

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

Application of Union Electric Company,)
d/b/a AmerenUE, for a Metering Variance)
to Serve Vaughn Elderly Apartments)

Case No. EE-2005-0400

**STAFF’S SUBMITTAL OF THE
ELECTRIC METER VARIANCE COMMITTEE’S RECOMMENDATION**

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”), and hereby submits, on behalf of the Electric Meter Variance Committee (“Committee”), the Committee’s Recommendation, which is labeled Appendix A, in this proceeding. Rule 4 CSR 240-20.050(5) provides that a variance from the rule requiring separate metering may be granted for good cause shown. 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.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/Steven Dottheim
Steven Dottheim

Chief Deputy General Counsel
Missouri Bar No. 29149

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 7th day of April 2005.

/s/ Steven Dottheim

Meter Variance Application Information

– Vaughn Elderly –

1. The name of the applicant seeking the variance:
McCormack Baron Salazar, Inc.
2. The project's name and location:
The project is Vaughn Elderly Apartments which is located in the Murphy Park Neighborhood at 1919 O'Fallon Street, St. Louis, Missouri.
3. The building style and number of units:
 - A. **Three-story double loaded corridor building; wood framed with masonry and vinyl siding on the exterior.**
 - B. **111 total units – 108 1-bedroom and 3 2-bedroom apartments. This includes 10 handicapped accessible units.**
4. The intended purpose/function of the project:
Housing low income, elderly residents.
5. The party responsible for bill payment:
McCormack Baron Salazar, Inc.
6. The additional expenditures for individual metering:
It is estimated that it will cost approximately \$750/apartment or \$83,250 additionally to change from master to individual metering.
7. Any other information or comments that would be important to include in the application:
 - A. **Low income citizens who qualify for housing in this facility cannot normally meet the utility standards to qualify for credit. Their income status and their credit history do not normally meet the qualifications and they are determined to be a risk to the utility. This also relieves AmerenUE of the burden of turning power on and off as the apartments are vacated and rented and its billing will be substantially simplified.**
 - B. **This building will house very low-income citizens and help them locate services they need to live independently.**
 - C. **This building will be solely responsible for the payment of the master metered utility bills.**
8. Information on the central HVAC facilities, central water heating facilities, common areas, or a common dining room.
 - A. **There is a common multipurpose room on the ground floor where resident dining will take place with an adjacent warming kitchen where pre-prepared meals (like meals on wheels) will be served to residents. Also adjacent to the multipurpose room is a billiards room, a fitness room, common mail delivery area, men's and women's restrooms, and a conference room that is available to the residents. The ground floor also consists of an on-site building management office, an office for the resident Tenant Affairs Board office, common vending, two common resident laundry rooms, trash rooms, and common resident sun room. Centralized electric fan coil units provide the HVAC to these common areas.**
 - B. **The second floor has a common lounge space, to common resident laundry rooms, 2 unisex restrooms (adjacent to the laundry rooms), trash rooms, and a doctors exam room.**
 - C. **The third floor has a common lounge space, to common resident laundry rooms, 2 unisex restrooms (adjacent to the laundry rooms), trash rooms, and a beauty salon.**

Meter Variance Application Information

– Vaughn Elderly –

D. Each apartment is heated and cooled by its own packaged electric unit.

E. A central domestic hot water heater provides hot water throughout the building including the individual apartments.

9. Is this a HUD facility?

The building is not owned by either the St. Louis Housing Authority (SLHA) or HUD. However, the building is financed with grant funds provided by HUD to SLHA and then loaned to the building owner for the purposes of constructing the project; and, it is located on land that is on a long term land lease of 47 years from SLHA. That being said it is the case that 80 of the 111 units are designated for occupancy by elderly public housing residents (exclusively but subject to the terms and conditions of a number of agreements for the same period as the lease – 47 years). So it is the case that the building's occupancy is significantly restricted for use by elderly public housing residents for whom an operating subsidy is being provided. It is SLHA's preference and at their request that we have designed a building with common electrical service as many of these elderly public housing residents may have never had utility service in their own name, or at least not for a number of years. It is the fact that this is an age restricted building and the fact that most of the residents are very low income individuals that is the main reason for requesting a common utility metering.

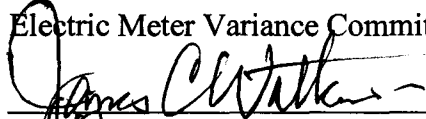
10. Are the rooms relatively small compared to normal apartments?

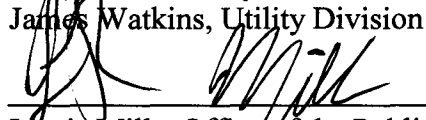
The units in all of our elderly developments are slightly smaller than a typical one bedroom unit in a multifamily development that does not have an age restriction imposed on the tenants. Part of the difference in unit size is attributed to the presence of common laundry facilities throughout the building rather than individual laundry equipment in each unit (which is norm in all of our other multifamily/non-elderly developments), as well as other common facilities unique to the age restricted building (dining /community room, visiting doctor's office, fitness room, billiards room etc.)

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EE-2005-0400, Union Electric Company

FROM: Electric Meter Variance Committee:


James Watkins, Utility Division


Lewis Mills, Office of the Public Counsel


Lena Mantle, Utility Division


Nathan Williams, Office of the General Counsel

SUBJECT: Recommendation for **Approval** of a Variance from Individual Electric Metering requirement for service to Vaughn Elderly Apartments

DATE: June 6, 2005

On May 5, 2005, Union Electric Company d/b/a AmerenUE (UE or Company) of St. Louis, Missouri, filed an APPLICATION FOR VARIANCE OF UNION ELECTRIC COMPANY (Application). This Application seeks a variance from the Missouri Public Service Commission's (Commission) individual metering requirements contained in 4 CSR 240-20.050 (2) for electric service to the Vaughn Elderly Apartments, 1919 O'Fallon Street, St. Louis, Missouri, which is currently under construction.

4 CSR 240-20.050 (2) states:

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.

The Commission's rule is aimed at compliance with certain sections of the Public Utility Regulatory Policies Act of 1978. 16 U.S.C. section 2625(d) provides:

Master metering

Separate metering shall be determined appropriate for any new building for purposes of section 2623(b)(1) of this title if –

- (1) there is more than one unit in such building,
- (2) the occupant of each such unit has control over a portion of the electric energy used in such unit, and
- (3) with respect to such portion of electric energy used in such unit, the long-run benefits to the electric consumers in such building exceed the costs of purchasing and installing separate meters in such building.

UE supports the owner's request for master metering of this project because the long-run benefits to the electric consumers of separate metering are not expected to exceed the costs of purchasing and installing separate meters. UE represents in its Application that separate metering of the project will increase UE's costs by \$55 per apartment and the customer's costs by \$750 per apartment.

The Electric Meter Variance Committee has reviewed and relied on UE's application and the attached application that the developer submitted to UE. The new building, which is presently under construction, will consist of 111 residential units designed to provide subsidized elderly housing. The units will primarily be small one-bedroom units, each heated and cooled by its own packaged electric unit. Utilities are included in the rent. Hot water will be supplied by a central boiler. The central community space is heated by electricity. The project will be financed with a grant from the Department of Housing and Urban Development (HUD).

There is a common multipurpose room on the ground floor where resident dining will take place with an adjacent warming kitchen where pre-prepared meals (like Meals On Wheels) will be served to residents. Also adjacent to the multipurpose room is a billiards room, a fitness room, common mail delivery area, men's and women's restrooms, and a conference room that is available to the residents. The ground floor also consists of an on-site building management office, an office for the resident Tenant Affairs Board, common vending, two common resident laundry rooms, trash rooms, and common resident sun room. Centralized electric fan coil units provide the HVAC to these common areas. The second floor has a common lounge space, two common resident laundry rooms, two unisex restrooms (adjacent to the laundry rooms), trash rooms, and a doctors exam room. The third floor has a common lounge space, two common resident laundry rooms, two unisex restrooms (adjacent to the laundry rooms), trash rooms, and a beauty salon.

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.