

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 21st day of  
February, 2006.

In the Matter of the Application of Grand View	)	
Tower, LLC, for Approval of a Variance from	)	<b><u>Case No. EE-2005-0486</u></b>
4 CSR 240-20.050(2)	)	

**ORDER GRANTING VARIANCE AND DIRECTING FILING**

Issue Date: February 21, 2006

Effective Date: March 3, 2006

On June 13, 2005, Grand View Tower, LLC, filed an application seeking a variance from Commission Rule 4 CSR 240-20.050, relating to metering in connection with the construction and operation of a multi-family residential apartment building located at 300 South Grand Boulevard, St. Louis, Missouri 63103.

Grand View Tower stated that the property was built 42 years ago as part of a retirement village. Grand View Tower has purchased the property and is refurbishing the building as a multi-family residential apartment building. Because of the way the building was originally wired, it is impossible to individually meter each unit without replacing the entire electrical distribution system in the building. Grand View Tower estimated a cost of \$1,625,000 to \$2,125,000 to install the individual meters and the necessary wiring. Grand View Tower also commissioned an energy savings analysis from Kevin S. Griesemer, P.E., of G&W Engineering Corporation, who projected an energy savings of \$8,391.40 per year if individual meters were installed. Thus, Grand View Tower requested a variance from the individual metering requirements of the

Commission's rule. In addition, Grand View Tower seeks to have electric service provided to the building through the existing electric service supply.

On July 15, 2005, the Commission's Electric Meter Variance Committee filed its recommendation advising that the requested variance was not necessary. The Committee based its recommendation on the fact that the footings of the building in question were poured before June 1, 1981.

Commission rule 4 CSR 240-20.050 provides in part:

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

The Committee further indicated that a variance from the tariff of Union Electric Company, d/b/a AmerenUE, is required. The relevant part of AmerenUE's tariff<sup>1</sup> basically incorporates the Commission's metering rule into AmerenUE's tariff, and for purposes of the type of metering requested, applies that rule to the property at issue. Furthermore, the tariff prohibits customers of AmerenUE from furnishing electric service to a third party as an unidentifiable rental component.<sup>2</sup>

On January 20, 2006, AmerenUE sought to intervene in this matter and requested a variance from its tariff provisions on behalf of its customer, Grand View Tower. AmerenUE stated that it estimates that the cost of installing individual meters in each of the 300 units verses installing a master meter is approximately \$13,200. Because of the additional cost for Grandview Tower to install the necessary wiring as compared to the cost savings projected, AmerenUE requested that Grandview Tower

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<sup>1</sup> Union Electric Company Tariff, Subpart II.K Non-Standard Service, Schedule 5, Rates for Electric Service.

<sup>2</sup> Union Electric Company Tariff, Subpart V.L. Rent Inclusion, Schedule 5, Rates for Electric Service.

be granted a variance from AmerenUE's tariff requirements. AmerenUE also suggested language that the Commission may want to require as a notice to Grand View Tower residents that they are not customers of AmerenUE.<sup>3</sup>

The Staff of the Missouri Public Service Commission filed a recommendation on February 8, 2006. Staff recommended that the Commission grant the variance from AmerenUE's tariff provisions, authorize AmerenUE to master meter the building, permit rent paid to Grand View Tower to include an unidentifiable amount for electric service, and require AmerenUE to file tariff sheets listing all of the variances granted.

On February 21, 2006, Grand View Tower filed additional information related to the housing development. Included in that supplemental information was a statement that the rental units will be an average size of approximately 350 square feet. In addition, 130 of the 300 units will be provided under federal Housing and Urban Development Guidelines commonly known as "Section 8." Grand View Tower stated that the heat and electricity will be common to all units and the cost will be included as part of the rental payment. Grand View Tower further stated that no resident will have heat or electricity turned off as a result of nonpayment of rent. Grand View Tower also provided copies of sample leases for the units and stated that termination of tenancy will be the remedy for failure to pay rent.

The Commission has considered the Applications filed by Grand View Tower and AmerenUE and the recommendations of the Committee and of Staff. Based upon its review of these items, the Commission concludes that no variance from the Commission's Rule 4 CSR 240-20.050 is necessary because the footing of the building

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<sup>3</sup> Paragraph 14, Page 4, Application for Variance of Union Electric Company and Request to Accept Intervention Out of Time, filed January 20, 2006.

was poured before June 1, 1981. The Commission also concludes that based on the high cost to rewire the electric service to the building, when compared to the relatively low energy savings that would result from individual metering, good cause exists to grant a variance to Grand View Tower from the provisions of AmerenUE's tariff requiring individual metering with certain conditions. Furthermore, the Commission concludes that good cause exists to grant a waiver from AmerenUE's tariff provisions in order to authorize master metering of the building and the receipt by Grand View Tower of an unidentifiable amount from rent for electric service to the units. As a condition of this variance, the Commission will require that Grand View Tower place a notice in its rental agreements substantially similar to the following:

**Notice to Residents Concerning the Provision of Electric Service at Grand View Tower**

As a resident of Grand View Tower, you are not a customer of Union Electric Company, d/b/a AmerenUE. The consumer protection provisions of AmerenUE's tariff on file with the Public Service Commission of the State of Missouri do not apply to Grand View Tower's provision of your electric service. Furthermore, the Missouri Public Service Commission does not regulate the service that will be offered. The terms and conditions of your electric service are as set forth in your contractual agreement with Grand View Tower. In the event of an interruption in electric service, please contact Grand View Tower which will, if necessary, contact AmerenUE.

In addition, Grand View Tower shall not terminate the heat or electricity of any tenant as a result of the failure to pay rent.

**IT IS ORDERED THAT:**

1. The application filed on June 13, 2005, by Grand View Tower, LLC, is denied.
2. The application for variances filed by Union Electric Company, d/b/a AmerenUE, on January 20, 2006, is granted.

3. Master metering is authorized and a variance from Subpart II.K of Union Electric Company's Tariff Schedule 5, 6<sup>th</sup> Revised Sheet No. 144, issued February 14, 2003, and made effective March 17, 2003, is granted, with respect to the property owned by Grand View Tower, LLC, at 300 South Grand Boulevard, St. Louis, Missouri.

4. Grand View Tower, LLC, is permitted to collect in rent an unidentifiable amount for electric service, and a variance from Subpart V.L. of Union Electric Company's Tariff Schedule 5, 3<sup>rd</sup> Revised Sheet No. 174, issued July 21, 1995, and made effective August 26, 1995, is granted, with respect to the property owned by Grand View Tower, LLC, at 300 South Grand Boulevard, St. Louis, Missouri.

5. Grand View Tower, LLC, shall include a notice in its rental agreements for the property that is the subject of this case in substantially the same form as set out above.

6. Grand View Tower, LLC, shall not terminate the heat or electricity of any resident for the nonpayment of rent.

7. No later than March 23, 2006, Union Electric Company, d/b/a AmerenUE, shall file amended tariff sheets to include the variances granted herein.

8. This order shall become effective on March 3, 2006.

**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., Murray, Gaw, Clayton and Appling, CC., concur

Dippell, Deputy Chief Regulatory Law Judge