

UTILITY OPERATIONS DIVISION

ENERGY ROUTING SLIP

File No. 9600060

FROM	TO	INITIAL		STATUS
CHAIRMAN MUELLER	X	AGM		Approved
COMMISSIONER McCLURE	X	KW		Formal Objection Filed
COMMISSIONER KINCHELOE	X	CK		No Formal Objection Filed
COMMISSIONER CRUMPTON	X	CR	X	Filed Without Suspension
COMMISSIONER DRAINER	X	DD		Suspended

Mr. Goldammer	X	SG 8/22/95		Case No.
Mr. Matisziw	X	MM 8/22		
X Mr. Straub		MS 8/22		Commissioner
Legal DOTTHEIM	X	SD 8/22/95		
				Hearing Examiner

Company: Union Electric Company

Date Received: July 21, 1995

Date Effective: August 26, 1995

Process by: August 25, 1995

Purpose of Filing: Eliminate the Single-Metered Multiple-Occupancy Service

Date of Agenda Consideration

8-25-95

On July 21, 1995, Union Electric Company (UE or Company) filed tariffs to eliminate the Single-Metered Multiply-Occupancy Service (referred to by UE as their 007 rate). On August 15, 1995, UE filed a letter extending the effective date of the proposed tariffs to August 26, 1995. On August 21, 1995, UE filed substitute tariffs to reflect minor clarifications to the tariffs filed on July 21, 1995, after discussions with the Missouri Public Service Commission Staff (Staff) and the counsel for the Complainant in Case No EC-95-58. UE indicated in its transmittal letter that this filing will reflect Company's future policies toward the metering and billing of licensed retirement and nursing care facilities within its service area.

All customers currently receiving service from the 007 rate will be transferred to one of the applicable standardized billing provisions for service under the 1(M) Residential, 2(M) Small General Service, 3(M) Large General Service, or 4(M) Small Primary Classification as applicable. The transfers will begin with the effective date of this filing and are anticipated to be completed by December 15, 1995. Standardized billing requires one customer charge per meter, where 007 billing allowed one customer charge per apartment or living unit.

This filing modifies the tariff language that was the subject of three other cases before the Commission. The Friendship Village Case Nos. EC-92-276 and EC-92-277 addressed the metering and billing of single-metered multiply-occupancy licensed retirement or nursing care facilities. The Commission issued its REPORT & ORDER in this case and it is closed but on appeal. Case No. EC-95-58, Tesson Heights Enterprises, Complainant, vs. Union Electric Company, is currently pending before the Commission and

Schedule 4-1

also addresses the metering and billing of a licensed retirement care facility. Company stated in its brief filed on July 21, 1995, in Case No EC-95-58 that they were filing tariffs (this filing) to allow Tesson Heights to remain on the Large General Service rate.

The elimination of the 007 rate will require some customers to purchase facilities that UE installed when service was originally initiated. UE has two Commission approved line extension policies in its tariff. One is applicable to the Residential Classification and the other is applicable to the General Service and Primary Service Classifications (non-residential). The residential extension policy requires the Company to install some facilities at no cost to the customer, whereas, the non-residential extension policy requires the customer to pay for these facilities. Because the 007 rate is part of the Residential Classification, most extensions to these customers were made utilizing the residential extension policy. Customers moving to one of the non-residential classification, as a result of this filing, will be required to assume the responsibility of ownership of these facilities. The Company is offering three options to the affected customers: 1) purchase these facilities at estimated book value, which is original cost less depreciation, and pay UE in one lump sum payment; 2) finance the purchase of the facilities for a period not to exceed 24 months at a interest rate consistent with UE's Financing Program which is at an interest rate not to exceed interest rates allowed by Missouri law, nor less than the interest rates generally prevailing in the applicable retail markets for said items and services, and; 3) the customer may install its own facilities in lieu of those previously installed by the Company.

There are 407 regular file accounts and 13 special file accounts (customers) currently receiving service from the 007 rate. Regular file customers are small and as a result of this filing will receive service from either the Residential or Small General Service Classification. None of the regular file customers will be required to purchase any Company facilities. Of the 13 special file customers, four will not be required to purchase the Company facilities because they have been fully depreciated. The remaining nine customers will be offered the options indicated above with the estimated book value of the facilities that each customer is required to purchase ranging from approximately \$1,000 to \$16,000 depending upon how old the facilities are and the length of cable utilized in the service line. In no case will the cost of purchasing the facilities be more than the annual revenue reduction of that customer. All current 007 customers, regular file and special file, will receive a reduction as a result of this filing. The 407 regular file customers will receive a total annual revenue reduction of approximately \$85,000 which is an average annual reduction of approximately \$200 for each customer. The 13 special file customers will receive a total annual revenue reduction of approximately \$195,000 with each customers' reduction ranging from the lowest being \$2,000 to the highest being \$36,000. The elimination of the 007 rate will result in an estimated annual revenue reduction to UE of approximately \$280,000.

In addition to eliminating the 007 rate, this filing will more accurately define when a retirement facility will be billed from the Residential, General Service, or Primary Service Classification. Language has been added stating that the Residential Classification is not available to a nursing home or retirement facilities that is licensed by the State of Missouri Department of Social Services Division of Aging (State). These types of facilities will receive service from the appropriate non-residential classification.

Normal apartment buildings or retirement facilities that are not licensed by the State will be individually metered and will receive service from the Residential Classification. However, Commission Rule 4 CSR 240-20.050 allows for a variance from the individual metering requirement. If a variance is requested by an applicant and ultimately granted by the Commission, the facility will then receive service from the appropriate General Service or Primary Service Classification.

In Staff's opinion this filing is permitted and will not violate Paragraph 4, Rate Design, of the Stipulation and Agreement in Case No. ER-95-411, UE's one-time credit, reduction in revenues, and experimental alternative regulation plan.

Because this filing was made on greater than thirty days notice, no order is necessary from the Commission to indicate approval. Staff has reviewed this filing and recommends the following tariff sheets filed on July 21, 1995, and as substituted on August 21, 1995, be allowed to go into effect on and after August 26, 1995, the requested effective date:

P.S.C. MO. SCHEDULE NO. 5

17th Revised Sheet No. 29 cancelling 16th Revised Sheet No. 29
10th Revised Sheet No. 30 cancelling 9th Revised Sheet No. 30
15th Revised Sheet No. 31 cancelling 14th Revised Sheet No. 31
3rd Revised Sheet No. 174 cancelling 2nd Revised Sheet No. 174