  
 ) SS  
COUNTY OF ST. LOUIS)

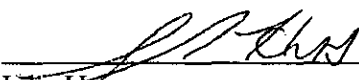
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Julie Hess, being first duly sworn, on her oath states:


1. My name is Julie Hess. I am a consultant with Autonomous Case Management/ACM Care, having its principal place of business at 483 South Kirkwood Road, St. Louis, MO 63122. We have been retained by River's Edge Properties, L.L.C. in this proceeding on its behalf.

2. Attached hereto and made a part hereof for all purposes is my direct testimony which was prepared in written form for introduction into evidence in the EE-2004-0267/EE-2004-0268 proceeding.

3. I hereby swear and affirm that my direct testimony is true and correct and shows the matters and things it purports to show.

  
\_\_\_\_\_  
Julie Hess

Subscribed and sworn to before me this 30<sup>th</sup> day of July, 2004.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 6-17-05

SUSAN R. CANTONI Notary Public - Notary Seal STATE OF MISSOURI St. Louis County My Commission Expires: June 17, 2005
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Exhibit No.  
Witness: Julie Hess, RN, C, Cm, CCM  
Type of Exhibit: Direct Testimony  
Sponsoring Party: River's Edge Properties, L.L.C.  
Subjects: Metering Variance  
Date: August 2, 2004

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to Serve River's Edge Properties, L.L.C. ) Case No. EE-2004-0268

Direct Testimony of

**JULIE HESS**

On behalf of

**River's Edge Properties, L.L.C.**

August 2, 2004

ACM CARE  
ST. LOUIS, MO



1    **Q     WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2    A     To provide evidence regarding the negative impact that separate metering would have on the  
3           elderly residents of River's Edge.

4    **Q     PLEASE SUMMARIZE YOUR CONCLUSION.**

5    A     I have concluded that separate metering for electric service would provide no benefit to the  
6           residents of River's Edge or the public, but would instead be a potential source of injury or  
7           harm to the River's Edge residents if installed.

8    **Q     DESCRIBE THE NATURE OF THE RIVER'S EDGE COMMUNITY.**

9    A     It is my understanding that this community will consist of elderly residents choosing to live  
10          in a setting where services are provided on an individual basis but billed at a flat monthly  
11          rental rate. It is not a nursing home or a licensed assisted living facility, rather a specifically-  
12          designed senior housing facility with select services.

13   **Q     WHAT TYPE OF RESIDENTS LIVE AT RIVER'S EDGE?**

14   A     It is my understanding that the elderly residents currently living or expected to live at River's  
15          Edge will be 80-90 years old. Residents in this age group are expected to have multiple  
16          medical diagnosis, take numerous prescription and non-prescription medications, and  
17          experience deficits in their ability to manage the day-to-day tasks necessary for independent  
18          living. Twenty to thirty years ago they would have been nursing home residents, but this is  
19          no longer the case. Today, they can continue to enjoy life in a comfortable environment  
20          with a significantly lower level of support than that which would be provided in a nursing  
21          home, while the day-to-day needs of living are provided for them. River's Edge residents

1 will need help with "Incidental Activities of Daily Living" or "IADLs", a standardized term  
2 used by geriatric medical professionals to identify such activities as preparing meals,  
3 shopping, driving, cooking, paying bills, taking medications, making telephone calls, and  
4 housework. The residents' need for this type of assistance will increase as they continue to  
5 age. Some, although not all, will eventually need help with "Activities of Daily Living" or  
6 "ADLs", such as eating, getting in and out of bed, bathing, toileting, dressing and even  
7 walking. The River's Edge resident population is expected to have a larger percentage of  
8 forgetful seniors than the general senior population, and a higher percentage of residents  
9 with functional disabilities than the general senior population.

10 **Q WHAT ARE THE SPECIAL NEEDS AND CHALLENGES FOR THE**  
11 **RESIDENTS OF RIVER'S EDGE?**

12 **A** River's Edge resident's special needs and challenges are physical (such as being able to get in  
13 and out of a slippery bath tub safely), medical (such as accessing care and following medical  
14 treatment plans), social (such as the need for social stimulation and new friendships to  
15 combat depression and loneliness after most of their lifelong friends would have passed  
16 away), and memory-related (such as remembering to pay bills and knowing how to balance a  
17 checkbook). A River's Edge resident will have different needs than the general community  
18 or the younger disabled population for several reasons, stemming from their life experiences  
19 (common desire to conserve financial resources even at risk of personal injury), their age-  
20 related personal goals (to not be a burden to anyone and to not be institutionalized in their  
21 old age), and their physical challenges (slowing of the body processes, and general loss of  
22 energy and strength). According to the Alzheimer's Association, "nearly half of people over  
23 age 85 are affected by dementia", further complicating their ability to live independently.

1 ALZHEIMER'S ASSOCIATION FACT SHEET, *STATISTICS* (2004). Most residents will be  
2 mentally or physically disabled , and will move to simplify their life and improve their access  
3 to services; no longer wanting to mow lawns, cook three meals a day and eat in solitude, or  
4 sort through piles of bills unsure if they were already paid or not.

5 **Q WOULD SEPARATE METERING RESULT IN ANY CONSERVATION**  
6 **BENEFITS TO THE RESIDENTS OF RIVER'S EDGE?**

7 A No, for these residents the conservation benefit of separate metering would be essentially  
8 nonexistent. Elderly residents taking common prescription medications or experiencing  
9 disease processes that make them chill easily would be expected to set their thermostats  
10 higher than normal. Elderly residents with normal heat regulatory functions of their bodies  
11 would have their thermostats set for their comfort level. As discussed further below, in  
12 some cases elderly residents may harm their own health by attempts at conservation. In any  
13 event, their consumption of energy should ideally be related to their health status rather than  
14 attempts at conservation. The disabled elderly residents of River's Edge typically cannot  
15 tolerate the temperature settings needed for energy conservation, simply because of the aging  
16 body's inability to self regulate. For this reason, energy conservation can only be reached  
17 safely by the design of the building and engineering interventions, rather than individual  
18 behavior changes. Since medications, diseases, and the aging process affect their tolerance to  
19 heat, energy conservation by the individual residents of River's Edge would not be realistic  
20 or appropriate.

1 Q WOULD SEPARATE METERING BE HARMFUL TO THE RESIDENTS OF  
2 RIVER'S EDGE?

3 A Yes, there is a potential for harm and injury to the residents if separate meters are installed.  
4 It is not uncommon for the aging body to have difficulty identifying and regulating its own  
5 temperature. Every year in the St Louis area, we have elderly residents dying in their homes  
6 when they turn their air conditioning unit off to lower the bill, only to go into a coma with  
7 eventual death because they are unaware of how hot their bodies get. Although the  
8 supervised environment of River's Edge reduces the likelihood of dangerous "over-  
9 conservation" efforts or other improper temperature-regulation actions, the residents are not  
10 constantly attended. Serious harm could occur in the time period before discovery of the  
11 resident's condition and medical intervention. Installation of separate meters increases the  
12 likelihood of dangerous conservation efforts or other improper temperature regulation,  
13 resulting in a health risk to the elderly and disabled residents.

14 Q HOW DOES RIVER'S EDGE USE OF LOCKED THERMOSTATS AFFECT  
15 YOUR ANALYSIS OF THIS CASE?

16 A River's Edge locks the residents' thermostats by electronic code, so that only the staff can  
17 adjust the thermostats and the residents cannot adjust the temperature themselves. This  
18 electronic locking mechanism mitigates the problem of elderly residents trying to "over-  
19 conserve" to the detriment of their own health. It also deters forgetful residents from  
20 adjusting the temperatures too high when chilled, followed by adjustments too low when the  
21 apartment gets warm. Too many forgetful seniors are unable to use the thermostat -- they  
22 either turn it all the way, or all the way down. Finally, the electronic locking mechanism  
23 helps River's Edge protect the residents by enabling River's Edge staff to monitor the



1 temperature in the residents' apartments. For these reasons, the lack of resident control over  
2 thermostats created by the electronic locking mechanism has an important safety benefit.

3 The safety advantage of the electronic thermostat locks, combined with consideration of the  
4 health risks which would be created by the residents' ability to freely control temperature,  
5 outweighs any conservation benefit that might result from resident control over temperature.

6 It is my understanding that for the safety and well-being of the residents, the owners of  
7 River's Edge will pay for the residents' electric use regardless of whether separate meters are  
8 installed. For these reasons, the goals of separate metering (which I understand are to  
9 benefit consumers by increasing the likelihood of conservation efforts and/or consumer  
10 control over electric bills) would not be advanced by the installation of separate meters for  
11 the residents of River's Edge. In short, separate metering would be useless, because any  
12 alternative to the present arrangements would endanger the residents.

13 **Q IN YOUR VIEW, WHAT PUBLIC AND SOCIAL POLICY CONSIDERATIONS**  
14 **SHOULD BE TAKEN INTO ACCOUNT BY THE COMMISSION IN ITS**  
15 **DECIDING WHETHER TO GRANT RIVER'S EDGE A METERING**  
16 **VARIANCE IN THIS CASE?**

17 **A** We in the medical community are able to keep people alive longer than ever before. As the  
18 "new elderly" live to more advanced age, they have more chronic illness and long-term  
19 functional deficits than ever before. Public policy protects the vulnerable, including elderly  
20 and disabled community residents.

21 The Missouri State Division of Aging Home and Community Services is founded on the  
22 notion of "least restrictive environment". This, simply put, means allowing people to live

1 where they want, with the least number of restrictions possible. This policy is to help  
2 seniors remain in the community as long as possible through appropriate support services.  
3 Governor Holden has furthered this trend with his recent announcement of a new office  
4 under Missouri Health and Senior Services, the Office of Community Independence.  
5 Missouri Public Policy is one of helping people remain independent in the community as  
6 long as possible, in an appropriate setting of their choosing. River's Edge serves this public  
7 policy by providing a supportive environment with the least possible restrictions on the  
8 independence of the residents.

9 The granting of the variance requested by River's Edge in this case would be in the public  
10 interest because it furthers the Missouri public policy objective of helping seniors remain in  
11 less costly, yet appropriate community settings, in conjunction with the Missouri Division of  
12 Health and Senior Services, and the Missouri State Home and Community-based Care  
13 programs. Master metering by River's Edge promotes the independence and mental well-  
14 being of its residents by avoiding the risk of improper temperature control or "over-  
15 conservation". In contrast, separate metering would not be appropriate for the residents of  
16 River's Edge, unnecessarily places them at increased risk of injury in the future, and is for  
17 these reasons in direct conflict with the social and public policies of the Missouri  
18 Department of Health and Senior Services.

19 **Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

20 **A** Yes.