

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 7th day of  
July, 2005.

In the Matter of the Application of Union Electric     )  
Company, doing business as AmerenUE, for a         ) **Case No. EE-2005-0400**  
Metering Variance to Serve Vaughn Elderly         )  
Apartments.   )

**ORDER GRANTING VARIANCE AND DIRECTING FILING**

Issue Date: July 7, 2005

Effective Date: July 17, 2005

On May 5, 2005, Union Electric Company, doing business as AmerenUE, filed its application for a variance from Commission Rule 4 CSR 240-20.050, relating to metering, and from Section II.K., Non-Standard Service, of its Tariff Schedule 5, Schedule of Rates for Electric Service. Ameren seeks a variance, at the request of its customer, McCormack Baron Salazar, Inc., to permit master metering for a residential apartment building that its customer is building as housing for low income, elderly persons.

The application states that the project, located at 1919 O'Fallon Street in the City of St. Louis, will consist of 108 one-bedroom units and three two-bedroom units. The project will be funded by a grant from the U.S. Department of Housing and Urban Development to the St. Louis Housing Authority, which will then loan funds to the builder. Each apartment will have an individually-packaged heating and cooling unit; hot water for all of the tenants will be provided by a central unit. The building will include a multi-purpose common room on the ground floor which will serve as a dining room for the residents. A

warming kitchen is located immediately adjacent to the multi-purpose room. The ground floor will also include a sun room, billiards room, fitness room, common mail delivery area, restrooms, a conference room, vending machines, two laundry rooms, trash rooms, the building management office, and the office of the Tenant Affairs Board representative. The second floor will include additional laundry rooms, restrooms and trash rooms, a lounge and a physician's examination room. The third floor will also include additional laundry rooms, restrooms and trash rooms, another lounge, and a beauty salon. All of these common areas will be heated and cooled by central units.

The application states that McCormack Baron Salazar, Inc., has requested that one electric meter be installed to serve the building and states that it will be responsible for the payment of all bills for electric service. Absent approval of this variance request, individual metering for each apartment along with a "house" meter for electricity provided for common use will be required. Such metering would increase construction costs by some \$83,250.00 and may create credit and payment concerns with the very low income occupants of the facility. The low income citizens who qualify for housing in this facility cannot normally meet the utility standards to qualify for credit due to their income status and their credit history. Master metering would also relieve Ameren of the burden of turning power on and off as the apartments are vacated and re-rented and its billing would be substantially simplified.

The Commission's Staff filed its Memorandum and Recommendation on June 6, 2005. Staff states that the Electric Meter Variance Committee, for good cause shown, recommends that the Commission issue an order granting a variance from the Commission's Rule 4 CSR 240-20.050 for electric service to the Vaughn Elderly

Apartments. Additionally, the Electric Meter Variance Committee recommends that the Commission grant a variance from Section II.K., Non-Standard Service, of Ameren's Tariff Schedule 5, Schedule of Rates for Electric Service, for the premises located at 1919 O'Fallon Street, St. Louis, Missouri.

The Committee stated:

The Electric Meter Variance Committee has considered the potential benefits to consumers of individual metering, i.e., the ability to directly receive the financial benefits of individual conservation and efficiency efforts and the potential for individual choice in selecting an electricity provider at some time in the future. The Committee finds that these potential benefits are likely to be of little value to elderly consumers living in subsidized housing. Furthermore, since the building operator will be responsible for paying the electric bill(s), individual consumers would not directly receive the financial benefits of individual conservation and efficiency efforts in any event.

For this reason, Staff concludes that good cause has been shown and that a variance from Ameren's tariff should be granted.

The Commission has considered the application and Staff's memorandum and recommendation. The Commission finds that good cause has been shown such that the requested variances should be granted. The Commission notes that its individual metering rule, and Ameren's implementing tariff, are aimed at compliance with portions of the Public Utility Regulatory Policies Act of 1978, codified at 16 U.S.C. Section 2625(d). This Act requires separate metering whenever the long-run benefits to consumers of individual metering exceed the cost of purchasing and installing the individual meters. Based on the record before it, the Commission concludes that the long-run benefits to consumers of individual metering in this case would not exceed the cost of purchasing and installing the individual meters. The developer estimates that individual metering would cost it at least an additional \$83,250.00. The Electric Meter Variance Committee has determined that the

benefits are likely to be of little value to low income, elderly persons residing in these residential units. For these reasons, the Commission will grant the requested variance to Ameren with respect to the Vaughn Elderly Apartments project.

The Commission will also order Ameren to file revised tariff sheets adding this variance to the list of variances now on file with the Commission.

**IT IS THEREFORE ORDERED:**

1. That the Application filed on May 5, 2005, by Union Electric Company, doing business as AmerenUE, is granted.

2. That a variance is granted, for good cause shown, from Commission Rule 4 CSR 240-20.050 for the Vaughn Elderly Apartments project, located at 1919 O'Fallon Street, St. Louis, Missouri.

3. That a variance is granted from the tariff of the Union Electric Company, doing business as AmerenUE, specifically, Section II.K., Non-Standard Service, of its Tariff Schedule 5, Schedule of Rates for Electric Service, with respect to the Vaughn Elderly Apartments project, located at 1919 O'Fallon Street, St. Louis, Missouri.

4. That Union Electric Company, doing business as AmerenUE, shall within 30 days of the date of this Order, file its amended tariff sheets to include the variance granted herein.

5. That this Order shall become effective on July 17, 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., Murray, Gaw, Clayton,  
and Appling, CC., concur.

Thompson, Deputy Chief Regulatory Law Judge