

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 17th day of
November, 2005.

In the Matter of the Application of Union Electric)	
Company, doing business as AmerenUE, for a)	
Variance from the Separate Metering Requirement)	
of the Commission's Rule and the Company's)	<u>Case No. EE-2006-0124</u>
Tariff for the Remodeling of Kingsbury Terrace)	
Apartments Located at 5655 Kingsbury Avenue,)	
St. Louis, Missouri)	

ORDER GRANTING VARIANCE AND DIRECTING FILING

Issue Date: November 17, 2005

Effective Date: November 27, 2005

On September 21, 2005, Union Electric Company, doing business as AmerenUE, filed its Application for Variance. AmerenUE seeks a variance from Commission Rule 4 CSR 240-20.050(2). That rule requires individual electric meters for each residential and commercial unit of a multiple-occupancy building the construction of which has begun after June 1, 1981.

Also, AmerenUE seeks a variance from Subpart II.K of Schedule 5 of its tariff. That tariff section prohibits "non-standard service," which includes master billing.

AmerenUE states that it seeks the variance at the request of its customer, the St. Louis Housing Authority. SLHA is renovating the Kingsbury Terrace apartments. SLHA plans to open 120 apartments to low-income elderly and disabled residents. SLHA will receive a grant from the U.S. Department of Housing and Urban Development, and will lend the money to the building owner for the renovation.

SLHA plans to replace all major plumbing, mechanical, and electrical systems during the renovation. The original electrical system was master-metered. Due to interior space constraints and the cost to individually meter the apartments, SLHA would like for Kingsbury Terrace to remain master-metered.

Furthermore, the income and credit history of the Kingsbury Terrace residents would not normally meet AmerenUE's credit standards. Master-metering would relieve AmerenUE of the burden of turning power on and off as the apartments are vacated and rented. AmerenUE estimates that individually metering each unit would cost \$10,000; whereas, master-metering would save AmerenUE approximately \$30,000.

In its Memorandum and Recommendation filed on October 26, 2005, Staff states that AmerenUE does not need a variance from the rule. Commission Rule 4 CSR 240-20.050(2) applies only to construction of a building begun after June 1, 1981. According to AmerenUE, SLHA, and Staff, Kingsbury Terrace was constructed in 1971. Therefore, according to Staff, Commission Rule 4 CSR 240-2.050(2) does not apply.

Furthermore, Staff recommends that the Commission grant AmerenUE a variance from Subpart II.K of Schedule 5 of its tariff. Staff states that this tariff requires individual metering, and is based upon Commission Rule 4 CSR 240-2.050(2). In turn, the rule is based upon portions of the Public Utility Regulatory Policies Act of 1978, codified at 16 U.S.C. § 2625(d).

That statute requires separate metering when the long-run benefits to consumers of individual metering exceed the costs of purchasing and installing separate meters. Staff reviewed AmerenUE's and SLHA's information, including the information that Kingsbury Terrace residents will pay 30% of their income for rent and utilities, and the SLHA will

subsequently pay the utility bills, and believes that long-run benefits to consumers of individual metering would not exceed the costs of purchasing and installing separate meters.

In addition, Staff asks the Commission to waive a tariff provision that AmerenUE did not request. Staff asks the Commission to waive Subpart V.L. of Schedule 5. That subpart of AmerenUE's tariff prohibits a third party from furnishing electrical service and including it as an unidentifiable rental component. Staff believes that AmerenUE's application shows good cause to permit rent paid to SLHA for each unit at Kingsbury Terrace to include an unidentifiable amount for electric utility service, without such service being disaggregated and billed to the tenants by AmerenUE. AmerenUE did not respond to Staff's Memorandum and Recommendation.

The Commission has considered AmerenUE's application and Staff's memorandum and recommendation. The Commission finds that Kingsbury Terrace was constructed prior to June 1, 1981, and that, therefore, Commission Rule 4 CSR 240-2.050(2) relating to metering does not apply.

The Commission further notes that its individual metering rule, and AmerenUE's implementing tariff, are aimed at compliance with portions of the Public Utility Regulatory Policies Act of 1978, codified at 16 U.S.C. § 2625(d). That statute requires separate metering when the long-run benefits to consumers of individual metering exceed the costs of purchasing and installing separate meters.

Based on the pleadings, the Commission concludes that long-run benefits to consumers of individual metering would not exceed the costs of purchasing and installing separate meters. The Commission finds that installing individual meters would not

encourage residents to conserve electricity, since the residents pay 30% of their income to SLHA for rent and utilities, regardless of how much electricity they use.

The Commission will deny AmerenUE its requested variance of Commission Rule 4 CSR 240-2.050(2) because the rule does not apply to SLHA's Kingsbury Terrace apartments. The Commission will grant AmerenUE a variance from Subparts II.K and V.L of Schedule 5 of its tariff. Also, as Staff requested, the Commission will order AmerenUE to file revised tariff sheets that add these variances to the list of variances AmerenUE now has on file with the Commission.

In addition, because Kingsbury Terrace's residents will have their utility bills incorporated into their rent payment, the Commission will order SLHA to not cut off electrical service to any of its tenants.

IT IS THEREFORE ORDERED:

1. That the Application filed on September 21, 2005, by Union Electric Company, doing business as AmerenUE, is granted in part, as explained below.
2. That the portion of the application requesting a waiver of Commission Rule 4 CSR 240-20.050 is denied as moot because that rule does not apply to the Kingsbury Terrace Apartments, located at 5655 Kingsbury, St. Louis, Missouri.
3. That the Commission grants Union Electric Company, doing business as AmerenUE, a variance from Subpart II.K of Schedule 5, 6th Revised Sheet No. 144, issued February 14, 2003, effective March 17, 2003, for the Kingsbury Terrace Apartments, located at 5655 Kingsbury, St. Louis, Missouri.
4. That the Commission grants Union Electric Company, doing business as AmerenUE, a variance from Subpart V.L of Schedule 5, 3rd Revised Sheet No. 174, issued

July 21, 1995, effective August 26, 1995, for the Kingsbury Terrace Apartments, located at 5655 Kingsbury, St. Louis, Missouri.

5. That Union Electric Company, doing business as AmerenUE, may master meter the Kingsbury Terrace Apartments at 5655 Kingsbury, St. Louis, Missouri, as requested by the St. Louis Housing Authority.

6. That rent paid to the St. Louis Housing Authority for each residential unit at the Kingsbury Terrace Apartments, 5655 Kingsbury, St. Louis, Missouri, may include an unidentifiable amount for electric utility service to that unit, without Union Electric Company, doing business as AmerenUE, disaggregating and billing such service to the tenants of those units.

7. That the St. Louis Housing Authority shall not cut off electrical service to any of its tenants at the Kingsbury Terrace Apartments, 5655 Kingsbury, St. Louis, Missouri; however, nothing in this order shall prevent Union Electric Company, doing business as AmerenUE, from cutting off electrical service to the St. Louis Housing Authority.

8. That Union Electric Company, doing business as AmerenUE, shall file tariff sheets that list all of the variances that the Commission granted in this order no later than December 17, 2005.

9. That nothing in this order shall be considered a finding by the Commission of the value for ratemaking purposes of the properties, transactions and expenditures herein involved. The Commission reserves the right to consider any ratemaking treatment to be afforded the properties, transactions and expenditures herein involved in a later proceeding.

10. That this order shall become effective on November 27, 2005.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Gaw, Clayton and Appling, CC., concur
Murray, C., absent

Pridgin, Regulatory Law Judge