

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

In the Matter of the Application of Union)	
Electric Company, d/b/a AmerenUE,)	Case No. EE-2006-0524
for a Metering Variance to Serve Crestview)	
Senior Living.)	

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Union Electric Company, d/b/a AmerenUE ("AmerenUE"), Spectrum Acquisition Partners, LLC ("Spectrum"), the Staff of the Missouri Public Service Commission ("Staff") and the Office of the Public Counsel ("OPC") (collectively, the "Parties") and, pursuant to Commission Rule 4 CSR 240-2.115(1), respectfully submit to the Commission for its consideration and approval this Unanimous Stipulation and Agreement, resolving all issues herein.

I. Procedural History.

1. On June 27, 2006, AmerenUE filed its application requesting that the Commission grant it a variance from Commission Rule 4 CSR 240-20.050 and Section II.K Non-Standard Service of the Company's Tariff Schedule 5 – Schedule of Rates for Electric Service, for service to Crestwood Senior Living to be located in Crestwood, Missouri. On July 28, 2006, AmerenUE requested, and was granted, leave to file an amended application to cure deficiencies and AmerenUE also added a request for a variance from Subpart V.L. of the Company's Tariff Schedule 5. On that date, the Commission also ordered the Electric Meter Variance Committee ("Variance Committee") to file a recommendation on whether to approve AmerenUE's request.

2. On August 29, 2006, the Variance Committee issued a recommendation for denial of the requested variances. However, as set forth in the Variance Committee's Recommendation:

The Committee does not foreclose the possibility that AmerenUE or the developer may be able to adduce additional facts that would establish good cause shown for granting variances from Commission Rule 4 CSR 240-20.050 and Subpart V.L. of Union Electric Company's Tariff Schedule 5, 3rd Revised Sheet No. 174 or that the building may be an exempt "transient multiple-occupancy building;" however, the Committee finds the facts here do not establish good cause shown. (Recommendation at Page 2).

3. On that same date, the Commission issued its Order Directing Response To Variance Committee Report, wherein the Commission ordered AmerenUE to file its response to the Variance Committee's recommendation no later than September 8, 2006.

4. On September 6, 2006, Spectrum filed its Application to Intervene and Motion for Reconsideration by Electric Meter Variance Committee, or, In the Alternative, Request for Hearing, noting that it had only limited input in this case and it appeared that additional key facts regarding the Crestview project which would be pertinent to the Committee's decision could be presented.

5. On September 8, 2006, AmerenUE's Response to Recommendation of Electric Meter Variance Committee was filed, wherein AmerenUE joined in Spectrum's request that they be given an opportunity to provide the Variance Committee additional information, and further requested a hearing in accordance with Commission Rule 4 CSR 240-20.050(5)(C)(2). On that same date, the Commission issued its Order Setting Prehearing Conference and Directing Filing of a Proposed Procedural Schedule.

6. On September 19, 2006, the Commission issued its Order Granting Application to Intervene, granting Spectrum's intervention in this matter. Later that same date, a prehearing conference was held and the Parties indicated that a resolution to this matter may be forthcoming. Staff asked the Commission to modify the deadline for filing the procedural schedule to alternatively allow for the filing of a status report should additional time be required for negotiations. Accordingly, the Commission issued its Order Amending Procedural Schedule on September 20, 2006.

7. On September 26, 2006, the Parties jointly filed a status report, wherein the Parties indicated that they were preparing a stipulation of facts to facilitate the presentation of their resolution of this matter, and requested that the requirement of filing a procedural schedule be indefinitely suspended. As a result, on September 27, 2006, the Commission issued its Order Suspending Requirement to Submit Procedural Schedule, directing the parties to file the stipulation of facts as to the resolution of this matter, or a status report, no later than October 27, 2006.

II. Commission Rule 4 CSR 240-20.050 and Subpart V.L. of Union Electric Company's Tariff Schedule 5, 3rd Revised Sheet No. 174

8. Commission Rule 4 CSR 240-20.050 provides:

(1) For the purposes of this rule.

(A) A building is defined as a single structure, roofed and enclosed within exterior walls, built for permanent use, erected, framed of component structural parts and unified in its entirety both physically and in operation for residential or commercial occupancy;

(B) Commercial adjacent buildings are defined as buildings on a contiguous plot of land owned by one (1) person, which buildings are occupied and used by one (1) person for single type of commercial operation. A person for the purpose of this definition includes any type of business entity;

(C) A commercial unit is defined as that portion of a building or premises which by appearance, design or arrangement is normally used for commercial purposes, whether or not actually so used;

(D) Construction begins when the footings are poured;

(E) A mobile home park is defined as a contiguous parcel of land which is used for the accommodation of occupied mobile homes;

(F) A multiple-occupancy building is defined as a building or premises which is designed to house more than one (1) residential or commercial unit; and

(G) A residential unit is defined as one (1) or more rooms for the use of one (1) or more persons as a housekeeping unit with space for eating, living and sleeping, and permanent provisions for cooking and sanitation.

(2) Each residential and commercial unit in a multiple-occupancy building construction of which has begun after June 1, 1981 shall have installed a separate electric meter for each residential or commercial unit.

(3) Each mobile home unit in a mobile home park, construction of which has begun after June 1, 1981 shall have installed a separate electric meter for each mobile home unit.

(4) For the purposes of carrying out the provisions of sections (2) and (3), the following exceptions apply and separate metering will not be required:

(A) For transient multiple-occupancy buildings and transient mobile home parks—for example, hotels, motels, dormitories, rooming houses, hospitals, nursing homes, fraternities, sororities, campgrounds and mobile home parks which set aside, on a permanent basis, at least eighty percent (80%) of their mobile home pads or comparable space for use by travel trailers;

(B) Where commercial unit space is subject to alteration with change in tenants as evidenced by temporary versus permanent type of wall construction separating the commercial unit space, for example, space at a trade fair;

(C) For commercial adjacent buildings;

(D) For that portion of electricity used in central space heating, central hot water heating, central ventilating and central air-conditioning systems;

(E) For buildings or mobile home parks where alternative renewable energy resources are utilized in connection with central space heating, central hot water heating, central ventilating and central air-conditioning systems; or

(F) For all portions of electricity in commercial units in buildings with central space heating, ventilating and air-conditioning systems.

(5) Any person or entity affected by this rule may file an application with the commission seeking a variance from all or parts of this rule (4 CSR

240-20.050) and for good cause shown, variances may be granted as follows:

(A) The variance request shall be filed in writing and directed to the secretary of the commission;

(B) If the commission deems it in the public interest, a hearing may be held by the commission as in complaint hearings before the commission; and

(C) A variance committee consisting of two (2) members of the commission's utility division staff and a member of the commission's general counsel's office shall be established by the commission within thirty (30) days from September 28, 1981. The public counsel shall be an *ex officio* member of this committee.

1. The variance committee shall consider all variance applications filed by utilities and shall make a written recommendation of its findings to the commission for its approval.

2. Each applicant for a variance shall have ten (10) days from the date of the variance Committee's findings to either accede or request a formal hearing before the commission.

3. If applicant accedes, the commission may adopt the variance committee's findings or set the matter for formal hearing upon the application of any interested person or upon the commission's own motion.

(6) The commission, in its discretion, may approve tariffs filed by an electric corporation which are more restrictive of master metering than the provisions of this rule.

9. Subpart V.L. of Union Electric Company's Tariff Schedule 5, 3rd Revised

Sheet No. 174 provides:

L. Rent Inclusion

The furnishing of electric service by a customer to a third party as an unidentifiable rental component, without such service being segregated and billed to the third party by Company, is generally prohibited by the Commission's rules. ***Separate metering shall be required for each unit in multiple occupancy buildings constructed after June 1, 1981, except for the following electrical usage*** (Emphasis added.):

1. For transient multiple occupancy buildings and transient mobile home parks, e .g., hotel, motels, dormitories, rooming houses, hospitals, nursing homes, fraternities, sororities, campgrounds, and mobile home parks which set

aside, on a permanent basis, at least eighty percent (80%) of their mobile home pads or comparable space for use by travel trailers;

2. Where commercial unit space is subject to alteration with change in tenants as evidenced by temporary versus permanent type of wall construction separating the commercial unit space; e .g., space at a trade fair.
3. For commercial adjacent buildings;
4. For that portion of electricity used in central space heating, central hot water heating, central ventilating, and central air conditioning systems, or
5. For buildings or mobile home parks where alternative renewable energy resources are utilized in connection with central space heating, central hot water heating, central ventilating, and central air conditioning systems.
6. For all portions of electricity in commercial units in buildings with central space heating, ventilating and air conditioning systems.

** Any person or entity *affected* by the provisions of this Section V. L. Rent Inclusion may file an application with the Commission seeking a variance from all or parts of such provisions for good cause shown, pursuant to the Commission's rules applicable thereto.

* Nursing homes, as referenced in (1.) above, shall include all facilities licensed by the State of Missouri Department of Social Services Division of Aging. Central space heating, water heating and air conditioning systems referred to in (4.) above shall include those systems employing individual heating/cooling units interconnected with centralized heating/cooling sources by means of a central piping system containing water or other fluids suitable for such purposes.

*Indicates Change **Indicates Addition

10. 4 CSR 240-20.050(4), and Subpart V.L. of Union Electric Company's Tariff Schedule 5, 3rd Revised Sheet No. 174 provide a list of types of properties exempted from the rule and tariff. One of those categories is "transient multiple-

occupancy buildings and mobile home parks” which includes a non-exhaustive list of qualifying types of properties—hotels, motels, dormitories, rooming houses, hospitals, nursing homes, fraternities, sororities, campgrounds and mobile home parks meeting a certain criterion.

III. Stipulation of Facts

Based upon the verified pleadings previously filed herein, discussions among the Parties, and the sworn affidavit of John A. Brewer, Senior Vice President of Development and Acquisitions for Spectrum Acquisition Partners, LLC (attached hereto as Exhibit A and incorporated herein by reference), the Parties stipulate to the following facts:

11. Spectrum Acquisition Partners, LLC is a Colorado Limited Liability Company and is the developer of the Crestview Senior Living (“Crestview”) project to be located at 8800 Watson Road (updated and currently referred to as 8660 Grant Road), Crestwood, Missouri, the subject of the application for variance herein. Crestview Senior Living, LLC, a Colorado Limited Liability Company registered to do business in Missouri, will be the ultimate customer of AmerenUE. Properties such as Crestview will be referred to herein as a “Senior Living Facility.”

12. Crestview offers only a month-to-month rental agreement, reflecting the transient nature of this multi-occupancy building. Crestview is a “worry free” purpose built community of 132 units for the frail elderly who are seeking to simplify their lives, and the competitive market for this type of senior housing almost categorically offers utilities within the monthly rent. Spectrum will pay for the utilities to further its goal of providing “worry free” living to the residents. At Crestview, the single monthly rent will

cover all utilities except telephone and cable television. Each unit will be served by an individually-controlled HVAC unit and common, gas fired, hot water system. The project does not provide "low income" or HUD housing.

13. To live at Crestview, residents must be at least 62 years of age, and the average age of residents at Crestview will be approximately 83 years of age. Some of these residents will be physically impaired or disabled or have memory impairment. The facility has special design features to accommodate the elderly, infirm or disabled, such as 24 hour medical call alert system in each unit, walk in showers, bathroom grab bars, 24 hour staffing, multiple elevators, automated entry doors, handrails, and full accessibility as required, inside and outside.

14. Crestview will have available for its residents' convenience home health care services through an on-site Licensed Home Health Care Provider or other provider of their choice. Such services may include assistance with medication, assistance with bathing, dressing and grooming, and escorts and supervision when walking. Incidental Activities of Daily Living will be provided at Crestview, as evidenced by multiple programs and services covered in the monthly rental, including provision of all meals, a staffed activities program, exercise program, a bus for transportation, maintenance, housekeeping, laundry, trash, available home health services, and paid utilities.

15. Communal dining is provided to residents as evidenced by a commercial kitchen and a single dining room designed to accommodate all residents simultaneously. As noted above, the provision of meals is included in the monthly rental.

16. Common areas of the building comprise approximately 32% of the building, including communal dining room, living room, hair salon, library, theater,

physical therapy, hydro-therapy tub room and massage therapy room, game room, meeting rooms, bistro/coffee shop, and computer area.

17. The individual units range in size from 400 sf to 975 sf, with an average size of 615 sf. The majority of the units are studio and one bedroom units.

18. The parking ratio for Crestview is 0.88 spaces /resident unit. The parking ratio for a normal multi-family apartment complex is generally 2 spaces/ resident unit or greater. The significantly smaller ratio of spaces at Crestview supports the fact that it is purposefully designed for the frail senior population.

IV. Agreement as to Exempt "Transient Multiple-Occupancy Building"

19. The Commission previously approved a Unanimous Stipulation and Agreement, granting a variance from Commission Rule 4 CSR 240-20.050, in Case Nos. EE-2004-0267 and EE-2004-0268. (Both cases were consolidated on May 12, 2004, with Case No. EE-2004-0267 designated as the lead case.) These cases were filed for projects known as Brentmoor at Oaktree and River's Edge, respectively.

20. Staff's Suggestions in Support of Unanimous Stipulation and Agreement, filed on October 13, 2004, set forth six distinguishing characteristics which formed the basis for Staff to ultimately reach a Unanimous Stipulation and Agreement in both cases. Staff indicated that, if the Commission approved the Stipulation and Agreement, the Variance Committee would use this list in making appropriate and consistent recommendations concerning future variance applications. The six characteristics include:

- (1) The average age of the residents is well over 65 years, or the residents are physically or mentally impaired or disabled;
- (2) The facility makes available assistance with Incidental Activities of Daily Living;

- (3) The facilities have special design features to accommodate the elderly, infirm or disabled;
 - (4) Communal dining is provided to residents;
 - (5) Communal living areas make up a major portion of the facility; and
 - (6) The individual units are relatively small.
- (Staff Suggestions in Support of Unanimous Stipulation and Agreement, October 13, 2004, pp. 3-4.)

21. In the case of *Tesson Heights Enterprises, Complainant v. Union Electric Company, Respondent*, 4 Mo. P.S.C. 3d 145 (1995), the Commission discussed the use of the term “nursing home” as an example of the type of facility exempt from the Commission’s individual metering rule. Noting that the term is used in a generic fashion and that the term’s meaning has evolved over the years, the Commission stated:

The Commission finds this term [nursing home] to be used in a generic fashion in its rule, encompassing a broad range of facilities generally engaged in the business of providing various support services for daily living and care of senior citizens who, for a host of reasons, cannot or should not continue to live independently without such support.

The term nursing home has been in use for many years. Over this period of time a large industry has grown up to care for a senior citizen population that has become ever larger in number and older in years. This industry has changed dramatically in the extent and types of services provided and the sophistication with which they are delivered. (*Tesson Heights* at 151).

The Commission also stated that the Staff witness’ analysis was helpful, wherein he identified three functional differences which separated commercial nursing homes from simple multiple-occupancy residential facilities:

Those differences were (1) the existence of a common dining facility where most of the residents ate their meals most of the time, (2) the existence of on-duty medical staff, and (3) the fact that utility services were the responsibility of the facility operator. (*Id.*).

22. Based upon the verified pleadings, additional discussions among the Parties, the verified affidavit of John A. Brewer and the facts stipulated above, the Parties

agree that the Crestview Senior Living project meets the six characteristics set forth in Case No. EE-2004-0267 and the three functional criteria set forth in the *Tesson Heights* case, as set forth above. Accordingly, the Parties agree, and respectfully submit that the Commission should so find, that Crestview Senior Living be considered a “Senior Living Facility” qualifying as an exempt transient multiple-occupancy building pursuant to Commission Rule 4 CSR 240-20.050(4)(A). As noted by the Commission in its analysis in *Tesson Heights* regarding the evolution of care for the senior citizen population, the Parties respectfully submit that the Commission’s utilization of the term “Senior Living Facility” – a term not readily used over twenty-five years ago when the above-referenced rule was adopted – as a recognized exempt transient multiple-occupancy building, will provide necessary guidance to interested stakeholders in the future.

V. Alternative Relief: The Granting of a Waiver

23. Should the Commission determine that the subject property will not be recognized as an exempt transient multiple-occupancy building, in the alternative and based upon the verified pleadings, additional discussions among the Parties, the verified affidavit of John A. Brewer and the facts stipulated above, the Parties agree that good cause has been shown and that the Commission should grant a variance from the individual metering requirement of Commission Rule 4 CSR 240-20.050 and Subpart V.L. of Union Electric Company’s Tariff Schedule 5, to allow master metering for the Crestview Senior Living facility in Crestwood, Missouri.

VI. Other Terms

24. This Stipulation and Agreement has resulted from extensive negotiations among the Parties and the terms hereof are interdependent. In the event that the

Commission does not approve this Stipulation and Agreement in its entirety, it shall become null and void and none of the Parties shall be bound by any of the agreements or provisions hereof.

25. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Parties waive, with respect to the issues resolved herein, their respective rights, to present testimony, to cross-examine witnesses, and to present oral argument and written briefs pursuant to Section 536.080, R.S.Mo. 2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, R.S.Mo. 2000; and their respective rights to judicial review pursuant to Section 386.510, RSMo. 1994. The parties agree to cooperate with each other in presenting this Stipulation and Agreement to the Commission for approval, and will take no action, direct or indirect, in opposition to approval of this Stipulation and Agreement.

26. If requested, the Staff shall file suggestions or a memorandum in support of this Stipulation and Agreement and the other Parties shall have the right to file responsive suggestions.

27. The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practical, provide the other Parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is required from the Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent that it refers to matters that are privileged or protected from disclosure pursuant to any protected order issued in this case.

Wherefore, the Parties respectfully request that the Commission issue an order approving this Stipulation and Agreement and determining that Crestview Senior Living is a "Senior Living Facility" qualifying as an exempt transient multiple-occupancy building pursuant to Commission Rule 4 CSR 240-20.050(4)(A), or, in the alternative, determining that good cause has been shown and granting a variance from the individual metering requirement of Commission Rule 4 CSR 240-20.050 and Subpart V.L. of Union Electric Company's Tariff Schedule 5, to allow master metering for the Crestview Senior Living facility in Crestwood, Missouri.

Respectfully submitted,

/s/ Wendy K. Tatro

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Licensed: State of Kansas
(Bar No.: 19232)
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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, to all counsel of record this 25th day of October, 2006.

/s/ Larry W. Dority _____
Larry W. Dority

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

In the Matter of the Application of Union)
Electric Company, d/b/a AmerenUE,) Case No. EE-2006-0524
for a Metering Variance to Serve Crestview)
Senior Living.)

AFFIDAVIT OF JOHN A. BREWER

STATE OF COLORADO)
) ss
CITY OF DENVER)

I, John A. Brewer, having been duly sworn upon my oath, state that I am Senior Vice President of Development and Acquisitions, Spectrum Acquisition Partners, LLC ("Spectrum"), that I am duly authorized to make this affidavit on behalf of Spectrum, and that the matters set forth in this affidavit are true and correct to the best of my knowledge, information and belief. In addition, John A. Brewer further states as follows:

1. Spectrum Acquisition Partners, LLC is a Colorado Limited Liability Company and is the developer of the Crestview Senior Living ("Crestview") project to be located at 8800 Watson Road (updated and currently referred to as 8660 Grant Road), Crestwood, Missouri, the subject of the application for variance herein.

2. Spectrum Acquisition Partners, Spectrum Retirement Communities and subsidiaries and affiliates are only involved in the senior living industry, developing, owning and managing residential "worry free" senior living properties similar to Crestview on a national basis, and none of those properties are individually metered. For purposes of this Affidavit, such properties will be referred to as "Senior Living Facility."

3. Crestview Senior Living offers only a month-to-month rental agreement, reflecting the transient nature of this multi-occupancy building. Crestview is a "worry free" purpose built community of 132 units for the frail elderly who are seeking to simplify their lives, and the competitive market for this type of senior housing almost categorically offers utilities within the monthly rent. Spectrum will pay for the utilities to further its goal of providing "worry free" living to the residents. At Crestview, the single monthly rent will cover all utilities except telephone and cable television. Each unit will be served by an individually-controlled HVAC unit and common, gas fired, hot water system. The project does not provide "low income" or HUD housing.

4. To live at Crestview Senior Living, residents must be at least 62 years of age, and the average age of residents at Crestview will be approximately 83 years of age. Some of these residents will be physically impaired or disabled or have memory

impairment. The facility has special design features to accommodate the elderly, infirm or disabled, such as 24 hour medical call alert system in each unit, walk in showers, bathroom grab bars, 24 hour staffing, multiple elevators, automated entry doors, handrails, and full accessibility as required, inside and outside.

5. Crestview Senior Living will have available for its residents' convenience home health care services through an on-site Licensed Home Health Care Provider or other provider of their choice. Such services may include assistance with medication, assistance with bathing, dressing and grooming, and escorts and supervision when walking. Incidental Activities of Daily Living will be provided at Crestview, as evidenced by multiple programs and services covered in the monthly rental, including provision of all meals, a staffed activities program, exercise program, a bus for transportation, maintenance, housekeeping, laundry, trash, available home health services, and paid utilities.

6. Communal dining is provided to residents as evidenced by a commercial kitchen and a single dining room designed to accommodate all residents simultaneously. As noted above, the provision of meals is included in the monthly rental.

7. Common areas of the building comprise approximately 32% of the building, including communal dining room, living room, hair salon, library, theater, physical therapy, hydro-therapy tub room and massage therapy room, game room, meeting rooms, bistro/coffee shop, and computer area.

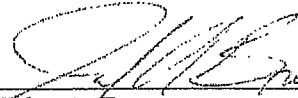
8. The individual units range in size from 400 sf to 975 sf, with an average size of 615 sf. The majority of the units are studio and one bedroom units.

9. Single metering costs significantly more to build than master metering, adding \$355,000 to the cost of the overall project. (Per electrical engineer ABS Consultants, Inc. of Denver, Colorado.)

10. The parking ratio for Crestview Senior Living is 0.88 spaces /resident unit. The parking ratio for a normal multi-family apartment complex is generally 2 spaces/ resident unit or greater. The significantly smaller ratio of spaces at Crestview Senior Living supports the fact that it is purposefully designed for the frail senior population.

11. Spectrum has two similar Senior Living Facilities under development in Kansas, and the Staff of the Kansas Corporation Commission ("KCC") has determined that neither facility requires a waiver of the KCC's order prohibiting electric master metering. Nor did the Staff object to the application of single gas meters for the facilities. (Copies of the March 10, 2006 and May 12, 2006 correspondence from the KCC are attached hereto as Exhibits A and B.) This is entirely consistent with state and national markets for similar senior living facilities that almost categorically include master metered utilities within the rent structure. Recently built local examples of master metered senior living facilities would include Orchid Terrace (St. Louis County), Homestead at Hickory View (Washington, Mo.), Brentmoor at Oaktree and Rivers Edge.

I hereby swear and affirm that the information presented herein is true and correct to the best of my information, knowledge and belief.

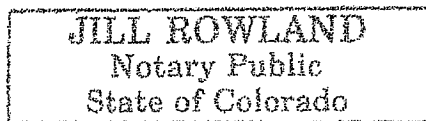


John A. Brewer
Senior Vice President of
Development and Acquisitions
Spectrum Acquisition Partners, LLC

Subscribed and sworn before me this 25th day of October, 2006.


Notary Public

My Commission expires on 11-16-2006.



KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

March 10, 2006

Mr. John A. Brewer
Spectrum Acquisition Partners, LLC.
200 Spruce Street, Suite 200
Denver, CO 80230

Dear Mr. Brewer:

On March 6, you sent a letter requesting that the Kansas Corporation Commission allow the subject property, Park Meadow Senior Living, to be master metered for electricity, and interpret that a waiver is not required to allow such master-metering as required under the October 19, 1978 KCC Order in Docket No. 115,379-U. You informed us that Park Meadow Senior Living is planned at 107th and Nall, Overland Park, Kansas and will be owned by your company. You specified that the subject facility will be a 213-unit commercial/institutional operation, specially designed to accommodate the elderly, infirm or disabled. From the facility, the operator will offer bundled individual and assisted living packages including housing, health services, housekeeping, maintenance, meals, activities, transportation and utilities for a monthly rental fee. You state that the facility will include a 24-hour emergency call system in each unit, 24-hour staffing, multiple elevators to living floors, automated entry doors, and full accessibility, as required, inside and outside. You advised us on the following attributes of the facility:

- Common spaces. More than 32% of the facility's gross area will include common spaces, including a communal and private dining room, living room, library, theater, physical therapy, game room, meeting rooms, coffee shop, computer area, and store. Common spaces will have centrally-operated and -controlled heating, ventilation and air-conditioning (HVAC) systems.
- 133 independent living units. Each will be furnished with an individually-controlled electric HVAC system, and will include a kitchen with refrigerator, cook-top stove, microwave, and sink.
- 80 assisted living units. Each will be furnished with an individually-controlled electric HVAC system, and will include a refrigerator, sink and microwave.
- Centrally-operated food preparation and meal service. All meals will be provided from the commercial kitchen and served in the common dining rooms on the first floor.
- Common, gas-fired, hot water system. The system will heat and distribute water to the units and throughout the building.

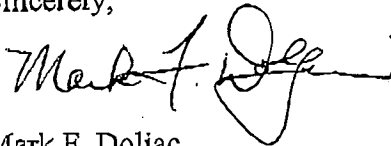
You provided site and floor plans for the proposed facility, and indicated that the electric and gas utilities will render a commercial bill.

EXHIBIT A

On October 19, 1978, the Commission issued an order in Docket No. 115,379-U, which generally prohibits electric master metering in residential dwellings on a prospective basis. In practice, Staff generally does not support the application of natural gas master metering in residential dwellings. However, after reviewing your letter and plans, discussing the matter with you on the phone, and careful consideration of the specifics of the 213-unit Park Meadow Senior Living facility, Staff has determined that a waiver on the Commission's order prohibiting electric master metering is not necessary in this case. Further, Staff does not object to the application of a single gas meter for this facility, because the Commission-approved General Terms and Conditions for Gas Service for Kansas Gas Service (*i.e.*, Section 7.03.05) permit master metering from customer-owned distribution networks for "institutional, educational and health care campuses." Staff's positions are due largely to the commercial nature of the planned facility, and the manner by which we have been advised Spectrum Acquisition Partners will operate it. Please retain this letter for your records.

The determination that a waiver is not required for the single electric meter would no longer be valid if there is a significant change or modification of the design or intended use of this facility, either upon initial construction or after the facility is in operation. An example of such change or modification would be a plan to convert its operation to standard apartment use. Likewise, such changes or modifications could affect the eligibility of this facility to be served via a single gas meter. If you have any questions on this matter, please contact me at 785-271-3156.

Sincerely,



Mark F. Doljac
Senior Utility Engineer / Rate Analyst

Cc: L. Holloway
G. Dawdy

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

May 12, 2006

Mr. John A. Brewer
Spectrum Acquisition Partners, LLC.
200 Spruce Street, Suite 200
Denver, CO 80230

Dear Mr. Brewer:

On May 9, you sent a letter requesting that the Kansas Corporation Commission allow the subject property, Shaune Hill Senior Living, to be master metered for electricity and natural gas utility service, and interpret that a waiver is not required to allow such master-metering as required under the October 19, 1978 KCC Order in Docket No. 115,379-U. You informed us that Shaune Hill Senior Living is planned at 63rd Street and Maurer, Shawnee, Kansas and will be owned by your company. You specified that the subject facility will be a 125-unit commercial/institutional operation, specially designed to accommodate the elderly, infirm or disabled. From the facility, the operator will offer bundled individual and assisted living packages including housing, health services, housekeeping, maintenance, meals, activities, transportation and utilities for a monthly rental fee. You indicated the facility will include a 24-hour emergency call system in each unit, 24-hour staffing, multiple elevators to living floors, automated entry doors, and full accessibility inside and outside. You advised us on the following attributes of the facility:

- Common spaces. More than 30% of the facility's gross area will include common spaces, including a communal and private dining room, living room, library, theater, physical therapy, game room, meeting rooms, coffee shop, and computer area. Common spaces will have centrally-operated and -controlled heating, ventilation and air-conditioning (HVAC) systems.
- 125 independent living units. Each will be furnished with an individually-controlled electric HVAC system, and will include a compact kitchen with refrigerator, cook-top stove, microwave, and sink.
- Centrally-operated food preparation and meal service. All meals will be provided from the commercial kitchen and served in the common dining rooms on the first floor.
- Common, gas-fired, hot water system. The system will heat and distribute water to the units and throughout the building.

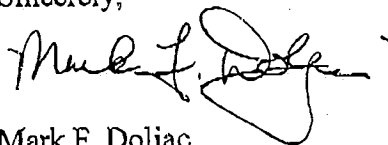
You provided floor plans for the proposed facility, and indicated that the electric and gas utilities will render a commercial bill.

EXHIBIT B

On October 19, 1978, the Commission issued an order in Docket No. 115,379-U, which generally prohibits electric master metering in residential dwellings on a prospective basis. In practice, Staff generally does not support the application of natural gas master metering in residential dwellings. However, after reviewing your letter and plans, and considering previous conversation we have had over the phone, and careful consideration of the specifics of the 125-unit Shaunee Hills Senior Living facility, Staff has determined that a waiver on the Commission's order prohibiting electric master metering is not necessary in this case. Further, Staff does not object to the application of a single gas meter for this facility, because the Commission-approved General Terms and Conditions for Gas Service for Kansas Gas Service (i.e., Section 7.03.05) permit master metering from customer-owned distribution networks for "institutional, educational and health care campuses." Staff's positions are due largely to the commercial nature of the planned facility, and the manner by which we have been advised Spectrum Acquisition Partners will operate it. Please retain this letter for your records.

The determination that a waiver is not required for the single electric meter would no longer be valid if there is a significant change or modification of the design or intended use of this facility, either upon initial construction or after the facility is in operation. An example of such change or modification would be a plan to convert its operation to standard apartment use. Likewise, such changes or modifications could affect the eligibility of this facility to be served via a single gas meter. If you have any questions on this matter, please contact me at 785-271-3156.

Sincerely,



Mark F. Doljac
Senior Utility Engineer / Rate Analyst

Cc: L. Holloway
G. Dawdy