BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Brandy William McKenzie, Complainant,	)	
vs.	)	Case No: EC-2014-0130
Union Electric Company, d/b/a Ameren Missouri, Respondent.	)	

ANSWER

COMES NOW, Union Electric Company, d/b/a Ameren Missouri ("Ameren Missouri" or "Company"), and for its Answer to the Complaint filed in this proceeding states as follows:

1. On November 5, 2013, Ms. Brandy McKenzie, with a residence and service address of 18 Richardson Dr., Union, MO 63084 (Complainant), initiated this proceeding against Company.

2. Any allegation not specifically admitted herein by the Company should be considered denied.

3. Ameren Missouri admits the allegations of paragraph 1 of the Complaint, but clarifies, however, that the Company is doing business as Ameren Missouri, not AmerenUE.

4. In answer to paragraph 2 of the Complaint, the Company admits: that on January 10, 2013, a community action agency pledged to secure funds to pay the minimum payment of $*,***.** then required to avoid disconnection of the electric utility service under account *****-***** in the names of William J. McKenzie IV and Brandy L. McKenzie ("Third Account"); the remaining $***.** balance was placed on a 12-month Cold Weather Rule ("CWR") payment agreement; and that later that same day a Company representative discovered an unpaid account balance of $*,***.** ("Second Balance") for account *****-***** in the names of Brandy L. McKenzie and William J. McKenzie for electric utility service to 615 Chancellor Lane, Fenton, Missouri that had accrued from October 26, 2006 through May 21, 2007 ("Second Account"). In further answer, the Company states that the Company

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representative transferred the Second Balance to the Third Account, and recalculated the CWR payment so that Complainant could pay the new larger balance in installments over time, rather than having the entire $*,***.** that was transferred become due and payable during the next billing cycle. A letter describing the payment arrangement was sent out on January 11, 2013. The Company is without information sufficient to form a belief about Complainant's allegation in paragraph that the "past due bill has put [her] family under severe financial strain and hardship" and therefore denies the same. The Company denies the remainder of the allegations of paragraph 2.

5. In answer to paragraph 3 of the Complaint, the Company admits: that Complainant called the Company twice on January 16, 2013, disputing the transferred balance, and the Company admits that Complainant made payments, or secured payments from community action agencies, toward her electric utility bills in March, April, May, June, August and October of 2013. In further answer, the Company states that during one of the January 16, 2013 calls, Complainant admitted to living at 615 Chancellor Lane from January 31, 2003 through February 26, 2004 but denied having lived there in 2006 or 2007. In further answer, the Company states that in response to Complainant's denial and dispute, on January 16, 2013 the Company sent Complainant paperwork to complete in order to provide support for her claim that she did not live at the address during the disputed time period (an "I.D. Theft Packet"), but Complainant never completed and returned the paperwork or provided any other documentation to support her claim.

6. In further answer to the Complaint, the Company offers the following brief chronology related to the three electric utility accounts at issue:

a. Complainant lived at 615 Chancellor Lane, Fenton, Missouri and received residential electric utility service from the Company during the period January 31, 2003 through February 26, 2004 under account *****-***** in the names of Brandy L. McKenzie and William J. McKenzie IV (the "First Account"). When the First Account was closed on February 27, 2004, the unpaid balance on the account was $*,***.** (the "First Balance"). As stated above in paragraph 5, Complainant admitted to having lived at 615 Chancellor Lane during this time period.

b. As stated above in paragraph 4, Complainant lived at 615 Chancellor Lane, Fenton, Missouri and received residential electric utility service from the Company in her name during the period October 25, 2006 through May 29, 2007 under the Second Account. On October 30, 2006, the First Balance was transferred to the Second Account. As stated above in paragraph 5, on January 16, 2013, Complainant denied living there during the 2006-2007 time period. However, during that period, Complainant received LIHEAP funds from the Missouri Department of Social Services Division of Family Services ("DFS") that were applied towards the Second Balance under the Second Account. DFS conducts eligibility determinations which include obtaining from applicants proof of identity, current address, verification of members of the household, and copies of current utility bills for that address.

c. When the Second Account was closed on May 29, 2007, the Second Balance remained unpaid.

d. As stated above in paragraph 4, on January 10, 2013, the Company transferred the Second Balance to the Third Account.

7. In further answer, the Company states that it acted properly when it transferred the Second Balance to the Third Account. 4 CSR 240-13.050(2)(B) provides, with regard to unpaid balances for service received by the customer at a separate residence, "a utility may transfer and bill any unpaid balance to any other residential service account of the customer and may discontinue service after twenty-one (21) days after rendition of the combined bill, for nonpayment, in accordance with this rule[.]" As stated above in paragraph 4, the Company transferred the Second Balance to the Third Account, but rather than having the entire $*,***.** Second Balance become due and payable during the next billing cycle for the Third Account (which would have created the possibility that the Company could disconnect for nonpayment 21 days after rendition of the next bill), the Company recalculated the CWR payment so that Complainant could pay the new larger balance in installments over time.

8. In further answer, the Company states that although Complainant was given the opportunity, through the recalculated CWR payment agreement, to pay the larger balance in smaller installments over time, Complainant defaulted on the CWR payment agreement and the

entire balance became due and payable when Complainant failed to pay the amount billed to her on April 23, 2013, $***.** (this included the then-current budget billing amount of $***.**, the CWR payment amount of $***.**, and a prior unpaid balance of $***.**), by May 15, 2013.

9. In further answer, the Company states that on August 12, 2013, the Company and Complainant entered into a non-CWR payment agreement to allow Complainant to pay $*,***.** of her then $*,***.** account balance on the Third Account in six monthly installments, five for $***.** and a sixth for $***.**, each in addition to her regular monthly bill for service. On August 13, 2013, Complainant made a $***.** payment, reducing the prior balance not rolled into the non-CWR payment agreement to $***.**. The amount billed to Complainant on August 21, 2013 was $***.** (this included current charges of $***.**, the first non-CWR payment agreement installment of $***.** and the prior balance of $***). Complainant received a $***.** Energy Assistance pledge, which was applied to the August 21 bill and which reduced the amount then due to $***.**. Complainant defaulted on this non-CWR payment agreement when she failed to pay the remaining $***.** for the August bill before the next month's bill issued on September 20, 2013.

10. In her prayer for relief, Complainant asks that the Commission, "dismiss old charges or set a payment of $** per month til the old bill legitimacy can be obtained." The request to dismiss old charges should be denied because the "old charges" or the Second Balance, are an unpaid balance for residential electric utility service provided to Complainant, and the Company is entitled and obliged to collect the charges for these services from Complainant.

11. In her prayer for relief, Complainant also requests that the Commission "set a payment of $** per month[.]" This request also should be denied because the Commission cannot mandate that a utility enter into a non-CWR payment agreement with a residential customer. Although the Company voluntarily entered into a non-CWR payment agreement with Complainant on August 12, 2013, which defaulted due to Complainant's nonpayment, the Company is not obliged to enter into another non-CWR payment agreement with her, regardless of the terms. Rather, the Commission's regulations provide that a utility *may* enter into settlement agreements (involving installment payments) or extension agreements, when a customer claims an inability to pay a bill in full. 4 CSR 240-13.060 (1)-(4). This is in accord

with long-standing law, "The powers of regulation delegated to the Commission are comprehensive and extend to every conceivable source of corporate malfeasance. Those powers do not, however, clothe the Commission with the general power of management incident to ownership. The utility retains the lawful right to manage its own affairs and conduct its business as it may choose, as long as it performs its legal duty, complies with lawful regulation, and does no harm to public welfare." *State ex rel. Harline v. Public Serv. Com'n*, 343 S.W.2d 177, 182 (Mo. App. 1960).[1]

12. The following attorneys should be served with all pleadings in this case:

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WHEREFORE, Ameren Missouri respectfully requests that the Commission issue an order denying Complaint's request for relief or, in the alternative, setting the matter for hearing.

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[1] A utility's discretion to enter into such agreements was recently confirmed in the Report and Order issued November 26, 2013 in *Charles Harter v. Missouri American Water Company*, WC-2013-0468, p. 8-9, "…Complainant seemed to be under the impression that he has a right to payment agreements… The use of the word 'may' indicates that settlement agreements are discretionary."

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By: /s/ Wendy K. Tatro

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Entry of Appearance was served on the following parties via electronic mail on this 5th day of December, 2013.

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